NEW ISSUE

In the opinion of Norton Rose Fulbright US LLP and Bryant Rabbino LLP, Co-Bond Counsel, interest on the Bonds will be exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including the City, and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, with respect to the Tax-Exempt Bonds, as described herein, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes. Interest on the Taxable Bonds will be includable in gross income for federal income tax purposes. See "SECTION X: OTHER INFORMATION—Tax Matters" herein for further information.

$1,190,000,000
THE CITY OF NEW YORK
General Obligation Bonds, Fiscal 2023 Series E
$950,000,000 Tax-Exempt Bonds, Subseries E-1
$240,000,000 Taxable Bonds, Subseries E-2

Dated: Date of Delivery **Due:** As shown on the inside cover page

The Bonds will be issued as registered bonds. The Bonds will be registered in the nominee name of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds.

Interest on the Bonds will be payable on each April 1 and October 1, commencing October 1, 2023. The Bonds can be purchased in principal amounts of $5,000 or any integral multiple thereof. Other terms of the Bonds including redemption provisions are described herein. *A detailed schedule of the Bonds is set forth on the inside cover page.*

The Tax-Exempt Bonds are offered subject to prior sale, when, as and if issued by the City and accepted by the Underwriters. The Taxable Bonds are being sold by public letting on the basis of electronic competitive bids in accordance with the Notice of Sale dated March 21, 2023. The issuance of the Bonds is subject to the approval of the legality of the Bonds by Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the City by its Corporation Counsel. Certain legal matters in connection with the preparation of this Official Statement will be passed upon for the City by Orrick, Herrington & Sutcliffe LLP, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Special Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters and the Original Purchaser by Bracewell LLP, New York, New York, and Hardwick Law Firm, LLC, New York, New York, Co-Counsel to the Underwriters and the Original Purchaser. It is expected that the Bonds will be available for delivery in New York, New York, on or about April 11, 2023.

RBC Capital Markets

BofA Securities	**Citigroup**	**J.P. Morgan**
Jefferies	**Loop Capital Markets**	**Ramirez & Co., Inc.**
Siebert Williams Shank & Co., LLC		**Wells Fargo Securities**

Academy Securities Inc.	**Barclays**	**Blaylock Van, LLC**
BNY Mellon Capital Markets, LLC	**Cabrera Capital Markets LLC**	**Drexel Hamilton, LLC**
Fidelity Capital Markets	**Goldman Sachs & Co. LLC**	**Great Pacific Securities**
Janney Montgomery Scott	**Morgan Stanley**	**Oppenheimer & Co.**
Raymond James	**Rice Financial Products Company**	**Roosevelt & Cross Incorporated**
Stern Brothers & Co.	**Stifel, Nicolaus & Company, Incorporated**	**TD Securities**
	UBS	

March 30, 2023

$1,190,000,000 General Obligation Bonds, Fiscal 2023 Series E

Base CUSIP[1]: 64966Q

$950,000,000 Subseries E-1 Tax-Exempt Bonds

April 1,	Principal Amount	Interest Rate	Yield	CUSIP[1] Suffix
2025	$22,285,000	5%	2.40%	X96
2026	15,880,000	5	2.32	Y20
2034	22,680,000	5	2.61[2]	Y38
2035	39,715,000	5	2.76[2]	Y46
2036	41,700,000	5	2.92[2]	Y53
2037	43,785,000	5	3.11[2]	Y61
2038	45,975,000	5	3.26[2]	Y79
2039	48,275,000	5	3.40[2]	Y87
2040	50,690,000	5	3.54[2]	Y95
2041	53,225,000	5	3.62[2]	Z29
2042	52,875,000	4	4.10	Z94
2042	3,010,000	5	3.68[2]	Z37
2043	58,150,000	5¼	3.73[2]	Z45
2044	61,200,000	5¼	3.78[2]	Z52
2045	64,415,000	4	4.18	Z60

$137,500,000 5¼% Subseries E-1 Term Bonds due April 1, 2047, Yield 3.87%[2], CUSIP No.[1] 64966QZ78

$188,640,000 4% Subseries E-1 Term Bonds due April 1, 2050, Yield 4.31%, CUSIP No.[1] 64966QZ86

$240,000,000 Subseries E-2 Taxable Bonds

April 1,	Principal Amount	Interest Rate	Price	CUSIP[1] Suffix
2026	$6,935,000	4.45%	100%	W89
2027	23,915,000	4.52	100	W97
2028	28,825,000	4.57	100	X21
2029	30,105,000	4.59	100	X39
2034	15,160,000	4.90	100	X88

$135,060,000 4.65% Subseries E-2 Term Bonds due April 1, 2033, Price 100%, CUSIP No.[1] 64966QX70

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(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein are provided by CUSIP Global Services ("CGS"), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. These data are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP® numbers listed above have been assigned by an independent company not affiliated with the City and are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds, and none of the City, the Underwriters or the Original Purchaser make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Priced to the first optional call date on April 1, 2033.

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No dealer, broker, salesperson or other person has been authorized by the City, the Underwriters or the Original Purchaser to give any information or to make any representations in connection with the Bonds or the matters described herein, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Underwriters or the Original Purchaser. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. The Underwriters and the Original Purchaser may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters or the Original Purchaser. No representations are made or implied by the City, the Underwriters or the Original Purchaser as to any offering of any derivative instruments.

The factors affecting the City's financial condition are complex. This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its location herein. Where agreements, reports or other documents are referred to herein, reference should be made to such agreements, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

This Official Statement contains forecasts, projections and estimates that are based on expectations and assumptions which existed at the time such forecasts, projections and estimates were prepared. In light of the important factors that may materially affect economic conditions in the City, the inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the City, its independent auditors, the Underwriters or the Original Purchaser that such forecasts, projections and estimates will occur. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the City. These forward-looking statements speak only as of the date they were prepared. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the City's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based between modifications to the City's financial plan required by law.

Grant Thornton LLP, the City's independent auditor, has not reviewed, commented on or approved, and is not associated with, this Official Statement. The report of Grant Thornton LLP relating to the City's financial statements for the fiscal years ended June 30, 2022 and 2021, which is a matter of public record, is included in the Annual Report for the fiscal year ended June 30, 2022, which is included by specific reference in this Official Statement. However, Grant Thornton LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained, or included by specific reference, in this Official Statement, since the date of such report and has not been asked to consent to the inclusion of its report in this Official Statement.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule").

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS AND THE ORIGINAL PURCHASER MAY EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

THE CITY OF NEW YORK (REFERRED TO IN THESE LEGENDS AS THE "ISSUER") MAKES NO REPRESENTATION AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION. REFERENCES UNDER THIS CAPTION TO "BONDS" OR "SECURITIES" MEAN THE BONDS OFFERED HEREBY, AND REFERENCES TO THE "UNDERWRITERS" MEAN THE UNDERWRITERS AND ORIGINAL PURCHASER.

Minimum Unit Sales

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA ("EEA")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, AN "EEA RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED, THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE "EU PROSPECTUS REGULATION"). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY EEA RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE EEA WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE EU PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM ("UK")

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK. FOR THESE PURPOSES A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED, THE "EUWA"); OR (II) A CUSTOMER WITHIN THE MEANING OF PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A "QUALIFIED INVESTOR" AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "UK PROSPECTUS REGULATION"). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUWA (AS AMENDED, THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS LOCATED WITHIN THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE UK PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

UK RESTRICTIONS ON SALES - THE BONDS MUST NOT BE OFFERED OR SOLD AND THIS OFFICIAL STATEMENT AND ANY OTHER DOCUMENT IN CONNECTION WITH THE OFFERING AND ISSUANCE OF THE BONDS MUST NOT BE COMMUNICATED OR CAUSED TO BE COMMUNICATED IN THE UNITED KINGDOM EXCEPT TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND QUALIFY AS INVESTMENT PROFESSIONALS UNDER ARTICLE 19 (INVESTMENT PROFESSIONALS) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, (AS AMENDED, THE "ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A)-(D) (HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC.) OF THE ORDER OR WHO OTHERWISE FALL WITHIN AN EXEMPTION SET FORTH IN SUCH ORDER SUCH THAT SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED, "FSMA") DOES NOT APPLY TO THE ISSUER OR ARE PERSONS TO WHOM THIS OFFICIAL STATEMENT OR ANY OTHER SUCH DOCUMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

ADDITIONAL NOTICE TO PROSPECTIVE INVESTORS

THIS OFFICIAL STATEMENT DOES NOT COMPRISE A PROSPECTUS WITH REGARD TO THE ISSUER OR THE BONDS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION IN RESPECT OF THE EAA OR UNDER THE UK PROSPECTUS REGULATION IN RESPECT OF THE UK. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE

AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN (THE REPUBLIC OF CHINA)

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN (THE "FSC") PURSUANT TO APPLICABLE SECURITIES LAWS AND REGULATIONS OF TAIWAN AND THE BONDS, INCLUDING ANY COPY OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, SOLD, DELIVERED OR DISTRIBUTED WITHIN TAIWAN (THE REPUBLIC OF CHINA) THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION WITH OR APPROVAL OF THE FSC. NO PERSON OR ENTITY IN TAIWAN (THE REPUBLIC OF CHINA) HAS BEEN AUTHORIZED TO OFFER, SELL, DISTRIBUTE, GIVE ADVICE REGARDING OR OTHERWISE INTERMEDIATE THE OFFERING, SALE OR DISTRIBUTION OF THE BONDS UNLESS THE BONDS OFFERED OR SOLD TO QUALIFIED INVESTORS IN TAIWAN ARE THROUGH TAIWAN LICENSED FINANCIAL INSTITUTIONS TO THE EXTENT PERMITTED UNDER RELEVANT TAIWAN LAWS OR REGULATIONS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

NOTICE TO INVESTORS IN SWITZERLAND

THE BONDS MAY NOT BE PUBLICLY OFFERED IN SWITZERLAND AND WILL NOT BE LISTED ON THE SIX SWISS EXCHANGE ("SIX") OR ON ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A PROSPECTUS OR A KEY INFORMATION DOCUMENT WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON FINANCIAL SERVICES ("FINSA") OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE SIX LISTING RULES OR THE LISTING RULES OF ANY OTHER STOCK EXCHANGE OR REGULATED TRADING FACILITY IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS OR THE OFFERING MAY BE PUBLICLY OFFERED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND. ACCORDINGLY, THIS OFFICIAL STATEMENT MAY BE COMMUNICATED IN OR FROM SWITZERLAND TO A LIMITED NUMBER OF SELECTED INVESTORS ONLY.

NONE OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE ISSUER OR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. IN PARTICULAR, THIS OFFICIAL STATEMENT WILL NOT BE FILED WITH, AND THE BONDS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY ("FINMA").

THE BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS SCHEMES WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES ("CISA"). ACCORDINGLY, INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER AND DO NOT HAVE THE BENEFIT OF THE SPECIFIC INVESTOR PROTECTION PROVIDED UNDER THE CISA.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION IN HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CAP. 571 OF THE LAWS OF HONG KONG) ("SFO") OR ANY REGULATORY AUTHORITY IN HONG KONG. ACCORDINGLY, YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN

RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFICIAL STATEMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32 OF THE LAWS OF HONG KONG) ("C(WUMP)O") OR WHICH DO NOT CONSTITUTE AN INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE SFO, OR (II) TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER, OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" AS DEFINED IN THE C(WUMP)O. NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF (A) ONLY TO PERSONS OUTSIDE HONG KONG OR (B) ONLY TO "PROFESSIONAL INVESTORS" IN HONG KONG AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF IN JAPAN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (NO. 25 OF 1948, AS AMENDED, THE "FIEA"). AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA ("QIIS"). A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

OFFICIAL STATEMENT OF
THE CITY OF NEW YORK

This Official Statement provides certain information concerning The City of New York (the "City") in connection with the sale of $1,190,000,000 aggregate principal amount of the City's General Obligation Bonds, Fiscal 2023 Series E (the "Bonds"), consisting of $950,000,000 tax-exempt bonds, Subseries E-1 (the "Subseries E-1 Bonds" or the "Tax-Exempt Bonds") and $240,000,000 taxable bonds, Subseries E-2 (the "Subseries E-2 Bonds" or the "Taxable Bonds").

The factors affecting the City's financial condition described throughout this Official Statement are complex and are not intended to be summarized in the Introductory Statement below. The economic and financial condition of the City may be affected by various changes in laws, including tax law, financial, social, economic, political, geo-political and environmental factors, cybersecurity threats, terrorist events, hostilities or war, outbreak of infectious diseases, and other factors which could have a material effect on the City's economic and financial condition. For a discussion of additional factors affecting the City's financial condition, see below under "INTRODUCTORY STATEMENT," "SECTION I: RECENT FINANCIAL DEVELOPMENTS—COVID-19" and "SECTION VII: FINANCIAL PLAN—Assumptions." This Official Statement should be read in its entirety.

Because the City is a large and complex entity, information about it changes on an ongoing basis. This Official Statement has been updated to include certain information reflecting changes since the Preliminary Official Statement dated March 21, 2023. "SECTION VII: FINANCIAL PLAN—Certain Reports" has been updated to describe a recently released report commenting on the Financial Plan (as defined below).

INTRODUCTORY STATEMENT

The Bonds are general obligations of the City for the payment of which the City has pledged its faith and credit. All real property subject to taxation by the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, to pay the principal of, applicable redemption premium, if any, and interest on the Bonds.

The City, with an estimated population of approximately 8.5 million as of July 2021, is an international center of business and culture. Its non-manufacturing economy is broadly based, with the banking, securities, insurance, technology, information, publishing, fashion, design, retailing, education and health care industries accounting for a significant portion of the City's total employment earnings. Additionally, the City is a leading tourist destination. Manufacturing activity in the City is conducted primarily in apparel and printing.

For each of the 1981 through 2022 fiscal years, the City's General Fund had an operating surplus, before discretionary and other transfers, and achieved balanced operating results as reported in accordance with generally accepted accounting principles ("GAAP"), after discretionary and other transfers and except for the application of Governmental Accounting Standards Board ("GASB") Statement No. 49 ("GASB 49") and without regard to certain fund balances, which may be carried forward as described below. City fiscal years end on June 30 and are referred to by the calendar year in which they end. The City has been required to close substantial gaps between forecast revenues and forecast expenditures in order to maintain balanced operating results. There can be no assurance that the City will continue to maintain balanced operating results as required by New York State (the "State") law without proposed tax or other revenue increases or reductions in City services or entitlement programs, which could adversely affect the City's economic base.

As required by the New York State Financial Emergency Act For The City of New York (the "Financial Emergency Act" or the "Act") and the New York City Charter (the "City Charter"), the City prepares a four-year annual financial plan, which is reviewed and revised on a quarterly basis and which includes the City's capital, revenue and expense projections and outlines proposed gap-closing programs for years with projected budget gaps. The City's current financial plan projects budget balance in the 2023 and 2024 fiscal years in accordance with GAAP except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described below). In 2010, the Financial Emergency Act was amended to waive the budgetary impact of GASB 49 by enabling the City to continue to finance with bond proceeds certain pollution remediation costs. In addition, the City may, without violating its budget balance requirements, carry forward to a subsequent fiscal year or fiscal years unspent balances from certain funds restricted as to their use, as well as balances in the Health Insurance Stabilization Fund, School Crossing Guards Health Insurance Fund, Management Benefits Fund and Revenue Stabilization Fund. For information regarding the Revenue Stabilization Fund, see "SECTION VII: FINANCIAL PLAN—Revenue Stabilization Fund." The City's current financial plan projects budget gaps for the 2025 through 2027 fiscal years. A pattern of current year balance and projected future year budget gaps has been consistent through the entire period since 1982, during which the City has achieved an excess of revenues over expenditures, before discretionary and other transfers, for each fiscal year. For information regarding the current financial plan, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS" and "SECTION VII: FINANCIAL PLAN." For information regarding the 2010 amendment of the Financial Emergency Act with respect to the application of GASB 49 to the City budget, see "SECTION III: GOVERNMENT AND FINANCIAL CONTROLS." The City is required to submit its financial plans to the New York State Financial Control Board (the "Control Board"). For further information regarding the Control Board, see "SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Review and Oversight*."

For its normal operations, the City depends on aid from the State both to enable the City to balance its budget and to meet its cash requirements. There can be no assurance that there will not be delays or reductions in State aid to the City from amounts currently projected; that State budgets for future State fiscal years will be adopted by the April 1 statutory deadline, or interim appropriations will be enacted; or that any such reductions or delays will not have adverse effects on the City's cash flow or expenditures. In addition, the City and the State have made various assumptions with respect to federal aid. Future federal actions or inactions could have adverse effects on the City, both directly and indirectly through State aid to localities reductions that will need to be taken in the absence of additional federal aid to the State. See "SECTION I: RECENT FINANCIAL DEVELOPMENTS—2023-2027 Financial Plan."

The Mayor is responsible for preparing the City's financial plan which relates to the City and certain entities that receive funds from the City. The financial plan is modified quarterly. The City's projections set forth in the financial plan are based on various assumptions and contingencies which are uncertain and which may not materialize. Such assumptions and contingencies include the condition of the international, national, regional and local economies, the provision of State and federal aid and other State and federal actions and inactions, such as the potential consequences of not resolving the federal debt ceiling negotiations, the impact on City revenues and expenditures of any future federal or State legislation and policies affecting the City and the cost of pension structures and healthcare. See "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

Implementation of the financial plan is dependent on the City's ability to market successfully its bonds and notes. Implementation of the financial plan is also dependent upon the ability to market the securities of other financing entities including the New York City Municipal Water Finance Authority (the "Water Authority") and the New York City Transitional Finance Authority ("TFA"). See "SECTION VII: FINANCIAL PLAN—Financing Program." The success of projected public sales of City, Water Authority, TFA and other bonds and notes will be subject to prevailing market conditions. Future developments in the financial markets generally, as well as future developments concerning the City, and public discussion of such developments, may affect the market for outstanding City general obligation bonds and notes.

The City Comptroller and other agencies and public officials, from time to time, issue reports and make public statements which, among other things, state that projected revenues and expenditures may be different from those forecast in the City's financial plans. See "SECTION VII: FINANCIAL PLAN—Certain Reports."

SECTION I: RECENT FINANCIAL DEVELOPMENTS

For the 2022 fiscal year, the City's General Fund had a total surplus of $7.6 billion, before discretionary and other transfers, and achieved balanced operating results in accordance with GAAP, except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT," after discretionary and other transfers. The 2022 fiscal year was the forty-second consecutive year that the City achieved balanced operating results when reported in accordance with GAAP, except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT."

2023-2027 Financial Plan

On June 13, 2022, the City submitted to the Control Board the financial plan for the 2023 through 2026 fiscal years (the "June Financial Plan"), which was consistent with the City's capital and expense budgets as adopted for the 2023 fiscal year. On November 15, 2022, the City submitted to the Control Board a modification to the June Financial Plan (as so modified, the "November Financial Plan"). On January 12, 2023, the Mayor released the preliminary budget for the 2024 fiscal year and the City submitted to the Control Board a modification to the financial plan for the 2023 through 2027 fiscal years (as so modified, the "Financial Plan").

The Financial Plan projects revenues and expenses for the 2023 and 2024 fiscal years balanced in accordance with GAAP, except as described above, and projects gaps of approximately $3.17 billion, $5.01 billion and $6.47 billion in each of fiscal years 2025, 2026 and 2027. The June Financial Plan had projected revenues and expenses for the 2023 fiscal year balanced in accordance with GAAP, except as described above, and had projected gaps of approximately $4.21 billion, $3.71 billion and $3.98 billion in fiscal years 2024 through 2026, respectively.

The Financial Plan reflects, since the June Financial Plan, increases in projected net revenues of $1.69 billion, $799 million, $693 million and $583 million in fiscal years 2023 through 2026, respectively. Changes in projected revenues include: (i) increases in business tax revenues of $775 million, $579 million, $522 million and $287 million in fiscal years 2023 through 2026, respectively; (ii) increases in sales tax revenues of $530 million, $295 million, $445 million and $595 million in fiscal years 2023 through 2026, respectively; (iii) decreases in real estate transaction tax revenues of $173 million, $397 million, $438 million and $375 million in fiscal years 2023 through 2026, respectively; and (iv) increases in hotel tax revenues of $121 million, $24 million, $16 million and $14 million in fiscal years 2023 through 2026, respectively.

Changes in projected revenues also include (i) net increases in non-tax revenues of $368 million, $235 million, $100 million and $17 million in fiscal years 2023 through 2026, respectively; and (ii) increases in revenues included in the Program to Eliminate the Gap (the "PEG") of $66 million, $63 million, $48 million and $45 million in fiscal years 2023 through 2026, respectively.

The Financial Plan also reflects, since the June Financial Plan, net decreases in projected net expenditures of $480 million and $1.24 billion in fiscal years 2023 and 2024, respectively, and net increases in projected net expenditures of $145 million and $1.61 billion in fiscal years 2025 and 2026, respectively. Changes in projected expenditures include: (i) increases in agency expenses of $656 million, $177 million, $443 million and $446 million in fiscal years 2023 through 2026, respectively; (ii) decreases in agency expenses included in the PEG of $977 million, $1.72 billion, $1.62 billion and $1.59 billion in fiscal years 2023 through 2026, respectively; (iii) decreases of $75 million, $390 million and $425 million in fiscal years 2023 through 2025, respectively, reflecting reimbursements of expenditures with federal aid; (iv) decreases in debt service included in the PEG of $84 million, $170 million, $227 million and $257 million in fiscal years 2023 through 2026, respectively; and (v) increases in pension contributions, as described below. For more information on pensions, see "SECTION IX: PENSION SYSTEMS AND OPEB."

The PEG savings described above are based on four categories of initiatives designed to close the gap between expenses and revenues: (i) efficiency initiatives designed to improve the City's finances without reducing services; (ii) expense re-estimates due to a delay in spending or lower than expected costs; (iii) grant revenue re-estimates and increases in City revenues; and (iv) reductions in debt service costs, primarily as a result of debt refinancing.

The Financial Plan reflects, since the June Financial Plan, provision of $2.17 billion for the prepayment in fiscal year 2023 of fiscal year 2024 expenses, resulting in an equivalent expenditure reduction in fiscal year 2024.

The Financial Plan also reflects the estimated impact of fiscal year 2022 investment returns of negative 8.65% (net of investment fees). The investment returns – lower than the assumed actuarial rate of 7.00% – increased the City's required pension contributions in the amounts of $861 million, $1.97 billion, and $3.02 billion in fiscal years 2024 through 2026, respectively. Future earnings below the assumed rate will result in contributions in excess of those assumed in the Financial Plan. For more information on pensions, see "SECTION IX: PENSION SYSTEMS AND OPEB."

The Financial Plan assumes total federal categorical grants of $12.42 billion, $9.49 billion, $8.15 billion, $7.02 billion and $7.0 billion in fiscal years 2023 through 2027, respectively.

The local law authorizing the City to sell real property tax liens expired on March 1, 2022. However, the City continues to seek reauthorization of such authority. The Financial Plan assumes the re-authorization of such authority in fiscal year 2023 and assumes direct revenues to the City from such lien sales of $80 million in each of fiscal years 2023 through 2027. The Financial Plan further assumes that real property tax delinquencies as a percentage of the total property tax levy will equal approximately 1.7% in fiscal years 2023 through 2027. There can be no assurance that the authorization to sell real property tax liens will be reinstated or that, as a result, amounts projected in the Financial Plan to be received from such sales will be realized. In the event that the lien sale program is not re-authorized, real property tax delinquencies are expected to increase beyond the rates assumed in the Financial Plan. Each 1% increase in delinquencies would reduce property tax revenues by approximately $339 million, $344 million, $347 million, $348 million and $348 million in fiscal years 2023 through 2027, respectively. For further information, see "SECTION IV: SOURCES OF CITY REVENUES—Collection of the Real Estate Tax."

The City has reached a tentative labor contract settlement with District Council 37 of AFSME ("DC 37") for the 2021-2026 round of collective bargaining. The tentative settlement provides for annual wage increases of 3% in each of the first four years of the settlement, commencing retroactively on May 26, 2021, followed by a 3.25% wage increase commencing on May 26, 2025. The settlement also includes a $3,000 bonus to be paid at the time of ratification of the agreement. If the DC 37 settlement is ratified by the union and the pattern of such settlement is applied to all City employees, the cost to the City would be approximately $2.5 billion, $1.8 billion, $3.4 billion, $3.9 billion, and $4.7 billion in fiscal years 2023 through 2027, respectively. Such costs are in excess of amounts currently included in the Financial Plan, which reflects funding for annual 1.25% wage increases following the expiration of the labor contracts covering the 2017-2021 round of collective bargaining. For further information, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—1. PERSONAL SERVICES COSTS."

The City and the Municipal Labor Committee are proceeding with implementation of a Medicare Advantage ("MA") plan for City retirees by September 1, 2023. Implementation of the plan is expected to generate an estimated $600 million in annual savings in retiree health benefit costs. Contemporaneously with implementation of the MA plan, the City will revoke the current Senior Care plan. For more information, see "SECTION V: CITY SERVICES AND EXPENDITURES—Employees and Labor Relations—*Labor Relations*."

The Financial Plan does not reflect the potential costs to the City of proposals contained in the Governor's Executive Budget for State fiscal year 2023-2024, which was released on February 1, 2023 (the "Governor's Executive Budget"). The City projects that the Governor's Executive Budget proposals, if enacted, would be a net positive impact on the City of $168 million in fiscal year 2023, followed by a net negative impact on the City of $461 million and $1.34 billion in fiscal years 2024 and 2025 respectively, the primary components of which are described below.

The Governor's Executive Budget includes a proposal for increased City funding to the MTA of approximately $530 million in fiscal year 2024, with expected increases in subsequent fiscal years. The increased funding requirements include (i) increasing the City's share of funding of the MTA's net paratransit operating deficit from 50% to 100% which is estimated to cost the City $266 million in fiscal year 2024 and increasing thereafter (as discussed below, the Financial Plan does not reflect previously enacted legislation increasing the City's share of such deficit from 33% to 50%), (ii) requiring that the City increase its annual payments to the MTA for reduced-fare MetroCards for City students in grades kindergarten through twelve (which is estimated to cost the City $105 million per fiscal year) and (iii) requiring that the City pay an amount equal to 47% of the State's payment for entities exempt from the payroll mobility tax (which is estimated to cost the City $115 million per fiscal year). As an employer, the

City will incur additional costs as a result of the proposed increase in the payroll mobility tax, which is expected to cost $40 million per fiscal year, starting in fiscal year 2024.

The Governor's Executive Budget also includes two proposals relating to the number of charter schools in the City, each of which includes no additional State funding. The first such proposal would eliminate the regional cap on the number of charter schools in the City, allowing up to 85 additional charter schools to open. The costs to the City of this proposal are expected to increase over time, depending on the total number of schools which open and the timing of their openings. It is estimated that this proposal could cost the City $1 billion annually when fully phased in. The second proposal would allow for the re-issuance of charters for charter schools in the City that have closed since July 2015 or will close in the future. Like the regional cap changes, the impact on the City would depend on the total number of schools that open and the timing of those openings. It is estimated that the proposal, if enacted, could cost the City up to $300 million per fiscal year when fully phased in.

The Governor's Executive Budget also proposes instituting automatic minimum wage increases based on inflation, which would cost the City approximately $15 million, $35 million, $55 million, and $75 million in fiscal years 2024, 2025, 2026 and 2027, respectively. The cost to the City could be much higher depending on inflation rates and other factors. Additionally, the Governor has proposed ceasing to pass along federal eFMAP funding to localities, including the City. Such funding is typically used to help localities cover the costs of Medicaid. The cost to the City of such proposal is at a minimum of $125 million in fiscal year 2023 and $343 million in each fiscal year thereafter. The eFMAP proposal is an administrative action which can be implemented at the Governor's discretion, without State legislation.

The Governor's Executive Budget also proposes changes to certain payment and review procedures which will inhibit the ability of health plans, including those paid for by the City, to control costs. The cost to the City is expected to be $111 million in fiscal year 2024 and $265 million in fiscal year 2025, rising each year thereafter to result in costs of about $380 million annually by fiscal year 2030.

The State Budget for the State 2023 fiscal year also mandates that adoption, foster care, and related service providers be compensated at 100% of maximum State aid rates. Such mandate reflects the requirements of a recent lawsuit. The legislation requires increased City funding for such services of up to $47 million in fiscal year 2023 and $118 million per fiscal year starting in fiscal year 2024, which is not reflected in the Financial Plan.

The Financial Plan does not reflect future increases in the charter school per-pupil tuition rate, which, if not offset by changes to State education aid to the City that occur each year during the State budget process, are preliminarily estimated to cost the City $81 million in fiscal year 2024, $133 million in fiscal year 2025, $313 million in fiscal year 2026 and $514 million in fiscal year 2027. Final figures that would determine the actual costs to the City for each fiscal year will not be finalized until the time of the State budget process applicable for such fiscal year.

The Financial Plan does not reflect the potential costs from a New York State Court decision issued in July 2022 which increased the statutory rate per hour for court appointed counsel from of $75 per hour to $158 per hour. The City has appealed the court's decision. If the $158 per hour rate remains, such rate would result in increased costs to the City of approximately $84 million per year, unless offset by funding from the State. For more information, see "SECTION X: OTHER INFORMATION—Litigation—Miscellaneous." The Governor's Executive Budget described above proposes to statutorily mandate the increased $158 per hour rate, which would mandate the increased pay regardless of the outcome of the litigation. The Governor's Executive Budget does not include State funding for such increased pay. The City continues to seek a change in State law to have such cost increase funded by the State.

On October 7, 2022, the Mayor declared a State of Emergency as a result of the recent increase in arrival of asylum seekers from Central and South America. The arrival of the asylum seekers is placing a strain on the City's resources. The City expects that the crisis will cost $1.4 billion in fiscal year 2023 and $2.8 billion in fiscal year 2024. The full costs to the City of providing services to asylum seekers during Financial Plan period is not known at this time. The Financial Plan assumes $1 billion in federal funds for costs related to asylum seekers in fiscal year 2023, which is subject to appropriation by the federal government, with no funding reflected in fiscal years 2024 and beyond. The Governor's Executive Budget proposed reimbursing the City for 29% of the City's costs related to asylum seekers up to $1 billion in costs over the next two State fiscal years. In addition, the federal government has allocated approximately $800 million for costs related to caring for asylum seekers to be allocated nationwide. The City is working to secure as large a portion of such funding as possible.

The Financial Plan also does not reflect the impact of a State requirement that the City increase its share of funding of the MTA's net paratransit operating deficit from 33% to 50%. The Financial Plan reflects $175 million in each of fiscal years 2023 through 2027 to cover the City's contributions for paratransit services compared to MTA's estimates of such costs of $223 million, $250 million, $264 million and $278 million in fiscal years 2023, 2024, 2025 and 2026, respectively. The MTA has not yet released an estimate for fiscal year 2027. As described above, the Governor's Executive Budget proposes to increase the City's share of funding of the MTA's net paratransit operating deficit from 50% to 100% starting in fiscal year 2024. Such increased costs are not reflected in the Financial Plan. The Financial Plan further does not reflect full funding to cover projected increases in the annual operating deficit of the MTA Bus Company, which the City is obligated to fund. The Financial Plan reflects $487 million in fiscal year 2023 and $478 million in each of fiscal years 2024 through 2027, compared to MTA's estimate of such costs of $514 million, $792 million, $805 million and $819 million in fiscal years 2023 through 2026, respectively. The MTA has not released an estimate for fiscal year 2027. For further information on New York City Transit, see "SECTION VII: FINANCIAL PLAN—Assumptions—New York City Transit."

The Financial Plan does not fully reflect likely future costs for pupil transportation and legally mandated tuition for special education students unilaterally placed by their families in private school settings. The City is closely monitoring these costs and while a number is not currently known, they are likely to be significant.

The Financial Plan does not reflect the impact of a recently enacted State law which mandates certain maximum class sizes in public school kindergarten through twelfth grades, to be phased in over five years. It is estimated compliance will cost approximately $1.3 billion per fiscal year when the requirement is fully phased in. The City is seeking a change to the State law to have it apply only to kindergarten through third grade and is also seeking State funding to cover the cost of compliance.

On January 31, 2019, NYCHA, the City and the U.S. Department of Housing and Urban Development ("HUD") entered into an agreement (the "HUD Agreement") relating to lead-based paint and other health and safety concerns in NYCHA's properties. The HUD Agreement established a framework by which NYCHA will continue to evaluate and progress towards compliance with federal requirements. Pursuant to the HUD Agreement, a federal monitor, with access to NYCHA information and personnel, has been appointed to oversee NYCHA's compliance with the terms of the agreement and federal regulations. The federal monitor has issued and will continue to issue quarterly reports on NYCHA's compliance with the HUD Agreement. Also pursuant to the HUD Agreement, the City allocated $1.9 billion in capital funding in the Capital Commitment Plan for fiscal years 2023-2027, with an additional $1.3 billion in City capital funds reflected in the remaining years of the Ten-Year Capital Strategy for fiscal years 2028 through 2033. NYCHA subsequently announced that it may be out of compliance with a number of federal regulations beyond the regulations concerning lead-based paint and other health and safety concerns that were the subject of the HUD Agreement and is working to assess the extent of any such noncompliance. NYCHA's 2017 Physical Needs Assessment estimated its projected capital costs at approximately $32 billion over the next five years. In January 2020, NYCHA's Chairman and Chief Executive Officer stated that such costs were $40 billion. Through the Permanent Affordability Commitment Together program, which leverages project-based Section 8 subsidy and partnerships with private and non-profit development partners to make repairs, NYCHA plans to recapitalize approximately 62,000 of its units. As of January 30, 2023, NYCHA and development partners completed renovations on 5,830 apartments, are actively repairing another 10,153 apartments, and are in predevelopment for an additional 20,120 apartments. In June 2022, the State enacted legislation creating the New York City Housing Preservation Trust, which will leverage federal funding to borrow money for the improvement of an additional approximately 25,000 public housing units. The New York City Housing Preservation Trust is not funded by the City and is not reflected in the Financial Plan.

NYCHA's rent collection rate, which has historically been approximately 90%, is currently approximately 65%. As a result, NYCHA is projecting a substantial reduction in rent revenues in calendar year 2023. This reduction in NYCHA's revenues has required that NYCHA rely on its reserves to cover expenses, eliminate budgeted vacancies, and reduce nonessential contracting. While this projected shortfall does not directly impact the City's budget, if NYCHA's revenues do not recover, the City could be asked to increase its funding to NYCHA.

In fiscal years 2022 and 2023, the City appropriated a total of $69 million for a program to support the restructuring of loans to the owners of up to 4,000 taxi medallions to terms that are more affordable to the medallion owners. The $69 million appropriation supplemented a previously paid grant from the City of $65 million for the same purpose. The funds will be used by the program administrator to cover shortfalls in amounts owed by taxi medallion owners on defaulted restructured loans to the extent such shortfall is not covered by the proceeds from the sale of the related medallions. In addition, the City has undertaken, subject to appropriation, to make available additional funding in the future if necessary to cover defaulted loans. The Financial Plan does not include any additional funding for the program. To date, approximately 1,800 loans have been restructured under the program, reducing the principal on the restructured loans by a total of approximately $350 million. Based on the expected maximum restructured loan amount and current market conditions affecting the sale of medallions, the shortfall of each defaulted loan after the application of the sale proceeds of the associated medallion could be up to $60,000. Such amount is expected to vary based on future market conditions.

State legislation provides for congestion tolling for vehicles entering a designated congestion zone in Manhattan below 60th Street, the revenues from which will be directed to the MTA for transit improvements. Details of the plan, including pricing, have yet to be determined, but it is currently expected that the start date will occur in 2024. For further information, see "SECTION VII: FINANCIAL PLAN—Assumptions—New York City Transit."

The New York City Advisory Commission on Property Tax Reform was established in 2018 to consider changes to the City's property taxation system, without reducing property tax revenues to the City. The commission released its report in December 2021 with recommendations which, among other things, would align the taxable value of certain properties more closely with market value. The commission's recommendations, which have not yet been acted upon, would require State legislation if they were to be implemented.

The City is experiencing an increased level of employee vacancies across its agencies, reflecting a nationwide trend impacting both the private and public sectors. As part of its spending-reduction initiatives, on November 21, 2022, the City announced a vacancy reduction target of reducing agency vacancies by fifty percent of the number of unfilled vacancies as of October 31, 2022. The vacancy reduction initiative does not apply to health and safety positions, uniform employees, teachers, and certain other employees. The implementation of the vacancy reduction initiative has reduced the number of vacancies Citywide by approximately 4,300 employees.

From time to time, the City Comptroller, the Control Board staff, the Office of the State Deputy Comptroller for the City of New York ("OSDC"), the Independent Budget Office ("IBO") and others issue reports and make public statements regarding the City's financial condition, commenting on, among other matters, the City's financial plans, projected revenues and expenditures and actions by the City to eliminate projected operating deficits. It is reasonable to expect that reports and statements will continue to be issued and may contain different perspectives on the City's budget and economy and may engender public comment. For information on reports issued on the Financial Plan by the City Comptroller and others reviewing, commenting on and identifying various risks therein, see "SECTION VII: FINANCIAL PLAN—Certain Reports."

COVID-19

The City has been severely affected by the coronavirus disease, referred to herein as "COVID-19." A state of emergency is in effect for the City through April 20, 2023, and may be extended thereafter. A state of emergency declared by the State expired on September 13, 2022. During periods of the COVID-19 pandemic, many businesses in the City were ordered to close, public schools moved to remote learning, limitations were imposed on large gatherings, and certain vaccination requirements and mask mandates were put in place.

The reduction in business activity, travel and tourism resulting from the pandemic had a severe impact on the City's retail, cultural, hospitality and entertainment sectors. Hotel occupancy declined drastically, as did arrivals to City airports. As a result of the COVID-19 pandemic, unemployment rates throughout the City increased substantially and currently remain above pre-pandemic levels. To date, the City has recovered approximately 90% of jobs lost during the pandemic. See "APPENDIX A—ECONOMIC AND DEMOGRAPHIC INFORMATION—Unemployment." Certain real estate sectors have sustained losses as a result of the business distress caused by COVID-19. Higher unemployment as well as increased numbers of employees working from home due to the pandemic have stressed the City's office market. The pandemic has also reduced income for retail stores and hotels. Property tax revenues declined in fiscal year 2022 from the pandemic impact but rebounded in fiscal year 2023. Growth is projected to average 0.6 percent from fiscal years 2024 through 2027. The pandemic has also resulted in a decline in the City's estimated population. The United States Census Bureau estimates the City's population to be 8,467,513 as of July 2021, which shows a decline of 336,677 City residents as compared to the 2020 Census.

Uncertainties remain for commercial office markets as future demand may depend on decisions of major office tenants regarding density, remote work and relocation of operations out of the City. Personal income tax revenue projections could be negatively affected by changes in employment and earnings including, but not limited to, (i) changes in residency status resulting from remote work, (ii) permanent relocation outside the City of individuals with high incomes (the highest 1% of earners accounted for approximately 43% of total personal income tax revenues in calendar year 2020), or (iii) other employment-related changes. In addition, sales tax revenue projections could be negatively impacted by future reductions in economic activity.

The future course of the pandemic is uncertain and will be determined by many factors, including vaccination rates, the effectiveness of vaccines in preventing infections, hospitalizations and deaths, adherence to public health mitigation measures (including masks and social distancing) and the emergence of new virus variants. There can be no assurance that the City will not experience future surges or that rates of cases, hospitalizations and deaths will not increase significantly in the future. There can be no assurances as to what further impacts the pandemic may have on the City's population and economy or that new pandemic-related restrictions will not be imposed in the future. An outbreak of disease or public health emergency, including a resurgence of COVID-19, could have an adverse impact on the City's population and economy and may result in revenues to the City that are lower than projected herein.

The State

The State ended its 2022 fiscal year with a balance of $33.1 billion in its general fund (the "General Fund"), an increase of $23.9 billion from fiscal year 2021. The State Legislature completed action on the approximately $220 billion State Budget for its 2023 fiscal year in April 2022 (the "State 2023 Budget"). The State 2023 Budget provided for balanced operations on a cash basis in the State's general fund, as required by law. The State Annual Information Statement, released June 29, 2022, as updated September 20, 2022 and December 22, 2022 (the "Annual Information Statement"), reflects the State 2023 Budget, as updated by the First Quarterly Update to the State Financial Plan for fiscal years 2023-2027 and the Mid-Year Update to the FY 2023 Enacted Budget Financial Plan for fiscal years 2023-2027. The upcoming third quarterly update to the Annual Information Statement will reflect the State's Fiscal Year 2024 Executive Budget Financial Plan updated for the Governor's amendments and forecast revisions, released on March 3, 2023 (the "State Financial Plan").

In the State Financial Plan, the State projects a General Fund surplus of $8.7 billion in fiscal year 2023, a balanced budget, on a cash basis, in fiscal year 2024, and General Fund gaps of $5.1 billion, $8.6 billion and $7.2 billion in fiscal years 2025 through 2027, respectively. The State's projections for fiscal year 2024 and thereafter reflect an assumption that the Governor will continue to propose, and the State Legislature will continue to enact, balanced budgets in future years that limit annual growth in State operating funds to no greater than 2%. The Governor's Executive Budget for State fiscal year 2024 is a proposal and there can be no assurance that the enacted State fiscal year 2024 budget will not vary from the Governor's Executive Budget or that the State Legislature will take final action on the Governor's Executive Budget prior to the start of the State's 2024 fiscal year on April 1, 2023.

The State Financial Plan and the Annual Information Statement reflect assumptions at their times of publication concerning the financial impact of the COVID-19 pandemic. The State Financial Plan and the Annual Information Statement state that State revenue sources, including personal income, consumption, and business tax collections, may be adversely affected by the long-term impact of COVID-19 on a range of activities and behaviors, including commuting patterns, remote working and education, business activity, social gatherings, tourism, public transportation and aviation, and it is not possible to assess or forecast the effects of such changes, if any, at the respective times of publication.

The State Financial Plan and the Annual Information Statement identify a number of additional risks inherent in the implementation of the State Financial Plan and the State 2023 Budget. Such risks include, but are not limited to, the condition of the national and State economies, and the collection of economically sensitive tax receipts in the amounts projected; national and international events; inflation; consumer confidence; commodity prices; supply chain disruptions; major terrorist events; hostilities or war; climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity threats; federal funding laws and regulations; financial sector compensation; monetary policy affecting interest rates and the financial markets; credit rating agency actions; the impact of financial and real estate market developments on bonus income and capital gains realizations; technology industry developments and employment; the effect of household debt on consumer spending and State tax collections; the outcome of litigation and other claims affecting the State; wage and benefit increases for State employees that exceed projected annual costs; changes in the size of the State's workforce; the realization of the projected rate of return for pension fund assets and current assumptions with respect to wages for State employees affecting the State's required pension fund contributions; the willingness and ability of the federal government to provide the aid projected in the State Financial Plan; the ability of the State to implement cost reduction initiatives, including reduction in State agency operations, and the success with which the State controls expenditures; unanticipated growth in Medicaid program costs; and the ability of the State and public authorities to issue securities successfully in the public credit markets.

SECTION II: THE BONDS

General

The Bonds will be general obligations of the City issued pursuant to the Constitution and laws of the State, including the Local Finance Law (the "LFL"), and the City Charter and in accordance with bond resolutions of the Mayor and a certificate of the Deputy Comptroller for Public Finance (with related proceedings, the "Certificate"). The Bonds will mature and bear interest as described on the cover and inside cover page of this Official Statement. Interest on the Bonds, calculated on the basis of a 360-day year of 30-day months, will be payable to the registered owners thereof as shown on the registration books of the City on the Record Date, the fifteenth day of the calendar month immediately preceding the applicable interest payment date.

The State Constitution requires that the City pledge its faith and credit to the payment of its bonds and notes. All real property subject to taxation by the City will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, to pay the principal of and interest on the Bonds. The City is not permitted by the State Constitution to issue revenue bonds.

Payment Mechanism

Pursuant to the Financial Emergency Act, a general debt service fund (the "General Debt Service Fund" or the "Fund") has been established for City bonds and certain City notes. Pursuant to the Act, payments of the City real estate tax must be deposited upon receipt in the Fund, and retained under a statutory formula, for the payment of debt service (with exceptions for debt service, such as principal of seasonal borrowings, that is set aside under other procedures). The statutory formula has in recent years resulted in retention of sufficient real estate taxes to comply with the City Covenants (as defined in "—Certain Covenants and Agreements"). If the statutory formula does not result in retention of sufficient real estate taxes to comply with the City Covenants, the City will comply with the City Covenants either by providing for early retention of real estate taxes or by making cash payments into the Fund. The principal of and interest on the Bonds will be paid from the Fund until the Act terminates, and thereafter from a separate fund maintained in accordance with the City Covenants. Since its inception in 1978, the Fund has been fully funded at the beginning of each payment period.

If the Control Board determines that retentions in the Fund are likely to be insufficient to provide for the debt service payable therefrom, it must require that additional real estate tax revenues be retained or other cash resources of the City be paid into the Fund. In addition, the Control Board is required to take such action as it determines to be necessary so that the money in the Fund is adequate to meet debt service requirements. For information regarding the termination date of the Act, see "SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Emergency Act and City Charter*."

Enforceability of City Obligations

As required by the State Constitution and applicable law, the City pledges its faith and credit for the payment of the principal of and interest on all City indebtedness. Holders of City debt obligations have a contractual right to full payment of principal and interest when due. If the City fails to pay principal or interest, the holder has the right to sue and is entitled to the full amount due, including interest to maturity at the stated rate and at the rate authorized by law thereafter until payment. Under the New York General Municipal Law, if the City fails to pay any money judgment, it is the duty of the City to assess, levy and cause to be collected amounts sufficient to pay the judgment. Decisions indicate that judicial enforcement of statutes such as this provision in the New York General Municipal Law is within the discretion of a court. Other judicial decisions also indicate that a money judgment against a municipality may not be enforceable against municipal property devoted to public use.

The rights of the owners of Bonds to receive interest, principal and applicable redemption premium, if any, from the City could be adversely affected by a restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of City securities (including the Bonds) to payment from money retained in the Fund or from other sources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights;

such money might then be available for the payment of all City creditors generally. Judicial enforcement of the City's obligation to make payments into the Fund, of the obligation to retain money in the Fund, of the rights of holders of bonds and notes of the City to money in the Fund, of the obligations of the City under the City Covenants and of the State under the State Pledge and Agreement (in each case, as defined in "—Certain Covenants and Agreements") may be within the discretion of a court. For further information concerning rights of owners of Bonds against the City, see "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities."

Certain Covenants and Agreements

The City will covenant that: (i) a separate fund or funds for the purpose of paying principal of and interest on bonds and interest on notes of the City (including required payments into, but not from, City sinking funds) shall be maintained by an officer or agency of the State or by a bank or trust company; and (ii) not later than the last day of each month, there shall be on deposit in a separate fund or funds an amount sufficient to pay principal of and interest on bonds and interest on notes of the City due and payable in the next succeeding month. The City currently uses the debt service payment mechanism described above to perform these covenants. The City will further covenant in the Bonds to provide a general reserve for each fiscal year to cover potential reductions in its projected revenues or increases in its projected expenditures during each such fiscal year, to comply with the financial reporting requirements of the Act, as in effect from time to time, and to limit its issuance of bond anticipation notes and tax anticipation notes as required by the Act, as in effect from time to time, and to include as terms of the Bonds the applicable multi-modal provisions and to comply with such provisions and with the statutory restrictions on multi-modal rate bonds in effect from time to time.

The State pledges and agrees in the Financial Emergency Act that the State will not take any action that will impair the power of the City to comply with the covenants described in the preceding paragraph (the "City Covenants") or any right or remedy of any owner of the Bonds to enforce the City Covenants (the "State Pledge and Agreement"). The City will covenant to make continuing disclosure with respect to the Bonds (the "Undertaking") to the extent summarized in "SECTION X: OTHER INFORMATION—Continuing Disclosure Undertaking." In the opinion of Co-Bond Counsel, the enforceability of the City Covenants, the Undertaking and the State Pledge and Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases. The City Covenants, the Undertaking and the State Pledge and Agreement shall be of no force and effect with respect to any Bond if there is a deposit in trust with a bank or trust company of sufficient cash or equivalents to pay when due all principal of, applicable redemption premium, if any, and interest on such Bond.

Use of Proceeds

The proceeds of the Bonds will be used for capital purposes and for the payment of certain costs of issuance.

Mandatory Sinking Fund Redemption

The Subseries E-1 Bonds maturing on April 1, 2047 and April 1, 2050 are subject to mandatory redemption prior to maturity in part, by lot, at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, on April 1 in the respective years and in the respective principal amounts, as follows.

Subseries E-1 Bonds Maturing April 1, 2047

Year	Amount
2046	$66,990,000
2047[1]	70,510,000

[1] Stated maturity.

Subseries E-1 Bonds Maturing April 1, 2050	
Year	Amount
2048	$74,210,000
2049	77,180,000
2050[(1)]	37,250,000

[(1)] Stated maturity.

The Subseries E-2 Bonds maturing on April 1, 2033 are subject to mandatory redemption prior to maturity in part, pro rata as described below under "Notice of Redemption or Tender; Selection of Bonds to be Redeemed or Tendered," at a redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date, on April 1 in the years and in the respective principal amounts, as follows.

Subseries E-2 Bonds Maturing April 1, 2033	
Year	Amount
2030	$31,480,000
2031	32,935,000
2032	34,495,000
2033[(1)]	36,150,000

[(1)] Stated maturity.

The City may credit against any annual amount subject to mandatory redemption, the principal amount of any such term bonds of the same series, maturity and interest rate that have been defeased, purchased for cancellation or redeemed and not previously so credited. To the extent that the City's obligation to make sinking fund installments in a particular year is so fulfilled, the likelihood of redemption through mandatory sinking fund installments of Bonds will be reduced for such year.

Optional Par Redemption and Mandatory Tender of Subseries E-1 Bonds

The Subseries E-1 Bonds maturing on and after April 1, 2034 are subject to redemption or mandatory tender, at the option of the City, in whole or in part, on any date (the "Subseries E-1 Call Date") on or after April 1, 2033 upon 30 days' notice, at a price of 100% of their principal amount plus accrued interest to the Subseries E-1 Call Date.

Any Subseries E-1 Bonds that are escrowed to maturity will remain subject to optional redemption or mandatory tender by the City.

Par and Make-Whole Optional Redemption and Mandatory Tender of Subseries E-2 Bonds

Par Optional Redemption and Mandatory Tender. The Subseries E-2 Bonds maturing on April 1, 2034 are subject to redemption or mandatory tender at the option of the City, in whole or in part, on any date on or after April 1, 2033 (the "Subseries E-2 Par Call Date") at par, plus accrued interest to the date of redemption or tender.

Make-Whole Optional Redemption and Mandatory Tender. The Subseries E-2 Bonds are also subject to redemption or mandatory tender at the option of the City, in whole or in part, on any date prior to the Subseries E-2 Par Call Date, at a redemption price equal to the greater of:

(a) the issue price set forth on the inside cover page hereof (but not less than 100%) of the principal amount of such Subseries E-2 Bonds to be redeemed or tendered; or

(b) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Subseries E-2 Bonds to be redeemed or tendered, not including any portion of those payments of interest accrued and unpaid as of the date on which such Subseries E-2 Bonds are to be redeemed or tendered, discounted to the date on which such Subseries E-2 Bonds are to be redeemed or tendered on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus (i) for the Subseries E-2

Bonds maturing on April 1, 2026 through and including April 1, 2028, 20 basis points; and (ii) for the Subseries E-2 Bonds maturing on April 1, 2029, April 1, 2033 and April 1, 2034, 30 basis points;

plus in each case accrued interest to the redemption or tender date.

"Treasury Rate" means, with respect to any redemption or tender date for a particular Subseries E-2 Bond, the yield to maturity as of such redemption or tender date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 60 calendar days, prior to the redemption or tender date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption or tender date to the maturity date of the Subseries E-2 Bond to be redeemed or tendered.

Any Subseries E-2 Bonds that are escrowed to maturity will remain subject to optional redemption or mandatory tender by the City.

Tender of Multi-Modal Bonds in the Fixed Rate Mode

The Bonds are being issued as multi-modal bonds in the Fixed Rate Mode. The City may cause a mandatory tender of the Bonds at the applicable optional redemption price on any date such Bonds are subject to optional redemption by giving 30 days' written notice to the Holders, subject to the City's providing a source of payment therefor in accordance with law. If notice of mandatory tender has been given and funds prove insufficient, the Bonds not purchased shall continue in the Fixed Rate Mode, without change in interest rate, maturity date or other terms. Other modes to which the Bonds may be converted following a mandatory tender are not described in this Official Statement.

Notice of Redemption or Tender; Selection of Bonds to be Redeemed or Tendered

On or after any redemption date or successful tender date, interest will cease to accrue on the Bonds called for redemption or successfully tendered.

The particular series and subseries, if applicable, maturities, amounts and interest rates of the Bonds to be redeemed or called for mandatory tender at the option of the City will be determined by the City in its sole discretion.

Notice of redemption or tender will be given by mail to the Holders of the Bonds to be redeemed or tendered not less than 30 days prior to the date set for redemption or tender. Failure by a particular Holder to receive notice, or any defect in the notice to such Holder, will not affect the redemption or purchase of any other Bond.

If less than all of the Subseries E-1 Bonds with the same maturity and interest rate are called for prior redemption or tender, such Subseries E-1 Bonds will be selected for redemption or tender, in accordance with DTC procedures, by lot.

If the Subseries E-2 Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of such Subseries E-2 Bonds, if less than all of the Subseries E-2 Bonds of a maturity are called for prior redemption, the particular Subseries E-2 Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Subseries E-2 Bonds are held in book-entry form, the selection for redemption of such Subseries E-2 Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, such Subseries E-2 Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

It is the City's intent that redemption allocations for the Subseries E-2 Bonds made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, neither the City nor the Original Purchaser can provide any assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of the Subseries E-2 Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of such Subseries E-2 Bonds on a pro rata pass-through distribution of principal basis as discussed above, then such Subseries E-2 Bonds will be selected for redemption, in accordance with DTC procedures, by lot. If the Subseries E-2 Bonds are not registered in book-entry only form, any redemption of less than all of a maturity of the Subseries E-2 Bonds shall be allocated among the registered owners of such Subseries E-2 Bonds on a pro rata basis.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, acts as securities depository for the Bonds. Reference to the Bonds under this caption "Book-Entry Only System" shall mean all Bonds held through DTC. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds of a series or subseries, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (under this caption, "Book-Entry Only System," a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices will be sent to DTC. If less than all of the Bonds within a series, subseries, maturity or interest rate are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series, subseries, maturity or interest rate to be redeemed.

Payment of redemption proceeds and principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its Fiscal Agent, The Bank of New York Mellon, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Fiscal Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Fiscal Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The services of DTC as securities depository with respect to the Bonds of a series or subseries may be discontinued at any time by giving reasonable notice to the City or the Fiscal Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates of such series or subseries will be printed and delivered.

No assurance can be given by the City that DTC will make prompt transfer of payments to the Participants or that Participants will make prompt transfer of payments to Beneficial Owners. The City is not responsible or liable for payment by DTC or Participants or for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or Participants.

For every transfer and exchange of the Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other charge that may be imposed in relation thereto.

Unless otherwise noted, certain of the information contained under this caption "Book-Entry Only System" has been extracted from information furnished by DTC. None of the City, the Underwriters or the Original Purchaser make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

Global Clearance Procedures

Euroclear and Clearstream. Euroclear and Clearstream have advised the City as follows:

Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The City will not impose any fees in respect of holding the Bonds; however, holders of book-entry interests in the Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Bonds against payment (value as on the date of delivery of the Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Bonds following confirmation of receipt of payment to the City on the date of delivery of the Bonds.

Secondary Market Trading. Secondary market trades in the Bonds will be settled by transfer of title to book- entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book- entry interests in the Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Bonds, or to receive or make a payment or delivery of Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

General. Neither Euroclear or Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the City nor any of its agents will have any responsibility for the performance by Euroclear or Clearstream or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

The information in this subsection concerning DTC, Euroclear and Clearstream has been obtained from sources that the City, the Underwriters and the Original Purchaser believe to be reliable, but none of the City, the Underwriters or the Original Purchaser take any responsibility for the accuracy thereof or make any representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

SECTION III: GOVERNMENT AND FINANCIAL CONTROLS

Structure of City Government

The City of New York is divided into five counties, which correspond to its five boroughs. The City, however, is the only unit of local government within its territorial jurisdiction with authority to levy and collect taxes, and is the unit of local government primarily responsible for service delivery. Responsibility for governing the City is currently vested by the City Charter in the Mayor, the City Comptroller, the City Council, the Public Advocate and the Borough Presidents.

— *The Mayor*. Eric Adams, the Mayor of the City, took office on January 1, 2022. The Mayor is elected in a general election for a four-year term and is the chief executive officer of the City. The Mayor has the power to appoint the commissioners of the City's various departments. The Mayor is responsible for preparing and administering the City's annual Expense and Capital Budgets (as defined below) and financial plan. The Mayor has the power to veto local laws enacted by the City Council, but such a veto may be overridden by a two-thirds vote of the City Council. The Mayor has powers and responsibilities relating to land use and City contracts and all residual powers of the City government not otherwise delegated by law to some other public official or body. The Mayor is also a member of the Control Board.

— *The City Comptroller*. Brad Lander, the Comptroller of the City, took office on January 1, 2022. The City Comptroller is elected in a general election for a four-year term and is the chief fiscal officer of the City. The City Comptroller has extensive investigative and audit powers and responsibilities which include keeping the financial books and records of the City. The City Comptroller's audit responsibilities include a program of performance audits of City agencies in connection with the City's management, planning and control of operations. In addition, the City Comptroller is required to evaluate the Mayor's budget, including the assumptions and methodology used in the budget. The Office of the City Comptroller is responsible under the City Charter and pursuant to State law and City investment guidelines for managing and investing City funds for operating and capital purposes. The City Comptroller is also a member of the Control Board and is a trustee, the custodian and the delegated investment advisor of the City's five pension systems.

— *The City Council*. The City Council is the legislative body of the City and consists of the Public Advocate and 51 members elected for four-year terms who represent various geographic districts of the City. Under the City Charter, the City Council must annually adopt a resolution fixing the amount of the real estate tax and adopt the City's annual Expense Budget and Capital Budget. The City Council does not, however, have the power to enact local laws imposing other taxes, unless such taxes have been authorized by State legislation. The City Council has powers and responsibilities relating to franchises and land use and as provided by State law.

— *The Public Advocate*. Jumaane Williams was elected as Public Advocate in a special election and took office in March 2019 to hold office until December 31, 2019. Through a second special election held in November 2019, Mr. Williams was elected to complete the remainder of a four year term which began on January 1, 2018. Mr. Williams was elected to a second term commencing on January 1, 2022. The Public Advocate is elected in a general election for a four-year term. The Public Advocate is first in the line of succession to the Mayor in the event of the disability of the Mayor or a vacancy in the office, pending an election to fill the vacancy. The Public Advocate appoints a member of the City Planning Commission and has various responsibilities relating to, among other things, monitoring the activities of City agencies, the investigation and resolution of certain complaints made by members of the public concerning City agencies and ensuring appropriate public access to government information and meetings.

— *The Borough Presidents*. Each of the City's five boroughs elects a Borough President who serves for a four-year term concurrent with other City elected officials. The Borough Presidents consult with the Mayor in the preparation of the City's annual Expense Budget and Capital Budget. Five percent of discretionary increases proposed by the Mayor in the Expense Budget and, with certain exceptions, five percent of the appropriations supported by funds over which the City has substantial discretion proposed by the Mayor in the Capital Budget, must be based on appropriations proposed by the Borough Presidents. Each Borough President also appoints one member to the Panel for Educational Policy (as described below) and has various responsibilities relating to, among other things, reviewing and making recommendations regarding applications for the use, development or improvement of land located within the borough, monitoring and making recommendations regarding the performance of contracts providing for the delivery of services in the borough and overseeing the coordination of a borough-wide public service complaint program.

On November 2, 2010, the City Charter was amended to provide that no person shall be eligible to be elected to or serve in the office of Mayor, Public Advocate, City Comptroller, Borough President or Council member if that person has previously held such office for two or more consecutive full terms, unless one full term or more has elapsed since that person last held such office. Such term limit applies only to officials first elected to office on or after November 2, 2010.

City Financial Management, Budgeting and Controls

The Mayor is responsible under the City Charter for preparing the City's annual expense and capital budgets (as adopted, the "Expense Budget" and the "Capital Budget," respectively, and collectively, the "Budgets") and for submitting the Budgets to the City Council for its review and adoption. The Expense Budget covers the City's annual operating expenditures for municipal services, while the Capital Budget covers expenditures for capital projects, as defined in the City Charter. Operations under the Expense Budget must reflect the aggregate expenditure limitations contained in financial plans.

The City Council is responsible for adopting the Expense Budget and the Capital Budget. Pursuant to the City Charter, the City Council may increase, decrease, add or omit specific units of appropriation in the Budgets submitted by the Mayor and add, omit or change any terms or conditions related to such appropriations. The City Council is also responsible, pursuant to the City Charter, for approving modifications to the Expense Budget and adopting amendments to the Capital Budget beyond certain latitudes allowed to the Mayor under the City Charter. However, the Mayor has the power to veto any increase or addition to the Budgets or any change in any term or condition of the Budgets approved by the City Council, which veto is subject to an override by a two-thirds vote of the City Council, and the Mayor has the power to implement expenditure reductions subsequent to adoption of the Expense Budget in order to maintain a balanced budget. In addition, the Mayor has the power to determine the non-property tax revenue forecast on which the City Council must rely in setting the property tax rates for adopting a balanced City budget.

Office of Management and Budget

The City's Office of Management and Budget ("OMB"), with a staff of approximately 400, is the Mayor's primary advisory group on fiscal issues and is also responsible for the preparation, monitoring and control of the City's Budgets and four-year financial plans which encompass the City's revenue, expenditure, cash flow and capital projections. In addition, OMB is responsible for the preparation of a Ten-Year Capital Strategy.

State law and the City Charter require the City to maintain its Expense Budget balanced when reported in accordance with GAAP with the exception of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "INTRODUCTORY STATEMENT." All Covered Organizations (as defined below) are also required to maintain budgets that are balanced when reported in accordance with GAAP. From time to time certain Covered Organizations have had budgets providing for operations on a cash basis but not balanced under GAAP.

To assist in achieving the goals of the financial plan and budget, the City reviews its financial plan periodically and, if necessary, prepares modifications to incorporate actual results and revisions to projections and assumptions to reflect current information. The City's revenue projections are continually reviewed and periodically updated with the benefit of discussions with a panel of private economists analyzing the effects of changes in economic indicators on City revenues and information from various economic forecasting services.

Office of the Comptroller

The City Comptroller is the City's chief fiscal officer and is responsible under the City Charter for reviewing and commenting on the City's Budgets and financial plans, including the assumptions and methodologies used in their preparation. The City Comptroller, as an independently elected public official, is required to report annually to the

City Council on the state of the City's economy and finances and periodically to the Mayor and the City Council on the financial condition of the City and to make recommendations, comments and criticisms on the operations, fiscal policies and financial transactions of the City. Such reports, among other things, have differed with certain of the economic, revenue and expenditure assumptions and projections in the City's financial plans and Budgets. See "SECTION VII: FINANCIAL PLAN—Certain Reports."

The Office of the City Comptroller establishes the City's accounting and financial reporting practices and internal control procedures. The City Comptroller is also responsible for the preparation of the City's annual financial statements, which, since 1978, have been required to be reported in accordance with GAAP.

The Annual Comprehensive Financial Report of the Comptroller (the "Annual Report") for the 2022 fiscal year, which includes, among other things, the City's financial statements for the 2022 and 2021 fiscal years, was issued on October 28, 2022. The Annual Report for the 2021 fiscal year received the Government Finance Officers Association award of the Certificate of Achievement for Excellence in Financial Reporting, the forty-second consecutive year the Annual Report has won such award.

All contracts for goods and services requiring the expenditure of City monies must be registered with the City Comptroller. No contract can be registered unless funds for its payment have been appropriated by the City Council or otherwise authorized. The City Comptroller also prepares vouchers for payments for such goods and services and cannot prepare a voucher unless funds are available in the Budgets for its payment.

The City Comptroller is also required by the City Charter to audit all City agencies and has the power to audit all City contracts. The Office of the Comptroller conducts both financial and management audits and has the power to investigate corruption in connection with City contracts or contractors.

The Mayor and City Comptroller are responsible for the issuance of City indebtedness. The City Comptroller oversees the payment of such indebtedness and is responsible for the custody of certain currently inactive sinking funds.

Financial Reporting and Control Systems

Since 1978, the City's financial statements have been required to be audited by independent certified public accountants and to be presented in accordance with GAAP. The City has completed forty-one consecutive fiscal years with a General Fund surplus when reported in accordance with then applicable GAAP, except with regard to the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT."

Both OMB and the Office of the Comptroller utilize a financial management system which provides comprehensive current and historical information regarding the City's financial condition. This information, which is independently evaluated by each office, provides a basis for City action required to maintain a balanced budget and continued financial stability.

The City's operating results and forecasts are analyzed, reviewed and reported on by each of OMB and the Office of the Comptroller as part of the City's overall system of internal control. Internal control systems are reviewed regularly, and the City Comptroller requires an annual report on internal control and accountability from each agency. Comprehensive service level and productivity targets are formulated and monitored for each agency by the Mayor's Office of Operations and reported publicly in a semiannual management report.

The City has developed and utilizes a cash forecasting system which forecasts its daily cash balances. This enables the City to predict its short-term borrowing needs and maximize its return on the investment of available cash balances. Monthly statements of operating revenues and expenditures, capital revenues and expenditures and cash flow are reported after each month's end, and major variances from the financial plan are identified and explained.

City funds held for operating and capital purposes are managed by the Office of the City Comptroller, with specific guidelines as to investment vehicles. The City invests primarily in obligations of the United States

Government, its agencies and instrumentalities, high grade commercial paper and repurchase agreements with primary dealers. The repurchase agreements are collateralized by United States Government treasuries, agencies and instrumentalities, held by the City's custodian bank and marked to market daily.

More than 97% of the aggregate assets of the City's five defined benefit pension systems are managed by outside managers, supervised by the Office of the City Comptroller, and the remainder is held in cash or managed by the City Comptroller. Allocations of investment assets are determined by each fund's board of trustees. As of January 31, 2023, aggregate pension assets were allocated approximately as follows: 27% U.S. equity; 25% fixed income; 18% international equity; 9% private equity; 9% alternative credit; 7% private real estate; 2% infrastructure investments; 1% hedge funds; and 1% cash (percentages may not add to 100% due to rounding).

Financial Emergency Act and City Charter

The Financial Emergency Act requires that the City submit to the Control Board, at least 50 days prior to the beginning of each fiscal year (or on such other date as the Control Board may approve), a financial plan for the City and certain State governmental agencies, public authorities or public benefit corporations which receive or may receive monies from the City directly, indirectly or contingently (the "Covered Organizations") covering the four-year period beginning with such fiscal year. The New York City Transit Authority and the Manhattan and Bronx Surface Transit Operating Authority (collectively, "New York City Transit" or "NYCT" or "Transit Authority"), New York City Health and Hospitals ("NYCHH") and NYCHA are examples of Covered Organizations. The Act requires that the City's four-year financial plans conform to a number of standards. Subject to certain conditions, the Financial Emergency Act and the City Charter require the City to prepare and balance its budget covering all expenditures other than capital items so that the results of such budget will not show a deficit when reported in accordance with GAAP. Provision must be made, among other things, for the payment in full of the debt service on all City securities. The budget and operations of the City and the Covered Organizations must be in conformance with the financial plan then in effect.

From 1975 to June 30, 1986, the City was subject to a Control Period, as defined in the Act, which was terminated upon the satisfaction of the statutory conditions for termination, including the termination of all federal guarantees of obligations of the City, a determination by the Control Board that the City had maintained a balanced budget in accordance with GAAP for each of the three immediately preceding fiscal years and a certification by the State and City Comptrollers that sales of securities by or for the benefit of the City satisfied its capital and seasonal financing requirements in the public credit markets and were expected to satisfy such requirements in the 1987 fiscal year. With the termination of the Control Period, certain Control Board powers were suspended including, among others, its power to approve or disapprove certain contracts (including collective bargaining agreements), long-term and short-term borrowings, and the four-year financial plan and modifications thereto of the City and the Covered Organizations. Pursuant to the Act and the City Charter, the City is required to develop a four-year financial plan each year and to modify the plan as changing circumstances require. Under current law, prior to July 1, 2008, the Control Board was required to reimpose a Control Period upon the occurrence or substantial likelihood and imminence of the occurrence of any one of certain events specified in the Act. These events were (i) failure by the City to pay principal of or interest on any of its notes or bonds when due or payable, (ii) the existence of a City operating deficit of more than $100 million, (iii) issuance by the City of notes in violation of certain restrictions on short-term borrowing imposed by the Act, (iv) any violation by the City of any provision of the Act which substantially impaired the ability of the City to pay principal of or interest on its bonds or notes when due and payable or its ability to adopt or adhere to an operating budget balanced in accordance with the Act, or (v) joint certification by the State and City Comptrollers that they could not at that time make a joint certification that sales of securities in the public credit market by or for the benefit of the City during the immediately preceding fiscal year and the current fiscal year satisfied its capital and seasonal financing requirements during such period and that there was a substantial likelihood that such securities could be sold in the general public market from the date of the joint certification through the end of the next succeeding fiscal year in amounts that would satisfy substantially all of the capital and seasonal financing requirements of the City during such period in accordance with the financial plan then in effect.

In 2003, the State Legislature amended the Act to change its termination date from the *earlier* of July 1, 2008 or the date on which certain bonds are discharged to the *later* of July 1, 2008 or the date on which such bonds are discharged. The bonds referred to in the amended section of the Act are all bonds containing the State pledge and agreement authorized under section 5415 of the Act (the "State Covenant").

The State Covenant is authorized to be included in bonds of the City. Since the 2003 enactment of this amendment to the Act, the City has not issued bonds containing the State Covenant. However, many City bonds issued prior to the amendment do contain the State Covenant. Because the City has issued such bonds with maturities as long as 40 years, the effect of the amendment was to postpone termination of the Act from July 1, 2008 to 2037 (or earlier if all City bonds containing the State Covenant are discharged). In the City's view, the State Legislature could, without violation of the State Covenant contained in the City's outstanding bonds, enact legislation that would terminate the Control Board and the Act because, at the time of issuance of those bonds, the latest termination date of the Act was July 1, 2008.

While the State Legislature amended the Act to extend the termination date of the Control Board, the power to impose or continue a Control Period terminated July 1, 2008. The power to impose or continue a Control Period is covered by a section of the Act that provides that no Control Period shall continue beyond July 1, 2008. The State Legislature did not amend this provision. Therefore, under current law, although the Act continues in effect, no Control Period may be imposed.

Financial Review and Oversight

The Control Board, with the OSDC, reviews and monitors revenues and expenditures of the City and the Covered Organizations. In addition, the IBO has been established pursuant to the City Charter to provide analysis to elected officials and the public on relevant fiscal and budgetary issues affecting the City.

The Control Board is required to: (i) review the four-year financial plan of the City and of the Covered Organizations and modifications thereto; (ii) review the operations of the City and the Covered Organizations, including their compliance with the financial plan; and (iii) review certain contracts, including collective bargaining agreements, of the City and the Covered Organizations. The requirement to submit four-year financial plans and budgets for review was in response to the severe financial difficulties and loss of access to the credit markets encountered by the City in 1975. The Control Board must reexamine the financial plan on at least a quarterly basis to determine its conformance to statutory standards.

The *ex officio* members of the Control Board are the Governor of the State of New York (Chairperson); the Comptroller of the State of New York; the Mayor of The City of New York; and the Comptroller of The City of New York. In addition, there are three private members appointed by the Governor. The Executive Director of the Control Board is appointed jointly by the Governor and the Mayor. The Control Board is assisted in the exercise of its responsibilities and powers under the Financial Emergency Act by the State Deputy Comptroller for The City of New York.

SECTION IV: SOURCES OF CITY REVENUES

The City derives its revenues from a variety of local taxes, user charges and miscellaneous revenues, as well as from federal and State unrestricted and categorical grants. State aid as a percentage of the City's revenues has remained relatively constant over the period from 1980 to 2022, while federal aid has been sharply reduced. The City projects that local revenues will provide approximately 72.1% of total revenues in the 2023 fiscal year, while federal aid, including categorical grants, will provide 11.9%, and State aid, including unrestricted aid and categorical grants, will provide 16.0%. Adjusting the data for comparability, local revenues provided approximately 60% of total revenues in 1980, while federal and State aid each provided approximately 20%. A discussion of the City's principal revenue sources follows. For additional information regarding assumptions on which the City's revenue projections are based, see "SECTION VII: FINANCIAL PLAN—Assumptions." For information regarding the City's tax base, see "APPENDIX A—ECONOMIC AND DEMOGRAPHIC INFORMATION."

Real Estate Tax

The real estate tax, the single largest source of the City's revenues, is the primary source of funds for the City's General Debt Service Fund. The City expects to derive approximately 45.3% of its total tax revenues and 29.4% of its total revenues for the 2023 fiscal year from the real estate tax. For information concerning tax revenues and total revenues of the City for prior fiscal years, see "SECTION VI: FINANCIAL OPERATIONS—2018-2022 Summary of Operations."

The State Constitution authorizes the City to levy a real estate tax without limit as to rate or amount (the "debt service levy") to cover scheduled payments of the principal of and interest on indebtedness of the City. However, the State Constitution limits the amount of revenue which the City can raise from the real estate tax for operating purposes (the "operating limit") to 2.5% of the average full value of taxable real estate in the City for the current and the last four fiscal years, which amount may be further limited by the State Constitution or laws. On June 24, 2011, the Governor signed into law the State's tax levy limitation law which restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a municipality in a particular year. Such law does not apply to the City. Since the enactment of the tax levy limitation law, legislation applying such law to the City has been proposed from time to time but has never passed. Were it to be enacted into law, it would have a material adverse impact on projected City revenues. The table below sets forth the percentage the debt service levy represents of the total levy. The City Council has adopted a distinct tax rate for each of the four categories of real property established by State legislation.

On April 24, 2017, a lawsuit was filed challenging the City's real property tax system and valuation methodology. See "SECTION X: OTHER INFORMATION—Litigation—*Taxes*."

On May 31, 2018, former Mayor de Blasio and former Speaker of the City Council Johnson established the New York City Advisory Commission on Property Tax Reform to consider changes to the City's property taxation system, without reducing property tax revenues to the City. The commission released its report in December 2021 with recommendations which, among other things, would align the taxable value of certain properties more closely with market value. The commission's recommendations, which have not yet been acted upon, would require State legislation if they were to be implemented.

COMPARISON OF REAL ESTATE TAX LEVIES, TAX LIMITS AND TAX RATES

Fiscal Year	Total Levy[1]	Levy Within Operating Limit	Debt Service Levy[2]	Debt Service Levy as a Percentage of Total Levy	Operating Limit	Levy Within Operating Limit as a Percentage of Operating Limit	Rate Per $100 of Full Valuation[3]	Average Tax Rate Per $100 of Assessed Valuation
	(Dollars in Millions, except for Tax Rates)							
2018	$ 27,726.2	$ 24,005.2	$ 2,599.9	9.4%	$ 24,448.7	98.2%	$ 2.38	$ 12.28
2019	29,574.7	26,274.6	2,095.6	7.1	26,437.7	99.4	2.36	12.28
2020	31,629.8	27,803.8	2,448.5	7.7	28,936.2	96.1	2.30	12.28
2021	33,371.4	28,960.9	2,872.0	8.6	30,614.3	94.6	2.34	12.28
2022	31,636.0	29,341.6	852.1	2.7	31,695.2	92.6	2.36	12.28
2023	33,853.7	31,383.4	905.4	2.7	31,714.4	99.0	2.39	12.28

(1) Based on tax rates approved by the City Council.
(2) The debt service levy includes a portion of the total reserve for uncollected real estate taxes.
(3) Full valuation is based on the special equalization ratios (discussed below) and the billable assessed valuation. Special equalization ratios and full valuations are revised periodically as a result of surveys by the State Office of Real Property Tax Services.

Assessment

The City has traditionally assessed real property at less than market value. The State Office of Real Property Tax Services (the "State Office") is required by law to determine annually the relationship between taxable assessed value and market value which is expressed as the "special equalization ratio." The special equalization ratio is used to compute full value for the purpose of measuring the City's compliance with the operating limit and general debt limit. For a discussion of the City's debt limit, see "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness*." The ratios are calculated by using the most recent market value surveys available and a projection of market value based on recent survey trends, in accordance with methodologies established by the State Office from time to time. Ratios, and therefore full values, may be revised when new surveys are completed. The ratios and full values shown in the table below, which were used to compute the 2023 fiscal year operating limit and general debt limit, have been established by the State Office and include the results of the fiscal year 2021 market value survey.

BILLABLE ASSESSED AND FULL VALUE OF TAXABLE REAL ESTATE[1]

Fiscal Year	Billable Assessed Valuation of Taxable Real Estate[2]	÷	Special Equalization Ratio	=	Full Valuation[2]
2019................	$ 240,777,862,121		0.1956		$ 1,230,970,665,240
2020................	257,509,634,870		0.2004		1,284,978,217,914
2021................	271,688,749,747		0.2307		1,177,671,216,935
2022................	257,560,316,555		0.2039		1,263,169,772,217
2023................	275,614,595,502		0.1947		1,415,586,006,687
				Average:	$ 1,274,475,175,799

(1) Also assessed by the City, but excluded from the computation of taxable real estate, are various categories of property exempt from taxation under State law. For the 2022 fiscal year, the billable assessed value of all real estate (taxable and exempt) was $417.8 billion, comprised of $136.88 billion of fully exempt real estate, $71.6 billion of partially taxable real estate (including both taxable and exempt real estate) and $209.4 billion of fully taxable real estate.
(2) Figures are based on estimates of the special equalization ratio which are revised annually. These figures are derived from official City Council Tax Resolutions adopted with respect to the 2023 fiscal year. These figures differ from the assessed and full valuation of taxable real estate reported in the Annual Report, which excludes veterans' property subject to tax for school purposes and is based on estimates of the special equalization ratio which are not revised annually.

State law provides for the classification of all real property in the City into one of four statutory classes. Class one primarily includes one-, two- and three-family homes; class two includes certain other residential property not included in class one; class three includes most utility real property; and class four includes all other real property. The total tax levy consists of four tax levies, one for each class. Once the tax levy is set for each class, the tax rate for each class is then fixed annually by the City Council by dividing the levy for such class by the billable assessed value for such class.

Assessment procedures differ for each class of property. For fiscal year 2023, class one was assessed at approximately 6% of market value and classes two, three and four were each assessed at 45% of market value. In addition, individual assessments on class one parcels cannot increase by more than 6% per year or 20% over a five-year period. Market value increases and decreases for most of class two and all of class four are phased in over a period of five years. Increases in class one market value in excess of applicable limitations are not phased in over subsequent years. There is also no phase in for class three property.

Class two and class four real property have three assessed values: actual, transitional and billable. Actual assessed value is established for all tax classes without regard to the five-year phase-in requirement applicable to most class two and all class four properties. The transitional assessed value reflects this phase-in. Billable assessed value is the basis for tax liability and is the lower of the actual or transitional assessment.

The share of the total levy that can be borne by each class is regulated by the provisions of the State Real Property Tax Law. Each class share of the total tax levy is updated annually to reflect new construction, demolition, alterations or changes in taxable status and is subject to limited adjustment to reflect market value changes among the four classes. Class share adjustments are limited to a 5% maximum increase per year. Maximum class increases below 5% must be, and typically are, approved by the State Legislature. For fiscal year 2023, tax rates were set on June 30, 2022 and reflect a 0% limitation on class share adjustment. The average tax rate for fiscal year 2023 was maintained at $12.28 per $100 of assessed value. Property tax bills were sent out during the second week of June 2022 with fiscal year 2022 tax rates, which were revised with the new tax rates for fiscal year 2023 and sent out to taxpayers in November 2022.

City real estate tax revenues may be reduced in future fiscal years as a result of tax refund claims asserting overvaluation, inequality of assessment and illegality. The State Office annually certifies various class ratios and class equalization rates relating to the four classes of real property in the City. "Class ratios" are determined for each class by the State Office by calculating the ratio of assessed value to market value. Various proceedings challenging assessments of real property for real estate tax purposes, and one action challenging the constitutionality of the real property tax system, are pending. For further information regarding the City's potential exposure in certain of these proceedings, see "SECTION X: OTHER INFORMATION—Litigation—*Taxes*" and "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5."

Trend in Taxable Assessed Value

State law provides for increases in assessed values of most properties to be phased into property tax bills over five-year periods. The billable assessed valuation, as determined by the City Department of Finance, rose to $224.5 billion, $239.7 billion, $256.6 billion and $270.8 billion for fiscal years 2018 through 2021, respectively, and declined to $256.7 billion for fiscal year 2022. The billable assessed value rebounded in fiscal year 2023 to $274.8 billion. The billable assessed valuations are forecast in the Financial Plan to grow by 1.6%, 0.9%, 0.4% and 0.4% in fiscal years 2024 through 2027, respectively. On January 17, 2023, subsequent to the release of the Financial Plan, the Department of Finance released the tentative assessment roll for fiscal year 2024, reflecting a billable assessed value of $286.8 billion. The fiscal year 2024 tentative billable assessed value reflects an increase of $12 billion over the fiscal year 2023 final assessment roll of $274.8 billion, reflecting a growth of 4.4%.

Taxable billable assessed value is the basis for determining the tax levy. It is based on the lower of the actual (45% of the current year market value) or transitional assessed value (which is the cumulative value of the phase-ins from the 5 year market value changes). In fiscal year 2022, the significant decline in market values caused an increased number of properties to be assessed at their actual assessed value (instead of transitional assessed value). The declines for such properties were recognized in one year, which resulted in a steeper decline in billable assessed value in fiscal year 2022 than would have happened if such properties were valued at their transitional assessed values, whereby the declines would have been phased in over five years. In fiscal year 2023, with the increase in market value, many properties went back to the transitional assessed value. If the market values were to decline in the upcoming years for those properties, they could revert to being assessed at their actual assessed value.

Collection of the Real Estate Tax

Real estate tax payments are due each July 1 and January 1. Owners of all properties assessed at $250,000 or less are eligible to make tax payments in quarterly installments on July 1, October 1, January 1 and April 1. An annual interest rate as approved by the City Council is imposed upon late payments on properties with an assessed value of $250,000 or less and between $250,000 to $450,000 except in the case of (i) any parcel with respect to which the real estate taxes are held in escrow and paid by a mortgage escrow agent and (ii) parcels consisting of vacant or unimproved land. In addition, a separate annual interest rate as approved by the City Council is imposed upon late payments on all other properties.

In fiscal year 2020, the annual interest rates on late payments were 7% on properties with an assessed value of $250,000 or less, except in the cases set forth in clauses (i) and (ii) of the preceding paragraph, and 18% on all other properties. For the first quarter of 2021, in order to provide relief to property owners due to the impact of COVID-19, the City lowered the above-referenced late payment rates for certain eligible property owners to rates between 0% and 7.5%, in each case depending on the assessed value of the property and whether a COVID-19 related payment deferral was requested by the owner and granted by the City. For the second through fourth quarters of fiscal year 2021, such late payment rates were 5% on properties with an assessed value of $250,000 or less, and 18% on all other properties. In June 2021, the City released the following rates for fiscal year 2022: (i) for owners of property with an assessed value of less than $250,000, the late payment interest rate has been decreased from 5% to 3%; (ii) for owners of property with an assessed value between $250,000 to $450,000, the late payment interest rate has been decreased from 18% to 6%; and (iii) for all other owners, the late payment interest rate has been decreased from 18% to 13%. In June 2022, the City released the following rates for fiscal year 2023: (i) for owners of property with an assessed value of less than $250,000, the late payment interest rate has been increased from 3% to 4%; (ii) for owners of property with an assessed value between $250,000 to $450,000, the late payment interest rate has been increased from 6% to 7%; and (iii) for all other owners, the late payment interest rate has been increased from 13% to 14%.

The City primarily uses two methods to enforce the collection of real property taxes, foreclosure by in rem proceedings and the sale of real property tax liens. The City is entitled to foreclose delinquent tax liens by in rem proceedings after one year of delinquency with respect to properties other than one- and two-family dwellings and condominium apartments for which the annual tax bills do not exceed $2,750, as to which a three-year delinquency rule is in effect. The City's authority, pursuant to local law, to sell real property tax liens expired on March 1, 2022. The City is seeking the re-authorization of such authority. The Financial Plan assumes such authorization is renewed in fiscal year 2023 and continues thereafter. The most recent tax lien sale occurred in December 2021. Prior to its recent expiration, the City was authorized to sell real property tax liens on class one properties which are delinquent for at least three years and class two, three and four properties which are delinquent for at least one year. There can be no assurance that the authorization to sell real property tax liens will be reinstated or that, as a result, amounts projected in the Financial Plan to be received from such sales will be realized or that delinquency rates will not increase.

The real estate tax is accounted for on a modified accrual basis in the General Fund. Revenue accrued is limited to prior year payments received, offset by refunds made, within the first two months of the following fiscal year. In deriving the real estate tax revenue forecast, a reserve is provided for cancellations or abatements of taxes and for nonpayment of current year taxes owed and outstanding as of the end of the fiscal year.

The following table sets forth the amount of delinquent real estate taxes (owed and outstanding as of the end of the fiscal year of levy) for each of the fiscal years indicated. Delinquent real estate taxes do not include real estate taxes subject to cancellation or abatement under various exemption or abatement programs. Delinquent real estate taxes generally increase during a recession and when the real estate market deteriorates. Delinquent real estate taxes generally decrease as the City's economy and real estate market recover. For additional information on real property tax delinquencies, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

From time to time, the City sells real property tax liens to separate statutory trusts. In fiscal years 2018 through 2022, the City's real property tax lien program resulted in net proceeds of approximately $101.1 million, $60.8 million, $96.7 million, $11.7 million and $86.5 million, respectively. Fiscal year 2020 includes the sale proceeds of the fiscal year 2019 tax lien sale, which closed in fiscal year 2020, and the receipt of approximately $50 million from trusts established in connection with prior lien sales. Due to the outbreak of COVID-19, the real property tax lien sale for fiscal years 2020 and 2021 did not occur. However, a real property tax lien sale occurred in fiscal year 2022. Authorization to sell real property tax liens expired on March 1, 2022. The City continues to seek re-authorization of such authority. There can be no assurance that the authorization to sell real property tax liens will be reinstated or that, as a result, amounts projected in the Financial Plan to be received from such sales will be realized. See "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

REAL ESTATE TAX COLLECTIONS AND DELINQUENCIES

Fiscal Year	Tax Levy[1]	Tax Collections on Current Year Levy	Tax Collections as Percentage of Tax Levy	Prior Year (Delinquent Tax) Collections	Refunds	Cancellations, Net Credits, Abatements, Exempt Property Restored and Shelter Rent	Delinquent as of End of Fiscal Year	Delinquency as a Percentage of Tax Levy	Lien Sale Program
				(Dollars In Millions)					
2018...........	$ 27,726.2	$ 26,166.0	94.4%	$ 324.0	$ (372.2)	$ (1,219.2)	$ (341.0)	1.23%	$ 101.1
2019...........	29,574.7	27,681.2	93.6	338.8	(377.4)	(1,529.1)	(364.4)	1.24	60.8
2020...........	31,629.8	29,532.2	93.4	370.7	(349.1)	(1,513.7)	(583.9)	1.84	96.7
2021...........	33,371.4	31,240.3	93.6	470.7	(411.3)	(1,605.4)	(672.6)	2.02	11.7
2022...........	31,636.0	29,336.1	92.7	522.8	(509.5)	(1,739.8)	(560.1)	1.77	86.5
2023[2]........	33,853.7	31,277.4	92.4	420.0	(500.0)	(1,976.2)	(600.0)	1.77	80.0

(1) As approved by the City Council.
(2) Forecast.

Other Taxes

The City expects to derive 54.7% of its total tax revenues for the 2023 fiscal year from a variety of taxes other than the real estate tax, such as: (i) the 4.5% sales and compensating use tax, which commenced August 1, 2009, in addition to the 4% sales and use tax imposed by the State upon receipts from retail sales of tangible personal property and certain services in the City; (ii) the personal income tax on City residents; (iii) a general corporation tax levied on the income of corporations doing business in the City; and (iv) a banking corporation tax imposed on the income of banking corporations doing business in the City.

State legislation was enacted in 2022 creating a pass-through entity tax on certain partnerships and S-corporations that elect to pay such tax. Starting with fiscal year 2023, all references to personal income taxes also include such pass-through entity tax. Partners or shareholders of such partnerships or S corporations that elect to pay the new tax will receive an equivalent credit against their personal income tax. The pass-through entity tax will be collected and paid first to the TFA in the same manner as the personal income tax. The aggregate personal income tax credits will be equivalent to the pass-through entity tax liability of the entities that elect to pay the pass-through entity tax. Therefore, the change is expected to be revenue neutral to the City on a multi-year basis.

For local taxes other than the real estate tax, the City may adopt and amend local laws for the levy of local taxes to the extent authorized by the State. This authority can be withdrawn, amended or expanded by State legislation.

Revenues from taxes other than the real estate tax in the 2022 fiscal year increased by $5.96 billion from the 2021 fiscal year. The following table sets forth, by category, revenues from taxes, other than the real estate tax, for each of the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
			(In Millions)		
Personal Income[(1)]	$ 13,372	$ 13,344	$ 13,551	$ 15,101	$ 16,698
General Corporation	3,454	4,269	4,547	5,129	5,681
Banking Corporation[(2)]	(17)	(70)	(38)	(110)	1
Unincorporated Business Income	2,182	2,029	1,939	2,077	2,547
Sales[(3)]	7,443	7,810	7,372	6,553	8,544
Commercial Rent	853	907	864	869	876
Real Property Transfer	1,388	1,547	1,135	1,045	1,903
Mortgage Recording	1,050	1,097	975	897	1,336
Utility	371	369	356	356	396
Cigarette	36	30	25	22	20
Hotel	597	625	468	85	345
All Other[(4)]	630	833	1,054	907	821
Audits	1,337	818	1,026	1,139	849
Total	$ 32,696	$ 33,609	$ 33,274	$ 34,070	$ 40,016

Note: Totals may not add due to rounding.

(1) Personal Income includes the personal income tax revenues of $181 million, $444 million, $512 million, $276 million and $175 million in fiscal years 2018 through 2022, respectively, retained by the TFA for funding requirements associated with TFA Future Tax Secured Bonds. Personal income taxes flow directly from the State to the TFA, and from the TFA to the City only to the extent not required by the TFA for debt service, operating expenses and contractual and other obligations incurred pursuant to the TFA indenture.

(2) With the enactment of corporate tax reform that merged the general corporation tax with the banking corporation tax in 2015, most banking corporation tax payments are now being reported as business corporation taxes. However, refunds arising from prior year returns filed as banking corporation taxes are still paid out as refunds under the banking corporation tax. In each of fiscal years 2018 through 2022, the amount refunded exceeded the gross receipts resulting in net negative revenues for such fiscal years.

(3) A portion of sales tax revenues payable to the City would be paid to the TFA if personal income tax revenues did not satisfy specified debt service ratios.

(4) All Other includes, among others, beer and liquor taxes and the automobile use tax, but excludes the STAR Program aid of $189 million, $181 million, $165 million, $154 million and $146 million in fiscal years 2018 through 2022, respectively.

Miscellaneous Revenues

Miscellaneous revenues include revenue sources such as charges collected by the City for the issuance of licenses, permits and franchises, interest earned by the City on the investment of City cash balances, tuition and fees at the Community Colleges, reimbursement to the City from the proceeds of water and sewer rates charged by the New York City Water Board (the "Water Board") for costs of delivery of water and sewer services and paid to the City by the Water Board for its lease interest in the water and sewer system, rents collected from tenants in City-owned property and from The Port Authority of New York and New Jersey (the "Port Authority") with respect to airports and the collection of fines. The following table sets forth amounts of miscellaneous revenues for each of the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
			(In Millions)		
Licenses, Permits and Franchises	$ 776	$ 802	$ 699	$ 625	$ 651
Interest	125	226	137	15	16
Charges for Services	1,027	1,030	951	863	850
Water and Sewer	1,390	1,470	1,615	1,687	1,575
Rental	261	273	258	233	249
Fines and Forfeitures	1,027	1,109	1,079	1,036	1,231
Other	413	1,087	530	709	441
Total	$ 5,019	$ 5,997	$ 5,269	$ 5,168	$ 5,013

Note: Totals may not add due to rounding.

Rental income in fiscal years 2018 through 2022 includes approximately $153.6 million, $153.6 million, $153.6 million, $163.6 million and $160.5 million, respectively, in Port Authority lease payments for the City airports.

Fees and charges collected from the users of the water and sewer system of the City are revenues of the Water Board, a body corporate and politic, constituting a public benefit corporation, all of the members of which are appointed by the Mayor. The Water Board currently holds a long-term leasehold interest in the water and sewer system pursuant to a lease between the Water Board and the City.

Other miscellaneous revenues for fiscal years 2018 through 2022 include $108.7 million, $103 million, $118 million, $127.6 million and $130.9 million, respectively, of tobacco settlement revenues ("TSRs") from the settlement of litigation with certain cigarette manufacturers that were not retained by TSASC. Other miscellaneous revenues for fiscal years 2018 through 2022 do not include TSRs retained by TSASC for debt service and operating expenses totaling $65 million, $61 million, $70 million, $76 million and $78 million, respectively. Pursuant to the TSASC indenture, less than 40% of the TSRs are pledged to the TSASC bondholders and the remainder flow to the City. For further information see "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—4. MISCELLANEOUS REVENUES" and "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities."

Other miscellaneous revenues for fiscal year 2018 include $39 million from affordable housing development fees.

Other miscellaneous revenues for fiscal year 2019 include $78 million and $142 million from a deferred prosecution agreement under the Manhattan District Attorney's office and the US Department of Justice related to sanctions violations by Societe Generale and Standard Chartered Bank, and the sale of a building located at 101 Barclay Street for $117 million.

Other miscellaneous revenues for fiscal year 2020 include $45 million from the refund from a collateral reserve relating to an insurance policy issued by Chubb Insurance and $10.8 million from a rental payment from the United Nations Development Corporation.

Other miscellaneous revenues for fiscal year 2021 include $212.4 million in debt service reimbursements from NYCHH, a $40 million payment from the New York City Housing Development Corporation to purchase the residual interest in certain loans owned by the City, and $40.2 million from a settlement of litigation with the United States Postal Service relating to the delivery of untaxed cigarettes.

Other miscellaneous revenues for fiscal year 2022 include $21 million from the sale of property in Greenpoint, Brooklyn by the City's Department of Housing Preservation and Development and an $8.7 million payment relating to a master service contract with a telecommunications company.

Unrestricted Intergovernmental Aid

Unrestricted federal and State aid are not subject to any substantial restriction as to their use and are used by the City as general support for its Expense Budget. For a further discussion of federal and State aid, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS."

The following table sets forth amounts of unrestricted federal and State aid received by the City in each of its 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
			(In Millions)		
Unrestricted Intergovernmental Aid	$0	$151	$11	$1	$498

Federal and State Categorical Grants

The City makes certain expenditures for services required by federal and State mandates which are then wholly or partially reimbursed through federal and State categorical grants. State categorical grants are received by the City primarily in connection with City welfare, education, higher education, health and mental health expenditures. The City also receives substantial federal categorical grants in connection with the federal Community Development Block Grant Program ("Community Development"). The federal government also provides the City with substantial public assistance, social service and education grants as well as reimbursement for all or a portion of certain costs incurred by the City in maintaining programs in a number of areas, including housing, criminal justice and health. All City claims for federal and State grants are subject to subsequent audit by federal and State authorities. Certain claims submitted to the State Medicaid program by the City are the subject of investigation by the Office of the Inspector General of the United States Department of Health and Human Services ("OIG"). For a discussion of claims for which a final audit report has been issued by OIG, see "SECTION X: OTHER INFORMATION—Litigation—*Miscellaneous*." The City provides a reserve for disallowances resulting from these audits which could be asserted in subsequent years. Federal grants are also subject to audit under the Single Audit Act Amendments of 1996. For a further discussion of federal and State categorical grants, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS." For information regarding certain recent developments relating to federal aid, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

The following table sets forth amounts of federal and State categorical grants received by the City for each of the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
			(In Millions)		
Federal(1)					
Community Development(2)	$ 1,081	$ 506	$ 558	$ 693	$ 281
Social Services	3,362	3,553	2,918	3,232	2,426
Education	1,786	1,876	1,672	2,498	4,899
Other(3)	1,737	1,784	4,433	6,197	7,595
Total	$ 7,966	$ 7,719	$ 9,581	$ 12,620	$ 15,201
State					
Social Services	$ 1,611	$ 1,698	$ 1,750	$ 1,834	$ 1,729
Education	10,710	11,185	11,493	10,633	11,943
Higher Education	255	263	246	231	238
Health and Mental Health	535	523	428	423	421
Other	1,342	1,301	1,417	1,476	1,516
Total	$ 14,453	$ 14,970	$ 15,334	$ 14,597	$ 15,847

(1) Federal funding includes amounts received under the American Recovery and Reinvestment Act of $198 million, $197 million, $186 million, $181 million and $155 million in fiscal years 2018 through 2022, respectively.

(2) Amounts represent actual funds received and may be lower or higher than the appropriation of funds actually provided by the federal government for the particular fiscal year due either to underspending or the spending of funds carried forward from prior fiscal years. Community Development includes $884.4 million, $432.6 million, $215.2 million, $204.1 million and $21.9 million in fiscal years 2018 through 2022, respectively, in disaster recovery funding for storm damage remediation as a result of Superstorm Sandy.

(3) Other includes $2.713 billion and $2.9 billion in fiscal years 2021 and 2022, respectively, of FEMA funding for the City's response to the COVID-19 pandemic.

SECTION V: CITY SERVICES AND EXPENDITURES

Expenditures for City Services

Three types of governmental agencies provide public services within the City's borders and receive financial support from the City. One category is the mayoral agencies established by the City Charter which include, among others, the Police, Fire and Sanitation Departments. Another is the independent agencies which are funded in whole or in part through the City Budget by the City but which have greater independence in the use of appropriated funds than the mayoral agencies. Included in this category are certain Covered Organizations such as NYCHH and the Transit Authority. A third category consists of certain public benefit corporations ("PBCs") which were created to finance the construction of housing, hospitals, dormitories and other facilities and to provide other governmental services in the City. The legislation establishing this type of agency contemplates that annual payments from the City, appropriated through its Expense Budget, may or will constitute a substantial part of the revenues of the agency. Included in this category is, among others, the City University Construction Fund ("CUCF"). For information regarding expenditures for City services, see "SECTION VI: FINANCIAL OPERATIONS—2018-2022 Summary of Operations."

Federal and State laws require the City to provide certain social services for needy individuals and families who qualify for such assistance. The City receives federal Temporary Assistance for Needy Families ("TANF") block grant funds through the State for the Family Assistance Program. The Family Assistance Program provides benefits for households with minor children subject, in most cases, to a five-year time limit. The Safety Net Assistance Program provides benefits for adults without minor children, families who have reached the Family Assistance Program time limit, and others, including certain immigrants, who are ineligible for the Family Assistance Program but are eligible for public assistance. Historically, the cost of the Safety Net Assistance Program was borne equally by the City and the State. In the 2011-2012 State Budget the State implemented new funding formulas, increasing the City share of the Safety Net Assistance Program to 71% and eliminating the City Share of 25% for the Family Assistance Program by fully funding it with TANF block grant funds. In the 2019-2020 State Budget the State increased the City share for the Family Assistance Program to 10%. In the 2020-2021 State Budget the State further increased the City share for the Family Assistance Program to 15%.

The City also provides funding for many other social services, such as day care, foster care, family planning, services for the elderly and special employment services for welfare recipients, some of which are mandated, and may be wholly or partially subsidized, by either the federal or State government. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—5. FEDERAL AND STATE CATEGORICAL GRANTS."

In July 2002, the Board of Education was replaced by the City's Department of Education (the "DOE") which is overseen by a Chancellor, appointed by the Mayor, and the 13-member Panel for Educational Policy where the Mayor appoints eight members including the Chancellor, and the Borough Presidents each appoint one member. Pursuant to the State law, the Panel for Education Policy will be expanded, effective January 15, 2023. As expanded, the panel will be comprised of 23 members, with the Mayor appointing 13 members, the Borough Presidents each appointing one member, and five members elected from each borough by community education council presidents (community education councils are comprised mostly of public school parents who are elected to serve). Each elected and appointed member will serve a one-year term that can be renewed annually. The Chancellor and Comptroller will serve as ex-officio non-voting members. The number of pupils in the school system is estimated to be 972,080 in fiscal year 2023 and approximately 1 million in each of the 2024 through 2027 fiscal years. Enrollment began declining before the onset of COVID-19 and this trend accelerated during the pandemic. Actual enrollment in fiscal years 2018 through 2022 has been 1,082,555, 1,074,318, 1,071,337, 1,033,579 and 989,399, respectively. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—*Department of Education*." The City's system of higher education, consisting of its Senior Colleges and Community Colleges, is operated under the supervision of the City University of New York ("CUNY"). The City is projected to provide approximately 49.7% of the costs of the Community Colleges in the 2023 fiscal year. Community Colleges are also supported by federal, intra-city, and other categorical funding, as well as the tuition they collect. The State has full responsibility for the costs of operating the Senior Colleges, although the City is required initially to fund these costs which are then reimbursed by the State.

The City administers health services programs for the care of the physically and mentally ill and the aged. NYCHH maintains and operates the City's 10 municipal acute care hospitals, five long-term care facilities, six free standing diagnostic and treatment centers, a certified home health-care program, many hospital-based and neighborhood clinics and a health maintenance organization. NYCHH is funded primarily by third party reimbursement collections from Medicare and Medicaid and by payments from bad debt/charity care pools, with significant contributions from the City. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—*New York City Health and Hospitals*."

Medicaid provides basic medical assistance to needy persons. The City is required by State law to furnish medical assistance through Medicaid to all City residents meeting eligibility requirements established by the State. Prior to State legislation in fiscal year 2006 capping City Medicaid payments, the State had assumed 81.2% of the non-federal share of long-term care costs, all of the costs of providing medical assistance to the mentally disabled, and 50% of the non-federal share of Medicaid costs for all other clients. As a result of State legislation in fiscal years 2006 and 2012 capping City Medicaid payments, the State percentage of the non-federal share may vary. The federal government pays 50% of Medicaid costs for federally eligible recipients and a higher share for federally eligible childless adults.

The City's Expense Budget increased during the five-year period ended June 30, 2022, due to, among other factors, the increasing costs of pensions and Medicaid, the costs of labor settlements and the impact of inflation on various other than personal services costs.

Employees and Labor Relations

Employees

The following table presents the number of full-time and full-time equivalent employees of the City, including the mayoral agencies, the DOE and CUNY, at the end of each of the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
Education	146,134	146,776	147,792	144,323	141,748
Police	53,755	53,486	53,416	50,496	49,960
Social Services, Homeless and Children's Services	22,003	22,145	21,698	20,781	19,113
City University Community Colleges and Hunter Campus Schools	9,414	9,385	8,314	7,646	7,472
Environmental Protection and Sanitation	16,152	16,545	16,031	15,162	15,321
Fire	17,228	17,405	17,480	17,140	16,960
All Other	60,983	60,997	59,305	57,313	53,521
Total	325,669	326,739	324,036	312,861	304,095

The following table presents the number of full-time employees of certain Covered Organizations, as reported by such Organizations, at the end of each of the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022
Transit Authority	49,415	49,283	47,056	45,041	45,851
Housing Authority	10,491	10,597	11,024	11,655	11,670
NYCHH	35,484	36,735	38,918	39,193	37,625
Total(1)	95,390	96,615	96,998	95,889	95,146

(1) The definition of "full-time employees" varies among the Covered Organizations and the City.

The foregoing tables include persons whose salaries or wages are paid by certain public employment programs, including programs funded under the Workforce Investment Act, which support employees in non-profit and State agencies as well as in the mayoral agencies and the Covered Organizations.

Labor Relations

Substantially all of the City's employees are members of labor unions. For those employees, wages, hours or working conditions may be changed only as provided for under collective bargaining agreements. Although State law prohibits strikes by municipal employees, strikes and work stoppages by employees of the City and the Covered Organizations have occurred. For information regarding a recent tentative labor contract settlement with DC 37, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS—2023-2027 Financial Plan" and "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—1. PERSONAL SERVICES COSTS."

Collective bargaining for City employees is under the jurisdiction of either the New York City Office of Collective Bargaining, which was created under the New York City Collective Bargaining Law, or the New York State Public Employment Relations Board ("PERB"), which was created under the State Employees Fair Employment Act. Collective bargaining matters relating to police, firefighters and pedagogical employees are under the jurisdiction of PERB. Under applicable law, the terms of future wage settlements could be determined through an impasse procedure which, except in the case of pedagogical employees, can result in the imposition of a binding decision. Pedagogical employees do not have access to binding arbitration but are covered by a fact- finding impasse procedure under which a binding decision may not be imposed. Although the impasse procedure may not impose a binding settlement, it may influence ongoing collective bargaining.

In 2021, the City and the Municipal Labor Committee ("MLC") agreed to implement a Medicare Advantage ("MA") plan for City retirees in order to generate an estimated $600 million in annual savings in retiree health benefit costs. The City and the MLC further agreed that those savings would be earmarked for contribution to the Health Insurance Stabilization Fund, a trust and agency account jointly administered by the City and the MLC since 1986 for the purpose of moderating volatility in the cost to the City of pre-Medicare health coverage expenses, the balance of which has been declining in recent years. The City and the MLC also anticipated that the current, more expensive Senior Care plan could remain in place but that participating retirees would be required to pay a monthly premium.

The City's and MLC's plan described above was challenged in litigation. The court concluded that, although the City could proceed with the implementation of the MA plan itself, it could not charge retirees who chose to remain in Senior Care a monthly premium. The court's decision, if not overturned, would result in the elimination of the projected savings from the plan unless the City stopped offering the Senior Care plan. The City has appealed that decision. For further information, see "SECTION X: OTHER INFORMATION—Litigation—*Miscellaneous*." As discussed further below, the City and the MLC are proceeding with the implementation of the MA plan without the option to remain in the Senior Care plan. Additionally, the City and the MLC are mutually supporting a change to the City's Administrative Code that would permit the City to change the Medicare benchmark rate and consequently to charge retirees who choose to remain in Senior Care a monthly premium. Such change to the City's Administrative Code requires City Council approval, although the Speaker of the City Council has not allowed a vote on the measure thus far.

In December 2022, after the delays in implementing the MA plan described above, an arbitrator, whose mandate is to enforce health savings agreed to between the City and the MLC, determined that the City must finalize a contract and take steps to implement the MA plan by July of 2023. The arbitrator's ruling acknowledged that without the savings from the MA plan, the Health Insurance Stabilization Fund will be fully drawn and savings will need to be obtained through alternative means, likely including the imposition of co-premiums on active City employees and pre-Medicare retirees. Following the terms of the arbitrator's order, the City and the MLC have since finalized a contract with an insurer and agreed to implement the MA plan and revoke the Senior Care plan by September 1, 2023. The City believes that this approach complies with the court ruling described above as well as the arbitrator's determination, while allowing future projected savings to be obtained, barring further litigation. The delays in implementation described above have resulted in a delay in achieving the anticipated savings associated with the MA plan. Assuming a September 1, 2023 implementation date, the City will have failed to realize a cumulative $1 billion in potential savings, monies that would have been applied to the Health Insurance Stabilization Fund's outstanding financial obligations. The City and the MLC are currently negotiating further savings to offset such obligations via health plan reforms, including a new preferred provider organization for active employees and pre-Medicare retirees; however, it is too early to predict the outcome given the range of possibilities. If the Health Insurance Stabilization Fund were fully drawn, there could be a significant shift in costs to active City employees and pre-Medicare retirees in the form of additional health coverage fees and reductions in benefits, or the assumption of significant costs by the City.

For information regarding the City's assumptions with respect to the current status of the City's agreements with its labor unions, the cost of future labor settlements and related effects on the Financial Plan, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—1. PERSONAL SERVICES COSTS."

Pensions

The City maintains a number of pension systems providing benefits for its employees and employees of various independent agencies (including certain Covered Organizations). For further information regarding the City's pension systems and the City's obligations thereto, see "SECTION IX: PENSION SYSTEMS AND OPEB."

Capital Expenditures

The City makes substantial capital expenditures to reconstruct, rehabilitate and expand the City's infrastructure and physical assets, including City mass transit facilities, water and sewer facilities, streets, bridges and tunnels, and to make capital investments that will improve productivity in City operations. For additional information regarding the City's infrastructure, physical assets and capital program, see "SECTION VII: FINANCIAL PLAN—Long-Term Capital Program" and "—Financing Program."

The City utilizes a three-tiered capital planning process consisting of the Ten-Year Capital Strategy (previously, the Ten-Year Capital Plan), the four-year capital plan and the current-year Capital Budget. The Ten-Year Capital Strategy, which is published once every two years in conjunction with the Executive Budget as required by the City Charter, is a long-term planning tool designed to reflect fundamental allocation choices and basic policy objectives. The four-year capital plan, which is updated three times a year, as required by the City Charter, translates mid-range policy goals into specific projects. The Capital Budget defines for each fiscal year specific projects and the timing of their initiation, design, construction and completion.

On January 12, 2023, the City published the Preliminary Ten-Year Capital Strategy for fiscal years 2024 through 2033. The Preliminary Ten-Year Capital Strategy totals \$159.3 billion, of which approximately 97.5% would be financed with City funds.

The Preliminary Ten-Year Capital Strategy includes, among other items: (i) \$18.2 billion to construct new schools and improve existing educational facilities, including CUNY; (ii) \$29.0 billion for improvements to the water and sewer system; (iii) \$23.0 billion for expanding and upgrading the City's housing stock; (iv) \$13.0 billion for reconstruction or resurfacing of City streets; (v) \$2.1 billion for continued City-funded investment in mass transit; (vi) \$16.4 billion for the continued reconstruction and rehabilitation of all four East River bridges and 108 other bridge structures; (vii) \$9.0 billion to design and construct new jail facilities as well as to upgrade equipment, vehicles, and necessary systems; and (viii) \$2.9 billion for construction and improvement of court facilities.

For a discussion of the City's debt limit, see "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness*."

Those programs in the Preliminary Ten-Year Capital Strategy financed with City funds are currently expected to be funded primarily from the issuance of bonds by the City, the Water Authority and the TFA. From time to time, during recessionary periods when operating revenues have come under increasing pressure, capital funding levels have been reduced from those previously contemplated in order to reduce debt service costs. For information concerning the City's long-term financing program for capital expenditures, see "SECTION VII: FINANCIAL PLAN—Financing Program."

The City's capital expenditures, including expenditures funded by State and federal grants, totaled $50.2 billion during the 2018 through 2022 fiscal years. City-funded expenditures, which totaled $45.5 billion during the 2018 through 2022 fiscal years, have been financed through the issuance of bonds by the City, the TFA and the Water Authority. The following table summarizes the major categories of capital expenditures in the City's 2018 through 2022 fiscal years.

	2018	2019	2020	2021	2022	Total
			(In Millions)			
Education	$ 2,353	$ 2,830	$ 2,853	$ 2,374	$ 3,080	$ 13,490
Environmental Protection	1,688	1,992	1,846	1,816	1,765	9,107
Transportation	1,461	1,301	1,341	1,187	1,083	6,373
Transit Authority[(1)]	55	311	95	79	422	962
Housing	1,412	1,681	904	1,143	1,018	6,158
Hospitals	217	306	363	441	440	1,767
Sanitation	290	243	202	252	196	1,183
All Other[(2)]	2,164	2,185	2,169	2,140	2,526	11,184
Total Expenditures[(3)]	$ 9,640	$ 10,848	$ 9,774	$ 9,431	$ 10,530	$ 50,223
City-funded Expenditures[(4)]	$ 8,887	$ 9,278	$ 9,331	$ 8,579	$ 9,440	$ 45,515

(1) Excludes the Transit Authority's non-City portion of the MTA capital program.
(2) All Other includes, among other things, parks, correction facilities, public structures and equipment.
(3) Total Expenditures for the 2018 through 2022 fiscal years include City, State and federal funding and represent amounts which include an accrual for work-in-progress. Figures for fiscal years 2018 through 2022 are derived from the Annual Report.
(4) City-funded Expenditures do not include accruals, but represent actual cash disbursements occurring during the fiscal year.

The City annually issues a condition assessment and a proposed maintenance schedule for the major portion of its assets and asset systems which have a replacement cost of $10 million or more and a useful life of at least ten years, as required by the City Charter. For information concerning a report which sets forth the recommended capital investment to bring certain identified assets of the City to a state of good repair, see "SECTION VII: FINANCIAL PLAN—Long-Term Capital Program."

SECTION VI: FINANCIAL OPERATIONS

The City's Annual Report for the fiscal year ended June 30, 2022 is included by specific reference in this Official Statement as "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT." The Annual Report for the fiscal year ended June 30, 2022 is available for inspection at the Office of the City Comptroller and at https://comptroller.nyc.gov/reports/comprehensive-annual-financial-reports/ and is available on EMMA (as defined herein) (https://emma.msrb.org). For a summary of the City's significant accounting policies, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A." For a summary of the City's operating results for the previous five fiscal years, see "2018-2022 Summary of Operations" below.

Except as otherwise indicated, all of the financial data relating to the City's operations contained herein, although derived from the City's books and records, are unaudited. In addition, neither the City's independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Financial Plan or other estimates or projections contained elsewhere herein, nor have they expressed any opinion or any other form of assurance on such prospective financial information or its achievability, and assume no responsibility for, and disclaim any association with, all such prospective financial information.

The Financial Plan is prepared in accordance with standards set forth in the Financial Emergency Act and the City Charter. The Financial Plan contains projections and estimates that are based on expectations and assumptions which existed at the time such projections and estimates were prepared. The estimates and projections contained in this Section and elsewhere herein are based on, among other factors, evaluations of historical revenue and expenditure data, analyses of economic trends and current and anticipated federal and State legislation affecting the City's finances. The City's financial projections are based upon numerous assumptions and are subject to certain contingencies and periodic revisions which may involve substantial change. This prospective information is not fact and should not be relied upon as being necessarily indicative of future results. The City makes no representation or warranty that these estimates and projections will be realized. The estimates and projections contained in this Section and elsewhere herein were not prepared with a view towards compliance with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information.

2018-2022 Summary of Operations

The following table sets forth the City's results of operations for its 2018 through 2022 fiscal years in accordance with GAAP, after discretionary and other transfers and except for the application of GASB 49 and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT."

The information regarding the 2018 through 2022 fiscal years has been derived from the City's audited financial statements and should be read in conjunction with the notes accompanying this table and the City's 2021 and 2022 financial statements included in "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT." The 2018 through 2020 financial statements are not separately presented herein. For further information regarding the City's revenues and expenditures, see "SECTION IV: SOURCES OF CITY REVENUES" and "SECTION V: CITY SERVICES AND EXPENDITURES."

	Fiscal Year(1)				
	Actual				
	2018	2019	2020	2021	2022
	(In Millions)				
Revenues and Transfers					
Real Estate Tax(2)	$ 26,408	$ 27,885	$ 29,816	$ 31,464	$ 29,582
Other Taxes(3)(4)	32,696	33,609	33,274	34,070	40,016
Miscellaneous Revenues(3)	5,019	5,997	5,269	5,168	5,013
Other Categorical Grants	1,255	1,340	1,105	1,177	885
Unrestricted Federal and State Aid	—	151	11	1	498
Federal Categorical Grants	7,966	7,719	9,581	12,620	15,201
State Categorical Grants	14,453	14,970	15,334	14,597	15,847
Disallowances Against Categorical Grants	139	113	(5)	(24)	(35)
Total Revenues and Transfers(5)	$ 87,936	$ 91,784	$ 94,385	$ 99,073	$107,007
Expenditures and Transfers					
Social Services	$ 15,208	$ 15,833	$ 15,631	$ 15,475	$ 16,574
Board of Education	25,026	26,905	27,903	28,288	31,306
City University	1,087	1,114	1,117	1,060	1,109
Public Safety and Judicial	10,024	10,358	10,791	10,548	11,937
Health Services	2,401	2,656	2,520	4,554	4,699
Pensions(6)	9,513	9,829	9,672	9,334	9,599
Debt Service(3)(7)	6,673	6,373	6,554	8,193	6,294
All Other(8)	17,999	18,711	20,192	21,616	24,034
Total Expenditures and Transfers(5)	$ 87,931	$ 91,779	$ 94,380	$ 99,068	$105,552
Surplus(9)	$ 5	$ 5	$ 5	$ 5	$ 1,455

(1) The City's results of operations refer to the City's General Fund revenues and transfers reduced by expenditures and transfers. The revenues and assets of PBCs included in the City's audited financial statements do not constitute revenues and assets of the City's General Fund, and, accordingly, the revenues of such PBCs are not included in the City's results of operations. Expenditures required to be made and revenues earned by the City with respect to such PBCs are included in the City's results of operations. For further information regarding the particular PBCs included in the City's financial statements, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A."

(2) In fiscal years 2018 through 2022, Real Estate Tax includes \$188.7 million, \$181.3 million, \$165.5 million, \$153.5 million and \$146.3 million, respectively, which was provided to the City by the State as a reimbursement for the reduced property tax revenues resulting from the State's STAR Program.

(3) Other Taxes includes as revenues to the City the personal income tax revenues retained by the TFA of \$181 million, \$444 million, \$512 million, \$276 million and \$175 million in fiscal years 2018 through 2022, respectively. Debt Service includes as a debt service expense the funding requirements associated with TFA Future Tax Secured Bonds of \$181 million, \$444 million, \$512 million, \$276 million and \$175 million in fiscal years 2018 through 2022, respectively. Debt Service does not include debt service on TSASC bonds. Miscellaneous Revenues includes TSRs that are not retained by TSASC for debt service and operating expenses.

(4) Other Taxes includes tax audit revenues. For further information regarding the City's revenues from Other Taxes, see "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."

(5) Total Revenues and Transfers and Total Expenditures and Transfers exclude Inter-Fund Revenues.

(6) For information regarding pension expenditures, see "SECTION X: OTHER INFORMATION."

(7) Debt Service includes discretionary transfers of \$1.902 billion, \$1.702 billion, \$1.269 billion, \$3.0 billion and \$3.318 billion into the General Debt Service Fund in fiscal years 2018 through 2022, respectively, a prepayment of \$40 million of lease debt service in fiscal year 2022, and grants from the City to the TFA of \$2.174 billion, \$2.319 billion, \$2.550 billion, \$2.682 billion and \$1.965 billion in fiscal years 2018 through 2022, respectively, which were used by the TFA to pay debt service in the following fiscal year thereby decreasing the TFA funding requirements.

(8) All Other includes payments into the Retiree Health Benefits Trust of \$100 million, \$100 million, \$425 million and \$792 million in fiscal years 2018, 2019, 2021 and 2022, respectively, a payment from the Retiree Health Benefits Trust of approximately \$1 billion to pay for OPEB costs in fiscal year 2020, and payment of \$200 million of subsidies to NYCHH in fiscal year 2019 otherwise due in fiscal year 2020.

(9) Surplus is the surplus after discretionary and other transfers and expenditures. The City had general fund operating revenues exceeding expenditures of \$4.581 billion, \$4.226 billion, \$3.824 billion, \$6.112 billion and \$7.570 billion in fiscal years 2018 through 2022, respectively, before discretionary and other transfers and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT." Discretionary and other transfers are included in Debt Service and All Other. All year-end budget surpluses have been deposited into the Revenue Stabilization Fund. See "SECTION VII: FINANCIAL PLAN—Revenue Stabilization Fund."

Forecast of 2023 Results

The following table compares the forecast for the 2023 fiscal year contained in the financial plan, submitted to the Control Board in June 2022 (the "June 2022 Forecast"), with the forecast contained in the Financial Plan, which was submitted to the Control Board on January 12, 2023 (the January 2023 Forecast"). Each forecast was prepared on a basis consistent with GAAP except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "INTRODUCTORY STATEMENT." For information regarding recent developments, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

	June 2022 Forecast	January 2023 Forecast	Increase/(Decrease) from June 2022 Forecast
		(In Millions)	
REVENUES			
Taxes			
General Property Tax	$ 31,277	$ 31,277	$ —
Other Taxes	35,751	37,004	$1,253[(1)]
Tax Audit Revenues	721	721	—
Subtotal – Taxes	$ 67,749	$ 69,002	$ 1,253
Miscellaneous Revenues	7,311	7,983	672[(2)]
Unrestricted Intergovernmental Aid	252	252	—
Less: Intra-City Revenue	(1,974)	(2,213)	(239)
Disallowances Against Categorical Grants	(15)	(15)	—
Subtotal – City Funds	$ 73,323	$ 75,009	$ 1,686
Other Categorical Grants	1,029	1,172	143[(3)]
Inter-Fund Revenues	736	726	(10)
Federal Categorical Grants	9,284	12,424	3,140[(4)]
State Categorical Grants	16,752	17,057	305[(5)]
Total Revenues	$ 101,124	$ 106,388	$ 5,264
EXPENDITURES			
Personal Services			
Salaries and Wages	$ 31,668	$ 31,497	$ (171)[(6)]
Pensions	9,414	9,414	—
Fringe Benefits	12,640	12,535	(105)[(7)]
Subtotal – Personal Services	$ 53,722	$ 53,446	$ (276)
Other Than Personal Services			
Medical Assistance	6,564	6,564	—
Public Assistance	1,650	1,650	—
All Other	37,718	41,430	3,712[(8)]
Subtotal – Other Than Personal Services	$ 45,932	$ 49,644	$ 3,712
Debt Service	7,753	7,654	(99)[(9)]
FY 2022 Budget Stabilization	(6,114)	(6,114)	—
FY 2023 Budget Stabilization	—	2,166	2,166[(10)]
Capital Stabilization Reserve	250	250	—
General Reserve	1,555	1,555	—
Less: Intra-City Revenue	(1,974)	(2,213)	(239)
Net Total Expenditures	$ 101,124	$ 106,388	$ 5,264

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(1) The increase in Other Taxes is due to increases of $633 million in general corporation tax, $530 million in sales tax, $142 million in unincorporated business tax, $121 million in hotel tax, offset by decreases of $139 million in real property transfer tax and $34 million in mortgage recording tax.
(2) The increase in Miscellaneous Revenues is due to increases of $239 million in intra-city revenues, $218 million in interest, $197 million in fines and forfeitures, $20 million in franchises, $16 million in water and sewer charges, $8 million in miscellaneous and other revenues offset by decreases of $25 million in charges for services, $3 million in permit revenues and $3 million in license revenues.
(3) The increase in Other Categorical Grants is due to $27 million in health and mental hygiene funding, $22 million in citywide administration funding, $13 million in City's office of technology and innovation funding, $12 million in parks department funding, $11 million in housing preservation and development funding, $10 million in fire department funding, and $48 million in other agencies funding.
(4) The increase in Federal Categorical Grants is due to increases of $1 billion in funding for costs related to asylum seekers, which is subject to appropriation by the federal government, $825 million in funding primarily relating to the outbreak of COVID-19, $310 million in health and mental hygiene funding, $237 million in education funding, $221 million in social services funding, $151 million in community development funding, primarily disaster recovery funding, $128 million in police funding, $74 million in fire department funding, $46 million in youth and community development funding, $42 million in housing preservation and development funding, $35 million in homeless services funding, $17 million in department of small business services funding, $15 million in department of design and construction funding, and $39 million in other agencies funding.
(5) The increase in State Categorical Grants is due to increases of $99 million in health and mental hygiene funding, $66 million in children services funding, $42 million in education funding, $28 million in police funding, $16 million in social services funding, and $54 million in other agencies funding.
(6) The decrease in Salaries and Wages is primarily due to personnel and staffing related changes.
(7) The decrease in Fringe Benefits is primarily due to a reduction in City headcount in fiscal year 2023.
(8) The increase in Other Than Personal Services—All Other is due to expense increases to be funded in part by $3.021 billion of Federal Categorical Grants, $269 million of State Categorical Grants, $386 million of other funds and $36 million of City Funds.
(9) The decrease in General Obligation, Lease and TFA Debt Service is primarily due to savings from refinancing transactions executed in fiscal year 2023.
(10) FY 2023 Budget Stabilization reflects, in fiscal year 2023, a grant of $2.166 billion to the TFA.

SECTION VII: FINANCIAL PLAN

The following table sets forth the City's projected operations on a basis consistent with GAAP, except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "INTRODUCTORY STATEMENT," for the 2023 through 2027 fiscal years as contained in the Financial Plan. This table should be read in conjunction with the accompanying notes, "Actions to Close the Remaining Gaps" and "Assumptions" below. For information regarding recent developments, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

	Fiscal Years(1)(2)				
	2023	2024	2025	2026	2027
			(In Millions)		
REVENUES					
Taxes					
General Property Tax(3)	$ 31,277	$ 31,871	$ 32,006	$ 32,018	$ 32,018
Other Taxes(4)	37,004	36,296	37,891	39,299	40,366
Tax Audit Revenue	721	721	721	721	721
Subtotal – Taxes	$ 69,002	$ 68,888	$ 70,618	$ 72,038	$ 73,105
Miscellaneous Revenues(5)	7,983	7,516	7,381	7,312	7,289
Unrestricted Intergovernmental Aid	252	-	-	-	-
Less: Intra-City Revenue	(2,213)	(1,902)	(1,900)	(1,896)	(1,896)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal – City Funds	$ 75,009	$ 74,487	$ 76,084	$ 77,439	$ 78,483
Other Categorical Grants	1,172	1,060	1,057	1,055	1,054
Inter-Fund Revenues(6)	726	698	699	699	699
Federal Categorical Grants	12,424	9,485	8,151	7,017	6,999
State Categorical Grants	17,057	16,925	17,163	17,217	17,281
Total Revenues	$ 106,388	$ 102,655	$ 103,154	$ 103,427	$ 104,516
EXPENDITURES					
Personal Service					
Salaries and Wages	$ 31,497	$ 31,492	$ 31,937	$ 32,625	$ 33,323
Pensions	9,414	9,563	9,783	9,951	9,799
Fringe Benefits	12,535	13,501	14,379	15,119	15,726
Subtotal – Personal Service	$ 53,446	$ 54,556	$ 56,099	$ 57,695	$ 58,848
Other Than Personal Service					
Medical Assistance	6,564	6,385	6,385	6,385	6,535
Public Assistance	1,650	1,650	1,650	1,650	2,000
All Other(7)	41,430	34,781	34,280	34,049	34,281
Subtotal – Other Than Personal Service	$ 49,644	$ 42,816	$ 42,315	$ 42,084	$ 42,816
Debt Service(8)	7,654	7,901	8,356	9,105	9,767
FY 2022 Budget Stabilization & Discretionary Transfers(9)	(6,114)	—	—	—	—
FY 2023 Budget Stabilization(10)	2,166	(2,166)	—	—	—
Capital Stabilization Reserve(11)	250	250	250	250	250
General Reserve	1,555	1,200	1,200	1,200	1,200
Less: Intra-City Expenses	(2,213)	(1,902)	(1,900)	(1,896)	(1,896)
Total Expenditures	$106,388	$ 102,655	$ 106,320	$ 108,438	$ 110,985
Gap to be Closed	$ —	$ —	$ (3,166)	$ (5,011)	$ (6,469)

(1) The four year financial plan for the 2023 through 2026 fiscal years, as submitted to the Control Board on June 13, 2022, contained the following projections for the 2023-2026 fiscal years: (i) for 2023, total revenues of $101.124 billion and total expenditures of $101.124 billion; (ii) for 2024, total revenues of $101.002 billion and total expenditures of $105.212 billion, with a gap to be closed of $4.210 billion; (iii) for 2025, total revenues of $102.229 billion and total expenditures of $105.943 billion, with a gap to be closed of $3.714 billion; and (iv) for 2026, total revenues of $102.761 billion and total expenditures of $106.741 billion, with a gap to be closed of $3.980 billion.

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The four year financial plan for the 2022 through 2025 fiscal years, as submitted to the Control Board on June 30, 2021, contained the following projections for the 2022-2025 fiscal years: (i) for 2022, total revenues of $98.723 billion and total expenditures of $98.723 billion; (ii) for 2023, total revenues of $97.724 billion and total expenditures of $101.775 billion, with a gap to be closed of $4.051 billion; (iii) for 2024, total revenues of $99.516 billion and total expenditures of $103.353 billion, with a gap to be closed of $3.837 billion; and (iv) for 2025, total revenues of $100.960 billion and total expenditures of $105.029 billion, with a gap to be closed of $4.069 billion.

The four year financial plan for the 2021 through 2024 fiscal years, as submitted to the Control Board on June 30, 2020, contained the following projections for the 2021-2024 fiscal years: (i) for 2021, total revenues of $88.192 billion and total expenditures of $88.192 billion; (ii) for 2022, total revenues of $93.654 billion and total expenditures of $97.834 billion, with a gap to be closed of $4.180 billion; (iii) for 2023, total revenues of $96.967 billion and total expenditures of $100.010 billion, with a gap to be closed of $3.043 billion; and (iv) for 2024, total revenues of $98.288 billion and total expenditures of $101.470 billion, with a gap to be closed of $3.182 billion.

The four year financial plan for the 2020 through 2023 fiscal years, as submitted to the Control Board on June 19, 2019, contained the following projections for the 2020-2023 fiscal years: (i) for 2020, total revenues of $92.772 billion and total expenditures of $92.772 billion; (ii) for 2021, total revenues of $94.421 billion and total expenditures of $97.942 billion, with a gap to be closed of $3.521 billion; (iii) for 2022, total revenues of $96.992 billion and total expenditures of $99.871 billion, with a gap to be closed of $2.879 billion; and (iv) for 2023, total revenues of $99.352 billion and total expenditures of $102.493 billion, with a gap to be closed of $3.141 billion.

(2) The Financial Plan combines the operating revenues and expenditures of the City, the DOE and CUNY. The Financial Plan does not include the total operations of NYCHH, but does include the City's subsidy to NYCHH and the City's share of NYCHH revenues and expenditures related to NYCHH's role as a Medicaid provider. Certain Covered Organizations and PBCs which provide governmental services to the City, such as the Transit Authority, are separately constituted and their revenues are not included in the Financial Plan; however, City subsidies and certain other payments to these organizations are included. Revenues and expenditures are presented net of intra-City items, which are revenues and expenditures arising from transactions between City agencies.

(3) For a description of the STAR Program, and other real estate tax assumptions, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Revenue Assumptions*—2. REAL ESTATE TAX."

(4) Personal income taxes flow directly from the State to the TFA, and from the TFA to the City only to the extent not required by the TFA for debt service, reserves, operating expenses and contractual and other obligations incurred pursuant to the TFA indenture. Sales taxes will flow directly from the State to the TFA to the extent necessary to provide statutory coverage. Other Taxes includes amounts that are expected to be retained by the TFA for its funding requirements associated with TFA Future Tax Secured Bonds. Starting with fiscal year 2023, personal income taxes also includes the newly enacted pass-through entity tax. see "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."

(5) Miscellaneous Revenues reflects the receipt by the City of TSRs not used by TSASC for debt service and other expenses. For information on TSASC, see "SECTION IV: SOURCES OF CITY REVENUES—Miscellaneous Revenues."

(6) Inter-Fund Revenues represents General Fund expenditures, properly includable in the Capital Budget, made on behalf of the Capital Projects Fund pursuant to inter-fund agreements.

(7) For a discussion of the categories of expenditures in Other Than Personal Services—All Other, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS."

(8) For a discussion of the debt service in General Obligation, Lease and TFA Debt Service, see "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—3. GENERAL OBLIGATION, LEASE AND TFA DEBT SERVICE."

(9) FY 2022 Budget Stabilization reflects, in fiscal year 2022, the discretionary transfer of $3.318 billion into the General Debt Service Fund, a grant of $1.964 billion to the TFA, and a $40 million pre-payment of conduit debt service, each for debt service due in fiscal year 2023, and the discretionary transfer of $792 million into the Retiree Health Benefits Trust.

(10) FY 2023 Budget Stabilization reflects, in fiscal year 2023, a grant of $2.166 billion to the TFA.

(11) The Capital Stabilization Reserve reflects a capital reserve which will be available to make capital projects more efficient or for debt retirement in an economic downturn.

Implementation of various measures in the Financial Plan may be uncertain. If these measures cannot be implemented, the City will be required to take actions to decrease expenditures or increase revenues to maintain a balanced financial plan. See "Assumptions" and "Certain Reports" below.

Actions to Close the Remaining Gaps

Although the City has maintained balanced budgets in each of its last 42 fiscal years, except for the application of GASB 49 with respect to fiscal years 2010 through 2022, and without regard to certain fund balances permitted to be carried forward as described in "INTRODUCTORY STATEMENT," in fiscal years 2020 through 2022, and is projected to achieve balanced operating results for the 2023 and 2024 fiscal years, except for the application of GASB 49 and without regard to certain fund balances, which may be carried forward as described in "INTRODUCTORY STATEMENT," there can be no assurance that the Financial Plan or future actions to close projected outyear gaps can be successfully implemented or that the City will maintain a balanced budget in future years without additional federal or State aid, revenue increases or expenditure reductions. Additional tax increases and reductions in essential City services could adversely affect the City's economic base.

Revenue Stabilization Fund

The Revenue Stabilization Fund (also referred to as the Rainy Day Fund) was established in fiscal year 2021 pursuant to amendments to the City Charter and the Financial Emergency Act. All year-end budget surpluses, after discretionary and other transfers and expenditures, including such surpluses accumulated prior to the establishment of the Revenue Stabilization Fund, have been and will continue to be deposited into such fund, along with additional amounts appropriated into such fund pursuant to the City budget process. Amounts in the Revenue Stabilization Fund may be carried forward for use in a future fiscal year or fiscal years. However, no more than fifty percent of the total amount of the Revenue Stabilization Fund may be withdrawn in any fiscal year unless the Mayor has certified that there is a compelling fiscal need. The balance in the Revenue Stabilization Fund as of June 30, 2022 is $1.954 billion.

Assumptions

The Financial Plan is based on numerous assumptions, including the condition of the City's and the region's economies and the concomitant receipt of economically sensitive tax revenues in the amounts projected. As shown in the Forecast of Key Economic Indicators below, the Financial Plan assumes no economic recession during the years of the Financial Plan. The Financial Plan is subject to various other uncertainties and contingencies relating to, among other factors, the extent, if any, to which wage increases for City employees exceed the annual wage costs assumed; realization of projected earnings for pension fund assets and current assumptions with respect to wages for City employees affecting the City's required pension fund contributions; the willingness and ability of the State to provide the aid contemplated by the Financial Plan and to take various other actions to assist the City; the ability of NYCHH and other such entities to maintain balanced budgets; the willingness of the federal government to provide the amount of federal aid contemplated in the Financial Plan; the impact on City revenues and expenditures of federal and State legislation affecting Medicare or other entitlement programs; adoption of the City's budgets by the City Council in substantially the forms submitted by the Mayor; the ability of the City to implement cost reduction initiatives, and the success with which the City controls expenditures; the impact of conditions in the real estate market on real estate tax revenues; the ability of the City and other financing entities to market their securities successfully in the public credit markets; the impact of the outbreak of COVID-19; and the extension of the authorization to sell real property tax liens. See "SECTION I: RECENT FINANCIAL DEVELOPMENTS." Certain of these assumptions are reviewed in reports issued by the City Comptroller and other public officials. See "SECTION VII: FINANCIAL PLAN—Certain Reports."

The projections and assumptions contained in the Financial Plan are subject to revision, which may be substantial. No assurance can be given that these estimates and projections, which include actions the City expects will be taken but are not within the City's control, will be realized. For information regarding certain recent developments, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

Revenue Assumptions

1. GENERAL ECONOMIC CONDITIONS

The following table presents a forecast of the key economic indicators for the calendar years 2022 through 2027. This forecast is based upon information available in January 2023.

FORECAST OF KEY ECONOMIC INDICATORS

	Calendar Years						
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**1979-2021**
U.S. ECONOMY							
Real GDP (billions of 2012 dollars):	$19,983	$20,039	$20,407	$20,812	$21,188	$21,537	
Percent Change	1.9	0.3	1.8	2.0	1.8	1.6	2.6%
Non-Agricultural Employment (millions)	152.0	152.9	152.4	153.2	153.8	154.3	
Level Change	5.9	0.9	-0.5	0.8	0.6	0.5	
Percent Change	4.1	0.6	-0.3	0.5	0.4	0.3	1.2%
CPI-All Urban (1982-84=100)	292.8	304.6	311.7	318.4	325.3	332.4	

	Calendar Years						
	2022	**2023**	**2024**	**2025**	**2026**	**2027**	**1979-2021**
Percent Change	8.1	4.0	2.3	2.2	2.2	2.2	3.2%
Wage Rate ($ per year)	73,423	76,502	79,987	83,470	86,975	90,464	
Percent Change	4.2	4.2	4.6	4.4	4.2	4.0	3.9%
Personal Income ($ billions)	21,752	22,736	23,786	24,924	26,053	27,238	
Percent Change	2.1	4.5	4.6	4.8	4.5	4.5	5.7%
Pre-Tax Corp Profits ($ billions)	3,379	3,262	3,320	3,385	3,503	3,642	
Percent Change	7.7	-3.4	1.8	1.9	3.5	4.0	5.7%
Unemployment Rate (Percent)	3.7	4.6	5.0	4.6	4.4	4.4	6.2% avg
10-year Treasury Bond Rate	3.0	3.6	3.3	3.2	3.2	3.2	5.9% avg
Federal Funds Rate	1.7	4.8	4.3	3.0	2.6	2.6	4.6% avg
NYC ECONOMY							
Real Gross City Product (billions of 2012 dollars):	946.0	951.6	971.4	993.8	1,011.7	1,027.1	
Percent Change	6.9	0.6	2.1	2.3	1.8	1.5	2.4%
Non-Agricultural Employment (thousands)	4,507	4,575	4,670	4,774	4,864	4,944	
Level Change	268.7	68.0	95.5	103.3	90.1	80.3	
Percent Change	6.3	1.5	2.1	2.2	1.9	1.7	0.6%
CPI- All Urban NY-NJ Area (1982-84=100)	309.8	319.3	325.6	331.0	336.3	341.9	
Percent Change	6.0	3.1	1.9	1.7	1.6	1.6	3.3%
Wage Rate ($ per year)	115,544	113,876	117,221	120,947	124,533	128,455	
Percent Change	1.6	-1.4	2.9	3.2	3.0	3.1	4.8%
Personal Income	705.1	722.5	757.5	793.7	830.0	870.2	
Percent Change	-0.3	2.5	4.8	4.8	4.6	4.8	5.6%
NYC REAL ESTATE MARKET							
Manhattan Primary Office Market							
Asking Rental Rate ($ per square feet)	78.2	76.0	76.5	78.0	79.6	81.6	
Percent Change	2.6	-2.9	0.7	2.0	2.0	2.5	2.1%
Vacancy Rate – Percent	21.7	22.3	21.0	19.6	18.7	18.6	10.9% avg

Source: OMB

2. REAL ESTATE TAX

Projections of real estate tax revenues are based on a number of assumptions, including, among others, assumptions relating to the tax rate, the assessed valuation of the City's taxable real estate, the delinquency rate, debt service needs, a reserve for uncollectible taxes, the operating limit and the impact of the outbreak of COVID-19. See "SECTION IV: SOURCES OF CITY REVENUES—Real Estate Tax." Real Estate Tax revenue projections for fiscal years 2023 through 2027 reflect certain City tax programs proposed by the Mayor and adopted by the New York State legislature. The adoption of such proposals is estimated to reduce real estate tax revenues by $25 million per fiscal year, starting in fiscal year 2023.

Projections of real estate tax revenues include net revenues from the sale of real property tax liens of $80 million in each of fiscal years 2023 through 2027. Projections of real estate tax revenues include the effects of the STAR Program which will reduce the real estate tax revenues by an estimated $144 million, $142 million, $140 million, $138 million and $138 million in fiscal years 2023 through 2027, respectively. Projections of real estate tax revenues reflect the estimated cost of extending the current tax reduction for owners of cooperative and condominium apartments amounting to $668 million, $671 million, $677 million, $684 million and $684 million in fiscal years 2023 through 2027, respectively.

The delinquency rate was 1.2% in fiscal year 2018, 1.2% in fiscal year 2019, 1.8% in fiscal year 2020, 2.0% in fiscal year 2021 and 1.8% in fiscal year 2022. The Financial Plan projects delinquency rates of 1.8% in fiscal year 2023, 1.6% in fiscal year 2024 and 1.7% in each of fiscal years 2025 through 2027. For information concerning the delinquency rates for prior years, see "SECTION IV: SOURCES OF CITY REVENUES—Real Estate Tax—*Collection of the Real Estate Tax*." For a description of proceedings seeking real estate tax refunds from the City, see "SECTION X: OTHER INFORMATION—Litigation—*Taxes*." For information on the potential impact of the lapse of lien sale authorization on real property tax delinquencies, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

On April 24, 2017, a lawsuit was filed challenging the City's real property tax system and valuation methodology. See "SECTION X: OTHER INFORMATION—Litigation—*Taxes*."

3. OTHER TAXES

The following table sets forth amounts of revenues (net of refunds) from taxes other than the real estate tax projected to be received by the City in the Financial Plan. The amounts set forth below exclude the Criminal Justice Fund and audit revenues. Other taxes revenue projections for fiscal years 2023 through 2027 reflect certain City tax programs proposed by the Mayor and enacted as part of the release of the State Budget in April 2022. Such programs are estimated to reduce personal income taxes by $250 million per fiscal year and business tax revenues by $25 million per fiscal year, starting in fiscal year 2023.

	2023	2024	2025	2026	2027
			(In Millions)		
Personal Income[(1)]	$ 15,284	$ 14,844	$ 15,462	$ 15,869	$ 16,269
General Corporation	5,170	4,789	4,902	4,951	4,982
Banking Corporation	—	—	—	—	—
Unincorporated Business Income	2,320	2,365	2,430	2,523	2,620
Sales[(2)]	9,131	9,266	9,868	10,549	10,935
Commercial Rent	862	863	866	868	868
Real Property Transfer	1,256	1,294	1,376	1,462	1,540
Mortgage Recording	927	853	909	969	1,019
Utility	379	395	403	418	418
Cigarette	18	17	16	16	16
Hotel Tax[(3)]	589	644	695	713	738
All Other[(4)]	1,067	965	963	961	961
Total	$ 37,003	$ 36,295	$ 37,890	$ 39,299	$ 40,366

Note: Totals may not add due to rounding.

(1) Personal Income includes $1.331 billion, $1.186 billion, $3.534 billion, $4.032 billion and $4.497 billion of personal income tax revenues projected to be retained by the TFA for debt service and other expenses in fiscal years 2023 through 2027, respectively. Starting with fiscal year 2023, personal income taxes also includes the newly enacted pass-through entity tax. See "SECTION IV: SOURCES OF CITY REVENUES—Other Taxes."

(2) Sales Tax reflects the imposition of sales tax on certain additional internet sales and providing that sales tax revenues in the amount of $172 million in State fiscal year 2023 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. In addition, fiscal years 2023 through 2025 reflect a State intercept of $150 million per fiscal year to fund the "Distressed Provider Assistance Account" to provide assistance to hospitals and nursing homes. For more information, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

(3) Hotel Tax includes the impact of an additional temporary hotel occupancy tax of 0.875 percent resulting in additional revenues of $70 million, $92 million, $101 million, $104 million and $104 million in fiscal years 2023 through 2027, respectively.

(4) All Other includes, among others, beer and liquor taxes and the automobile use tax. All Other also includes $144 million, $142 million, $140 million, $138 million and $138 million in fiscal years 2023 through 2027, respectively, to be provided to the City by the State as reimbursement for the reduced property tax resulting from the STAR Program.

The Financial Plan reflects the following assumptions regarding projected baseline revenues from Other Taxes: (i) with respect to the personal income tax, declines in fiscal year 2023 and fiscal year 2024 revenues reflecting a drop in Wall Street profits from the high levels seen in the prior years, moderate growth from fiscal years 2025 through 2027 as Wall Street profits revert back to historical averages; (ii) with respect to the business corporation tax, decline in revenues in fiscal years 2023 and fiscal year 2024 reflecting economic headwinds from a weakened outlook for Wall Street profits followed by moderate growth in fiscal years 2025 through 2027; (iii) with respect to the unincorporated business income tax, a decline in fiscal year 2023 reflecting a weaker Wall Street performance, a weaker growth in fiscal year 2024 reflecting slower economic growth and a return to moderate growth in fiscal years 2025 through 2027; (iv) with respect to the sales tax, strong growth in fiscal year 2023 from strong consumer spending along with robust growth in the tourism, hospitality and entertainment industries, growth moderates in fiscal years 2024 through 2027; (v) with respect to the real property transfer tax, a decline in fiscal year 2023 from a slow-down in residential activity reflecting the impact of rising interest rates and stalled commercial transactions, growth returns from fiscal years 2024 to 2027 reflecting steady economic growth; (vi) with respect to the mortgage recording tax, declines in fiscal year 2023 and 2024 as the impact from the higher interest rates reverberates through the residential and commercial markets before growth returns to the long-term trend in fiscal years 2025 through 2027 reflecting steady economic growth; and (vii) with respect to the commercial rent tax, a decline in fiscal year 2023 reflecting high vacancy rates for commercial office space in Manhattan and flat growth from fiscal years 2024 through 2027, as uncertainties remain about office space use.

4. MISCELLANEOUS REVENUES

The following table sets forth amounts of miscellaneous revenues projected to be received by the City in the Financial Plan.

	2023	2024	2025	2026	2027
			(In Millions)		
Licenses, Permits and Franchises	$ 751	$ 696	$ 694	$ 699	$ 679
Interest Income	325	402	298	228	225
Charges for Services	1,004	1,024	1,026	1,026	1,026
Water and Sewer Payments(1)	1,817	1,768	1,755	1,749	1,749
Rental Income	255	254	254	254	254
Fines and Forfeitures	1,273	1,121	1,115	1,122	1,122
Other	345	349	339	338	338
Intra-City Revenues	2,213	1,902	1,900	1,896	1,896
	$ 7,983	$ 7,516	$ 7,381	$ 7,312	$ 7,289

(1) Received from the Water Board. The Financial Plan does not include any requests by the City for rental payments from the Water Board. For further information regarding the Water Board, see "SECTION VII: FINANCIAL PLAN—Financing Program."

Rental Income reflects approximately $162.4 million in each of fiscal years 2023 through 2027 for lease payments for the City's airports.

Other reflects $119.9 million, $119.2 million, $118.6 million, $118.2 million and $118.7 million of projected resources in fiscal years 2023 through 2027, respectively, from the receipt by the City of TSRs. For more information, see "SECTION IV: SOURCES OF CITY REVENUES—Miscellaneous Revenues." Economic and legal uncertainties relating to the tobacco industry and the settlement may significantly affect the receipt of TSRs by TSASC and the City.

5. FEDERAL AND STATE CATEGORICAL GRANTS

The following table sets forth amounts of federal and State categorical grants projected to be received by the City in the Financial Plan.

	2023	2024	2025	2026	2027
			(In Millions)		
Federal					
Community Development	$ 407	$ 252	$ 239	$ 239	$ 239
Social Services	3,473	3,458	3,443	3,441	3,441
Education	3,947	3,687	2,147	1,901	1,901
Other	4,597	2,088	2,322	1,436	1,418
Total	$ 12,424	$ 9,485	$ 8,151	$ 7,017	$ 6,999
State					
Social Services	$ 1,965	$ 1,863	$ 1,853	$ 1,846	$ 1,846
Education	12,522	12,695	12,887	12,887	12,887
Higher Education	276	276	276	276	276
Health and Mental Hygiene	639	605	605	606	606
Other	1,655	1,486	1,542	1,602	1,666
Total	$ 17,057	$ 16,925	$ 17,163	$ 17,217	$ 17,281

The Financial Plan assumes that all existing federal and State categorical grant programs will continue, unless specific legislation provides for their termination or adjustment, and assumes increases in aid where increased costs are projected for existing grant programs. For information concerning federal and State aid and the possible impacts on the Financial Plan, see "INTRODUCTORY STATEMENT" and "SECTION I: RECENT FINANCIAL DEVELOPMENTS."

As of January 31, 2023, approximately 17.4% of the City's full-time and full-time equivalent employees (consisting of employees of the mayoral agencies and the DOE) were paid by Community Development funds, water and sewer funds and from other sources not funded by unrestricted revenues of the City.

A major component of federal categorical aid to the City is the Community Development program. Pursuant to federal legislation, Community Development grants are provided to cities primarily to aid low and moderate income persons by improving housing facilities, parks and other improvements, by providing certain social programs and by promoting economic development. These grants are based on a formula that takes into consideration such factors as population, age of housing and poverty.

The City's receipt of categorical aid is contingent upon the satisfaction of certain statutory conditions and is subject to subsequent audits, possible disallowances and possible prior claims by the State or federal governments. The general practice of the State and federal governments has been to deduct the amount of any disallowances against the current year's payment, although in some cases the City remits payment for disallowed amounts to the grantor. Substantial disallowances of aid claims may be asserted during the course of the Financial Plan. The City estimates probable amounts of disallowances of recognized grant revenues and makes the appropriate adjustments to recognized grant revenue for each fiscal year. The amounts of such downward adjustments to revenue for disallowances attributable to prior years increased from $124 million in the 1977 fiscal year to $542 million in the 2006 fiscal year. The amounts of such disallowances were $103 million and $114 million in fiscal years 2007 and 2008, respectively. There were no adjustments for estimated disallowances in fiscal years 2009 and 2010. In fiscal year 2011, the downward adjustment for disallowances was $113 million and in fiscal year 2012 an upward adjustment of $166 million was made, reflecting a reduced estimate of disallowances attributable to prior years as of June 30, 2012. In fiscal years 2013, 2014, 2015, 2016, 2020 and 2021, downward adjustments of $59 million, $19 million, $110 million, $1 million, $5 million and $24 million, respectively, were made. In fiscal years 2017, 2018 and 2019, upward adjustments of $558 million, $139 million and $113 million, respectively, were made. In fiscal year 2022 a downward adjustment of $35 million was made. As of June 30, 2022, the City had an accumulated reserve of $318 million for all disallowances of categorical aid.

Expenditure Assumptions

1. PERSONAL SERVICES COSTS

The following table sets forth projected expenditures for personal services costs contained in the Financial Plan.

	2023	2024	2025	2026	2027
			(In Millions)		
Wages and Salaries	$ 30,114	$ 29,584	$ 29,383	$ 29,402	$ 29,448
Pensions	9,414	9,563	9,783	9,951	9,799
Other Fringe Benefits	12,535	13,501	14,379	15,119	15,726
Reserve for Collective Bargaining	1,383	1,908	2,554	3,223	3,875
Retiree Health Benefits Trust	(792)	-	-	-	-
Total	$ 52,654	$ 54,556	$ 56,099	$ 57,695	$ 58,848

The Financial Plan projects that the authorized number of City-funded full-time and full-time equivalent employees will decrease from an estimated level of 268,268 as of June 30, 2023 to an estimated level of 267,409 by June 30, 2027.

Other Fringe Benefits includes $3.221 billion, $3.427 billion, $3.594 billion, $3.754 billion and $3.913 billion in fiscal years 2023 through 2027, respectively, for post-employment benefits other than pensions ("OPEB") expenditures for current retirees, which costs are currently paid by the City on a pay-as-you-go basis. For information on deposits to the Retiree Health Benefits Trust to fund a portion of the future cost of OPEB for current and future retirees, see "SECTION VI: FINANCIAL OPERATIONS—2018-2022 Summary of Operations."

The Financial Plan does not reflect the full costs of the recent tentative labor settlement with DC 37. If the DC 37 settlement is ratified by the union and the pattern of such settlement is applied to all City employees, the cost to the City would be approximately $2.5 billion, $1.8 billion, $3.4 billion, $3.9 billion, and $4.7 billion in fiscal years 2023 through 2027, respectively. Such costs are in excess of amounts currently included in the Financial Plan, which reflects funding for annual 1.25% wage increases following the expiration of the labor contracts covering the previous 2017-2021 round of collective bargaining.

For a discussion of the City's pension systems, see "SECTION IX: PENSION SYSTEMS AND OPEB" and "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.5."

2. OTHER THAN PERSONAL SERVICES COSTS

The following table sets forth projected other than personal services ("OTPS") expenditures contained in the Financial Plan.

	2023	2024	2025	2026	2027
			(In Millions)		
Administrative OTPS and Energy	$ 33,200	$ 28,104	$ 27,899	$ 27,692	$ 27,825
Public Assistance	1,650	1,650	1,650	1,650	2,000
Medical Assistance	6,564	6,385	6,385	6,385	6,535
NYCHH Support	1,785	913	910	874	874
Other	6,445	5,764	5,471	5,483	5,582
Total	$ 49,644	$ 42,816	$ 42,315	$ 42,084	$ 42,816

Administrative OTPS and Energy

The Financial Plan contains estimates of the City's administrative OTPS expenditures for general supplies and materials, equipment and selected contractual services, and the impact of agency gap-closing actions relating to such expenditures in the 2023 fiscal year. Thereafter, OTPS administrative expenditures are projected to remain the same in fiscal years 2024 through 2027. Energy costs for each of the 2023 through 2027 fiscal years are assumed to vary annually, with total energy expenditures projected at $1.18 billion in fiscal year 2023 and increasing to $1.21 billion by fiscal year 2027.

Public Assistance

Of total cash assistance expenditures in the City, the City-funded portion is projected to be $819 million in fiscal year 2023, $891 million in each of fiscal years 2024 through 2026, and $1.2 billion in fiscal year 2027.

Medical Assistance

Medical assistance payments projected in the Financial Plan consist of payments to voluntary hospitals, skilled nursing facilities, intermediate care facilities, home care providers, pharmacies, managed care organizations, physicians and other medical practitioners.

The City-funded portion of medical assistance payments is expected to be $6.45 billion in fiscal year 2023, $6.3 billion in each of fiscal years 2024 through 2026 and $6.4 billion in fiscal year 2027. Such payments include the City's capped share of local Medicaid expenditures as well as Supplemental Medicaid payments to NYCHH.

New York City Health and Hospitals

NYCHH, which provides essential services to over 1.1 million New Yorkers annually, faces near- and long-term financial challenges resulting from, among other things, changes in hospital reimbursement under the Affordable Care Act and the statewide transition to managed care. On April 26, 2016, the City released "One New York: Health Care for Our Neighborhoods," a report outlining the City's plan to address NYCHH's financial shortfall.

In February 2023, NYCHH released a cash-based financial plan, which projected City-funded expenditures of $1.6 billion in fiscal year 2023, $913 million in fiscal year 2024, $910 million in fiscal year 2025 and $874 million in each of fiscal years 2026 and 2027, in addition to the forgiveness of debt service for fiscal years 2023 through 2027 and the City's contribution to supplemental Medicaid payments which is consistent with the City's Financial Plan. NYCHH's financial plan projected total receipts of $10.5 billion, $9.3 billion, $9.4 billion, $9.2 billion and $9.3 billion, and total disbursements of $10.7 billion, $9.84 billion, $9.3 billion, $9.5 billion and $9.6 billion in fiscal years 2023 through 2027, respectively.

NYCHH relies on significant projected revenue from Medicaid, Medicare and other third-party payor programs. Future changes to such programs could have adverse impacts on NYCHH's financial condition.

Other

The projections set forth in the Financial Plan for OTPS-Other include the City's contributions to NYCT, NYCHA and CUNY and subsidies to libraries and various cultural institutions. They also include projections for the cost of future judgments and claims which are discussed below under "Judgments and Claims." In the past, the City has provided additional assistance to certain Covered Organizations which had exhausted their financial resources prior to the end of the fiscal year. No assurance can be given that similar additional assistance will not be required in the future.

New York City Transit

NYCT operates under its own section of the Financial Plan as a Covered Organization. An accrual-based financial plan for NYCT covering its 2023 through 2026 fiscal years was published in February 2023 (the "2023 NYCT Financial Plan"). The NYCT fiscal year coincides with the calendar year. The 2023 NYCT Financial Plan reflects the negative impacts of the COVID-19 pandemic on MTA costs, ridership, and farebox revenue. The 2023 NYCT Financial Plan reflects City assistance to the NYCT operating budget of $464.7 million in 2023, increasing to $508.2 million in 2026. In addition, the 2023 NYCT Financial Plan projects real estate transfer tax revenue dedicated for NYCT use of $533.1 million in 2023, which is lower than the $777.3 million of such revenue that was received in

2022; that amount increases each year to reach $631.7 million by 2026. The 2023 NYCT Financial Plan includes decreased expected farebox revenue based on projected lower ridership. The 2023 NYCT Financial Plan reflects $11.6 billion in revenues and $15.4 billion in expenses for 2023, leaving a budget gap of $3.8 billion. After accounting for accrual adjustments and cash carried over from 2022, there are projected operating budget gaps of $0.4 billion in 2023, $2.5 billion in 2024, $4.8 billion in 2025 and $7.2 billion in 2026. These figures reflect the receipt of $7 billion in federal aid from the American Rescue Plan Act (ARPA), which is being used to partially offset the outyear deficits.

In 2009, a Payroll Mobility Tax ("PMT") was enacted into State law to provide $0.34 for every $100 of payroll in the MTA's twelve-county service area. The PMT is currently expected to generate revenues for NYCT in the amount of $947 million in 2023, decreasing to $622 million in 2026.

The MTA faces serious budget shortfalls from historic declines in fare and tax revenues due to the COVID-19 pandemic and its effects on the region. Federal aid, fare increases and operational efficiencies will allow the MTA to substantially reduce over $3 billion in annual out-year deficits to roughly $0.6 billion in 2023, $1.2 billion in 2024, $1.2 billion in 2025, and $1.6 billion in 2026. The City's payments to the MTA remain dependent on future uncertainties such as additional federal funding, ridership trends, and service adjustments.

The 2015-2019 Capital Program currently includes $33.9 billion for all MTA agencies, including $16.7 billion to be invested in the NYCT core system and $1.7 billion for NYCT network expansion.

The State has agreed to contribute $9.1 billion towards the 2015-2019 Capital Program. The City has agreed to contribute $2.656 billion. Of the City's contribution, $2.056 billion has been reflected in the City's Capital Commitment Plan, including $164.0 million for the Subway Action Plan. The remaining $600.0 million will come from joint ventures, such as development deals, which will not flow through the City budget.

On September 19, 2019, the MTA released its 2020-2024 Capital Program, which took effect by default in January 2020. After amendment, the program includes $55.4 billion for all MTA agencies, including $34.6 billion to be invested in the NYCT core system and $4.6 billion in NYCT network expansion. The entire 2020-2024 Capital Program was placed on hold in 2020 but resumed upon the announcement of $6.5 billion in federal aid in the ARPA in March of 2021. The program was amended twice from its original $54.8 billion total, once in December 2021 and once in July 2022.

Legislation adopted in 2019 includes the enactment of congestion tolling for vehicles entering a designated congestion zone in Manhattan below 60th Street, the revenues from which will be directed to the MTA for transit improvements. In August 2022 the MTA convened the Traffic Mobility Review Board, which will oversee congestion pricing and determine exact toll rates. The 2023 NYCT Financial Plan anticipates that the MTA will begin receiving revenue from congestion tolling in the second quarter of 2024. MTA expects to receive $750 million of revenue in 2024 and $1 billion per year thereafter.

In addition, the State 2020 Budget included legislation authorizing the imposition of sales tax on certain additional internet sales and providing that City sales tax revenues in the amount of $127.5 million in State fiscal year 2020 (reflecting the portion of the year in which it is effective) and $170 million in State fiscal year 2021 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. Revenues from such additional sales tax are currently estimated to be approximately $170 million per year and are in addition to existing sales taxes attributable to certain other internet transactions. Additionally, such legislation provided that State sales tax revenues in the amount of $112.5 million in State fiscal year 2020 and $150 million in State fiscal year 2021 and thereafter increasing by one percent per year, will be directed to the MTA for transit improvements. The State 2020 Budget also included legislation increasing real estate transfer taxes on properties valued at more than $2 million, which will also be directed to the MTA for transit improvements.

The State 2021 Budget requires the City to contribute $3 billion towards the 2020-2024 Capital Program concurrent with the State's $3 billion contribution. Neither the City nor the State can use operating funds dedicated to the MTA to supplant their capital commitment and must pay on a schedule determined by the State Budget Director. The City has appropriated this $3 billion and this is anticipated to be spent within the Preliminary Ten-Year Capital Strategy.

The State 2021 Budget included a requirement that the City increase its funding of the MTA's net paratransit operating deficit from 33% to 50%. The City's Financial Plan reflects $175 million in each of fiscal years 2023 through 2027 to cover the City's contributions for paratransit services, compared to MTA's estimates of $223 million, $250 million, $264 million and $278 million in fiscal years 2023, 2024, 2025 and 2026, respectively. The MTA has not released an estimate for fiscal year 2027. Spending on paratransit is significantly impacted by ridership levels, and it is unknown what the long-term impacts of COVID-19 will be on usage. The City will continue to monitor the anticipated paratransit costs for future years.

For more information on the potential impact of proposals included in the Governor's Executive Budget related to the MTA, see "SECTION I: RECENT FINANCIAL DEVELOPMENTS—2023-2027 Financial Plan."

Department of Education

State law requires the City to provide City funds for the DOE each year in an amount not less than the amount appropriated for the preceding fiscal year, excluding amounts for debt service and pensions for the DOE. Such City funding must be maintained, unless total City funds for the fiscal year are estimated to be lower than in the preceding fiscal year, in which case the mandated City funding for the DOE may be reduced by an amount up to the percentage reduction in total City funds.

Judgments and Claims

In the fiscal year ended on June 30, 2022, the City expended $1.2 billion for judgments and claims, compared to $617.9 million in the fiscal year ended June 30, 2021. The increase in judgments and claims paid in fiscal year 2022 compared to fiscal year 2021 reflect, in part, payments made relating to a class action lawsuit against the Board of Education. For further information on this litigation, see "SECTION X: OTHER INFORMATION—Litigation." The Financial Plan includes provisions for judgments and claims of $1.2 billion, $1.2 billion, $877.2 million, $823.2 million and $840.2 million for the 2023 through 2027 fiscal years, respectively. These projections incorporate a substantial amount of claims costs attributed to NYCHH, estimated to be $140 million in each year of the Financial Plan, for which NYCHH reimburses the City unless otherwise forgiven by the City, which was the case in fiscal years 2013 and 2016. The City is a party to numerous lawsuits and is the subject of numerous claims and investigations. The City has estimated that its potential future liability on account of outstanding claims against it as of June 30, 2022 amounted to approximately $7.2 billion. This estimate was made by categorizing the various claims and applying a statistical model, based primarily on actual settlements by type of claim during the preceding ten fiscal years, and by supplementing the estimated liability with information supplied by the City's Corporation Counsel. For further information regarding certain of these claims, see "SECTION X: OTHER INFORMATION—Litigation."

In addition to the above claims, numerous real estate tax *certiorari* proceedings involving allegations of inequality of assessment, illegality and overvaluation are currently pending against the City. The City's Financial Statements for the fiscal year ended June 30, 2022 include an estimate that the City's liability in the *certiorari* proceedings, as of June 30, 2022, could amount to approximately $1.34 billion. Provision has been made in the Financial Plan for estimated refunds of $500 million in fiscal year 2023 and $400 million in each of fiscal years 2024 through 2027. For further information concerning these claims, certain remedial legislation related thereto and the City's estimates of potential liability, see "SECTION X: OTHER INFORMATION—Litigation—Taxes" and "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5."

3. GENERAL OBLIGATION, LEASE AND TFA DEBT SERVICE

Debt service estimates for fiscal years 2023 through 2027 include debt service on outstanding general obligation bonds and conduit debt, and the funding requirements associated with outstanding TFA Future Tax Secured Bonds, and estimates of debt service costs of, or funding requirements associated with, future general obligation, conduit and TFA Future Tax Secured debt issuances based on projected future market conditions. Such debt service estimates also include estimated payments pursuant to interest rate exchange agreements but do not reflect receipts pursuant to such agreements.

In July 2009, the State amended the New York City Transitional Finance Authority Act to expand the borrowing capacity of the TFA by providing that it may have outstanding $13.5 billion of Future Tax Secured Bonds and may issue additional Future Tax Secured Bonds provided that the amount of such additional bonds, together with the amount of indebtedness contracted by the City, does not exceed the debt limit of the City. The City currently expects to continue to finance approximately half of its capital program through the TFA, exclusive of Department of Environmental Protection capital budget items financed by the Water Authority.

The Financial Plan reflects general obligation debt service of $4.21 billion, $4.43 billion, $4.60 billion, $4.85 billion and $5.04 billion in fiscal years 2023 through 2027, respectively, conduit debt service of $147 million, $118 million, $117 million, $116 million and $115 million in fiscal years 2023 through 2027, respectively, and TFA debt service of $3.30 billion, $3.35 billion, $3.63 billion, $4.14 billion and $4.61 billion in fiscal years 2023 through 2027, respectively, in each case prior to giving effect to prepayments. Such debt service requirements are projected to be below 15% of projected City tax revenues for each year of the Financial Plan.

Certain Reports

On March 6, 2023, the City Comptroller released a report entitled "Comments on New York City's Preliminary Budget for Fiscal Year 2024 and the Financial Plan for Fiscal Years 2023-2027". The report states that the City's fiscal outlook differs significantly from that depicted in the Financial Plan, for three main reasons. First, a tentative contract agreement was announced between DC 37 and the City with annual raises of 3 percent for the first four years and 3.25 percent for the fifth year – higher than the 1.25 percent annual raises funded in the Financial Plan. If this were to be the pattern for all other unions, it would add costs to the Financial Plan of $2.5 billion in fiscal year 2023, $1.8 billion in fiscal year 2024, $3.4 billion in fiscal year 2025, $3.9 billion in fiscal year 2026, and $4.7 billion in fiscal year 2027 for a total of $16.3 billion. Second, the cost for shelter and services provided to asylum seekers is escalating. The Financial Plan assumed the annual cost to be $1 billion in fiscal year 2023 and zero in fiscal year 2024 and beyond, and also assumed these costs would be covered in full by federal aid. By February 7, 2023, City Hall had projected the cumulative cost for fiscal year 2023 and fiscal year 2024 would be $4.2 billion. State and federal aid are currently projected to cover only one-quarter of that amount. Third, the Governor's Executive Budget includes $1 billion in cost shifts, unfunded mandates, and revenue cuts just in fiscal year 2024. Additional, significant costs could derive from the Governor's proposals regarding charter schools. The cost of implementing the State's class size mandate legislation enacted in 2022, which requires the City to reduce class size in its schools over the next five years, also remains unfunded.

The report incorporates an updated forecast of economic conditions and City revenues. This forecast reflects the economic resiliency in response to tighter monetary policy shown so far, and an outlook predicated on an economic "soft-landing". The analysis also incorporates up-to-date information on the City's property tax, not included in the Financial Plan. The City Comptroller's net revenue projections are higher than the Financial Plan projections by $1.38 billion, $2.32 billion, $1.90 billion, $2.19 billion, and $3.61 billion in fiscal years 2023 through 2027, respectively. The report projects that: (i) property tax revenues will be higher by $177 million, $577 million, $730 million, $1.21 billion and $2.54 billion in fiscal years 2023 through 2027, respectively; (ii) personal income tax revenues will be higher by $193 million, $632 million, $509 million, $654 million and $973 million in fiscal years 2023 through 2027, respectively; (iii) business tax revenues will be higher by $180 million and $27 million in fiscal years 2023 and 2024, respectively, but lower by $152 million, $21 million and $59 million in fiscal years 2025 through 2027, respectively; (iv) sales tax revenues will be higher by $202 million, $525 million, $390 million, $133 million and $26 million in fiscal years 2023 through 2027, respectively; (v) real estate transaction-related tax revenues will be higher by $60 million, $305 million and $126 million in fiscal years 2023 through 2025, respectively, and lower by $105 million and $195 million in fiscal years 2026 and 2027, respectively; (vi) other tax revenue will be higher by $47 million, $14 million, $54 million, $88 million and $94 million in fiscal years 2023 through 2027, respectively; and (vii) revenues from audit collections will be higher by $579 million in fiscal year 2023 and $179 million in each of fiscal years 2024 through 2027.

Despite the revised revenue projection, the City Comptroller projects additional net risks of $1.3 billion, $1.51 billion, $3.90 billion, $5.21 billion and $5.20 billion in fiscal years 2023 through 2027, respectively, which, when added to the results projected in the Financial Plan would result in gaps of $1.30 billion, $1.51 billion, $7.07 billion, $10.22 billion and $11.66 billion in fiscal years 2023 through 2027, respectively. Such gaps do not include risks associated with costs of providing services to asylum seekers: $823 million and $2.18 billion in fiscal years 2023 and 2024, respectively, and potentially $2.8 billion in each fiscal year thereafter. The differences from the Financial Plan projections result in part from the City Comptroller's net expenditure projections, which are higher than the Financial Plan projections by $2.68 billion, $3.83 billion, $5.81 billion, $7.40 billion and $8.81 billion in fiscal years 2023 through 2027, respectively, as a result of: (i) additional overtime expenditures of $651 million and $563 million in fiscal years 2023 and 2024, respectively, and $440 million in each of fiscal years 2025 through 2027; (ii) increased expenditures related to education related risks of $255 million, $856 million, $1.07 billion, $1.95 billion and $2.63 billion in fiscal years 2023 through 2027, respectively; (iii) increased expenditures to fund the Fire Department's mental health response program of $37 million in each of fiscal years 2024 through 2027; (iv) increased public assistance costs of $125 million in each of fiscal years 2023 through 2026; (v) increased expenditures associated with rental assistance of $237 million in each of fiscal years 2024 through 2027; (vi) increased costs of contributions to MTA of $74 million, $125 million, $271 million, $445 million and $492 million in fiscal years 2023 through 2027, respectively; (vii) increased expenditures associated with paying prevailing wage rates for homeless shelter security guards of $64 million in each of fiscal years 2024 through 2027; (viii) increased expenditures associated with the State's foster care reimbursement rate of $47 million in fiscal year 2023 and $118 million in each of fiscal years 2024 through 2027; (ix) an increased expenditure of $82 million in fiscal year 2024 relating to a class action settlement on behalf of former detainees whose releases had been delayed after posting bail; (x) increased expenditures of $84 million in each of fiscal years 2023 through 2027 for court-appointed counsel; (xi) increased expenditures of $194 million in fiscal year 2024 for temporary and professional services; (xii) increased expenditures for Public Health Corps of $13 million in fiscal year 2025 and $49 million in each of fiscal years 2026 and 2027; and (xiii) increased expenditures for collective bargaining agreements of $2.50 billion, $1.80 billion, $3.40 billion, $3.90 billion and $4.70 billion in fiscal years 2023 through 2027, respectively, if other unions follow the DC 37 tentative contract settlement. The report also projects: (i) anticipated debt service savings from lower interest rates on variable rate bonds of $60 million in fiscal year 2023 and $50 million in each of fiscal years 2024 through 2027; (ii) decreased expenditures of $285 million and $48 million in fiscal years 2023 and 2024, respectively, relating to enhanced federal Medicaid assistance; and (iii) anticipated personal services accrual savings due to vacancies of $714 million and $357 million in fiscal years 2023 and 2024, respectively.

On March 6, 2023, the City Comptroller released a report relating to vacancies in City government agencies, as a follow-up to the City Comptroller's report relating to vacancies released on December 6, 2022. The report compares staff vacancies as of October 2022 to the Preliminary Mayor's Management Report ("MMR") released in January 2023, which provides a snapshot of the City's performance on metrics related to its agencies' core missions in the first four months of the fiscal year. The report identifies MMR outcomes for City agencies with the highest vacancy rates identified in the December 2022 report, and also identifies Units of Appropriation with low MMR indicator performance and high vacancy rates. The report found that, among the fifteen agencies with the highest vacancy rates highlighted in the prior report, the Department of Small Business Services stands out as an agency that is particularly struggling to meet performance metrics. The Department of Health and Mental Hygiene, the Department of Housing Preservation and Development, and the Department of City Planning are also, the report found, consistently failing to meet or improve on the goals self-identified as critical. The City Comptroller's office recommends in the report that the City should modernize hiring and retention practices, including by expediting hiring, allowing hybrid work for appropriate positions, reconsidering compensation levels for key hard-to-recruit slots, and designating a Chief Talent/Recruitment/Retention Officer to drive this work.

On February 23, 2023, the OSDC released a report entitled "Review of the Financial Plan of the City of New York." The report states that the City's preliminary fiscal year 2024 budget, adjusted for prepayments for future expenses, reflects better-than-projected revenue collections, the allocation of federal pandemic relief funds and the accumulated impact of savings initiatives. The report identifies fiscal risks stemming from uncertainty over the national economy and financial markets, the City's own lagging economic recovery, unreimbursed costs of sheltering asylum seekers, state budget actions, and the operating performance of the MTA and NYCHA, which could increase the potential magnitude of volatility in the City's budget and create additional fiscal pressures.

The report identifies net risks to the Financial Plan of $3.30 billion, $3.72 billion, $5.77 billion, $6.78 billion and $7.40 billion in fiscal years 2023 through 2027, respectively. When combined with the results projected in the Financial Plan, the report estimates potential budget gaps of $3.30 billion, $3.72 billion, $8.93 billion, $11.79 billion and $13.87 billion in fiscal years 2023 through 2027, respectively.

The specific risks to the Financial Plan noted in the OSDC report include: (i) increased costs of operating subsidies to the MTA of $80 million, $113 million, $259 million, $424 million and $478 million in fiscal years 2023 through 2027, respectively; (ii) increased expenditures for various social services (including those associated with programs providing prevailing wages for Department of Homeless Services security guards, foster care, emergency family and rental assistance and access to legal counsel in housing court) of $132 million, $760 million, $760 million, $776 million and $691 million in fiscal years 2023 through 2027, respectively; (iii) increased uniform services overtime costs of $507 million, $456 million, $457 million, $460 million and $460 million in fiscal years 2023 through 2027, respectively; (iv) increased expenditures for programs associated with the DOE (such as providing services to students with disabilities, increases in charter school tuition rates, universal early childhood education for three-year-olds and certain other education initiatives) of $783 million, $903 million, $1.28 billion, $2.12 billion and $2.76 billion in fiscal years 2023 through 2027, respectively; (v) increased expenditures related to the early childhood intervention program of $45 million in each of fiscal years 2024 through 2027; (vi) increased expenditures to fund school health programs of $39 million in each of fiscal years 2024 through 2027; (vii) increased expenditures to fund the Public Health Corps of $13 million, $25 million, $61 million and $61 million in fiscal years 2024 through 2027, respectively; (viii) increased expenditures for residual services for asylum seekers of $400 million, $2.8 billion, $2.1 billion, $1.05 billion and $525 million in fiscal years 2023 through 2027, respectively; (ix) lower than anticipated federal or State reimbursement for costs of services for asylum seekers of $231 million in fiscal year 2023; and (x) increased expenditures for collective bargaining agreements of $2.5 billion, $1.8 billion, $3.4 billion, $3.9 billion and $4.7 billion in fiscal years 2023 through 2027, respectively. The report also identifies: (i) payroll savings of $750 million in fiscal year 2023; (ii) variable rate debt service savings of $50 million in fiscal year 2023; and (iii) debt service savings from refundings of $46 million in each of fiscal years 2024 through 2027.

The report also projects (i) increased federal and State reimbursement for costs of services for asylum seekers of $1.87 billion, $1.4 billion, $700 million and $350 million in fiscal years 2024 through 2027, respectively; (ii) increased tax revenues of $530 million, $1.2 billion, $1.05 billion, $1.25 billion and $1.86 billion in fiscal years 2023 through 2027, respectively; and (iii) increased miscellaneous revenue of $100 million in each of fiscal years 2024 through 2027.

On March 24, 2023, the Control Board released a report on the Financial Plan titled "Staff Report January Modification FYs 2023-2027". The report notes that the City's economic forecast, as reflected in the Financial Plan, shows a slowdown in the City's economy in 2023 commensurate with consensus expectation of a slowing national economy as Federal Reserve interest rate hikes course through the economy. The Control Board projects larger budget gaps than those in the Financial Plan. Such projected gaps are driven by the Control Board's estimates of higher expenditures, chief of which is the additional cost of collective bargaining above the amount budgeted in the labor reserve. The report notes that the City's capital program will require an increasing portion of the City's tax revenues to pay debt service expenses, which is projected to reach 14.9 percent and 14.8 percent in fiscal years 2032 and 2033, respectively, closely approaching the 15 percent affordability level determined by the City.

The Control Board report identified estimated net risks to the Financial Plan of $1.02 billion, $4.24 billion, $4.84 billion, $5.61 billion and $6.68 billion in fiscal years 2023 through 2027, respectively, resulting in budget gaps of $1.02 billion, $4.24 billion, $8.01 billion, $10.63 billion and $13.15 billion in fiscal years 2023 through 2027, respectively. Such net risks result from: (i) increases in property tax revenues of $206 million, $291 million, $433 million, $562 million and $562 million in fiscal years 2023 through 2027, respectively; (ii) increases in non-property tax revenues of $1.24 billion, $1.24 billion, $1.26 billion, $1.29 billion and $1.32 billion in fiscal years 2023 through 2027, respectively; (iii) increases in non-tax revenues of $65 million in fiscal year 2023 and $150 million in each of fiscal years 2024 through 2027; (iv) increased expenditures relating to collective bargaining agreements of $2.5 billion, $1.8 billion, $3.4 billion, $3.9 billion and $4.7 billion in fiscal years 2023 through 2027, respectively; (v) increases in uniformed services overtime expenses of $461 million, $697 million, $699 million, $702 million and $702 million in fiscal years 2023 through 2027, respectively; (vi) increased expenditures associated with increases in charter school tuition rates of $81 million, $133 million, $313 million and $514 million in fiscal years 2024 through 2027, respectively; (vii) increased expenditures associated with providing services to students with disabilities of $252 million in fiscal year 2023 and $472 million in each of fiscal years 2024 through 2027; (viii) increased expenditures associated with student transportation of $75 million, $100 million, $150 million and $225 million in fiscal years 2024 through 2027, respectively; (ix) increased expenditures associated with the expansion of pre-kindergarten and kindergarten for three year old children of $109 million in each of fiscal years 2026 and 2027; (x) increased expenditures related to provision of mental health services of $37 million, $86 million and $86 million in fiscal years

2025 through 2027, respectively; (xi) increased expenditures relating to the expansion of community schools of $27 million, $54 million and $54 million in fiscal years 2025 through 2027, respectively; (xii) increased costs associated with the expansion of the DOE summer academic and enrichment program of $176 million in each of fiscal years 2024 through 2027; (xiii) increased contracted school nursing expenditures of $49 million in each of fiscal years 2024 through 2027; (xiv) increased homeless shelter operation expenditures of $68 million in each of fiscal years 2024 through 2027; (xv) increased expenditures associated with rental assistance of $237 million in each of fiscal years 2024 and 2025 and $229 million in each of fiscal years 2026 and 2027; (xvi) increased expenditures associated with paying prevailing wage rates for homeless shelter security guards of $66 million in each of fiscal years 2024 through 2027; (xvii) increased expenditures associated with the State's foster care reimbursement rate of $47 million in fiscal year 2023 and $118 million in each of fiscal years 2024 through 2027; (xviii) increased expenditures resulting from lower reimbursements for paratransit of $75 million, $89 million, $104 million, $120 million and $138 million in fiscal years 2023 through 2027, respectively; (xix) increased expenditures for support for asylum seekers of $1 billion in fiscal year 2023, $2 billion in fiscal year 2024 and $1 billion in each of fiscal years 2025 through 2027; and (xx) utilization of general and capital stabilization reserves of $1.56 billion and $250 million, respectively, in fiscal year 2023.

Long-Term Capital Program

The City makes substantial capital expenditures to reconstruct and rehabilitate the City's infrastructure and physical assets, including City mass transit facilities, water and sewer facilities, streets, bridges and tunnels, and to make capital investments that will improve productivity in City operations.

The City utilizes a three-tiered capital planning process consisting of the Ten-Year Capital Strategy, the four-year capital plan and the current-year Capital Budget. The Ten-Year Capital Strategy is a long-term planning tool designed to reflect fundamental allocation choices and basic policy objectives. The four-year capital plan, which is updated three times a year as required by the City Charter, translates mid-range policy goals into specific projects. The Capital Budget defines specific projects and the timing of their initiation, design, construction and completion. On January 12, 2023, the City released the five-year capital commitment plan for fiscal years 2023 through 2027 which covers the current fiscal year and the four-year capital plan for fiscal years 2024 through 2027 (the "2023-2027 Capital Commitment Plan").

City-funded commitments, which were $344 million in fiscal year 1979, are projected to reach $13.9 billion in fiscal year 2023. City-funded expenditures are forecast at $10.4 billion in fiscal year 2023; total expenditures are forecast at $11.7 billion in fiscal year 2023. For additional information concerning the City's capital expenditures and the Preliminary Ten-Year Capital Strategy covering fiscal years 2024 through 2033, see "SECTION V: CITY SERVICES AND EXPENDITURES—Capital Expenditures."

See "INTRODUCTORY STATEMENT" and "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness*."

The following table sets forth the major areas of capital commitment projected in the 2023-2027 Capital Commitment Plan.

2023-2027 CAPITAL COMMITMENT PLAN

(In Millions)

	2023 City Funds	2023 All Funds	2024 City Funds	2024 All Funds	2025 City Funds	2025 All Funds	2026 City Funds	2026 All Funds	2027 City Funds	2027 All Funds	TOTALS City Funds	TOTALS All Funds
Mass Transit[1]	$ 1,237	$ 1,273	$ 1,700	$ 1,700	$ 40	$ 40	$ 40	$ 40	$ 40	$ 40	$ 3,057	$ 3,093
Roadway, Bridges	1,199	1,487	1,006	1,170	2,167	2,277	2,357	2,540	3,141	3,366	9,869	10,840
Environmental Protection[2]	2,240	2,272	3,184	3,312	3,116	3,208	3,661	3,769	3,334	3,435	15,535	15,995
Education	5,092	5,185	4,260	4,320	3,320	3,320	1,229	1,229	1,310	1,310	15,211	15,364
Housing	2,066	2,098	1,621	1,653	1,650	1,682	2,075	2,107	1,674	1,706	9,086	9,246
Sanitation	368	373	889	900	427	427	326	326	447	447	2,458	2,474
City Operations/ Facilities	7,077	7,716	8,055	8,465	7,131	7,420	6,073	6,576	5,398	5,719	33,733	35,897
Economic Development	822	1,055	605	660	633	639	441	447	835	836	3,336	3,637
Subtotal Commitments	20,101	21,458	21,319	22,180	18,483	19,014	16,201	17,033	16,180	16,860	92,285	96,546
Reserve for Unattained Commitments	(6,251)	(6,251)	(2,285)	(2,285)	(921)	(921)	476	476	174	174	(8,808)	(8,808)
Total Commitments[3]	$13,850	$15,207	$19,035	$19,895	$17,562	$18,092	$16,677	$17,510	$16,354	$17,033	$83,478	$87,737
Total Expenditures[4]	$10,357	$11,651	$11,680	$12,640	$13,467	$14,403	$14,219	$15,169	$15,300	$16,143	$65,023	$70,006

Note: Individual items may not add to totals due to rounding.

(1) Excludes NYCT's non-City portion of the MTA capital program.

(2) Includes water supply, water mains, water pollution control, sewer projects and related equipment.

(3) Commitments represent contracts registered with the City Comptroller, except for certain projects which are undertaken jointly by the City and State.

(4) Expenditures represent cash payments and appropriations planned to be expended for capital costs, excluding amounts for original issue discount.

Currently, if all City capital projects were implemented, expenditures would exceed the City's financing projections in the current fiscal year and subsequent years. The City has therefore established capital budgeting priorities to maintain capital expenditures within the available long-term financing. Due to the size and complexity of the City's capital program, it is difficult to forecast precisely the timing of capital project activity and therefore actual capital expenditures may vary from the planned annual amounts.

The Preliminary Ten-Year Capital Strategy reflects approximately $1.7 billion for reconstruction work on the Brooklyn Queens Expressway, including the Triple Cantilever. The ultimate cost and scope of such reconstruction will be determined through a community-driven design process and are uncertain at this time, but costs could be significantly higher than currently provided in the City's capital plan.

The City's Department of Housing Preservation and Development ("HPD") promotes the quality and affordability of the City's housing and the strength and diversity of its many neighborhoods. The HPD capital plan is structured to meet the goals of Housing Our Neighbors: A Blueprint for Housing and Homelessness. The plan outlines key initiatives to achieve the City's goal of providing access to affordable, high-quality housing for all New Yorkers. The Preliminary Ten-Year Capital Strategy includes $18.7 billion to support the goals of the plan.

In December 2022, the City issued an Asset Information Management System Report (the "AIMS Report"), which is its annual assessment of the asset condition and a proposed maintenance schedule for its assets and asset systems which have a replacement cost of $10 million or more and a useful life of at least ten years, as required by the City Charter. This report does not reflect any policy considerations which could affect the appropriate amount of investment, such as whether there is a continuing need for a particular facility or whether there have been changes in the use of a facility. The AIMS Report estimated that $14.14 billion in capital investment would be needed for fiscal years 2024 through 2027 to bring the assets to a state of good repair. The report also estimated that $773 million, $262 million, $322 million and $297 million should be spent on maintenance in fiscal years 2024 through 2027, respectively.

The recommended capital investment for each inventoried asset is not readily comparable to the capital spending allocated by the City in the 2023-2027 Capital Commitment Plan and the Preliminary Ten-Year Capital Strategy. Only a portion of the funding set forth in the 2023-2027 Capital Commitment Plan is allocated to specifically identified assets, and funding in the subsequent years of the Preliminary Ten-Year Capital Strategy is even less identifiable with individual assets. Therefore, there is a substantial difference between the amount of investment recommended in the report for all inventoried City assets and amounts allocated to the specifically identified inventoried assets in the 2023-2027 Capital Commitment Plan. The City also issues an annual report (the "Reconciliation Report") that compares the recommended capital investment with the capital spending allocated by the City in the four-year capital plan to the specifically identified inventoried assets.

The most recent Reconciliation Report, issued in October 2022, concluded that the capital investment in the four-year executive budget for fiscal years 2023 through 2026, released on April 26, 2022, for the specifically identified inventoried assets, funded 66% of the total investment recommended in the preceding AIMS Report issued in December 2021. Capital investment allocated in the Preliminary Ten-Year Capital Strategy published in January 2023 funded an additional portion of the recommended investment. In the same Reconciliation Report, OMB estimated that 48% of the expense maintenance levels recommended were included in the financial plan.

Financing Program

The following table sets forth the amount of bonds issued and expected to be issued during the 2023 through 2027 fiscal years (as set forth in the Financial Plan) to implement the 2023-2027 Capital Commitment Plan. See "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities." From time to time, the City and its related issuers also issue bonds to refinance existing debt for economic savings. Such refunding bonds are not included in the following table.

2023-2027 FINANCING PROGRAM

	2023	2024	2025	2026	2027	Total
			(In Millions)			
City General Obligation Bonds	$ 4,025	$ 4,820	$ 5,580	$ 5,870	$ 6,300	$26,595
TFA Future Tax Secured Bonds	3,850	4,820	5,580	5,870	6,300	26,420
Water Authority Bonds	1,357	1,443	1,984	2,173	2,376	9,333
Total	**$ 9,232**	**$11,083**	**$13,144**	**$13,913**	**$14,976**	**$62,348**

Note: Totals may not add due to rounding.

The City's financing program includes the issuance of water and sewer revenue bonds by the Water Authority which is authorized to issue bonds to finance capital investment in the City's water and sewer system. Pursuant to State law, debt service on Water Authority indebtedness is secured by water and sewer fees paid by users of the water and sewer system. Such fees are revenues of the Water Board, which holds a lease interest in the City's water and sewer system. After providing for debt service on obligations of the Water Authority and certain incidental costs, the revenues of the Water Board are paid to the City to cover the City's costs of operating the water and sewer system and as rental for the system. In fiscal years 2018, 2019 and 2022, the City did not request the rental payment due to the City from the Water Board. In fiscal years 2020 and 2021, on account of the outbreak of COVID-19, the City requested rental payments of $128 million and $137 million, respectively. The Financial Plan reflects no additional rental payment requests for fiscal years 2023 through 2026. The City's Preliminary Ten-Year Capital Strategy applicable to the City's water and sewer system covering fiscal years 2024 through 2033, projects City-funded water and sewer investment (which is expected to be financed with proceeds of Water Authority debt) at approximately $29.0 billion. The 2023-2027 Capital Commitment Plan reflects total anticipated City-funded water and sewer commitments of $15.5 billion which are expected to be financed with the proceeds of Water Authority debt.

The TFA is authorized to have outstanding $13.5 billion of Future Tax Secured Bonds. The TFA may have outstanding Future Tax Secured Bonds in excess of $13.5 billion provided that the amount of the Future Tax Secured Bonds, together with the amount of indebtedness contracted by the City, do not exceed the debt limit of the City. Future Tax Secured Bonds are issued for general City capital purposes and are secured by the City's personal income tax revenues and, to the extent such revenues do not satisfy specified debt ratios, sales tax revenues. In addition, the TFA is authorized to have outstanding $9.4 billion of Building Aid Revenue Bonds to pay for a portion of the City's five-year educational facilities capital plan. Building Aid Revenue Bonds are secured by State building aid, which the Mayor has assigned to the TFA.

Implementation of the financing program is dependent upon the ability of the City and other financing entities to market their securities successfully in the public credit markets which will be subject to prevailing market conditions at the times of sale. No assurance can be given that the credit markets will absorb the projected amounts of public bond sales. A significant portion of bond financing is used to reimburse the City's General Fund for capital expenditures already incurred. If the City and such other entities are unable to sell such amounts of bonds, it would have an adverse effect on the City's cash position. In addition, the need of the City to fund future debt service costs from current operations may also limit the City's capital program. The Preliminary Ten-Year Capital Strategy for fiscal years 2024 through 2033 totals $159.3 billion, of which approximately 97.5% is to be financed with funds borrowed by the City and such other entities. See "INTRODUCTORY STATEMENT" and "SECTION VIII: INDEBTEDNESS—Indebtedness of the City and Certain Other Entities—*Limitations on the City's Authority to Contract Indebtedness*." Congressional developments affecting federal taxation generally could reduce the market value of tax-favored investments and increase the debt-service costs of carrying out the major portion of the City's capital plan which is currently eligible for tax-exempt financing.

Interest Rate Exchange Agreements

In an effort to manage its borrowing costs over the life of its bonds, the City began entering into interest rate exchange agreements commencing in fiscal year 2003. For a description of such agreements, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A.12." As of December 31, 2022, the aggregate notional amount of the City's interest rate exchange agreements was $43,450,000 and the total marked-to-market value of such agreements was ($1,011,879).

In addition, in connection with its Courts Facilities Lease Revenue Bonds (The City of New York Issue) Series 2005A and B, the Dormitory Authority of the State of New York ("DASNY") entered into interest rate exchange agreements with Goldman Sachs Mitsui Marine Derivative Products, L.P. and JPMorgan Chase Bank, National Association. The City is obligated, subject to appropriation, to make lease payments to DASNY reflecting DASNY's obligations under these interest rate exchange agreements. Under such agreements, with a notional amount of $125,500,000, an effective date of June 15, 2005 and a termination date of May 15, 2039, DASNY pays a fixed rate of 3.017% and receives payments based on a LIBOR-indexed variable rate. As of December 31, 2022, the total marked-to-market value of the DASNY agreements was ($9,321,812).

Seasonal Financing Requirements

The City since 1981 has fully satisfied its seasonal financing needs, when necessary, in the public credit markets, repaying all short-term obligations within their fiscal year of issuance. The City has not issued short- term obligations to finance projected cash flow needs since fiscal year 2004. The City regularly reviews its cash position and the need for short-term borrowing. The Financial Plan does not reflect the issuance of short-term obligations.

SECTION VIII: INDEBTEDNESS

Indebtedness of the City and Certain Other Entities

Outstanding City and PBC Indebtedness

The following table sets forth outstanding City and PBC indebtedness as of December 31, 2022. "City indebtedness" refers to general obligation debt of the City, net of reserves. "PBC indebtedness" refers to obligations of the City, net of reserves, to the following PBCs: the New York City Educational Construction Fund ("ECF"), and DASNY (for health facilities, court facilities and CUCF as described below). PBC indebtedness is not debt of the City. However, the City has entered into agreements to make payments, subject to appropriation, to PBCs to be used for debt service on certain obligations constituting PBC indebtedness. Neither City indebtedness nor PBC indebtedness includes outstanding debt of the TFA or TSASC, which are not obligations of, and are not paid by, the City; nor does such indebtedness include obligations of the Hudson Yards Infrastructure Corporation ("HYIC"), for which the City has agreed to pay, as needed and subject to appropriation, interest on but not principal of such obligations.

	(In Thousands)	
Gross City Long-Term Indebtedness	$ 39,321,499	
Less: Assets Held for Debt Service[1]	(244,452)	
Net City Long-Term Indebtedness		39,077,047
PBC Indebtedness		
Bonds Payable	323,385	
Capital Lease Obligations	652,710	
Gross PBC Indebtedness	976,095	
Less: Assets Held for Debt Service	(140,164)	
Net PBC Indebtedness		835,931
Combined Net City and PBC Indebtedness		$ 39,912,978

(1) Assets Held for Debt Service consists of General Debt Service Fund assets.

Trend in Outstanding Net City and PBC Indebtedness

The following table shows the trend in the outstanding net City and PBC indebtedness as of June 30 of each of the fiscal years 2013 through 2022 and as of December 31, 2022.

	City Indebtedness			
	Long-Term	Short-Term	PBC Indebtedness[1]	Total
	(In Millions)			
2013	$ 38,844	—	$ 1,413	$ 40,257
2014	41,033	—	1,347	42,380
2015	38,497	—	1,261	39,758
2016	36,147	—	1,236	37,383
2017	36,324	—	1,182	37,506
2018	36,725	—	1,155	37,880
2019	35,817	—	997	36,813
2020	37,515	—	935	38,450
2021	35,574	—	977	36,552
2022	35,527	—	866	36,393
December 31, 2022	39,077	—	836	39,913

(1) Includes obligations of New York State Urban Development Corporation ("UDC") through June 30, 2016.

Rapidity of Principal Retirement

The following table details, as of December 31, 2022, the cumulative percentage of total City indebtedness that is scheduled to be retired in accordance with its terms in each prospective five-year period.

Period	Cumulative Percentage of Debt Scheduled for Retirement
5 years	25.09%
10 years	49.56
15 years	69.61
20 years	84.58
25 years	95.24
30 years	100.00

City and PBC Debt Service Requirements

The following table summarizes future debt service requirements, as of December 31, 2022, on City and PBC indebtedness.

	City Long-Term Debt		PBC		
Fiscal Years	Principal	Interest	Indebtedness	Interest	Total
			(In Thousands)		
2023	$ 201,486	$ 995,656	$ 87,365	$ 22,847	$ 1,307,354
2024	2,514,111	1,724,541	64,463	41,364	4,344,478
2025	2,479,111	1,614,830	63,993	38,373	4,196,306
2026 through 2147	34,126,791	15,686,513	760,275	272,718	50,846,297
Total	$39,321,499	$20,021,540	$976,095	$375,301	$60,694,435

Certain Debt Ratios

The following table sets forth the approximate ratio of City net general obligation bonded debt to assessed taxable property value as of June 30 of each of the fiscal years 2013 through 2022.

Fiscal Year	City General Obligation Bonded Debt(1)	Debt Service Restricted Cash(2)	City General Obligation Bonded Debt Net of Debt Service Restricted Cash	City Net General Obligation Bonded Debt as a Percentage of Assessed Taxable Value of Property(3)	Per Capita
	(In Millions)	(In Millions)	(In Millions)		
2013	$ 41,592	$ 2,766	$ 38,826	21.68%	$ 4,624
2014	41,665	639	41,026	21.57	4,864
2015	40,460	1,970	38,490	18.97	4,548
2016	38,073	1,775	36,298	16.68	4,286
2017	37,891	1,583	36,308	15.48	4,303
2018	38,628	1,922	36,706	14.60	4,375
2019	37,519	1,727	35,792	13.37	4,293
2020	38,784	1,277	37,507	13.35	4,499
2021	38,574	3,005	35,569	12.21	4,266
2022	38,845	3,332	35,513	13.66	4,194

Sources: Annual Report for the fiscal year ended June 30, 2022; New York City Comptroller's Office.

(1) General Obligation Bonded Debt is presented at par value and does not reflect GASB 44 reporting methodology netting premium and discount. See "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5—*Changes in Long-term liabilities*."

(2) Primarily comprised of restricted cash and investments held in the General Debt Service Fund.

(3) Based on full valuations for each fiscal year derived from the application of the special equalization ratio reported by the State Office of Real Property Tax Services for such fiscal year.

Indebtedness of the City and Related Issuers

The following table sets forth obligations of the City and other issuers as of June 30 of each of the fiscal years 2013 through 2022. General obligation bonds are debt of the City. Although IDA Stock Exchange bonds and PBC indebtedness are not debt of the City, the City has entered into agreements to make payments, subject to appropriation, to the respective issuers to be used for debt service on the indebtedness included in the following table. ECF bonds are also not debt of the City. ECF bonds are expected to be paid from revenues of ECF, provided, however, that if such revenues are insufficient, the City has agreed to make payments, subject to appropriation, to ECF for debt service on its bonds. Indebtedness of the TFA and TSASC does not constitute debt of, and is not paid by, the City.

Fiscal Year	General Obligation Bonds	ECF	TFA	TSASC	HYIC	Lease Obligations[1]	IDA Stock Exchange
2013	$ 41,592	$ 268	$ 29,202	$ 1,245	$ 3,000	$ 1,739	$ 93
2014	41,665	266	31,038	1,228	3,000	1,701	90
2015	40,460	264	33,850	1,222	3,000	1,639	87
2016	38,073	240	37,358	1,145	3,000	1,571	84
2017	37,891	236	40,696	1,089	2,751	1,549	80
2018	38,628	231	43,355	1,071	2,724	1,659	77
2019	37,519	218	46,624	1,053	2,724	1,553	62
2020	38,784	213	48,978	1,023	2,724	1,547	60
2021	38,574	302	49,957	993	2,677	1,599	57
2022	38,845	297	51,820	966	2,557	14,611	54

Source: Annual Report for the fiscal year ended June 30, 2022.

(1) Lease Obligations for fiscal year 2022 includes approximately $653 million for leases with PBCs and approximately $14 billion for leases for various city agencies in accordance with GASB 87, which the City implemented in the fiscal year ended June 30, 2022. The implementation of GASB 87 resulted in the re-characterization of certain contracts that meet GASB 87's definition of a lease as long-term liabilities. The total lease obligation comprises these re-characterized contracts and any contracts previously recorded as capital leases that continue to meet the definition of a lease under GASB 87.

As of December 31, 2022, approximately $39.32 billion of City general obligation bonds were outstanding. For information regarding the City's variable rate bonds, see APPENDIX D hereto.

Currently, HYIC has outstanding approximately $2.55 billion aggregate principal amount of bonds. In addition, HYIC has entered into a term loan facility with Bank of America, N.A. pursuant to which HYIC may draw up to an aggregate amount of $380 million, approximately $9.9 million of which has been drawn. The term loan facility has a scheduled maturity of June 30, 2027. HYIC expects to issue bonds to repay such term loan facility or further extend the maturity date prior to the scheduled maturity. The bonds financed the extension of the Number 7 subway line and other public improvements in the Hudson Yards area, and the term loan will be used to finance any remaining costs of completion of the original project and the expansion of the park in the Hudson Yards area. HYIC's bonds and, on a subordinate basis, draws under the term loan facility are secured by and payable from payments in lieu of taxes and other revenues generated by development in the Hudson Yards area. To the extent payments in lieu of taxes and other HYIC revenues are insufficient to pay interest on the HYIC bonds or the term loan, the City has agreed to pay the amount of any shortfall in interest, subject to appropriation. The Financial Plan does not reflect the need for such interest support payments. The City has no obligation to pay the principal of such bonds or of such term loan.

Certain Provisions for the Payment of City Indebtedness

The State Constitution requires the City to make an annual appropriation for: (i) payment of interest on all City indebtedness; (ii) redemption or amortization of bonds; and (iii) redemption of short-term indebtedness issued in anticipation of the collection of taxes or other revenues, such as tax anticipation notes ("TANs") and revenue anticipation notes ("RANs") which (with permitted renewals thereof) are not retired within five years of the date of original issue. If this appropriation is not made, a sum sufficient for such purposes must be set apart from the first revenues thereafter received by the City and must be applied for these purposes.

The City's debt service appropriation would provide for the interest on, but not the principal of, short-term indebtedness, if any. If such principal were not provided for from the anticipated sources, it would be, like debt service on City bonds, a general obligation of the City.

Pursuant to the Financial Emergency Act, a general debt service fund (the "General Debt Service Fund" or the "Fund") has been established for the purpose of paying Monthly Debt Service, as defined in the Act. In addition, as required under the Act, accounts have been established by the State Comptroller within the Fund to pay the principal of City TANs and RANs when outstanding. For the expiration date of the Financial Emergency Act, see "SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Emergency Act and City Charter*."

Limitations on the City's Authority to Contract Indebtedness

The Financial Emergency Act imposes various limitations on the issuance of City indebtedness. No TANs may be issued by the City which would cause the principal amount of such issue of TANs to exceed 90% of the "available tax levy," as defined in the Act, with respect to such issue; TANs and renewals thereof must mature not later than the last day of the fiscal year in which they were issued. No RANs may be issued by the City which would cause the principal amount of RANs outstanding to exceed 90% of the "available revenues," as defined in the Act, for that fiscal year; RANs must mature not later than the last day of the fiscal year in which they were issued; and in no event may renewals of RANs mature later than one year subsequent to the last day of the fiscal year in which such RANs were originally issued. No bond anticipation notes ("BANs") may be issued by the City in any fiscal year which would cause the principal amount of BANs outstanding, together with interest due or to become due thereon, to exceed 50% of the principal amount of bonds issued by the City in the twelve months immediately preceding the month in which such BANs are to be issued.

The State Constitution provides that, with certain exceptions, the City may not contract indebtedness, including contracts for capital projects to be paid with the proceeds of City bonds ("contracts for capital projects"), in an amount greater than 10% of the average full value of taxable real estate in the City for the most recent five years (the "general debt limit"). See "SECTION IV: SOURCES OF CITY REVENUES—Real Estate Tax—Assessment." Certain indebtedness ("excluded debt") is excluded in ascertaining the City's authority to contract indebtedness within the constitutional limit. TANs, RANs and BANs, and long-term indebtedness issued for specified purposes are considered excluded debt. The City's authority for variable rate bonds is currently limited, with statutory exceptions, to 25% of the general debt limit. The State Constitution also provides that, subject to legislative implementation, the City may contract indebtedness for low-rent housing, nursing homes for persons of low income and urban renewal purposes in an amount not to exceed 2% of the average assessed valuation of the taxable real estate of the City for the most recent five years (the "2% debt limit"). Excluded from the 2% debt limit, after approval by the State Comptroller, is indebtedness for certain self-supporting programs aided by City guarantees or loans.

Water Authority and TSASC indebtedness and the City's commitments with other PBCs or related issuers are not chargeable against the City's constitutional debt limit. The TFA and TSASC were created to provide financing for the City's capital program. Without the TFA and TSASC, or other legislative relief, new contractual commitments for the City's general obligation financed capital program would have been virtually brought to a halt during the financial plan period beginning early in the 1998 fiscal year. As of December 31, 2022, TSASC has approximately $966 million of bonds outstanding that are payable from TSRs. The TFA is permitted to have outstanding $13.5 billion of Future Tax Secured Bonds and the TFA may have outstanding Future Tax Secured Bonds in excess of $13.5 billion, provided that the amount of such additional Future Tax Secured Bonds, together with the amount of indebtedness contracted by the City, do not exceed the debt limit of the City. Future Tax Secured Bonds are secured by the City's personal income tax revenues and sales tax revenues, if personal income tax revenues do not satisfy specified debt ratios. The TFA, as of December 31, 2022, has outstanding approximately $44.74 billion of Future Tax Secured Bonds. The TFA is authorized to have outstanding $9.4 billion of Building Aid Revenue Bonds, which are secured by State building aid and are not chargeable against the City's constitutional debt limit.

The following table sets forth the calculation of debt-incurring power as of February 28, 2023.

		As of February 28, 2023 (In Thousands)
Total City Debt-Incurring Power under General Debt Limit		$127,447,518
Gross Debt-Funded[1]	$39,251,949	
Less: Excluded Debt	(20,441)	
	39,231,509	
Less: Appropriations for Payment of Principal	(195,191)	
	39,036,318	
Contracts and Other Liabilities, Net of Prior Financings Thereof	20,672,981	
Less: Total City Indebtedness		(59,709,298)
Less: TFA Debt Outstanding above $13.5 billion		(30,852,630)
Debt-Incurring Power		$36,885,589

Note: Numbers may not add due to rounding.
(1) Debt issued at an original issue discount is reflected at the discounted amount rather than the par amount.

Federal Bankruptcy Code

Under the Federal Bankruptcy Code, a petition may be filed in the federal bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. The filing of such a petition would operate as a stay of any proceeding to enforce a claim against the City. Under such circumstances, the Federal Bankruptcy Code requires the municipality to file a plan for the adjustment of its debts, which may modify or alter the rights of creditors and may provide for the municipality to issue indebtedness, which could have priority over existing creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite majority of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it. Pursuant to authorization by the State, each of the City and the Control Board, acting on behalf of the City pursuant to the Financial Emergency Act, has the legal capacity to file a petition under the Federal Bankruptcy Code. For the expiration date of the Financial Emergency Act, see "SECTION III: GOVERNMENT AND FINANCIAL CONTROLS—City Financial Management, Budgeting and Controls—*Financial Emergency Act and City Charter*."

Public Benefit Corporation Indebtedness

City Financial Commitments to PBCs

PBCs are corporate governmental agencies created by or under State law to finance and operate projects of a governmental nature or to provide governmental services. Generally, PBCs issue bonds and notes to finance construction of housing, hospitals, dormitories and other facilities and receive revenues from the collection of fees, charges or rentals for the use of their facilities, including subsidies and other payments from the governmental entity whose residents have benefited from the services and facilities provided by the PBC. These bonds and notes do not constitute debt of the City.

The City has undertaken various types of financial commitments with certain PBCs which, although they do not represent City indebtedness, have a similar budgetary effect. The principal forms of the City's financial commitments with respect to PBC debt obligations are as follows:

1. *Capital Lease Obligations*—These are leases of facilities by the City or a Covered Organization, entered into with PBCs, under which the City has no liability beyond monies legally available for lease payments. State law generally provides, however, that in the event the City fails to make any required lease payment, the amount of such payment will be deducted from State aid otherwise payable to the City and will be paid to the PBC.

2. *Executed Leases*—These are leases pursuant to which the City is legally obligated to make the required rental payments.

3. *Capital Reserve Fund Arrangements*—Under these arrangements, State law requires the PBC to maintain a capital reserve fund in a specified minimum amount to be used solely for the payment of the PBC's obligations. State law further provides that in the event the capital reserve fund is depleted, State aid otherwise payable to the City may be paid to the PBC to restore such fund.

Certain PBCs are further described below.

New York City Educational Construction Fund

As of December 31, 2022, $297.1 million principal amount of ECF bonds to finance costs related to the school portions of combined occupancy structures was outstanding. Under ECF's leases with the City, debt service on the ECF bonds is payable by the City to the extent third party revenues are not sufficient to pay such debt service.

Dormitory Authority of the State of New York

As of December 31, 2022, $260.3 million principal amount and $392.4 million principal amount of DASNY bonds issued to finance the design, construction and renovation of court facilities and health facilities, respectively, in the City were outstanding. The court facilities and health facilities are leased to the City by DASNY, with lease payments made by the City in amounts sufficient to pay debt service on DASNY bonds and certain fees and expenses of DASNY.

City University Construction Fund

As of December 31, 2022, approximately $26.2 million principal amount of DASNY bonds, relating to Community College facilities, subject to capital lease arrangements was outstanding. The City and the State are each responsible for approximately one-half of the CUCF's annual rental payments to DASNY for Community College facilities which are applied to the payment of debt service on the DASNY's bonds issued to finance the leased projects plus related overhead and administrative expenses of DASNY.

For further information regarding the particular PBCs included in the City's financial statements, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note A."

SECTION IX: PENSION SYSTEMS AND OPEB

Pension Systems

The City maintains five actuarial pension systems, providing benefits for its employees and employees of various independent agencies (including certain Covered Organizations). Such systems consist of the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York ("TRS"), the New York City Board of Education Retirement System ("BERS"), the New York City Police Pension Fund ("PPF") and the New York City Fire Pension Fund ("FPF") (together, the New York City Retirement Systems, "NYCRS"). Members of these actuarial pension systems are categorized into tiers depending on date of membership. The systems combine features of defined benefit pension plans with those of defined contribution pension plans. Three of the five actuarial pension systems (NYCERS, TRS and BERS) are cost-sharing multiple employer systems that include public employees who are not City employees. Each public employer in these multiple employer systems has primary responsibility for funding and reporting in the employer's financial statements on its share of the systems' liabilities. Total membership in the City's five actuarial pension systems on June 30, 2021 consisted of 382,298 active employees, 385,405 retirees and beneficiaries receiving benefits and other vested members terminated but not receiving benefits, and 47,269 other inactives. Of the total membership of 814,972, City membership was 621,698. The City also contributes to three other pension systems, maintains a closed non-actuarial retirement program for certain retired individuals not covered by the five actuarial pension systems, provides other supplemental benefits to retirees and makes contributions to certain union annuity funds.

Each of the City's five actuarial pension systems is managed by a board of trustees which includes representatives of the City and the employees covered by such system. The City Comptroller is the custodian of, and has been delegated investment responsibilities for, the actuarial pension systems, subject to the policies established by the boards of trustees of the systems and State law. The City Actuary (the "Actuary"), an independent professional who is also the Chief Actuary of each of the five actuarial pension systems, determines annual employer contributions and prepares other actuarial analyses and reports that are used by the City for Financial Plan and financial reporting purposes, as further described below. The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. Constitutional protection applies only to the basic pension benefits provided through each pension system's Qualified Pension Plan ("QPP") and does not extend to the Variable Supplements Funds ("VSFs") or Tax-Deferred Annuity Programs ("TDA Programs") that are also administered by some of the pension systems, as discussed below.

City Pension Contributions

The City has consistently made its full statutorily required pension contributions based on then-current actuarial valuations. For fiscal years 2021 and 2022, the City's pension contributions for the five actuarial pension systems, plus other pension expenditures, were approximately $9.4 billion and $9.7 billion, respectively, and were in addition to employee contributions. For fiscal years 2021 and 2022, 49% and 51% of the City pension contributions for such years, respectively, were attributable to the amortizations of Unfunded Accrued Liability ("UAL") described herein, see "—*Actuarial Assumptions and Methods*" below.

For the 2022 fiscal year, the City's total annual pension contribution expenditures, including pension costs not associated with the five actuarial pension systems, plus Social Security tax payments by the City for the year, were approximately 39% of total wage and salary costs. In addition, contributions are made by certain component units of the City and other government units directly to the three cost-sharing multiple employer actuarial pension systems on behalf of their participating employees and retirees.

Annual pension contributions for each system are determined by the Actuary using actuarial methods and assumptions that provide for orderly budgeting and planning, and that differ from the assumptions and methodologies used in financial reporting. The annual statutorily required pension contribution has four major cost components: (i) the service or normal cost, which is the cost of the future liability associated with pension benefits earned that year; (ii) scheduled amortization of the initial UAL established as of June 30, 2010; (iii) amortization of positive or negative adjustments to UAL from factors such as net investment returns above or below the assumed rate of return, changes in or deviations from actuarial assumptions and methods, and changes in benefits; and (iv) administrative expenses. Investment earnings reflect the impact of transfers within each pension system between the QPP and other employee benefit funds, including TDA Programs and VSFs, and within each QPP with regard to certain supplemental, voluntary member contribution accounts, as discussed below.

For further information on phasing in of changes in UAL, see "—*Actuarial Assumptions and Methods*" below. For further information on potential transfers within the pension systems, see "—*Fiduciary Fund Reporting*" below.

Each year, the Actuary provides each NYCRS with preliminary and final appropriation amounts equal to the statutorily required pension contribution for its respective QPP. For the NYCRS that are multi-employer plans, the Actuary also provides a schedule of allocations among the participating employers. Interest is charged on late payments, if any.

The New York City Off-Track Betting Corporation ("OTB") was a participating employer in NYCERS. OTB, which operated off-track betting facilities in the City, functioned under the direction of a board appointed by the Governor with input from leaders of the State Legislature at the time it ceased operations in December 2010. The pension obligations of OTB have continued to accrue since it ceased operations, and the cumulative unfunded liability as of January 1, 2019 was approximately $132 million. The City had been paying half of OTB's required contributions, which is equal to (1) an amortization of this unfunded liability over 15 years beginning in fiscal year 2019 and (2) the regular costs for the fiscal year. Beginning in fiscal year 2021, the Actuary has begun including the other half of OTB's required contributions as well in the City's required contribution to NYCERS. The City will continue to seek full reimbursement from the State for any OTB contributions made by the City.

The following tables summarize the components of City pension contributions by system for fiscal years 2021, 2022 and 2023 (Preliminary).

New York City Retirement Systems
Components of Employer Contribution—City Share
Fiscal Year 2021
($ in Millions)

	NYCERS[(1)]	TRS[(2)]	BERS[(3)]	POLICE	FIRE
Entry age Normal Cost	$ 899.4	$ 1,358.1	$ 145.6	$ 1,532.6	$ 606.2
Initial UAAL Contribution	1,089.8	1,962.3	128.6	1,295.1	695.6
Subsequent UAAL Contribution	178.4	(314.9)	(111.2)	(423.2)	123.9
Administrative Expenses	50.3	55.7	19.9	33.2	11.3
Interest on Late Employer Contributions	—	—	—	—	—
Total	$ 2,217.9	$ 3,061.2	$ 182.9	$ 2,437.7	$1,437.0

Fiscal Year 2022
($ in Millions)

	NYCERS[(1)]	TRS[(2)]	BERS[(3)]	POLICE	FIRE
Entry age Normal Cost	$ 902.7	$ 1,365.9	$ 163.5	$ 1,516.1	$ 603.6
Initial UAAL Contribution	1,130.2	2,021.4	132.5	1,333.9	716.4
Subsequent UAAL Contribution	202.4	(216.8)	(59.1)	(390.6)	116.5
Administrative Expenses	47.4	56.4	25.4	30.7	10.5
Total	$ 2,282.7	$ 3,226.9	$ 262.3	$ 2,490.1	$1,447.0

Fiscal Year 2023 (Preliminary)
($ in Millions)

	NYCERS[1]	TRS[2]	BERS[3]	POLICE	FIRE
Entry age Normal Cost	$ 882.1	$ 1,381.6	$ 161.6	$ 1,461.0	$ 610.6
Initial UAAL Contribution	1,164.1	2,082.0	136.4	1,374.0	738.0
Subsequent UAAL Contribution	(50.4)	(517.8)	(101.2)	(531.4)	69.6
Administrative Expenses	53.3	54.4	28.8	28.5	11.8
Interest on Late Employer Contributions	—	—	—	—	—
Total	$ 2,049.1	$ 3,000.2	$ 225.6	$ 2,332.1	$1,430.0

(1) Includes New York City School Construction Authority, Transit Police, CUNY Community Colleges and OTB.
(2) Includes CUNY Community Colleges. Does not reflect the credit for the Annuity Savings Accumulation Fund contribution paid by the DOE.
(3) Includes New York City School Construction and CUNY Community Colleges.

The Financial Plan reflects projected City pension contributions of $9.414 billion, $9.563 billion, $9.783 billion, $9.951 billion and $9.799 billion for fiscal years 2023 through 2027, respectively. These projections in the Financial Plan are based on the valuation from the Actuary as of June 30, 2021. The pension contributions projected in the Financial Plan reflect changes to funding assumptions and methods implemented in 2021, known as the "Revised 2021 A&M", as discussed below. The Financial Plan also includes the recent change in State law, which reduced the time for employees to vest in certain public pensions systems from ten years to five years, which is estimated to cost the City $24.5 million per fiscal year.

The Financial Plan also reflects costs of legislation related to COVID-19 (which established additional accidental death benefits for families of public employees who die due to the disease and contracted the disease within 45 days of reporting to work), costs associated with a proposed change to keep NYCERS, TRS and BERS in compliance with the Older Workers Benefit Protection Act ("OWBPA") (effective beginning with Fiscal Year 2022), and a change in the method for determining the Actuarial Value of Assets for TRS and BERS (effective beginning with Fiscal Year 2021). Investment earnings vary by system and are calculated differently from the investment performance reported by the City Comptroller's office, as described below.

The City Comptroller's office reports investment returns using the time-weighted calculation methodology, which facilitates measurement of relative performance across systems. Using this methodology, aggregate returns on investment assets advised by the Comptroller's office for fiscal years 2018 to 2022 were 8.67%, 7.24%, 4.44%, 25.85% and negative 8.65%, respectively. Returns are net of all investment manager fees. These returns varied by pension system. These reported returns refer only to those investment assets of the pension systems for which the City Comptroller's office is the investment advisor. These investment assets exclude certain QPP funds advised outside the City Comptroller's office, and include pension system assets outside the QPPs. The returns do not reflect the impact of transfers within each pension system between the QPP and other employee benefit funds, such as TDAs and VSFs, or within each QPP with regard to certain supplemental, voluntary member contribution accounts. Such transfers can be material, and, as such, the earnings used by the Actuary in determining required City contributions may differ materially from the earnings implied by the investment-only rates of return above.

Actuarial Assumptions and Methods

This section describes the actuarial assumptions and methods used for determining the City's pension contributions. As mentioned previously, these actuarial assumptions and methods may differ from those used for financial reporting, or for other pension system administrative purposes.

An actuarial valuation requires an initial set of information and assumptions about future events. Pursuant to the City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarial pension systems are conducted by an independent actuarial firm every two years. Such studies assess the reasonableness of the Actuary's calculations of the employer contributions and make recommendations about actuarial methods and assumptions. The

Actuary may recommend changes to methods and assumptions based on these studies. Bolton, Inc., an independent actuarial firm, completed their final reports in June 2019. Partially as a result of this study, the Actuary recommended changes to several of the assumptions for each of the NYCRS. This set of actuarial assumptions and methods are referred to as the "2019 A&M" and were used by the Actuary for determining employer contributions to the NYCRS, and where applicable, Net Pension Liabilities of the NYCRS, beginning in fiscal year 2019.

The complete set of actuarial assumptions used for each of the NYCRS can be found in the actuarial valuation reports on the web site of the New York City Office of the Actuary (www.nyc.gov/actuary). Such website, and the information and links contained therein, are not incorporated into, and are not part of, this Official Statement. The actuarial methods and assumptions currently in effect include an actuarial interest (discount) rate assumption of 7% per annum which is based on expected investment earnings net of investment expenses, the Society of Actuaries MP-2020 mortality improvement scale and the use of the Entry Age Actuarial Cost Method. The initial UAL recognized as of June 30, 2010 is being amortized, with interest of 7% through City contributions over a 22-year period that commenced in fiscal year 2012 with dollar payments increasing at a rate of 3% per year.

Also under the current funding method, emerging unfunded liabilities are recognized and amortized over closed, fixed periods using level dollar payments. Future UAL attributable to actuarial gains and losses is amortized over 15 years; future UAL attributable to changes in actuarial assumptions and methods is amortized over 20 years; and future changes in UAL attributable to benefit improvements is generally amortized over periods reasonably consistent with the remaining working lifetimes of those impacted.

Regarding the asset valuation method, effective June 30, 2019 the Actuary reset the actuarial value of assets equal to the market value of assets. Subsequent to that date, investment earnings above or below expectation are reflected in City pension contributions in two stages: first, the annual earnings above or below expectation are phased in to the actuarial value of assets over a five-year period, with 20% of the total recognized each year. This five-year smoothing period was changed from a six-year smoothing period beginning with investment earnings generated during fiscal year 2020. Second, the portion recognized in each year is then amortized over a 15-year period for the purpose of calculating the City's annual pension contributions. The Actuary uses investment earnings in this calculation and does not calculate an investment rate of return.

The actuarial method also includes the continued use of the One Year Lag methodology, where census data and asset information as of the June 30 second preceding a fiscal year is used to determine the employer contribution for that fiscal year. For example, for the fiscal year 2022 pension contribution calculation, employee data and the Actuarial Value of Assets as of June 30, 2020 were used.

Financial Reporting

City Pension Fund Financial Reporting

The City accounts for its pensions consistent with the requirements of GASB. In fiscal year 2014, the City implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB 68"). The GASB 68 standards apply to actuarial calculations for financial reporting but not to the actuarial calculation of annual City employer pension contributions, which continue to be determined as described above.

In broad terms, GASB 68 separates pension accounting in the City's government-wide financial statements from the phased or smoothed asset and liability figures that the Actuary uses in determining the City's annual pension contributions, as described above. For financial reporting purposes, most changes in assets and liabilities are reflected in the year in which they occur. As a result, pension fund accounting under GASB 68 has increased year-to-year volatility in reported net pension liability. Under GASB 68, net pension liabilities are reported on employers' Government-Wide Statements of Net Assets when the fair value of pension assets falls short of actuarially calculated liabilities, when both are measured as of the same date (fiscal year end). For the cost-sharing multiple employer pension systems, only the City share of net pension liabilities is reported in the Government-Wide Statement of Net Assets. As reported in the Government-Wide financial statements for fiscal years 2018 through 2022, the City membership (active, inactive and retired) and the City's share of total pension liability, Plan fiduciary net position, net pension liability, and plan fiduciary net position as a percent of total pension liability, aggregated across the five pension systems, were as follows:

Summary of City Pension Information, Fiscal Years 2018-2022[1]
(Dollars in billions)

	2018	2019	2020	2021	2022
City Membership (active, inactive, retired)[2]	572,755	609,420	619,659	624,129	621,698
Total Pension Liability (TPL)	$ 198.2	$ 203.1	$ 210.7	$ 221.1	$ 227.1
Less Plan Fiduciary Net Position (PFNP)	150.4	159.8	164.3	211.5	184.8
Net Pension Liability (NPL)	$ 47.8	$ 43.3	$ 46.4	$ 9.6	$ 42.3
PFNP as percent of TPL	71.2%	75.9%	78.7%	95.7%	81.4%

Source: NYC Annual Reports

(1) Data are aggregated across the five pension systems. Funding amounts and percentages vary between systems. Data for NYCERS, PPF, and FPF include the QPP and VSFs, and data for TRS and BRS are QPP only.

(2) Membership data for fiscal year 2018 are as of the June 30th of two years prior. Membership data for fiscal year 2019 through 2022 are as of June 30th of the prior year as a result of a change in methodology beginning with fiscal year 2019.

The reported net pension liabilities do not include future payments on fixed return TDA funds, described below, where the statutory rate of interest for members is higher than the assumed 7% return on QPP assets.

For further information see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT."

Fiduciary Fund Reporting

The fiscal year 2022 Annual Report contains Fiduciary Funds financial statements for each of the five actuarial pension systems. These financial statements report on the entirety of the five systems, not just the City share. Each of the five actuarial pension systems administers programs in addition to its respective QPP, and these programs are also reported as part of each system's financial statements in the Fiduciary Fund financial statements. The City Annual Reports for fiscal years 2018 through 2022 report a net position (assets plus deferred outflows, less liabilities and deferred inflows), for the five actuarial pension systems, in aggregate, restricted for QPPs, restricted for TDAs, and restricted for VSFs as shown in the following chart. For further information, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Pension and Other Employee Benefit Trust Funds Combining Statement of Fiduciary Net Position."

New York City Retirement Systems
Aggregate Net Position,
Fiscal Years 2018-2022
(In Millions)

	2018	2019	2020	2021	2022
Net Position:					
Restricted for QPPs.	$175,638.0	$185,963.2	$190,773.8	$241,500.2	$211,858.4
Restricted for VSFs.	5,926.4	6,135.8	6,137.3	7,893.2	6,369.1
Restricted for TDAs	35,349.8	37,460.8	39,360.3	45,503.2	44,951.3
Total Net Position.	$216,914.2	$229,559.8	$236,271.3	$294,896.7	$263,178.7

Source: NYC Annual Reports

In addition to the QPPs, TRS and BERS administer TDA Programs. Benefits provided under the TDA programs are derived from members' accumulated contributions. No direct contributions are provided by employers. However certain investment and benefit options, if selected by TDA members, may indirectly affect employer financial obligations, as described below. As of June 30, 2021 and 2022, the total fiduciary net position restricted for TDA benefits was $45.5 billion and $45.0 billion, respectively. Each of the TDA Programs has at least two investment options, broadly categorized as a fixed return fund and one or more variable return funds.

Deposits from members' TDA Program accounts into the fixed return funds are used by the respective QPP to purchase investments, and such TDA Program accounts are credited with a statutory rate of interest, currently 7% for United Federation of Teachers members and 8.25% for all other members. If earnings on the respective QPP are less than the amount credited to the TDA Program members' accounts, the higher cost to the QPP could require additional payments by the City to the pension funds. If the earnings are higher, then lower payments by the City to the pension funds could be required. The Actuary recognizes the difference between the guaranteed rate of 8.25% and the actuarial interest rate of 7.0% in the calculation of the employer contributions to the QPPs each year.

All investment securities purchased and invested by the QPPs with TDA Programs' fixed return funds' balances are owned and reported by the QPP. A receivable due from the respective QPP equal in amount to the aggregate original principal amounts contributed by TDA Programs' members to the respective fixed return funds, plus accrued interest at the statutory rate, is owned by each of the TDA Programs. The balances of TDA Program fixed return funds held by the TRS QPP as of June 30, 2021 and 2022 were $30.0 billion and $31.9 billion, respectively, and interest paid on TDA Program fixed return funds by the TRS QPP for the years then ended were $2.0 billion and $2.1 billion, respectively. The balances of TDA Program fixed return funds held by the BERS QPP as of June 30, 2021 and 2022 were $2.2 billion and $2.4 billion, respectively, and interest paid on TDA Program fixed return funds by the BERS QPP for the years then ended were $171.8 million and $191.1 million, respectively. Deposits from members' TDA Program accounts into the variable return funds are credited with actual returns on the underlying investments of the specific fund selected. Members may reallocate all or a part of their TDA Program contributions between the fixed and variable return funds on a quarterly basis. Retired TDA members may make withdrawals from their TDA accounts or elect to take the balance in the form of an annuity that is calculated based on a statutory rate of interest and mortality assumptions, which are separate and different from the mortality assumptions used in pension liability calculations. Once an annuity has been selected by a member, the payment of those benefits is guaranteed by the QPP.

In addition, certain Tier I and Tier II pension plan members have the right to make supplemental, voluntary member contributions into the QPPs. These contributions are credited with interest at rates set by statute or, for certain employees that may choose variable return investments, the actual return, and may be withdrawn or annuitized at retirement. In general, the assets and liabilities associated with these member contributions are included in the reported assets and actuarially-determined net pension obligations of the respective plans. There were approximately 190 active Tier I and Tier II members remaining in TRS and BERS as of June 30, 2021.

Ultimately, investment earnings of the fixed rate funds that are less than the amounts credited to the members could result in additional required contributions by the City to the pension funds and investment earnings that are greater than the amounts credited to the members could result in lower required contributions by the City to the pension funds.

Pursuant to State law, certain retirees of NYCERS, PPF and FPF are eligible to receive scheduled supplemental benefits from VSFs. Where assets in the VSFs are insufficient, NYCERS, PPF and FPF are required to transfer assets to their respective VSFs to fund those payments that are statutorily guaranteed. The effects of these transfers are included by the Office of the Actuary in calculating required employer contributions to the pension funds. However under current State law, the VSFs are not pension funds or retirement systems and are subject to change by the State Legislature.

For further information regarding the City's pension systems see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.5," "—Pension and Other Employee Benefit Trust Funds—Combining Statement of Fiduciary Net Position" and "—Required Supplementary Information."

Other Post-Employment Benefits

Post-employment benefits other than pensions (referred to as OPEB), which include health insurance, Medicare Part B premium reimbursements and welfare fund contributions, are provided to eligible retirees of the City and their eligible beneficiaries and dependents.

City OPEB Contributions

OPEB costs are currently paid in each fiscal year on a pay-as-you-go basis. The vast majority of such payments are made through the Retiree Health Benefits Trust ("RHBT") discussed below. The City is not required by law or contractual agreement to fund the OPEB obligation other than the pay-as-you-go amounts necessary to provide current benefits to eligible retirees of the City and their eligible beneficiaries and dependents. OPEB costs were $3.156 billion for fiscal year 2022, and are projected at $3.221 billion, $3.427 billion, $3.594 billion, $3.754 billion and $3.913 billion for fiscal years 2023 through 2027, respectively.

In 2006, the City created the RHBT which is used to receive, hold, and disburse assets accumulated to address the OPEB liabilities. Amounts contributed to the RHBT by the City are held in an irrevocable trust and may not be used for any purpose other than to fund the costs of health and welfare benefits of its eligible participants. The RHBT balance is maintained via the City's annual pay-as-you-go funding contributions. In certain fiscal years the City has paid into the RHBT less than the corresponding fiscal year's health and welfare benefits costs, with the balance paid out of the RHBT. This reduces the balance of the RHBT. In other years the City has paid into the trust more than the corresponding fiscal year's health and welfare costs. This increases the balance of the RHBT. The following table shows the net position of the RHBT as of the end of each of fiscal years 2018 through 2022.

Retiree Health Benefits Trust
Net Position
(In Millions)

2018	$4,766
2019	4,680
2020	3,800
2021	4,221
2022	5,376

Source: NYC Annual Reports

Actuarial Assumptions and Methods

GASB 74 applies to financial reporting by post-employment benefit plans and GASB 75 covers reporting on post-employment benefit plans by employers. The City implemented GASB 74 and GASB 75 for its financial statements beginning in fiscal year 2017. The fiscal year 2022 Annual Report reported the City's net OPEB liabilities as $118.0 billion and $89.5 billion as of June 30, 2021 and 2022, respectively. The decrease from June 30, 2021 to June 30, 2022 is primarily due to the Actuary's change in the discount rate discussed below.

The actuarial assumptions and methods used in the OPEB valuations are a combination of those used in the NYCRS pension valuations, such as the Entry Age Actuarial Cost Method, and certain demographic and economic assumptions proposed by the Actuary that were adopted by each respective Board of Trustees of NYCRS during fiscal year 2019, in addition to those specific to the OPEB valuations, such as the discount rate described below. On July 27, 2021, the Actuary issued the Revised 2021 A&M, which amends certain assumptions and methods from the 2019 A&M. The assumptions used in the Fiscal Year 2022 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, certain demographic assumptions and the stabilization fund load as described in the City's Annual Comprehensive Financial Report. See "City Pension Contributions—*Actuarial Assumptions and Methods*" above. As required under GASB 75, the net OPEB liability attributable to benefit changes is now recognized in the current reporting period, investment earnings above or below expectations are recognized over a five year period, and other actuarial liability gains and losses are amortized over the average remaining working lifetimes of all plan members, including inactive plan members. In addition, as required under GASB 75, OPEB valuations assume a discount rate based on a long-term expected rate of return on assets and the index rate for certain highly rated municipal bonds. The fiscal year 2022 OPEB measurement assumed a discount rate of 4.09% per annum, a 1.9% increase over fiscal year 2021.

Summary OPEB Information

As reported in the City's financial statements, the following table summarizes City OPEB information for fiscal years 2020 through 2022.

Summary of City OPEB Information, Fiscal Years 2020 - 2022
(Dollars in billions)

	2020	2021	2022
Participants (active/inactive plan members receiving or eligible to receive benefits)	596,681	569,872	565,984
Total OPEB Liability (TOL)	$ 113.26	$ 122.20	$ 94.90
Less Fiduciary Net Position (FNP)	(3.80)	(4.22)	(5.38)
Net OPEB Liability (NOL)	109.46	117.98	89.52
FNP as percent of TOL	3.4%	3.5%	5.7%
Covered Employee Payroll	$ 28.20	$ 29.11	$ 28.97
NOL as a percent of Covered Employee Payroll	388.1%	405.3%	309.0%

Source: NYC Annual Reports. Totals may not add due to rounding.

For further information regarding OPEB, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note E.4," "—Pension and Other Employee Benefit Trust Funds—Combining Statement of Fiduciary Net Position" and "—Required Supplementary Information."

SECTION X: OTHER INFORMATION

Litigation

The following paragraphs describe certain material legal proceedings and claims involving the City and Covered Organizations other than routine litigation incidental to the performance of their governmental and other functions and certain other litigation arising out of alleged constitutional violations, torts, breaches of contract and other violations of law and condemnation proceedings. While the ultimate outcome and fiscal impact, if any, on the City of the proceedings and claims described below are not currently predictable, adverse determinations in certain of them might have a material adverse effect upon the City's ability to carry out the Financial Plan. The City has estimated that its potential future liability on account of outstanding claims against it as of June 30, 2022 amounted to approximately $7.2 billion. See "SECTION VII: FINANCIAL PLAN—Assumptions—*Expenditure Assumptions*—2. OTHER THAN PERSONAL SERVICES COSTS—Judgments and Claims."

The City has received in excess of 118 notices of claim from putative plaintiffs, been named as a defendant in approximately 31 legal actions, and received approximately 2,336 workers' compensation claims to date relating to the COVID-19 outbreak in the City. The notices of claim and legal actions include claims that wrongful actions or omissions of the City and/or certain City restrictions related to COVID-19 have resulted in severe medical, psychological and economic damages and/or death. The workers' compensation claims are governed by a no-fault system in which the City, as the claimant's employer, provides wage replacement benefits and medical care for work-related illnesses if the City accepts the employee's claim or the claimant 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.

Taxes

1. 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 $1.345 billion at June 30, 2022. For a discussion of the City's accounting treatment of its inequality and overvaluation exposure, see "APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT—Notes to Financial Statements—Note D.5."

2. Con Edison has challenged the assessments of certain of its properties in two separate actions. Con Edison has challenged the City's real property tax assessments on its Manhattan power plants and equipment for tax years 1994/95 through 2020/21 and the State's valuation of its special franchise for its electric, gas and steam equipment located in the public right of way throughout the five boroughs. As of March 2023 there are seven tax years pending in the special franchise litigation, 2013/14-2016/17 and 2018/19-2020/21. The remaining challenges could result in substantial real property tax refunds for taxes paid in fiscal years 2022 and beyond. A trial was held on November 9, 2022 in New York State Supreme Court, Albany County, covering tax years 2013/14 through 2016/17. The court issued its decision, order and judgment on November 17, 2022. All four of Con Edison's Real Property Tax Law Article 7 petitions (for tax years 2013/14 through 2016/17) were dismissed. On December 20, 2022, Con Edison filed a notice of appeal in the Supreme Court, Albany County, for appeal to the Appellate Division, Third Department. Additionally, Con Edison is continuing to pursue Real Property Tax Law Article 7 petitions for tax years 2018/19 through 2020/21. As a result, the Court has made the parties enter into a scheduling order setting an appraisal exchange date of February 16, 2024 with a trial occurring shortly thereafter.

3. Tax Equity Now New York LLC (composed of certain advocacy groups and owners and tenants of properties in the City) commenced an action in New York State Supreme Court on April 24, 2017 against the City and the State. The action alleges that the City's real property tax system violates the State and federal constitutions as well as the Fair Housing Act. The action further alleges the valuation methodology as mandated by certain provisions of the State Real Property Tax Law results in a disparity and inequality in the amount of taxes paid by Black and Hispanic Class 1 property owners and renters. The City and State defendants moved to dismiss the case. In September 2018, the Court denied the City's motion to dismiss the complaint and partially granted the State's motion to dismiss the complaint. The City and State both appealed the lower court decision and the City made a motion before the trial court for a declaration that a statutory stay of the lower court proceeding was in effect by virtue of its filing the Notice of Appeal,

or in the alternative, for a discretionary stay of all proceedings pending the appeal. The stay was granted. All parties appealed the lower court decision on the motion to dismiss, and after briefing and argument, the First Department granted the City's and the State's motions to dismiss and dismissed all claims against both the City and the State. In September 2020, the New York Court of Appeals dismissed the plaintiff's purported appeal as of right of the First Department ruling. On August 9, 2021, the plaintiff filed, in the Appellate Division, a motion for leave to appeal and on August 20, 2021, the City filed a response in opposition thereto. The Appellate Division denied the plaintiff's motion for leave to appeal to the Court of Appeals. On December 1, 2021, the plaintiff served and filed a motion seeking leave to appeal directly from the Court of Appeals. The City and State submitted their respective opposition papers. On April 28, 2022, the Court of Appeals granted the plaintiff's motion for leave to appeal. Plaintiff filed an appeal brief on July 27, 2022. Response briefs from the City and State were filed on December 12, 2022. The plaintiff's reply brief was filed on March 3, 2023.

Miscellaneous

1. 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 2,542 judgments have been entered in favor of the claimants totaling approximately $647 million. 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 have reached an agreement to limit the number of the judgments that would need to be paid in any given fiscal year. The maximum dollar value of judgments to be paid by the BOE would be limited as follows: In fiscal year 2023 – a maximum of $410 million; in fiscal year 2024 – a maximum of $360 million; in fiscal year 2025 – a maximum of $360 million; in fiscal year 2026 – a maximum of approximately $183 million; in fiscal year 2027 – a maximum of approximately $83 million; and in fiscal year 2028 – a maximum of approximately $33 million. The agreement is a cap on payments of judgments entered against the BOE and is not an agreement to compromise claims. BOE will continue to contest individual claims presented to the Special Master. The Special Master will regulate the number of judgments entered against BOE to ensure that the aforementioned caps are not exceeded in any fiscal year.

2. On January 31, 2017, a putative class action was filed in State Supreme Court, Queens County, alleging numerous commercial claims in connection with the November 2013 auctions of wheelchair accessible taxi medallions. In September 2017, the Court dismissed all but a breach of contract rescission and implied covenant of good faith and fair dealing claims and that decision has been appealed by both sides. The Court also denied plaintiffs' motion for class certification as premature. On December 30, 2020, the Appellate Division, Second Department ruled that the plaintiff's causes of action should have been dismissed in their entirety. On October 12, 2021, the New York Court of Appeals granted the plaintiffs' leave for appeal and appellate briefs by both sides were fully filed by mid-April 2022. Oral argument was held on March 14, 2023.

On June 21, 2017, a second putative class action was filed in State Supreme Court, Queens County, also alleging numerous commercial claims in connection with the February 2014 auctions of wheelchair accessible taxi medallions. In November 2017, the Court dismissed the action, and plaintiffs moved to reargue. In March 2019, the Court granted the plaintiffs' motion to reargue the action, and reinstated the implied covenant, rescission and New York State General Business Law claims. In November 2019, the Court granted plaintiffs' motion for class certification. At present, the Court in this filed action has defined the class as all purchasers at the 2013 and 2014 auctions, and their successors or assigns. If the class were to prevail on any of the remaining claims, damages of several hundred million dollars could be sought. On March 16, 2020, the Court denied the plaintiffs' motion for partial summary judgment and on October 1, 2020, the Court granted in part, and denied in part, the City's summary judgment motion, allowing the rescission and implied covenant of good faith and fair dealing claims to proceed to trial. The class certification and summary judgment decisions have been appealed, and are fully briefed and pending before the Appellate Division, Second Department. On February 3, 2023, the Court stayed this action pending the decision of the Court of Appeals in the first-filed action.

3. In a putative class action, Soybel et al. v. City of New York, on April 6, 2021 in the United States District Court for the Eastern District of New York, medallion owners who purchased taxi medallions filed claims against the City and former City officials, alleging improper conduct in connection with the sale of taxi medallions from 2004-2017. Plaintiffs allege that the City engaged in a scheme to artificially inflate the value of taxi medallions through fraudulent, collusive, and deceptive means to maximize its profit through actions to artificially inflate the "upset price" for medallions at auction, allowed collusive bidding at auction to drive up an artificial "floor" for future medallion transactions, published deliberately false and misleading average sales prices for secondary market transactions, deliberately concealed an internal report on medallion values, and launched a false and misleading advertising campaign for medallion sales. Plaintiffs allege that the City engaged in a conspiracy in violation of the Racketeering Influenced and Corrupt Organization statute, violated federal antitrust laws, and that the City's actions constituted unjust enrichment under state law. The case also names as defendants certain purchasers of the medallions. Plaintiffs seek compensatory and treble damages in the amount of $2.6 billion, plus punitive damages against the individually-named City officials and attorneys' fees and costs. The City will vigorously challenge the claims made in the action. The City's motion to dismiss is fully briefed, and oral argument was held on May 24, 2022. The court's decision is pending.

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

The City is named as a defendant in two putative class actions 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 Mulhadzhanov 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. The City defendants filed a motion to dismiss in December 2020. The plaintiff filed an opposition to the motion, and the City's reply was filed on October 15, 2021. Oral argument is scheduled for April 26, 2023.

In a separate action filed by separate petitioners in March 2023 in New York County Supreme Court, Palma v. City, petitioners challenge the facial validity of notices of liability issued pursuant to the Speed Camera Program. Petitioners claim that the notices of liability are null and void because they neither allege nor provide evidence that (1) there were posted speed limits in the school speed zones and (2) there was signage giving notice to approaching motor vehicle operators that a photo speed violation monitoring system was installed and in use. Petitioners seek refunds of fines paid under the Speed Camera Program for all individuals who received a final agency action with respect to their photo school speed zone violations during the period commencing four months prior to the date the action was filed to the present and continuing. If the class were to be certified by the Court and the City was ordered to pay refunds for said violations, the potential monetary liability could be substantial. The City's response is due April 7, 2023.

6. 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. Currently, the City is named as a defendant in approximately 943 cases authorized by the Act, which claims are primarily related to the alleged sexual abuse of children in either the City's Department of Education or foster care system. Discovery

demands have been incorporated into a court order and more complete demands have been issued, and discovery is underway in many cases. To date, the City has settled approximately 66 of the cases. The cases are being co-managed by two justices in New York County Supreme Court. On October 6, 2022, the court granted the City's motion to dismiss one of the cases involving the City's Administration for Children's Services ("ACS") on the grounds that the complaint failed to allege a special duty, and that a special duty could not be found under the Social Services Law provisions governing City oversight and management of foster care. There is a similar motion to dismiss pending on a separate case, which motion remains to be decided. Plaintiff has appealed. The City is reviewing the remaining more than 600 actions involving ACS to evaluate the applicability of the decision to these additional actions, and the City's course going forward. To date, the City reached approximately $46,645,000 in settlements. 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.

7. On October 17, 2017, in the United States District Court for the Southern District of New York, three plaintiffs commenced a putative proposed class action, Lynch et al. v. City, 17- cv-7577, asserting causes of action under the Fourth and Fourteenth Amendments of the United States Constitution, 42 U.S.C. Section 1983, and false imprisonment under New York State common law. Each plaintiff was held in the custody of New York City Department of Corrections ("DOC") as a pretrial detainee, received a judicial order fixing bail, posted bail, and alleges that they were not released from DOC custody within a reasonable time thereafter. The complaint references local laws of the City which mandate specific timeframes for pre-trial release, among other related requirements. Plaintiffs seek compensatory damages. The City filed a motion to dismiss, which the Court denied. In June 2022 the court dismissed lead plaintiff Lynch because of his death and the action has been recaptioned as Jones et.al. v. City of New York. On October 21, 2022, the parties executed a written settlement agreement. Per the terms of the settlement agreement, the City has agreed to a payment amount of $3,500 per instance of over-detention for eligible claims filed. The class period covers October 4, 2014 through October 21, 2022 and consists of approximately 94,000 instances of release on bail that fall within the class definition. In order to file an eligible claim, the class member must file a claim and attest that they reasonably believe it may have taken at least 3 hours after bail was posted before they were released from custody. On December 1, 2021, the Court approved plaintiffs' motion for preliminary approval of the class action settlement agreement. The Court also set July 11, 2023 as the hearing date for final approval. It is too early at this stage of the class settlement process to provide an accurate estimate of the potential cost to the City as it will depend on the number of eligible claims timely filed; however, the exposure is expected to be substantial.

8. On September 26, 2021, 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 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, and petitioners subsequently filed a cross-appeal. On July 15, 2022, the contract awardee, Anthem Insurance, Inc. d/b/a Empire BlueCross BlueShield Retiree Solutions, that 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 August 28, 2022, the petitioners withdrew their cross-appeal. On November 22, 2022, the Appellate Division, First Department affirmed the Supreme Court's order. On January 6, 2023, the City filed a motion for leave to appeal in the New York Court of Appeals, petitioners opposed on February 6, 2023, and the motion remains pending. For further information, see "SECTION V: CITY SERVICES AND EXPENDITURES—Employees and Labor Relations—*Labor Relations*."

9. On September 30, 2021, plaintiffs, the New York County Lawyers Association, on behalf of a group of County Bar Associations, commenced an action in New York County Supreme Court, alleging state and federal constitutional violations based on the alleged inadequacy of hourly compensation rates for the legal fees paid to attorney members of the 18-B Assigned Counsel Panels, which provide legal representation in New York State Courts to children and indigent adults pursuant to Article 18-B of the County Law of New York State "Article 18-B"). Plaintiffs allege that the current rates and per case-caps set by Article 18-B ($60 per hour for misdemeanors; $75 per hour for all other matters, with per-case caps of $2400 for misdemeanors and $4400 for all other matters absent a judicial finding of extraordinary circumstances warranting waiver of such caps) have not been adjusted for approximately 20 years and are insufficient to permit lawyers in the various assigned counsel panels to adequately represent their clients. On July 25, 2022, the Court issued a preliminary injunction, raising the assigned counsel rates to $158 per hour for all matters – the rate provided to federal criminal defenders under federal law – but with no other

changes to the existing statutory framework. The City has filed a notice of appeal, invoking a statutory stay limited to the portion of the preliminary injunction decision directing payment at increased rates from February 2, 2022 through July 24, 2022. Under the current statutory system, State Finance Law section 98-B obligates the State to provide $40 million annually to the City as the State's share of the costs of the 18-b Plan, so long as the City's share of costs is no less than the City's program costs in FY 2010 – a contingency that the City has met. Even before the July 2022 court-ordered rate increase, the City's share in recent years approximated, and frequently exceeded, the State's share of program costs. With the rates now raised to $158 an hour for all matters, increased program costs could be borne by the City. While per-case caps remain in place, courts continue to have the discretion to find "extraordinary circumstances" to justify a waiver. Cumulatively, the hourly rate increase and the possible increased waiver of per-case caps, together with the fact that the State has not been ordered to provide increased funding for the assigned counsel program, means that the cost to the City of the recent rate increase could be substantial.

10. On January 27, 2023, plaintiffs filed *Forest v. City of New York,* 23-CV-00743 (S.D.N.Y.), a proposed class action in the United States District Court for the Southern District of New York, against the New York City Human Resources Administration ("HRA"), seeking nonmonetary, preliminary and permanent injunctive relief. Plaintiffs seek preliminary and permanent orders mandating HRA's compliance with certain statutorily required timeframes for processing initial and recertifying applications for cash assistance and Supplemental Nutrition Assistance Program ("SNAP", also known as food stamp) benefits.

Environmental Matters

The City has more than 500 miles of coastline, bordering the Atlantic Ocean as well as rivers, bays, and inlets. Two of its five Boroughs, Manhattan and Staten Island, are islands and water forms the principal boundary of the remaining three. As a result, the City is directly affected by rising sea levels and exposed to intensifying coastal storms.

Storms

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

The Financial Plan assumes that the direct costs described above will largely be paid from non-City sources, primarily the federal government, and that the Community Costs described above will be primarily reimbursed by federal funds. The City expects reimbursements to come from two separate federal sources of funding, FEMA and HUD. The City has secured approximately $10.7 billion in FEMA assistance and other federal emergency response grants ("FEMA Funding"). The maximum reimbursement rate from FEMA is 90% of total costs. Other federal emergency response grants may have larger local share percentages. The City expects to use $720 million of Community Development Block Grant Disaster Recovery funding allocated by HUD to meet the local share requirements of the FEMA funding, as well as recovery work not funded by FEMA or other federal sources. This allocation would be available to fill gaps in such FEMA funding. As of June 30, 2022, the City, NYCHH and NYCHA have received $4.5 billion in reimbursements from FEMA for the direct costs described above. In addition to the FEMA Funding described above, HUD has made available over $4.4 billion for Community Costs, of which approximately $3.8 billion has been received through June 30, 2022. 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 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. On September 3, 2021, former Mayor de Blasio announced a climate-driven rain response plan, which includes developing improved storm warning systems and the creation of the Extreme Weather Response Taskforce composed of representatives from several different City agencies, including DEP, the Department of Transportation, Emergency Management and the Department of Sanitation. On September 27, 2021, the taskforce released its report, *The New Normal: Combating Storm-Related Extreme Weather in New York City*. The report's recommendations, among others, include (i) improvements to emergency preparedness and response, (ii) protecting occupants of basement apartments and (iii) expediting both short-term and long-term investments in infrastructure, including sewers and prevention of flooding in inland communities. The total costs of implementing all of the report's recommendations would be substantial and in some cases would require State and federal funding. In response to the report, in October 2021, the City added approximately $2 billion to its capital plan to support the report's recommendations, most of which is in DEP's capital budget to be funded by the City's water and sewer system through bonds issued by the City's Water Authority. Such additional funding continues to be reflected in the Preliminary Ten-Year Capital Strategy. The City continues to review the effects of climate change, including increased climate drive rain. The extent to which funding to cover recommendations put forth by the report will be available from State or federal sources is not known at this time.

Climate Change

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 has 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.

Building on NPCC's recommendations and the City's strategic planning, the City is in the process of implementing infrastructure projects to protect the City from the effects of extreme rainfall, addressing some of the risks identified in the NPCC Reports. In addition, the City is pursuing heat mitigation strategies. These projects and initiatives are in various stages of feasibility review, design and 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.

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.

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 Shorefront and Back Bay Projects (the "Rockaways Project"). The Staten Island Project will create a 5.5-mile line of coastal protection on Staten Island between Fort Wadsworth and Oakwood Beach. USACE currently estimates that the project will cost $1.7 billion. The City is responsible for 10.5% 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 Preliminary Ten-Year Capital Strategy. The Rockaways Project consists of coastal protection elements on the Atlantic shorefront and on the Jamaica Bay side of the Rockaways. Construction has begun on the project, which will be fully funded by the federal government, with an expected cost of approximately $590 million.

Other projects in Lower Manhattan include constructing flood walls and deployable flip-up barriers to protect the Two Bridges neighborhood, which lies south of Montgomery Street at the north to the Brooklyn Bridge at the south, developing a plan that contemplates extending the Manhattan shoreline from the Brooklyn Bridge to the Battery into the East River to protect the Seaport and Financial District area, and constructing an elevated waterfront esplanade in the Battery and flood barriers in Battery Park City. Coastal resilience projects are also underway in the Tottenville, Red Hook, and Hunts Point neighborhoods, with shoreline reinforcement projects happening in other identified areas of the City. These projects are in various stages of feasibility review, design and construction and implementation. Funding for these projects is coming from City and federal sources. While the full cost of these projects is not yet known, $522 million is included in the Preliminary Ten-Year Capital Strategy.

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. By 2026, all City projects will be required to meet a stringent set of requirements that will certify their preparedness for extreme weather threats.

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.

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. 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 also 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 $700 million in more than 10,300 energy conservation measures across almost 2,000 buildings, comprising more than 70 percent of City government's building square footage. The investments have decreased energy use and reduced emissions by nearly 266,000 metric tons. The Preliminary Ten-Year Capital Strategy includes $4.4 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 natural disaster risks, such as hurricanes, tropical storms, heatwaves or catastrophic sea level rise in the future, or that such risks will not have an adverse effect on the operations, economy or financial condition of the City.

Superfund Designations

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

On May 28, 2014, EPA issued a unilateral administrative order ("2014 Unilateral Order") requiring the City to design the CSO retention tanks and other storm water control measures, and remediation of the First Street Basin (a currently filled-in portion of the Canal). On June 9, 2016, USEPA and the City entered into an Administrative Settlement Agreement and Order ("Administrative Order"), under which the City agreed to milestones relating to the design of one of the CSO tanks. The City estimates that the tanks will actually cost approximately $1.4 billion, $1.2 billion of which is included in the City's capital plan. The City has notified EPA of potential delays due to the COVID-19 pandemic and is monitoring impacts on its ability to meet the requirements of the ROD. The New York City Department of Environmental Protection ("DEP") is in discussions with EPA to resolve these issues and is subject to penalties under the Unilateral Order and CERCLA.

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

On January 28, 2020, EPA issued a new Unilateral Order to the six largest PRPs, including the City and National Grid, requiring these parties to implement the in-Canal remedy (consisting of dredging and capping of sediments) in the upper reach of the Canal. In 2013 when it issued the 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 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 2027. 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 ("ROD") setting forth the remedy for CSO discharges. The 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 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.

On May 12, 2014, EPA listed the former Wolff-Alport Chemical Company site ("Wolff-Alport Site") in Ridgewood, Queens, as a Superfund site. The designation is based on radioactive contamination resulting from the operations of the Wolff-Alport Chemical Company during the 1920s to 1950s, which, among other things, disposed of radioactive material on-site, on the adjacent right-of-way, and via the sewer system. In 2013, EPA, in cooperation with City and State agencies, completed a response action to implement certain interim remedial measures at the Wolff-Alport Site to address the site's short-term public health risks. In 2015 to 2017, EPA undertook a remedial investigation and feasibility study that assessed, among other things, impacts to the sewer system and City right-of-way from operations at the Wolff-Alport Site, and evaluated a range of remedial alternatives. In September 2017, EPA issued its ROD identifying its selected remedy. The ROD requires jet washing and replacement of sewers, and excavation of contaminated portions of the right-of-way. EPA estimated work for the entire Wolff-Alport Site to cost $39 million. The City anticipates that the costs for work in the sewers and the right-of-way could significantly exceed that estimate. In December 2017, EPA notified the City of its status as a PRP for the work on City property and sought to have the City perform some of the work. In February 2018, the City notified EPA that, subject to certain conditions, it was willing to undertake such work and, on September 24, 2019, EPA issued a unilateral administrative order requiring the City to conduct additional pre-design investigatory work and develop a Remedial Design consistent with the ROD.

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

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

Cybersecurity

The City relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private or sensitive information, the City and its agencies and offices face multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. The City's Office of Cyber Command ("Cyber Command"), which was created in 2017, is charged with setting information security policies and standards for the City, directing the City's citywide cyber defense and incident response, deploying defensive technical and administrative controls and providing guidance to the Mayor and City agencies on cyber defense. In January 2022, Cyber Command became part of the City's Office of Technology and Innovation ("OTI") (formerly the Department of Information Technology and telecommunications).

Cyber Command has over 100 full-time employees and works with designated cybersecurity contacts at each City agency as part of the Citywide Cybersecurity Program. The Financial Plan reflects funding for Cyber Command of $122 million in fiscal year 2023, $121 million in fiscal year 2024 and $122 million in each of fiscal years 2025 through 2027. Such funding does not account for cybersecurity funding at other City agencies. Cyber Command is built around two core cybersecurity functions: (1) threat management, which manages incident response and cyber threat intelligence and vulnerability management, which helps agencies prioritize remediation efforts on identified unpatched systems in the City's networks; and (2) security sciences, which manages strategic and tactical cyber defense technologies and initiatives.

In carrying out its functions, Cyber Command works with a range of City, State, and federal law enforcement agencies, including the New York City Police Department and the Federal Bureau of Investigation's Joint Terrorism Task Force. In February 2022, the City and the State, along with the mayors of Albany, Buffalo, Rochester, Syracuse, and Yonkers, unveiled the Joint Security Operations Center. The center should enhance coordination of cybersecurity efforts across the State, helping to foster collaboration among city, State, and federal entities. Cyber Command also regularly works with other states and municipalities throughout the country to share cybersecurity threat intelligence and best practices, as well as with non-governmental entities such as utilities, telecommunications providers and financial services companies for the purpose of enhancing collective cyber defenses. The City has developed standard cybersecurity policies and standards for third party vendors of the City to follow, and security provisions for contracts with vendors, which help ensure that the City is notified of cyber breaches and suspected cyber breaches of a vendor's network environment. The City has also developed a Citywide Incident Response Policy, which requires City agencies to develop incident response plans in accordance with Cyber Command policies and standards.

While the City conducts periodic tests and reviews of its networks, no assurances can be given that such security and operational control measures will be successful in guarding against all cyber threats and attacks. New technical cyber vulnerabilities are discovered in the United States daily. In addition, cyber attacks have become more sophisticated and increasingly are capable of impacting municipal control systems and components. The techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. In addition, there is heightened risk due to an increase in remote access to City systems by City employees as a result of the outbreak of COVID-19. As cybersecurity threats continue to evolve, the City may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. The results of any successful attack on the City's computer and information technology systems could impact its operations and damage the City's digital networks and systems, and the costs of remedying any such damage could be substantial. Consistent with the City's general policy to self-insure, the City does not carry insurance against cyber attacks.

On Saturday, June 5, 2021, Cyber Command detected unusual activity on one server located within the City Law Department's information technology systems and promptly determined, with the assistance of the Law Department, a third-party had accessed the server in an unauthorized manner. Consistent with the City's Cybersecurity Incident Response protocols, Cyber Command, OTI, and the Law Department took immediate action to contain the server, identify any additional impacted systems and contain such systems, and engaged in various defensive measures to address the unauthorized activity, including, without limitation, temporarily disabling remote access capability to the Law Department's network and blocking incoming connections from the remote access systems. The disabling and blocking resulted in the inability of Law Department employees to remotely access the Law Department network, although such employees could continue to access the network while present at the Law Department's offices. Such disabling and blocking remained in effect as the City implemented certain security measures which led to continued business interruption. Due to certain COVID restrictions and the remote nature of certain Law Department work, the inability to access the network remotely led to temporary, significant business interruption. Beginning on September 13, 2021, all mayoral agency employees, including Law Department employees, have returned to full in-person work. With the replacement of components and system upgrades, full functionality of the Law Department's computer network is substantially complete. Cyber Command's investigation has found no evidence of data exfiltration or unauthorized encryption of City information technology systems or the presence of ransomware.

The DOE investigated a cybersecurity incident at Illuminate Education ("Illuminate"), a third-party vendor that provided cloud-based services to some DOE schools. Illuminate advised DOE that between December 28, 2021 and January 8, 2022, certain of Illuminate's databases that contained confidential student information were subject to unauthorized access. Illuminate has stated that no financial account information or social security numbers were affected in this incident, and no DOE computer systems were affected. DOE directed all schools to cease using any Illuminate products and services after June 30, 2022.

Tax Matters

The Bonds—New York Personal Income Tax Exemption

In the opinion of Norton Rose Fulbright US LLP, New York, New York, and Bryant Rabbino LLP, New York, New York, as Co-Bond Counsel to the City ("Co-Bond Counsel"), interest on the Bonds will be exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

Tax-Exempt Bonds

The City will covenant in a tax certificate to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion from gross income of the interest on the Tax-Exempt Bonds for purposes of federal income taxation. In the opinion of Co-Bond Counsel, assuming compliance by the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for purposes of federal income taxation. Failure by the City to comply with such covenants may cause interest on the Tax-Exempt Bonds to be includable in the gross income of the owners thereof retroactive to the date of the issue of the Tax-Exempt Bonds. Further, Co-Bond Counsel will render no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action (including without limitation a change in the interest rate mode with respect to any of the Tax-Exempt Bonds) taken or not taken after the date of such opinion without the approval of Co-Bond Counsel.

In the opinion of Co-Bond Counsel, interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which no opinion will be rendered by Co-Bond Counsel, as a result of ownership of the Tax-Exempt Bonds or the inclusion in certain computations of interest that is excluded from gross income.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent on the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Tax-Exempt Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Tax-Exempt Bonds.

Co-Bond Counsel's opinions are not a guarantee of a result, but represent their legal judgment based upon their review of existing statutes, regulations, published rulings and court decisions and the covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS" or the "Service") with respect to the matters addressed in the opinions of Co-Bond Counsel, and Co-Bond Counsel's opinions are not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax- exempt obligations. If an audit of the Tax-Exempt Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Tax-Exempt Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Tax-Exempt Bonds, the City may have different or conflicting interests from the owners of the Tax-Exempt Bonds. Public awareness of any future audit of the Tax-Exempt Bonds could adversely affect the value and liquidity of the Tax-Exempt Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Co-Bond Counsel will express no opinion with respect to any federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should be aware that the ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (FASIT), corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax- exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

The initial public offering price of certain Tax-Exempt Bonds (the "Discount Bonds") may be less than the amount payable on such Tax-Exempt Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Tax-Exempt Bonds described above. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax- exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income. Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds.

The purchase price of certain Tax-Exempt Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Tax-Exempt Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Existing law may change so as to reduce or eliminate the benefit to holders of the Tax-Exempt Bonds of the exclusion of interest thereon from gross income for federal income tax purposes. Proposed legislative or administrative action, whether or not taken, could also affect the value and marketability of the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult with their own tax advisors with respect to any proposed changes in tax law.

Taxable Bonds

General. The following is a general summary of certain federal income tax consequences of the purchase and ownership of the Taxable Bonds. The discussion is based upon the Code, U.S. Treasury Regulations, rulings, and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretation. No assurances can be given that future changes in the law will not alter the conclusions reached herein.

The discussion below does not purport to deal with federal income tax consequences applicable to all categories of investors and generally does not address consequences relating to the disposition of a Taxable Bond by a Beneficial Owner thereof. Further, this summary does not discuss all aspects of federal income taxation that may be relevant to a particular investor in the Taxable Bonds in light of the investor's particular circumstances (for example, persons subject to the alternative minimum tax provisions of the Code), or to certain types of investors subject to special treatment under the federal income tax laws (including insurance companies, tax-exempt organizations and entities, financial institutions, broker-dealers, persons who have hedged the risk of owning the Taxable Bonds, traders in securities that elect to use a mark-to-market method of accounting, thrifts, regulated investment companies, pension and other employee benefit plans, partnerships and other pass-through entities, certain hybrid entities and owners of interests therein, persons who acquire Taxable Bonds in connection with the performance of services, or persons deemed to sell Taxable Bonds under the constructive sale provisions of the Code). The discussion below also does not discuss any aspect of state, local, or foreign law or U.S. federal tax laws other than U.S. federal income tax law. The summary is limited to certain issues relating to initial investors who will hold the Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code, and acquire such Taxable Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to Beneficial Owners of the Taxable Bonds who are United States persons within the meaning of Section 7701(a)(30) of the Code ("United States persons") and, except as discussed below, does not address any consequences to persons other than United States persons. Prospective investors should note that no rulings have been or will be sought from the Service with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the Service will not take contrary positions.

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN, AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF THE TAXABLE BONDS.

Stated Interest and Reporting of Interest Payments. The stated interest on the Taxable Bonds will be included in the gross income, as defined in Section 61 of the Code, of the Beneficial Owners thereof as ordinary income for federal income tax purposes at the time it is paid or accrued, depending on the tax accounting method applicable to the Beneficial Owners thereof. Subject to certain exceptions, the stated interest on the Taxable Bonds will be reported to the Service. Such information will be filed each year with the Service on Form 1099 which will reflect the name, address, and taxpayer identification number ("TIN") of the Beneficial Owner. A copy of Form 1099 will be sent to each Beneficial Owner of a Taxable Bond for federal income tax purposes.

Premium. If a Beneficial Owner purchases a Taxable Bond for an amount that is greater than its stated redemption price at maturity, such Beneficial Owner will be considered to have purchased the Taxable Bond with "amortizable bond premium" equal in amount to such excess. A Beneficial Owner may elect to amortize such premium using a constant yield method over the remaining term of the Taxable Bond and may offset interest otherwise required to be included in respect of the Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Taxable Bond held by a Beneficial Owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Taxable Bond. However, if the Taxable Bond may be optionally redeemed after the Beneficial Owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Taxable Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the Beneficial Owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the Service.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Beneficial Owners of the Taxable Bonds should consult with their own tax advisors concerning this additional tax, as it may apply to interest earned on the Taxable Bonds as well as gain on the sale of a Taxable Bond.

Backup Withholding. Under Section 3406 of the Code, a Beneficial Owner of the Taxable Bonds who is a United States person may, under certain circumstances, be subject to "backup withholding" (currently at a rate of 24 percent) on current or accrued interest on the Taxable Bonds or with respect to proceeds received from a disposition of the Taxable Bonds. This withholding applies if such Beneficial Owner of Taxable Bonds: (i) fails to furnish to the payor such Beneficial Owner's social security number or other TIN; (ii) furnishes the payor an incorrect TIN; (iii) fails to report interest properly; or (iv) under certain circumstances, fails to provide the payor or such Beneficial Owner's broker with a certified statement, signed under penalty of perjury, that the TIN provided to the payor or broker is correct and that such Beneficial Owner is not subject to backup withholding. To establish status as an exempt person, a Beneficial Owner will generally be required to provide certification on IRS Form W-9 (or substitute form).

Backup withholding will not apply, however, if the Beneficial Owner is a corporation or falls within certain tax-exempt categories and, when required, demonstrates such fact. BENEFICIAL OWNERS OF THE TAXABLE BONDS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THEIR QUALIFICATION FOR EXEMPTION FROM BACKUP WITHHOLDING AND THE PROCEDURE FOR OBTAINING SUCH EXEMPTION, IF APPLICABLE. The backup withholding tax is not an additional tax and taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund as long as they timely provide certain information to the Service.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under Sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding of U.S. federal income tax by the payor at the rate of 30 percent on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest income of such a Beneficial Owner of the Taxable Bonds is not treated as effectively connected income within the meaning of Section 864 of the Code, such interest will be subject to 30 percent withholding, or any lower rate specified in an income tax treaty, unless such income is treated as "portfolio interest." Interest will be treated as portfolio interest if (i) the Beneficial Owner provides a statement to the payor certifying, under penalties of perjury, that such Beneficial Owner is not a United States person and providing the name and address of such Beneficial Owner, (ii) such interest is treated as not effectively connected with the Beneficial Owner's United States trade or business, (iii) interest payments are not made to a person within a foreign country which the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion, (iv) interest payable with respect to the Taxable Bonds is not deemed contingent interest within the meaning of the portfolio debt provision, (v) such Beneficial Owner is not a controlled foreign corporation within the meaning of Section 957 of the Code, and (vi) such Beneficial Owner is not a bank receiving interest on the Taxable Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Taxable Bonds are treated as portfolio interest within the meaning of Sections 871 and 881 of the Code, then no withholding under Section 1441 and 1442 of the Code, and no backup withholding under Section 3406 of the Code is required with respect to Beneficial Owners or intermediaries who have furnished Form W-8 BEN, Form W-8 BEN-E, Form W-8 EXP, or Form W-8 IMY, as applicable, provided the payor has no actual knowledge or reason to know that such person is a United States person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Taxable Bonds and sales proceeds of Taxable Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including original issue discount) and will apply to "foreign passthru payments" but no earlier than two years after the date of publication of final regulations defining the term "foreign passthru payment." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The preceding discussion of certain U.S. federal income tax consequences is for general information only and is not tax advice. Accordingly, each investor should consult its own tax advisor as to particular tax consequences to it of purchasing, owning, and disposing of the Taxable Bonds, including the applicability and effect of any state, local, or foreign tax laws, and of any proposed changes in applicable laws.

ERISA Considerations

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between employee benefit plans under ERISA or tax qualified retirement plans and individual retirement accounts under the Code (collectively, the "Plans") and persons who, with respect to a Plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. In addition, each fiduciary of a Plan ("Plan Fiduciary") must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Bonds, including the role that such an investment in the Bonds would play in the Plan's overall investment portfolio. Each Plan Fiduciary, before deciding to invest in the Bonds, must be satisfied that such investment in the Bonds is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Bonds, are diversified so as to minimize the risk of large losses and that an investment in the Bonds complies with the documents of the Plan and related trust, to the extent such documents are consistent with ERISA. All Plan Fiduciaries, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Bond.

Ratings

The Bonds have been rated "Aa2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"), "AA" (stable outlook) by S&P Global Ratings ("S&P"), "AA" (stable outlook) by Fitch, Inc. ("Fitch") and "AA+" (stable outlook) by Kroll Bond Rating Agency ("Kroll"). Such ratings reflect only the views of Moody's, S&P, Fitch and Kroll from which an explanation of the significance of such ratings may be obtained. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely. Any such downward revision or withdrawal could have an adverse effect on the market prices of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

Legal Opinions

The legality of the authorization and issuance of the Bonds will be affirmed by the approving legal opinions of Norton Rose Fulbright US LLP and Bryant Rabbino LLP, Co-Bond Counsel to the City. Reference should be made to the forms of such opinions as set forth in APPENDIX C hereto for the matters covered by such opinions and the scope of Co-Bond Counsel's engagement in relation to the issuance of the Bonds.

Certain legal matters are being passed upon for the City by its Corporation Counsel.

Orrick, Herrington & Sutcliffe LLP, New York, New York, and Law Offices of Joseph C. Reid, P.A., New York, New York, Co-Special Disclosure Counsel to the City, will pass upon certain legal matters in connection with the preparation of this Official Statement.

Certain legal matters will be passed upon for the Underwriters and the Original Purchaser by Bracewell LLP, New York, New York, and Hardwick Law Firm, LLC, New York, New York, Co-Counsel for the Underwriters and the Original Purchaser.

Underwriting

The Subseries E-1 Bonds are being purchased for reoffering by the Underwriters for whom RBC Capital Markets, LLC, BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Jefferies LLC, Loop Capital Markets, LLC, Samuel A. Ramirez & Co., Inc., Siebert Williams Shank & Co., LLC and Wells Fargo Bank, National Association are acting as lead managers. The compensation for services rendered in connection with the underwriting of the Subseries E-1 Bonds will be $4,358,185.75, inclusive of expenses.

The Subseries E-2 Bonds will be purchased for reoffering by Wells Fargo Bank, National Association, the Original Purchaser of such Bonds. The compensation for services rendered in connection with such Bonds will be $240,000.00, inclusive of expenses.

The issuance of each subseries of Bonds is contingent on the other subseries of Bonds being issued.

In addition, certain of the Underwriters have entered, and the Original Purchaser may have entered, into distribution agreements with other broker-dealers (that have not been designated by the City as Underwriters or are not the Original Purchaser) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter, or the Original Purchaser, will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters, the Original Purchaser and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters, the Original Purchaser and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters, the Original Purchaser and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Continuing Disclosure Undertaking

As authorized by the Act, and to the extent that (i) Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as amended (the "1934 Act") requires the underwriters (as defined in the Rule) of securities offered hereby (under this caption, if subject to the Rule, the "securities") to determine, as a condition to purchasing the securities, that the City will covenant to the effect of the Undertaking, and (ii) the Rule as so applied is authorized by a federal law that as so construed is within the powers of Congress, the City agrees with the record and beneficial owners from time to time of the outstanding securities (under this caption, if subject to the Rule, "Bondholders") to provide:

(a) within 185 days after the end of each fiscal year, to the Electronic Municipal Market Access system ("EMMA") (www.emma.msrb.org) established by the Municipal Securities Rulemaking Board (the "MSRB"), core financial information and operating data for the prior fiscal year, including, (i) the City's audited general purpose financial statements, prepared in accordance with generally accepted accounting principles in effect from time to time, and (ii) material historical quantitative data on the City's revenues, expenditures, financial operations and indebtedness generally of the type found herein in Sections IV, V, VIII and IX, and under the caption "2018-2022 Summary of Operations" in Section VI, provided that if the inclusion or format of such information is changed or new information is added in such sections in any future official statement, thereafter the information provided to EMMA will contain or include by reference information of the type included in that official statement as so changed or added; and

(b) in a timely manner, not in excess of 10 Business Days after the occurrence of any event described below, notice to EMMA, of any of the following events with respect to the securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of security holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the City; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;

(13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional Fiscal Agent or the change of name of a Fiscal Agent, if material;

(15) incurrence of a Financial Obligation (as defined below) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Holders of the Bonds, if material;

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties; and

(c) failure of the City to comply with clause (a) above.

Event (3) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (3) may not be applicable, since the terms of the securities do not provide for "debt service reserves."

Events (4) and (5). The City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the securities, unless the City applies for or participates in obtaining the enhancement.

Event (6) is relevant only to the extent interest on the securities is tax-exempt.

Event (8). The City does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not otherwise contingent upon the occurrence of an event, if (i) the terms, dates and amounts of redemption are set forth in detail in the final official statement (as defined in the Rule), (ii) the only open issue is which securities will be redeemed in the case of a partial redemption, (iii) notice of redemption is given to the Bondholders as required under the terms of the securities and (iv) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced prior to optional redemptions or security purchases.

Events (15) and (16). "Financial Obligation" (i) means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B) but (ii) shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

No Bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the Undertaking or for any remedy for breach thereof, unless such Bondholder shall have filed with the Corporation Counsel of the City evidence of ownership and a written notice of and request to cure such breach, and the City shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified herein, in the federal or State courts located in the Borough of Manhattan, State and City of New York, and for the equal benefit of all holders of the outstanding securities benefitted by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance of the covenant at issue.

Any amendment to the Undertaking may only take effect if:

(a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted; the Undertaking, as amended, would have complied with the requirements of the Rule at the time of award of the securities after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the City (such as, but without limitation, the City's financial advisor or bond counsel); and the annual financial information containing (if applicable) the amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the "impact" (as that word is used in the letter from the staff of the SEC to the National Association of Bond Lawyers dated June 23, 1995) of the change in the type of operating data or financial information being provided; or

(b) all or any part of the Rule, as interpreted by the staff of the SEC at the date of the Undertaking, ceases to be in effect for any reason, and the City elects that the Undertaking shall be deemed terminated or amended (as the case may be) accordingly.

For purposes of the Undertaking, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares investment power which includes the power to dispose, or to direct the disposition of, such security, subject to certain exceptions, as set forth in the Undertaking. An assertion of beneficial ownership must be filed, with full documentary support, as part of the written request to the Corporation Counsel described above.

Financial Advisors

The City has retained Public Resources Advisory Group and Acacia Financial Group, Inc. to act as financial advisors with respect to the City's general obligation bond financing program and the issuance of the Bonds.

Financial Statements

The City's Annual Report for the fiscal year ended June 30, 2022 is included by specific reference in this Official Statement as APPENDIX B. Grant Thornton LLP, the City's independent auditor, has not reviewed, commented on or approved, and is not associated with, this Official Statement. The report of Grant Thornton LLP relating to the City's financial statements for the fiscal years ended June 30, 2022 and 2021, which is a matter of public record, is included in the Annual Report for the fiscal year ended June 30, 2022, which is included by specific reference in this Official Statement. However, Grant Thornton LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained, or included by specific reference, in this Official Statement, since the date of such report and has not been asked to consent to the inclusion of its report in this Official Statement.

Further Information

The references herein to, and summaries of, provisions of federal, State and local laws, including but not limited to the State Constitution, the Financial Emergency Act and the City Charter, and documents, agreements and court decisions, including but not limited to the Financial Plan, are summaries of certain provisions thereof. Such summaries do not purport to be complete and are qualified in their entirety by reference to such acts, laws, documents, agreements or decisions, copies of which are available for inspection during business hours at the office of the Corporation Counsel.

Copies of the most recent financial plan submitted to the Control Board are at www.nyc.gov/omb. Copies of the published Annual Comprehensive Financial Reports of the Comptroller are available at www.comptroller.nyc.gov or upon written request to the Office of the Comptroller, Deputy Comptroller for Public Finance, Municipal Building, One Centre Street, New York, New York 10007 and are available on EMMA (https://emma.msrb.org). Financial plans are prepared quarterly, and the Annual Comprehensive Financial Report of the Comptroller is published at the end of October of each year, as required by the City Charter.

Neither this Official Statement nor any statement which may have been made orally or in writing shall be construed as a contract or as a part of a contract with any purchaser or any holders of the Bonds.

THE CITY OF NEW YORK

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APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION

This section presents certain economic and demographic information about the City. All information is presented on a calendar year basis unless otherwise indicated. The data set forth are the latest available. Sources of information are indicated in the text or immediately following the tables. Although the City considers the sources to be reliable, the City has made no independent verification of the information provided by non-City sources and does not warrant its accuracy.

New York City Economy

The City has a diversified economic base, with a substantial volume of business activity in the financial, professional services, education, healthcare, hospitality, wholesale and retail trade, information services, and technology industries, and is the location of many securities, banking, law, accounting, new media, and advertising firms.

The City is a major seaport and focal point for international business. Many of the major corporations headquartered in the City are multinational in scope and have extensive foreign operations. Numerous foreign-owned companies in the United States are also headquartered in the City. These firms are found in all sectors of the City's economy, but are concentrated in trade, professional and business services, tourism and finance. The City is the location of the headquarters of the United Nations and several affiliated organizations maintain their principal offices in the City. A large diplomatic community exists in the City to staff the missions to the United Nations and the foreign consulates. No single assessed property in the City accounts for more than 0.5% of the City's real property tax revenue.

In recent years, technology, life sciences, and information companies have begun to employ an increasing portion of the City's workforce and the City has become a leading technology center over the past decade. In addition to startup companies, the largest technology firms have a significant presence in the City, both in terms of employees and office space. Biotech and life sciences firms draw talent from the City's world-class universities and health care organizations. These industries, which have seen record-setting venture capital investment in recent years, are attracted to the City due to many factors, including the concentration of advertising, media and financial businesses in the City.

Economic activity in the City has experienced periods of growth and recession and can be expected to experience periods of growth and recession in the future. The City experienced a recession in the early 1970s through the middle of that decade, followed by a period of expansion in the late 1970s through the late 1980s. The City fell into recession again in the early 1990s which was followed by an expansion that lasted until 2001. The economic slowdown that began in 2001 as a result of the September 11 attack, a national economic recession, and a downturn in the securities industry came to an end in 2003. Subsequently, Wall Street activity, tourism and the real estate market drove a broad-based economic recovery through most of 2007. The financial crisis spurred by the collapse of the housing market and subsequent Great Recession brought the expansion to a halt in 2008. By 2010, the City began to recover and enjoyed a robust 10-year economic expansion. Beginning in 2020, the City has encountered significant challenges to its economy as a result of the COVID-19 pandemic.

The United States Department of Commerce Bureau of Economic Analysis produces measures of Gross Domestic Product ("GDP") by metropolitan area. The New York metropolitan area – defined geographically as New York City; Long Island; the Lower Hudson Valley, New York; parts of Northern and Central New Jersey; and Pike County Pennsylvania – is the largest metropolitan economy in the United States.

	TOP TEN GDP BY METROPOLITAN AREA (millions of current dollars)					GDP PER CAPITA
	2017	2018	2019	2020	2021	2021
United States (metropolitan areas)	$17,464,939	$18,419,613	$19,224,237	$18,968,978	$20,943,240	$73,107
New York-Newark-Jersey City, NY-NJ-PA	1,691,623	1,793,777	1,877,864	1,822,415	1,992,779	100,806
Los Angeles-Long Beach-Anaheim, CA	955,492	1,007,836	1,051,367	1,012,545	1,124,682	86,532
Chicago-Naperville-Elgin, IL-IN-WI	665,477	700,535	720,832	692,891	764,583	80,398
San Francisco-Oakland-Berkeley, CA	518,411	561,356	593,766	588,397	668,678	144,633
Washington-Arlington-Alexandria, DC-VA-MD-WV	525,352	547,616	567,418	564,171	607,629	95,593
Dallas-Fort Worth-Arlington, TX	480,016	511,766	540,375	540,167	598,333	77,109
Houston-The Woodlands-Sugar Land, TX	472,739	505,146	505,258	489,035	537,066	74,522
Boston-Cambridge-Newton, MA-NH	433,110	461,334	485,400	482,956	531,672	108,506
Seattle-Tacoma-Bellevue, WA	360,314	393,583	417,339	434,909	479,966	119,646
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	418,920	435,729	450,455	439,230	477,581	76,675

Source: U.S. Bureau of Economic Analysis

Personal Income

From 2012 through 2021 (the most recent year for which City personal income data are available), total personal income, unadjusted for the effects of inflation, grew at a compounded annual average rate of 4.6% and 4.8% for the City and the nation, respectively. The City's total personal income per capita grew at a compounded annual average rate of 4.6% per year for the same period. In 2021, total personal income per capita in the City exceeded that of the U.S. by 30%. The following table sets forth information regarding personal income in the City and the U.S. from 2012 to 2021.

PERSONAL INCOME(1)

Year	Total City ($ billions)	Per Capita(2) City	Per Capita U.S.	Per Capita City as a Percent of U.S.
2012	$ 470.4	$ 55,596	$ 44,548	125 %
2013	483.3	56,442	44,798	126
2014	507.9	58,686	46,887	125
2015	531.9	60,884	48,725	125
2016	557.5	63,387	49,613	128
2017	601.6	68,243	51,550	132
2018	621.7	70,443	53,786	131
2019	636.9	72,184	56,250	128
2020	670.7	76,452	59,765	128
2021	707.3	83,529	64,143	130

Sources: U.S. Department of Commerce, Bureau of Economic Analysis ("BEA") and the Bureau of the Census.

(1) In current dollars. Personal Income is based on the place of residence and is measured from income which includes wages and salaries, supplements to wages and salaries, proprietors' income, personal dividend income, personal interest income, rental income of persons and transfer payments.

(2) Per capita income estimates for 2012 through 2019 use City population estimates from the BEA. For 2020 and 2021, City populations estimates are those released by the Bureau of the Census in March of each year.

Employment Trends

The City is a leading center for the banking and securities industry, education, healthcare, life insurance, communications, publishing, fashion design, technology, information services, hospitality and retail fields. Over time, the City has experienced numerous business cycles. For example, from 2003 to 2008, the City added 257,600 private sector jobs (growth of 9%). From 2008 to 2009, the City lost 103,200 private sector jobs (decline of 3%). From 2009 to 2019, the City added 918,400 private sector jobs (growth of 29%). From 2019 to 2020, the City lost 496,000 private sector jobs, primarily due to the COVID-19 pandemic. All such changes are based on average annual employment levels through and including the years referenced. As of January 2023, total employment in the City was 4,599,400 compared to 4,359,700 in January 2022 (growth of 5.5%) based on data provided by the New York State Department of Labor, which are not seasonally adjusted.

The table below shows the distribution of employment in New York City from 2012 to 2022.

EMPLOYMENT DISTRIBUTION

	Average Annual Employment (In thousands)										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Goods Producing Sectors											
Construction	116.2	122.3	129.3	139.4	147.3	152.5	158.9	161.3	138.9	141.2	143.4
Manufacturing	76.5	76.7	77.1	78.5	76.9	74.1	71.3	68.1	52.9	54.6	57.7
Service-Producing Sectors											
Trade Transportation and Utilities	590.0	604.5	620.0	629.7	629.7	633.3	635.4	636.4	537.1	551.2	582.9
Information	177.6	182.4	189.7	195.0	199.8	207.4	213.1	220.6	207.9	221.0	235.1
Financial Activities	438.0	437.0	448.9	459.2	466.2	469.4	477.0	485.1	471.1	466.1	486.9
Professional and Business Services	616.5	637.5	660.9	689.0	708.9	726.2	746.1	772.3	711.0	722.3	775.7
Education and Health Services	805.9	831.6	867.3	898.1	930.1	963.6	1,008.3	1,055.4	1,009.8	1,044.7	1,108.1
Leisure and Hospitality	366.8	386.7	409.9	429.4	441.9	458.8	464.4	468.1	275.7	306.0	402.9
Other Services	170.5	175.1	180.5	186.1	190.7	192.3	193.7	195.7	162.5	168.0	178.5
Total Private	3,358.1	3,453.6	3,583.4	3,704.3	3,791.4	3,877.4	3,968.2	4,063.0	3,567.0	3,675.0	3,971.2
Government	570.6	570.6	573.3	579.5	583.7	584.7	584.7	587.1	585.6	581.4	582.8
Total	3,928.6	4,024.2	4,156.7	4,283.8	4,375.1	4,462.1	4,552.9	4,650.1	4,152.5	4,256.4	4,554.0

Note: Totals may not add due to rounding or subsector disclosure limitations.
Source: New York State Department of Labor. Data are presented using the North American Industry Classification System ("NAICS"). Not seasonally adjusted.

Sectoral Distribution of Employment and Earnings

In 2021, the City's service-producing sectors provided approximately 3.5 million jobs and accounted for approximately 82% of total employment. Employment levels in the service-producing sectors affect the total earnings as well as the average wage per employee because employee compensation in certain of those sectors, such as financial activities and professional and business services, tends to be considerably higher than in most other sectors. Moreover, average wage rates in these sectors are significantly higher in the City than in the nation. In the City in 2021, the employment share for the financial activities and professional and business services sectors was approximately 28% while the earnings share for those same sectors was approximately 46%. In the nation, those same service producing sectors accounted for approximately 21% of employment and 28% of earnings in 2021. Due to the earnings distribution in the City, sudden or large shocks in the financial markets may have a disproportionately adverse effect on the City relative to the nation.

The City's and the nation's employment and earnings by sector for 2021 are set forth in the following table.

SECTORAL DISTRIBUTION OF EMPLOYMENT AND EARNINGS IN 2021[1]

	Employment		Earnings[2]	
	NYC	U.S.	NYC	U.S.
Goods-Producing Sectors				
Mining and Logging	0.0%	0.4%	0.1%	1.2%
Construction	3.3%	5.1%	2.7%	6.1%
Manufacturing	1.3%	8.4%	0.8%	8.8%
Total Goods-Producing	4.6%	13.9%	3.6%	16.1%
Service-Producing Sectors				
Trade, Transportation and Utilities	13.0%	18.9%	7.9%	15.4%
Information	5.2%	2.0%	9.6%	4.0%
Financial Activities	10.9%	6.0%	25.0%	10.1%
Professional and Business Services	17.0%	14.6%	21.0%	18.3%
Education and Health Service	24.5%	16.2%	12.2%	12.9%
Leisure & Hospitality	7.2%	9.7%	4.7%	4.5%
Other Services	3.9%	3.7%	2.5%	3.3%
Total Service-Producing	81.7%	71.1%	82.9%	68.6%
Total Private Sector	86.3%	85.0%	88.1%	84.6%
Government	13.7%	15.0%	11.9%	15.4%

Note: Data may not add due to rounding or subsector disclosure limitations. Data are presented using NAICS.

Sources: The primary sources are the New York State Department of Labor; the U.S. Department of Labor, Bureau of Labor Statistics; and the U.S. Department of Commerce, Bureau of Economic Analysis.

(1) The sectoral distributions are obtained by dividing each industry's employment or earnings by total non-agricultural employment or earnings.

(2) Includes the sum of wage and salary disbursements, other labor income, and proprietors' income. The latest information available is 2021 data.

Unemployment

As of January 2023, the total unemployment rate in the City was 5.5%, compared to 7.8% in January 2022, based on data provided by the New York State Department of Labor, which are not seasonally adjusted.

The monthly unemployment rate of the City's resident labor force for 2021, 2022 and through January 2023 is shown in the following table.

MONTHLY UNEMPLOYMENT RATE[1]

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2021	12.7	12.3	11.3	11.0	10.2	10.8	10.4	9.9	8.6	8.2	7.6	7.4
2022	7.8	7.2	6.3	5.7	5.4	5.5	5.4	5.2	4.5	5.0	5.0	5.0
2023	5.5											

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

(1) Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

The average annual unemployment rate of the resident labor force of the City and of the United States, from 2013 through 2022, is shown in the following table.

ANNUAL UNEMPLOYMENT RATE[1]
(Average Annual)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
New York City	8.8	7.1	5.6	5.1	4.5	4.1	3.9	12.2	10.0	5.7
United States	7.4	6.2	5.3	4.9	4.4	3.9	3.7	8.1	5.3	3.6

Source: New York State Department of Labor and U.S. Department of Labor, Bureau of Labor Statistics.

(1) Percentage of civilian labor force unemployed: excludes those persons unable to work and discouraged workers (i.e., persons not actively seeking work because they believe no suitable work is available).

Public Assistance

As of December 2022, the number of persons receiving cash public assistance in the City was 444,823, compared to 384,523 in December 2021. The following table sets forth the annual average number of persons receiving cash public assistance in the City.

PUBLIC ASSISTANCE

(Annual Averages in Thousands)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
346.9	350.5	351.7	353.9	356.0	342.3	361.9	370.5	366.3	356.1	334.7	363.7	372.3	424.9

Taxable Sales

The City is a major retail trade market with the greatest volume of retail sales of any city in the nation. The sales tax is levied on a variety of economic activities including retail sales, utility and communication sales, services and manufacturing. Taxable sales and purchases reflects data from the State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." The yearly data presented in this paragraph and the table below cover the period from March 1 of the year prior to the listed year through the last day of February of the listed year. Between 2011 and 2020, total taxable sales volume growth rate averaged 5.5% primarily as a result of an increase in consumption as a result of local employment gains and the local and national economic recoveries, as well as two sales tax base expansions enacted by the City, effective August 1, 2009. In 2021, total taxable sales declined 24.2% due to the COVID-19 pandemic, but rebounded to near pre-pandemic levels in 2022 as the local economy continues to reopen and recover.

The following table illustrates the volume of sales and purchases subject to the sales tax from 2013 to 2022.

TAXABLE SALES AND PURCHASES SUBJECT TO SALES TAX
(In Billions)

Year(1)	Retail(2)	Utility & Communication Sales(3)	Services(4)	Manufacturing	Other(5)	All Total
2013	$41.2	$20.6	$39.2	$5.2	$23.3	$129.5
2014	46.1	22.8	43.9	5.6	20.7	139.1
2015	47.4	23.1	47.5	5.8	21.9	145.7
2016	47.8	22.1	51.1	5.7	23.2	149.9
2017	48.3	22.8	53.1	6.1	25.2	155.5
2018	49.8	23.2	55.4	6.8	27.4	162.4
2019	52.1	24.1	58.5	7.1	30.5	172.3
2020	55.4	25.5	61.1	7.6	33.0	182.6
2021	48.8	26.5	31.0	7.0	25.0	138.3
2022	62.0	29.3	49.8	8.0	32.9	182.1

Source: State Department of Taxation and Finance publication "Taxable Sales and Purchases, County and Industry Data." Totals may not add due to rounding. Data are presented using NAICS.

(1) The yearly data are for the period from March 1 of the year prior to the listed year through the last day of February of the listed year.

(2) Retail sales include building materials, general merchandise, food, auto dealers/gas stations, apparel, furniture, eating and drinking and miscellaneous retail.

(3) Utility and Communication Sales include both residential and non-residential electric, and residential and non-residential gas and communication.

(4) Services include business services, hotel occupancy services (stays for the first 90 days), and other services (auto repair, parking and others).

(5) Other includes construction, wholesale trade, arts, entertainment and recreation, and others. Also included in Other are local tax base components of City taxable sales and purchases which include Manhattan parking services, hotel occupancy services (stays from 91 to 180 days), and miscellaneous services (credit rating and reporting services, miscellaneous personal services, and other services). Other includes items previously identified as "City Other" except for residential utility, which is reflected in "Utility & Communication Sales."

Population

The City has been the most populous city in the United States since 1790. The City's population is larger than the combined populations of Los Angeles and Chicago, the two next most populous cities in the nation.

POPULATION

Year	Total Population
1970	7,894,862
1980	7,071,639
1990	7,322,564
2000	8,008,278
2010	8,175,133
2020	8,804,190

Note: Figures do not include an undetermined number of undocumented persons.
Source: U.S. Department of Commerce, Bureau of the Census.

The United States Census Bureau estimates the City's population to be 8,467,513 as of July 2021.

The following table sets forth the distribution of the City's population by age in 2000 and 2010.

DISTRIBUTION OF POPULATION BY AGE

	2000		2010	
Age		% of Total		% of Total
Under 5	540,878	6.8	517,724	6.3
5 to 14	1,091,931	13.6	941,313	11.5
15 to 19	520,641	6.5	535,833	6.6
20 to 24	589,831	7.4	642,585	7.9
25 to 34	1,368,021	17.1	1,392,445	17.0
35 to 44	1,263,280	15.8	1,154,687	14.1
45 to 54	1,012,385	12.6	1,107,376	13.5
55 to 64	683,454	8.5	890,012	10.9
65 and Over	937,857	11.7	993,158	12.1

Note: Applicable data from the 2020 United States Census are not yet available.
Source: U.S. Department of Commerce, Bureau of the Census.

Housing

In 2021, the housing stock in the City consisted of approximately 3,644,000 housing units, excluding certain special types of units primarily in institutions such as hospitals and universities ("Housing Units") according to the 2021 Housing and Vacancy Survey released May 16, 2022. The 2021 housing inventory represented an increase of approximately 175,000 units, or 5.0%, since 2017. The 2021 Housing and Vacancy Survey indicates that rental housing units continue to predominate in the City. Of all occupied housing units in 2021, approximately 31.2% were conventional home-ownership units, cooperatives or condominiums and approximately 68.8% were rental units. Due to changes in the inventory basis beginning in 2002, it is not possible to accurately compare Housing and Vacancy Survey results beginning in 2002 to the results of earlier Surveys until such time as the data are reweighted. The following table presents trends in the housing inventory in the City.

HOUSING INVENTORY
(In Thousands)

Ownership/Occupancy Status	1996	1999	2002	2005	2008	2011	2014	2017	2021
Total Housing Units	2,995	3,039	3,209	3,261	3,328	3,352	3,400	3,469	3,644
Owner Units	858	932	997	1,032	1,046	1,015	1,033	1,038	1,017
Owner-Occupied	834	915	982	1,010	1,019	984	1,015	1,006	986
Vacant for Sale	24	17	15	21	26	31	18	32	30
Rental Units	2,027	2,018	2,085	2,092	2,144	2,173	2,184	2,183	2,274
Renter-Occupied	1,946	1,953	2,024	2,027	2,082	2,105	2,109	2,104	2,171
Vacant for Rent	81	64	61	65	62	68	75	79	103
Vacant Not Available for Sale or Rent(1)	110	89	127	137	138	164	183	248	353

Note: Details may not add up to totals due to rounding.
Sources: U.S. Bureau of the Census, 1996, 1999, 2002, 2005, 2008, 2011, 2014, 2017 and 2021 New York City Housing and Vacancy Surveys.
(1) Vacant units.

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Annual Report for the fiscal year ended June 30, 2022 is included by specific reference in this Official Statement as Appendix B. The report of Grant Thornton LLP relating to the City's financial statements for the fiscal years ended June 30, 2022 and 2021, which is a matter of public record, is included in the Annual Report for the fiscal year ended June 30, 2022, which is included by specific reference in this Official Statement. However, Grant Thornton LLP has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained in this Official Statement, since the date of such report and has not been asked to consent to the inclusion of its report in this Official Statement.

The Annual Report for the fiscal year ended June 30, 2022 is available for inspection at the Office of the City Comptroller and at https://comptroller.nyc.gov/reports/annual-comprehensive-financial-reports// and is available on EMMA (https://emma.msrb.org).

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NORTON ROSE FULBRIGHT

Norton Rose Fulbright US LLP
1301 Avenue of the Americas
New York, New York 10019-6022
United States

Tel +1 212 318 3000
Fax +1 212 318 3400
nortonrosefulbright.com

April 11, 2023

Honorable Brad Lander
Comptroller
The City of New York Municipal Building
New York, New York 10007

Dear Comptroller Lander:

We have acted as Co-Bond Counsel to The City of New York (the "City"), a municipal corporation of the State of New York (the "State"), in connection with the issuance by the City on the date hereof of its General Obligation Bonds, Fiscal 2023 Subseries E-1 (the "Tax-Exempt Bonds") and General Obligation Bonds, Fiscal 2023 Subseries E-2 (said Subseries E-2 Bonds, together with the Tax-Exempt Bonds, the "Bonds").

The Bonds are issued pursuant to the Constitution of the State, the Local Finance Law of the State, and the Charter of the City, and in accordance with a certificate of the Deputy Comptroller for Public Finance of the City dated the date hereof and related proceedings. We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the City and such other agreements, documents and matters as we deem necessary to render our opinions. We have not undertaken an independent investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies, the genuineness of all signatures, the due and legal execution and delivery thereof by, and validity against, any parties other than the City, and the accuracy of the statements contained in such documents.

Based upon the foregoing and our examination of existing law, we are of the opinion that:

1. The Bonds have been duly authorized, executed and issued in accordance with the Constitution and statutes of the State and the Charter of the City and constitute valid and legally binding obligations of the City for the payment of which the City has validly pledged its faith and credit, and all real property within the City subject to taxation by the City is subject to the levy by the City of ad valorem taxes, without limit as to rate or amount, for payment of the principal of and interest on the Bonds.

2. Interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

3. The City has covenanted in a tax certificate dated the date hereof to comply with certain provisions of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), relating to the exclusion from gross income of the interest on the Tax-Exempt Bonds for purposes of federal income taxation. Assuming compliance by the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.

4. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Tax-Exempt Bonds or the inclusion in certain computations (including, without limitation, those related to the alternative minimum tax on the adjusted financial statement income of certain corporations) of interest that is excluded from gross income.

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt Bonds of any action (including without limitation a change in the interest rate mode with respect to any of the Tax-Exempt Bonds) taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and the enforcement of related contractual and statutory covenants of the City and the State may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Very truly yours,

BRYANT RABBINO LLP
220 East 42nd Street, Suite 3101, New York, NY 10017
Tel: 212-967-1800 Fax: 212-967-1811
www.bryantrabbino.com

April 11, 2023

Honorable Brad Lander
Comptroller
The City of New York
Municipal Building
New York, New York 10007

Dear Comptroller Lander:

We have acted as Co-Bond Counsel to The City of New York (the "City"), a municipal corporation of the State of New York (the "State"), in connection with the issuance by the City on the date hereof of its General Obligation Bonds, Fiscal 2023 Subseries E-1 (the "Tax-Exempt Bonds") and General Obligation Bonds, Fiscal 2023 Subseries E-2 (said Subseries E-2 Bonds, together with the Tax-Exempt Bonds, the "Bonds").

The Bonds are issued pursuant to the Constitution of the State, the Local Finance Law of the State, and the Charter of the City, and in accordance with a certificate of the Deputy Comptroller for Public Finance of the City dated the date hereof and related proceedings. We have examined, and in expressing the opinions hereinafter described we rely upon, certificates of the City and such other agreements, documents and matters as we deem necessary to render our opinions. We have assumed, with your permission, that capital projects of the City to be financed with proceeds of the Bonds, and reviewed by other bond counsel for the City, have been properly designated by the City in the City's financial management system as eligible for financing with such proceeds under applicable State law, including the Local Finance Law, and, with respect to projects to be financed with proceeds of the Tax-Exempt Bonds, under the Code (as defined below). We have not undertaken an independent investigation of the matters described or contained in the foregoing certificates, agreements and documents. We have assumed, without undertaking to verify, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as certified copies, the genuineness of all signatures, the due and legal execution and delivery thereof by, and validity against, any parties other than the City, and the accuracy of the statements contained in such documents.

Based upon the foregoing and our examination of existing law, we are of the opinion that:

1. The Bonds have been duly authorized, executed and issued in accordance with the Constitution and statutes of the State and the Charter of the City and constitute valid and legally binding obligations of the City for the payment of which the City has validly pledged its faith and credit, and all real property within the City subject to taxation by the City is subject to the levy by the City of ad valorem taxes, without limit as to rate or amount, for payment of the principal of and interest on the Bonds.

2. Interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City.

3. The City has covenanted in a tax certificate dated the date hereof to comply with certain provisions of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), relating to the exclusion from gross income of the interest on the Tax-Exempt Bonds for purposes of federal income taxation. Assuming compliance by the City with such covenants, interest on the Tax-Exempt Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes.

4. Interest on the Tax-Exempt Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals. The Code contains other provisions that could result in tax consequences, upon which we render no opinion, as a result of ownership of such Tax-Exempt Bonds or the inclusion in certain computations (including, without limitation, those related to the alternative minimum tax on the adjusted financial statement income of certain corporations) of interest that is excluded from gross income.

We express no opinion with respect to any other federal, state or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Furthermore, we express no opinion as to the effect on the exclusion from gross income of interest on the Tax-Exempt

Bonds of any action (including without limitation a change in the interest rate mode with respect to any of the Tax-Exempt Bonds) taken or not taken after the date of this opinion without our approval. Ownership of tax-exempt obligations such as the Tax-Exempt Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income tax credit, corporations subject to the alternative minimum tax on adjusted financial statement income, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable, and the enforcement of related contractual and statutory covenants of the City and the State may also be subject to the exercise of the State's police powers and of judicial discretion in appropriate cases.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Very truly yours,

APPENDIX D

VARIABLE RATE BONDS

Variable Rate Demand Bonds

Series	Outstanding Principal Amount	Facility Provider[1]	Facility Expiration[2]
2006E-2	$84,010,000	Bank of America, N.A.	July 31, 2025
2006E-3	84,010,000	Bank of America, N.A.	July 31, 2025
2006E-4	84,005,000	Bank of America, N.A.	July 31, 2025
2006I-4	125,000,000	TD Bank, N.A.	May 24, 2024
2006I-8	50,000,000	State Street Bank and Trust Company	May 26, 2027
2008L-3	80,000,000	Bank of America, N.A.	July 29, 2024
2008L-4	100,000,000	US Bank, N.A.	June 8, 2023
2009B-3	100,000,000	TD Bank, N.A.	January 15, 2025
2010G-4	150,000,000	Barclays Bank, PLC	March 29, 2024
2012A-4	100,000,000	Sumitomo Mitsui Banking Corporation	March 2, 2028
2012D-3A	76,665,000	The Bank of New York Mellon	October 30, 2023
2012G-6	106,945,000	Mizuho Bank, Ltd.	March 15, 2024
2013A-2	100,000,000	Mizuho Bank, Ltd.	October 9, 2024
2013A-3	100,000,000	Mizuho Bank, Ltd.	October 9, 2024
2013A-4	75,000,000	Sumitomo Mitsui Banking Corporation	October 15, 2025
2013A-5	50,000,000	Sumitomo Mitsui Banking Corporation	October 15, 2025
2013F-3	180,000,000	Bank of America, N.A.	March 13, 2026
2014D-4	100,000,000	TD Bank, N.A.	September 30, 2027
2014D-5	75,000,000	PNC Bank, National Association	October 10, 2025
2014I-2	100,000,000	JPMorgan Chase Bank, N.A.	March 24, 2025
2014I-3	200,000,000	Citibank, N.A.	August 12, 2025
2015F-5	100,000,000	Barclays Bank, PLC	June 18, 2024
2015F-6	100,000,000	JPMorgan Chase Bank, N.A.	June 17, 2027
2017A-4	200,000,000	Citibank, N.A.	August 15, 2025
2017A-5	81,000,000	JPMorgan Chase Bank, N.A.	July 31, 2026
2017A-6	50,000,000	JPMorgan Chase Bank, N.A.	July 31, 2026
2017A-7	50,000,000	Bank of Montreal	August 15, 2025
2018B-4	100,000,000	Barclays Bank, PLC	October 1, 2025
2018B-5	100,000,000	Barclays Bank, PLC	October 1, 2025
2018E-5	50,000,000	TD Bank, N.A.	September 30, 2027
2019D-4	150,000,000	State Street Bank and Trust Company	January 19, 2028
2022D-3	200,000,000	State Street Bank and Trust Company	May 26, 2027
2022D-4	100,000,000	State Street Bank and Trust Company	May 26, 2027
2023A-3	200,000,000	Bank of Montreal	September 8, 2025
2023A-4	100,000,000	TD Bank, N.A.	September 8, 2027
	$ 3,701,635,000		

Index Rate Bonds[3]

Series		Outstanding Principal Amount	Step up Date
2006I-5	$	75,000,000	May 16, 2024
2006I-6		75,000,000	May 1, 2025
2012A-5		50,000,000	June 28, 2026
2012D-3B		50,000,000	June 28, 2026
2012G-5		75,000,000	September 22, 2023
2015F-7		50,000,000	June 28, 2026
2018E-4		200,000,000	February 27, 2026
	$	575,000,000	

Fixed Rate Step Coupon Bonds[4]

Series		Outstanding Principal Amount	Step up Date
2014D-3	$	196,920,000	February 1, 2024
2015F-4		85,730,000	December 1, 2025
	$	282,650,000	

Adjustable Rate Remarketed Securities℠[5]

Series		Outstanding Principal Amount
2020B-3	$	100,000,000
2021-2		129,675,000
2021-3		129,675,000
	$	359,350,000

Auction Rate Bonds

Series		Outstanding Principal Amount
Various	$	464,400,000

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(1) Each series of variable rate demand bonds is supported by a facility in the form of a letter of credit or standby bond purchase agreement with the identified facility provider.

(2) The City expects to renew or replace any expiring letter of credit or standby bond purchase agreement on or prior to its expiration date or convert the related bonds to another interest rate mode.

(3) The City's index rate bonds pay interest based on a specified index. Such bonds also provide for an increased rate of interest commencing on an identified step up date if such bonds are not converted or refunded.

(4) The City's fixed rate step coupon bonds provide for an increased rate of interest commencing on the step up date if such bonds are not converted or refunded.

(5) The City's Adjustable Rate Remarketed Securities℠ provide for an increased rate of interest if tendered bonds cannot be remarketed for a specified number of days.

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THE CITY OF NEW YORK • GENERAL OBLIGATION BONDS, FISCAL 2023 SERIES E

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