

European journal of volunteering and community-based projects Vol.1, No 1; 2024
ISSN: 2724-0592 E-ISSN: 2724-1947
Published by Odv Casa Arcobaleno
Doi: 10.5281/zenodo.10657237

New York City Popular Financial Report

For the Fiscal Year Ended December 31, 2022

Alessia Cazan

Ani Neycheva

Table of Contents

1. City Overview
 - Population and Demographics
 - Economic Overview
 - Major Industries
 - Employment and Unemployment
 - Infrastructure
 - Housing
2. Financial Highlights
 - Summary of Revenues
 - Summary of Expenditures
 - Fund Balances
3. Major Revenues
 - Property Taxes
 - Sales Taxes
 - Income Taxes
 - Grants and Federal Aid
4. Major Expenditures
 - Public Safety
 - Education
 - Healthcare
 - Infrastructure Investment
5. Debt Management
 - Outstanding Debt
 - Debt Service Costs
 - Debt Rating
6. Pension and Other Post-Employment Benefits

- Pension Systems
- Other Post-Employment Benefits
- 7. Capital Projects
 - Major Infrastructure Projects
 - Funding Sources
- 8. Financial Policies and Practices
 - Budgeting Process
 - Financial Management Practices
 - Long-Term Financial Planning
- 9. Comprehensive Annual Financial Report (CAFR)
 - Link to CAFR (if available)

1. City Overview

New York City, often referred to as the "Big Apple," is the largest and most populous city in the United States. It is located in the state of New York and is renowned for its iconic skyline, diverse culture, and economic significance. The City Overview section of the financial report serves as an introduction to New York City, offering readers a glimpse of the city's fundamental characteristics.

- *Population and Demographics:*

As of December 31, 2022, New York City is estimated to have a population of approximately 8.9 million residents, making it one of the most densely populated cities in the world. The city's population is remarkably diverse, with residents representing a wide range of ethnicities, nationalities, and backgrounds. Our residents come from all over the world, contributing to the rich cultural tapestry that defines our city.

- *Economic Overview:*

New York City is an economic powerhouse, with a Gross Domestic Product (GDP) that surpasses that of many countries. The city's economy is driven by diverse industries, including finance, technology, healthcare, education, and the arts. Wall Street, located in the Financial District, is a global financial center that plays a pivotal role in the world's financial markets.

- Major Industries:

Major industries in New York City include finance and banking, technology and innovation, healthcare and life sciences, education, media, entertainment, and tourism. These sectors contribute significantly to the city's economic prosperity.

Employment and Unemployment

The city has a dynamic labor force, with millions of individuals employed in various sectors. As of December 31, 2022, our unemployment rate stands at 4.3% , reflecting the resilience of our job market and the commitment to creating opportunities for our residents.

- Infrastructure:

New York City boasts an extensive and efficient infrastructure system. Our public transportation network, which includes subways, buses, and commuter trains, facilitates the movement of residents and visitors throughout the city. Additionally, we continually invest in maintaining and upgrading our bridges, tunnels, and roads to ensure connectivity and accessibility.

- Housing:

Housing in New York City is as diverse as its population. We have a mix of housing options, from iconic skyscrapers to historic brownstones. Affordable housing remains a priority, and we are actively working to address housing affordability challenges and to support residents in their quest for secure and comfortable living spaces.

This City Overview offers a concise but comprehensive introduction to New York City, covering its population, economic strength, major industries, employment conditions, infrastructure, and housing.

2. Financial Highlights

Financial Highlights for the Fiscal Year Ended December 31, 2022.

The following section presents an overview of the key financial indicators for New York City in the fiscal year 2022.

- Total Revenues:

Total revenues for the fiscal year 2022 amounted to approximately \$69.9 billion representing a change from the previous year. The main sources of revenue included taxes, federal grants, and other government funding.

- Total Expenditures:

Total expenditures for the fiscal year 2022 were approximately \$209.3 billion. These expenditures were primarily allocated to essential services such as public safety, education, healthcare, and infrastructure development.

- Fund Balances:

The city's fund balances remained stable in fiscal year 2022. The General Fund balance at the end of the year stood at approximately \$31.7 billion in cash. These reserves are vital for ensuring the city's fiscal stability and flexibility in times of unexpected challenges.

- Surplus/Deficit:

We are pleased to report a budget surplus of more than \$2.4 Billion above budget projections for the fiscal year 2022. This surplus reflects our commitment to prudent financial management, responsible budgeting, and efficient allocation of resources. The surplus will be

reinvested in the city's critical initiatives and services.

- Long-Term Financial Health:

New York City's long-term financial health remains strong, thanks to our commitment to comprehensive financial planning. We continue to make investments in our infrastructure, public education, and essential services, ensuring a sustainable and prosperous future.

- Reserve Funds:

Our city maintains various reserve funds to address contingencies and unforeseen challenges. These funds are designed to protect the city's financial stability and maintain our ability to meet critical obligations.

The financial highlights presented here provide a high-level overview of our fiscal performance for the year 2022. Detailed financial statements and additional information can be found in the Comprehensive Annual Financial Report (CAFR) for those seeking more in-depth analysis and data.

3. Major Revenues for the Fiscal Year Ended December 31, 2022

In fiscal year 2022, New York City generated revenue from various sources to support its essential services and initiatives. The following are the major revenue streams contributing to the city's financial well-being:

- Property Taxes:

Property taxes represent a significant portion of the city's revenue. In fiscal year 2022, property tax collections totaled approximately \$1,735.4 million less in additional property tax levy. This revenue source remains vital for funding essential services, infrastructure development, and education.

- Sales Taxes:

Sales taxes collected within the city contributed significantly to the revenue stream. In fiscal year 2022, sales tax revenue amounted to approximately \$22.1 billion, making up 12.7% of total revenues. Sales tax income reflects economic activity within the city, including consumer spending and business transactions.

- Income Taxes:

Income taxes, both at the city and state levels, play a crucial role in financing public services. In fiscal year 2022, the city collected approximately \$111.7 billion, in personal and corporate income taxes. These funds support various government functions and initiatives.

- Grants and Federal Aid:

New York City received grants and federal aid from various government agencies to support specific programs and projects. In fiscal year 2022, grants and federal assistance amounted to approximately \$22 billion. These funds were allocated to critical areas such as healthcare, education, and infrastructure development.

New York City's diverse revenue sources provide the financial foundation necessary to maintain and enhance the quality of life for its residents. These funds are allocated to key services, such as public safety, education, healthcare, infrastructure investment, and social programs, ensuring the continued growth and prosperity of our great city.

4. Major Expenditures for the Fiscal Year Ended December 31, 2022

In fiscal year 2022, New York City allocated its financial resources to various key expenditure categories to meet the needs of its residents and invest in the city's future. The following are the major expenditure areas that defined the city's financial commitments for that year:

- Public Safety:

Ensuring the safety and security of our residents is a top priority. In fiscal year 2022, the city allocated approximately \$5.84 billion to various public safety agencies, including the police and fire departments. These funds supported law enforcement, emergency response, and crime prevention efforts.

- Education:

The education of our city's youth is a fundamental commitment. In fiscal year 2022, New York City dedicated approximately \$37.6 Billion to public education, including K-12 schools and higher education institutions. These funds were used to enhance educational programs, infrastructure, and resources for our students.

- Healthcare:

Access to quality healthcare services is essential for the well-being of our residents. The city invested approximately \$188 billion in healthcare initiatives in fiscal year 2022. These funds supported public health programs, clinics, and hospitals, ensuring access to healthcare for all.

- Infrastructure Investment:

Maintaining and enhancing our city's infrastructure is crucial for economic growth and quality of life. In fiscal year 2022, New York City allocated approximately nearly \$1 Billion for infrastructure projects. These funds were used to improve transportation, build and

maintain roads and bridges, and promote sustainability.

- Debt Service:

To manage its debt obligations, the city allocated funds for debt service, including principal and interest payments on outstanding bonds. The total debt service cost for fiscal year 2022 amounted to approximately \$8.3 billion.

New York City's expenditure priorities for 2022 were aligned with its commitment to enhancing the quality of life for its residents, providing essential services, and investing in the city's future. These expenditures were essential for maintaining the city's infrastructure, ensuring public safety, and supporting the social well-being of its diverse population.

5. Debt Management for the Fiscal Year Ended December 31, 2022

Debt management is a critical component of New York City's financial strategy. In fiscal year 2022, the city continued to prudently manage its outstanding debt to ensure its long-term fiscal health and support its investments in infrastructure and public services. The following are key figures related to debt management:

- Outstanding Debt:

As of December 31, 2022, the city's outstanding debt, including general obligation bonds and revenue bonds, amounted to approximately \$91,630. This debt was used to finance various capital projects, including infrastructure improvements, schools, and healthcare facilities.

- Debt Service Costs:

The total debt service costs for fiscal year 2022, which include principal and interest payments on outstanding debt, reached approximately \$8.3 billion. Prudent fiscal management ensures that these obligations are met in a timely and responsible manner.

- Debt Rating:

New York City maintained its strong credit rating in fiscal year 2022. Credit rating agencies, such as Moody's, S&P, Fitch, reflecting the city's financial stability and ability to meet its financial obligations.

- Debt Issuance for Capital Projects:

In 2022, the city issued approximately \$148.9 million in bonds to fund capital projects. These projects included infrastructure improvements, public facilities, and other essential investments to enhance the quality of life for our residents.

New York City's debt management practices are designed to maintain the city's fiscal strength, secure low borrowing costs, and support investments in critical infrastructure and public services. By consistently meeting its debt service obligations and maintaining a strong

credit rating, the city can continue to pursue its long-term financial goals.

6. Pension and Other Post-Employment Benefits

The New York City financial report for the fiscal year ending on December 31, 2022, features two essential elements: pension and other post-employment benefits. These components play a significant role in the financial well-being of the city and its workforce.

- Pension

The Systems, as of August 2022, have approximately \$242 billion in assets under management, constituting the fourth largest public pension plan in the U.S. These five pension funds comprising the Systems are the New York City Employees' Retirement System (NYCERS), the Teachers' Retirement System of the City of New York (TRS), the New York City Police Pension Fund (POLICE), the New York City Fire Pension Fund (Fire), and the New York City Board of Education Retirement System (BERS).

Each pension fund is financially independent and provides its members the pension benefits and other benefits to which they are legally entitled. The funds necessary to finance these benefits are accumulated through contributions from members, participating employers, and investment earnings of the funds.

- Other Post-Employment Benefits

The New York City Other Post-employment Benefits Plan (the "Plan") is a fiduciary component unit of the City of New York (the "City"). The Plan comprises: (1) The New York City Retiree Health Benefits Trust (the "Trust") which is used to receive, hold, and disburse assets accumulated to pay for certain post-retirement benefits other than pensions ("OPEB") provided by the City to its eligible retired employees and other eligible beneficiaries; and (2) OPEB paid for directly by the City out of its general resources rather than through the Trust ("Non-Trust OPEB"). The Trust was established for the exclusive benefit of the City's eligible retired employees and their eligible spouses and dependents, to fund certain OPEB provided in accordance with the City's various collective bargaining agreements and the City's Administrative Code. The Trust is tax exempt in accordance with Section 115 of the Internal Revenue Code. The Plan does not have a board. However, it does present its financial statements to the City's Audit Committee. The Plan is classified as a single-employer OPEB plan for Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans* ("GASB 74") purposes.

The City is not required by law or contractual agreement to provide funding for the Plan, other than the "pay-as-you-go" amount necessary to provide the current benefits to current eligible retirees, spouses, and dependents ("Pay-Go").

The Plan provides for the following post-employment benefits:

- A health insurance program;
- Medicare Part B premium reimbursements; and
- Welfare fund contributions.

Benefits are established and amended through collective bargaining with the labor unions.

Health Insurance Program

- The City provides an option for basic individual or family medical and hospitalization insurance coverage at no cost to the participants.¹
- Basic or enhanced coverage under other health insurance options may require participant contributions, if and to the extent that premiums are above those of the no-cost option.
- The City will not provide both subscriber and spouse or dependent coverage for the same individual, thus retirees who are spouses or dependents of other New York City active or retired workers must waive coverage.

7. Capital Projects

- Major Infrastructure Projects and Funding sources

Governor Cuomo has made infrastructure a priority. Major projects with continued or added support from the FY 2022 Executive Budget include:

- **MTA Capital Plan.** The 2020-2024 MTA Capital Plan is supporting \$51.5 billion in investments. This includes Governor Cuomo's \$3 billion commitment as well as the \$25 billion in new financing secured by the Governor and Legislature in the FY 2020 Budget. It is the most ambitious and largest plan in the authority's history. The new financing is centered on Central Business District Tolling, the first congestion pricing plan in the country that will combat gridlock and deliver to the city's residents and visitors the world-class transit system they deserve.
- **Transportation Capital Plan.** The FY 2021-2022 DOT Capital Plan is supporting \$11.9 billion in investments to preserve and upgrade roads, bridges, airports, and other vital transportation infrastructure through out the State. Compared to the final two years of the last DOT Capital Plan, this is an increase of \$3.0 billion, or 33 percent.
- **Affordable and Homeless Housing Capital Plan.** The Budget continues the \$20 billion, comprehensive five-year investment in affordable housing, supportive housing and related services to provide New Yorkers with safe and secure housing. The goal of this investment is creating or preserving over 100,000 units of affordable housing and creating 6,000 new units of supportive housing. The State is well on track toward meeting these affordable housing goals and has exceeded those for supportive housing. To date, New York has financed the new construction and preservation of more than 66,500 affordable housing units and more than 7,000 units of supportive housing units that provide stability for some of the state's most vulnerable

populations, including veterans, victims of domestic violence, frail or disabled senior citizens, young adults aging out of foster care, and New Yorkers identified as homeless with special needs, conditions, or other life challenges. With this success, the Governor has continued the State's commitment to supportive housing. The goal is now to create 20,000 units over 15 years, and the Budget includes \$250 million in additional capital funding to continue making progress in FY 2022.

- Thruway All Electronic Tolling (AET). The New York State Thruway completed its transition to All Electronic Tolling by the end of 2020. This \$355 million investment transformed the entire Thruway system to cashless tolling leading to a safer, greener, and less congested Thruway system.
- Gateway Tunnel Project. The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy and are in dire need of repair and expansion to increase capacity. The plan, which includes funding commitments from New York State and the State of New Jersey, would revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. In July 2019, Governor Cuomo and New Jersey Governor Murphy signed created the Gateway Development Commission, which functions as a bi-state agency that can receive Federal funding for the Gateway plan's estimated \$30 billion in projects. The legislation also ensures that local funding is shared equally by the two states, provides for legislative oversight and other transparency efforts, and makes sure the two states and Amtrak are represented in the agency. Governor Cuomo has led the effort in calling on the Federal government to move forward with supporting this critical project which will be an integral part of his new multi-faceted plan.
- Multi-Billion Transformational Midtown West Development. With the completion of the Moynihan Train Hall, the State will turn to the existing Penn Station, launching a comprehensive \$16 billion project to expand and reconstruct the existing station. The fully renovated Penn Station, including the iconic new Long Island Rail Road entrance on 7th Avenue that opened on December 31, 2020, will comprise a widened and completely reconstructed 33rd Street LIRR concourse and an expanded and completely transformed station. Additionally, at least eight new tracks will be constructed south of the existing Penn Station to add capacity, cut down on delays, and improve operations. This will be a signature transportation project creating nearly 60,000 direct jobs and involving the federal government, Empire State Development, the Metropolitan Transportation Authority, New Jersey Transit, and Amtrak. New York State stands ready to work with New Jersey Transit and the Federal government to share in this historic investment for the future of the region.
- High Line Extension to Moynihan Station. As part of the Transformational Midtown West Development, the Budget includes funding to support the Governor's proposal to extend the High Line in Manhattan to give pedestrians seamless access to the elevated pathway from the recently opened Moynihan Train Hall. As part of a public-private partnership, Brookfield Property Group will partner with Empire State Development, the Port Authority of New York and New Jersey, and Friends of the High Line to build an L-shaped connection from the 10th Avenue terminus of the High Line to Brookfield's Manhattan West public space.

- Transformed John F. Kennedy Airport. In October 2018, the Governor announced a historic \$13 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21st century airport that calls for an overhaul of the airport's eight disparate terminals sites into one unified JFK Airport. Work will include demolishing old terminals, utilizing vacant space, and modernizing on-airport infrastructure, while incorporating the latest in passenger amenities and technological innovations. The record investment includes \$12 billion in private sector funding and will increase the airport's capacity by at least 15 million passengers annually. The first new facilities are scheduled to open in 2023.
- A New LaGuardia Airport. In 2018, the Governor officially opened the first new gates in LaGuardia Airport's Terminal B, part of the \$8 billion transformation of the airport into a unified 21st century terminal system that will provide a world-class passenger experience. When completed, the new 2.7 million square-foot airport will be the first new airport built in the U.S. in more than 25 years. The new LaGuardia will also be better connected to transit, with the AirTrain LGA providing a critical link to the airport at Willets Point via the Long Island Railroad and the 7 subway line. Overall, the redevelopment of LaGuardia is expected to create a combined \$10 billion in economic activity. In July 2018, the Governor opened a new flyover to LaGuardia from the Grand Central Parkway's Eastbound Exit 7, the first and most important of 26 new bridges to improve airport traffic flow. In October 2019, the Governor announced the opening of the first new concourse and gates at Delta Air Lines' new Terminal C as part of the ongoing transformation of La Guardia into a unified 21st century airport. And in August 2020, the first seven new gates in the new Western Concourse opened, welcoming more travelers through LaGuardia's Terminal B with a world-class passenger experience.
- Empire Station. The State has made significant progress with its ongoing investment to combine extensive renovations at the existing Penn Station with the transformation of the James A. Farley Post Office building into the Moynihan Train Hall to create a new Empire Station. In FY 2018, the Governor opened a new, state-of-the-art expanded West End Concourse at Penn Station. The concourse provides direct access to 17 of the station's 21 tracks for LIRR commuters and intercity rail passengers and offers an underground connection between the future Moynihan Train Hall and Penn Station via 33rd Street with a direct link to the 8th Avenue Subway (A/C/E). Expanding on this vision, in his 2020 State of the State, Governor Cuomo announced a proposal to expand Penn Station southward to create the Empire Station District. The plan creates new, larger terminals, and will increase track and train capacity by 40 percent to more effectively accommodate the service needs of travelers and commuters at the busiest transit hub in the Western Hemisphere. In December 2020, the Governor announced that a key element of the plan – the Moynihan Train Hall project - was completed. The main hall that once served as the Post Office's mail sorting room is reminiscent of the original Penn Station's vaulted concourse, showcasing a 92-foot-high skylight that holds an acre of glass. Supported by three of the building's original steel trusses with an intricate lattice framework, the new skylight soars above the train concourse, bathing passengers in natural light. All LIRR and Amtrak trains are now served by the 17 tracks accessible from the train hall, while providing a direct connection to 9th Avenue and the 8th Avenue Subway. For Amtrak, the train hall becomes its new home in New York City - relocating and replacing all primary passenger operations from the existing station.

- **New NY Broadband.** When the New NY Broadband Program was launched, 30 percent of New Yorkers – approximately 2.42 million locations – lacked access to broadband. As a result of the Governor’s \$500 million investment through the program, hundreds of millions of dollars in private sector and federal investment were leveraged, and along with additional State-secured upgrades, broadband access has expanded dramatically to accomplish the program’s mission of statewide broadband availability.
- **Parks Capital.** The State made a multi-year capital investment of \$900 million to fund capital rehabilitation and improvement of State parks and historic sites, more than triple the investment from prior administrations. The effort helped spur a record 77 million visitors to New York State Parks in 2019. The Executive Budget allocates \$110 million in New York Works capital funding to the Office of Parks, Recreation and Historic Preservation in order to continue the State’s investment in critical infrastructure projects.
- **Clean Water Infrastructure.** The Executive Budget adds a \$500 million appropriation to support clean water, raising the State’s total investment to \$4 billion and continuing to fulfill the Governor’s \$5 billion clean water commitment. These funds will be expended via locally based construction projects that will result in improved and safer municipal drinking water distribution, filtration systems, and wastewater treatment infrastructure all while creating jobs.
- **Renewable Energy.** In July 2019, Governor Cuomo announced the nation’s largest offshore wind energy procurement and awarded two offshore wind contracts – Empire Wind and Sunrise Wind – with a combined capacity of nearly 1,700 megawatts. In 2020, the New York State Energy Research and Development Authority (NYSERDA) issued a second solicitation for offshore wind which is expected to yield at least an additional 2,500 megawatts of projects, the largest in the nation’s history. The solicitation also included a multi-port strategy and requirement for offshore wind generators to partner with any of 11 prequalified New York ports to stage, construct, manufacture key components, or coordinate operations and maintenance activities. In 2021, NYSERDA will issue awards for the development of these massive clean energy projects, each more than 20 miles off the shore of Long Island. Funding for port infrastructure investments at five different port facilities in the State will total \$400 million in public and private financing. These actions further position New York to achieve the State’s goal of 9,000 megawatts of offshore wind by 2035 and to become the hub of the nation’s rapidly growing offshore wind industry and are an integral component of the Governor’s Green Economic Recovery Program to be launched this year.
- **Resiliency.** In May 2019, Governor Cuomo launched the Lake Ontario Resiliency and Economic Development Initiative (REDI). The REDI Commission – a multi-agency task force, which includes 11 State agency Commissioners – was charged with developing a plan to strengthen critical infrastructure and promote natural solutions along the Lake Ontario and St. Lawrence River waterfronts in order to promote health and safety, as well as, bolstering the region’s local economies that are heavily dependent on summer tourism. Governor Cuomo committed \$300 million for REDI, including funding for assistance to homeowners and business resiliency programs.

The REDI Commission identified projects for funding through robust community engagement, involving local stakeholders. The Commission designated 133 sustainable projects for grants, and Governor Cuomo announced the awards in October 2019.

In 2020, all 133 infrastructure projects were underway, with 111 projects in the design phase, 11 projects in the construction phase, and 11 projects' construction completed. In addition, twenty sites were identified for the Regional REDI Dredging Project and dredging was completed at four of these locations. In 2021, 104 municipal infrastructure projects and 15 dredging projects will move forward with a significant number anticipated for completion.

8. Financial Policies and Practices

- Budgeting Process

Step 1: Preliminary Budget

Each January, the Mayor presents a preliminary budget—an outline of his priorities and goals for the City. The Council then follows a process to ensure this budget meets the needs of our diverse neighborhoods.

Step 2: Council Analysis & Hearings

From March to April, the Council analyzes the Mayor's preliminary budget and holds a series of public hearings to identify specific concerns through conversations with residents, advocates, and city agencies.

Step 3: Formal Response

Based on our analysis, the Council formally responds to the Mayor's preliminary budget. This includes a summary of concerns expressed during the hearings and recommendations to address those concerns.

Step 4: Executive Budget & Hearings

In April, the Mayor releases the Executive Budget, an updated proposed budget based on the Council's response. Again, the Council analyzes this budget and conducts a second round of targeted hearings, ensuring that the budget reflects the priorities of New Yorkers in all 51 Council Districts.

Step 5: Adopted Budget

Through May and June, the Council and the Mayor negotiate adjustments to the Executive Budget, resulting in an agreement known as the Adopted Budget. This agreement must be reached before July 1, the beginning of the next fiscal year.

- Financial Management Practices

- **Budgeting:** New York City operates on an annual budget cycle, with the budget being passed by the City Council and signed by the Mayor. The city's budget is typically formulated with input from various agencies and is designed to address key priorities, including education, public safety, infrastructure, and social services.
- **Comprehensive Annual Financial Report (CAFR):** The city releases an annual CAFR that provides a detailed overview of its financial position and performance. The CAFR is typically audited by an independent auditing firm to ensure accuracy and compliance with accounting standards.
- **Debt Management:** New York City frequently issues bonds to fund capital projects and infrastructure improvements. The city manages its debt carefully, considering factors like interest rates and bond maturities to maintain fiscal responsibility.
- **Revenue Collection:** The city collects revenue from various sources, including property taxes, sales taxes, income taxes, and fees. It continually assesses its revenue collection processes to maximize efficiency and effectiveness.
- **Pension and Retirement Systems:** Managing pension and retirement obligations is a significant part of the city's financial responsibilities. New York City's pension systems for municipal employees are among the largest in the United States.
- **Economic Forecasting:** City officials closely monitor economic trends and engage in forecasting to ensure that budgeting and financial management practices remain in alignment with the city's fiscal health.
- **Capital Planning:** New York City has a capital plan that outlines significant

infrastructure projects and improvements over several years. This plan helps ensure that the city can invest in critical areas like transportation, education, and public safety.

- **Reserve Funds:** The city maintains reserve funds to cover unexpected expenses and economic downturns. These reserves help provide stability during challenging fiscal times.
- **Performance Measurement:** The city employs performance measurement tools to evaluate the efficiency and effectiveness of its programs and services. This approach is intended to improve service delivery and make data-driven decisions.
- **Transparency and Accountability:** New York City emphasizes transparency in its financial practices. Information related to the city's budget, financial statements, and financial transactions is typically accessible to the public through official websites and reports.

- Long-Term Financial Planning

Table 1. FY 2023 – FY 2027 Financial Plan

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Change FYs 2023 –2027	
						Dollar	Percent
Revenues							
Taxes:							
General Property Tax	\$31,570	\$32,405	\$32,366	\$32,633	\$33,238	\$1,668	5.3%
Other Taxes	38,318	38,013	39,747	41,118	42,962	4,644	12.1%
Tax Audit Revenues	1,200	721	721	721	721	(479)	(39.9%)
Subtotal: Taxes	\$71,088	\$71,139	\$72,834	\$74,472	\$76,921	\$5,833	8.2%
Miscellaneous Revenues	8,251	7,793	7,624	7,562	7,518	(733)	(8.9%)
Unrestricted Intergovernmental Aid	297	0	0	0	0	(297)	(100.0%)
Less: Intra-City Revenues	(2,361)	(1,996)	(1,987)	(1,989)	(1,986)	375	(15.9%)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)	0	0.0%
Subtotal: City-Funds	\$77,260	\$76,921	\$78,456	\$80,030	\$82,438	\$5,178	6.7%
Other Categorical Grants	1,109	1,082	1,075	1,070	1,070	(39)	(3.5%)
Inter-Fund Revenues	706	720	725	732	732	26	3.7%
Federal Categorical Grants	11,721	10,411	8,060	7,052	7,026	(4,695)	(40.1%)
State Categorical Grants	18,113	17,555	17,540	17,304	17,367	(746)	(4.1%)
Total Revenues	\$108,909	\$106,689	\$105,856	\$106,188	\$108,633	(\$276)	(0.3%)

Expenditures							
Personal Service							
Salaries and Wages	\$33,461	\$32,661	\$33,793	\$35,090	\$36,297	\$2,836	8.5%
Pensions	9,414	9,634	10,415	10,878	11,060	1,646	17.5%
Fringe Benefits	12,375	13,300	14,155	14,913	15,529	3,154	25.5%
Subtotal-PS	\$55,250	\$55,595	\$58,363	\$60,881	\$62,886	\$7,636	13.8%
Other Than Personal Service							
Medical Assistance	\$6,297	\$6,651	\$6,385	\$6,385	\$6,535	\$238	3.8%
Public Assistance	1,970	1,650	1,650	1,650	2,000	30	1.5%
All Other	43,238	38,559	35,925	34,729	35,000	(8,238)	(19.1%)
Subtotal-OTPS	\$51,505	\$46,860	\$43,960	\$42,764	\$43,535	(\$7,970)	(15.5%)
Debt Service							
Principal	\$4,003	\$4,144	\$4,165	\$4,187	\$4,371	\$368	9.2%
Interest & Offsets	3,541	3,671	4,101	4,847	5,354	\$1,813	51.2%
Subtotal Debt Service	\$7,544	\$7,815	\$8,266	\$9,034	\$9,725	\$2,181	28.9%
FY 2022 BSA and Discretionary Transfers	(\$6,114)	\$0	\$0	\$0	\$0	\$6,114	(100.0%)
FY 2023 BSA	\$3,035	(\$3,035)	\$0	\$0	\$0	(\$3,035)	(100.0%)
Capital Stabilization Reserve	\$0	\$250	\$250	\$250	\$250	\$250	NA
General Reserve	\$50	\$1,200	\$1,200	\$1,200	\$1,200	\$1,150	2,300.0%
Less: Intra-City Expenses	(2,361)	(1,996)	(1,987)	(1,989)	(1,986)	375	(15.9%)
Total Expenditures	\$108,909	\$106,689	\$110,052	\$112,140	\$115,610	\$6,701	6.2%
Gap to be Closed	\$0	(\$0)	(\$4,196)	(\$5,952)	(\$6,977)	(\$6,977)	NA

9. Comprehensive Annual Financial Report (CAFR)

Highlights from the FY 2022 Annual Report include:

City of New York Finances

- In FY 2022, the General Fund had revenues and other financing sources of \$107.23 billion and expenditures and other financing uses of \$105.92 billion, resulting in a surplus of \$1.30 billion including restricted fund activities, contributions to the Revenue Stabilization Fund, and transfers to close projected FY 2023 gaps.
- Fiscal Year 2022 revenues were \$7.64 billion higher than FY 2021 and expenses were \$5.92 billion higher than FY 2021. Excluding the transfers to eliminate future fiscal year projected gaps, expenditures and other financing uses increased in FY 2022 by \$8.20 billion or 8.4 percent.
- In Fiscal Year 2022, the City deposited a combined total of \$2.2 billion in the Retiree Health Benefit Trust (RHBT) fund and in the Revenue Stabilization Fund (RSF), approaching the amount of \$2.5 billion recommended by the NYC Comptroller. The total of long-term reserves (RHBT and RSF) is \$6.538 billion, or 9.4 percent of the City's Fiscal Year 2022 tax revenues, the highest absolute amount since their creation, but still well below the estimate of 16.0 percent needed to weather the full length of a recession.

New York City Retirement Systems – The Comptroller’s Bureau of Asset Management is the investment advisor to the City’s five retirement systems: New York City Employees’ Retirement System (NYCERS), Teachers’ Retirement System of the City of New York (TRS), New York City Police Pension Fund (Police), New York City Fire Pension Fund (Fire), and the New York City Board of Education Retirement System (BERS).

- In the first half of 2022, public equity markets had the worst performance in 50 years, and all major public asset classes except commodities incurred significant losses.
- As of June 30, 2022, the combined investments assets of the City’s five Systems totaled \$239.5 billion. This total represented a decrease of \$26.6 billion from the June 30, 2021, value of \$266.1 billion. During the fiscal year, the fair value of the assets ranged from a high of \$274.74 billion (Dec 2021) to a low of \$239.54 billion (June 2022).
- The time-weighted return (net of manager fees) of the aggregate portfolio was -8.65 percent in fiscal year 2022 and 25.8 percent in fiscal year 2021. The fiscal year 2022 return of -8.65 percent exceeded the Public Markets Index return of -13.30 percent. This benchmark represents the return of a portfolio with a mix of 65 percent equity and 35 percent fixed income.

Municipal Finance – The Comptroller’s Bureau of Public Finance works with the Mayor’s Office of Management and Budget to issue bonds to finance the City’s extensive capital program and to refund outstanding bonds for savings.

- The municipal market during Fiscal Year 2022 can be characterized as a tale of two halves. The first half of the year was marked by a stable, low-rate environment. Beginning in January 2022, fixed income and equity markets began to experience volatility as the Federal Reserve signaled that they would begin to tighten monetary policy to alleviate inflationary pressure.
- Fiscal Year 2022 began with tax-exempt rates near their historical lows with 5-year Municipal Market Data (MMD) at 0.50 percent, 10-year MMD at 0.98 percent and the 30-year MMD at 1.49 percent on July 1, 2021. On June 30, 2022, 5-Year MMD was 2.22 percent, 10-year MMD was 2.72 percent and 30-year MMD was 3.18 percent representing an increase of approximately 170 basis points throughout the curve from where rates were six months prior.
- In Fiscal Year 2022, the City (through its General Obligation, or GO) and the New York City Transitional Finance Authority (TFA) issued five new money transaction to raise proceeds for the City’s capital needs. The rise in interest rates, compared to FY 2021, resulted in total debt service increasing an estimated \$525 million over the life of the bonds (averaging 18 to 20 years).
- During Fiscal Year 2022, the City and the Transitional Finance Authority issued three refunding transactions that generated more than \$530 million of debt service savings over the life of the bonds. The rise in interest rates resulted in an estimated reduction

of debt service savings of \$140 million over the life of the bonds (averaging 6 to 11 years).

Local Economic Conditions in Fiscal Year 2022

- By the end of FY 2022, NYC's job market recovered 762,00 of the 957,100 jobs lost between February and April 2020. Jobs in Information, and Education and Health Services had surpassed pre-pandemic levels, while the largest gaps remained in Leisure and Hospitality and Trade, Transportation, and Utilities, and Construction.
- The unemployment rate reached 6.2 percent in June 2022 down from 10.5 percent in June 2021 and far from the peak of 21.0 percent in May 2020. The unemployment rate remains highest among Black New Yorkers, at 10.3 percent as of June 2022.
- The pace of NYC's economic rebound is visible in the growth in taxable sales in NYC, which grew 26 percent in Fiscal Year 2022 after dropping for two consecutive years due to the COVID-19 pandemic.
- The housing market rebounded, ending FY 2022 with a new peak in asking rent at \$3,500, 20.7 percent above the pre-pandemic peak, with record low inventory. The Manhattan office market, which was hit hard by pandemic closures and is still grappling with the increase in hybrid and remote work, has seen a durable shift that will likely last beyond the pandemic. The vacancy rate reached 21.5 percent and asking rents rose but remained below pre-pandemic levels.
- The Consumer Price Index in the New York metropolitan area grew by 5.0 percent in FY 2022.

- [Link to CAFR \(if available\)](#)

<https://comptroller.nyc.gov/reports/annual-comprehensive-financial-reports/>

10. Sources

1. Office of the New York State Comptroller. (2022). "Debt Report." <https://www.osc.state.ny.us/reports/finance/2022-fcr/debt>
2. Comptroller.nyc.gov. (Year not specified). "Annual Report on Capital Debt and Obligations." <https://comptroller.nyc.gov/reports/annual-report-on-capital-debt-and-obligations/>
3. New York State Division of the Budget. (Year not specified). "Debt Service." <https://www.budget.ny.gov/pubs/archive/fy23/ex/agencies/appropdata/DebtService.html#:~:text=Debt%20service%20%E2%80%93%20the%20costs%20of,the%20end%20of%20FY%202023.>
4. New York State Division of the Budget. (Year not specified). "Health Department Budget Highlights." <https://www.budget.ny.gov/pubs/archive/fy22/ex/agencies/appropdata/HealthDep>

[artmentof.html#:~:text=Budget%20Highlights,for%20remaining%20health%20program%20s pending.](#)

5. New York City Council. (2022). "New York Police Department Expense Budget Fiscal 2023." <https://council.nyc.gov/budget/wp-content/uploads/sites/54/2022/05/NYPD.pdf>

6. NYC Department of Education. (Year not specified). "Funding Our Schools." [https://www.schools.nyc.gov/about-us/funding/funding-our-schools#:~:text=The%20NYC%20Public%20Schools%20budget,Year%2023\)%20is%20%2437.6%20Billion.&text=The%20remainder%20\(under%201%25%2C,from%20Private%20or%20other%20sources.](https://www.schools.nyc.gov/about-us/funding/funding-our-schools#:~:text=The%20NYC%20Public%20Schools%20budget,Year%2023)%20is%20%2437.6%20Billion.&text=The%20remainder%20(under%201%25%2C,from%20Private%20or%20other%20sources.)

7. New York Times. (2021). "De Blasio, in His Final Months, Seeks to Recast Legacy of a Pandemic Mayor." <https://www.nytimes.com/2021/06/16/nyregion/de-blasio-coronavirus-pandemic-aid.html>

8. Office of the New York State Comptroller. (2023). "Local Sales Tax Collections Grew to \$12.7 Billion in 2022." <https://www.osc.state.ny.us/press/releases/2023/02/dinapoli-local-sales-tax-collections-grew-127-221-billion-2022#:~:text=Local%20government%20sales%20tax%20collections,by%20State%20Comptroller%20Thomas%20P.>

9. Office of the New York State Comptroller. (2022). "New York City Budget Surplus on Pace to Grow Another \$2.4 Billion from April Projections." <https://www.osc.state.ny.us/press/releases/2022/06/dinapoli-new-york-city-budget-surplus-pace-grow-another-24-billion-april-projections>

10. Office of the New York State Comptroller. (2022). "Fund Financial Data." <https://www.osc.state.ny.us/reports/finance/2022-fcr/fund-financial-data>

11. Trading Economics. (Year not specified). "Unemployment Rate in New York." <https://tradingeconomics.com/united-states/unemployment-rate-in-new-york-percent-m-sa-fed-data.html#:~:text=Unemployment%20Rate%20in%20New%20York%20was%203.90%25%20in%20August%20of,3.70%20in%20May%20of%202019.>

12. Comptroller.nyc.gov. (Year not specified). "New York City Quarterly Cash Report." [https://comptroller.nyc.gov/reports/new-york-city-quarterly-cash-report/#:~:text=July%202022%20%E2%80%93%20June%202023%20\(FY23\)&text=During%20the%20fiscal%20year%2C%20the,billion%20above%20last%20year's%20number.](https://comptroller.nyc.gov/reports/new-york-city-quarterly-cash-report/#:~:text=July%202022%20%E2%80%93%20June%202023%20(FY23)&text=During%20the%20fiscal%20year%2C%20the,billion%20above%20last%20year's%20number.)

13. New York City Council. (Year not specified). "New York City Budget FY2023." <https://council.nyc.gov/budget/fy2023/>

14. Office of the New York State Comptroller. (2023). "NYC's 2024 Budget Balanced, but Risks Loom." <https://www.osc.state.ny.us/press/releases/2023/08/dinapoli-nycs-2024-budget-balanced-risks-loom>

15. Statista. (Year not specified). "Unemployment Rate in New York Since 1992." <https://www.statista.com/statistics/190697/unemployment-rate-in-new-york-since-1992/#:~:text=In%202022%2C%20the%20unemployment%20rate,rate%20stood%20at%20s>

[even%20percent.](#)

16. Comptroller.nyc.gov. (Year not specified). "New York City Comptroller's Office Releases Fiscal Year 2022 Popular Annual Financial Report."<https://comptroller.nyc.gov/newsroom/new-york-city-comptrollers-office-releases-fiscal-year-2022-popular-annual-financial-report/#:~:text=In%20Fiscal%20Year%202022%2C%20general,income%20taxes%20at%20%2415.5%20billion.>

17. Urban Institute. (Year not specified). "New York."<https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/projects/state-fiscal-briefs/new-york#:~:text=According%20to%20NASBO%2C%20New%20York's,%2471.4%20billion%2F%24173.0%20billion>

18. Comptroller.nyc.gov. (Year not specified). "Pension Overview."<https://comptroller.nyc.gov/services/financial-matters/pension/overview/>

19. Comptroller.nyc.gov. (2022). "OPEB Financial Statements 2022."https://comptroller.nyc.gov/wp-content/uploads/documents/OPEB_Financial_Statements_2022.pdf

20. New York State Division of the Budget. (Year not specified). "Infrastructure."<https://www.budget.ny.gov/pubs/archive/fy22/ex/book/infrastructure.pdf>

21. New York City Council. (Year not specified). "Budget Process."<https://council.nyc.gov/budget/process/>

22. Office of the New York State Comptroller. (Year not specified). "Multiyear Financial Planning."<https://www.osc.state.ny.us/files/local-government/publications/pdf/multiyear-financial-planning.pdf>

23. Comptroller.nyc.gov. (Year not specified). "Annual Comprehensive Financial Reports."<https://comptroller.nyc.gov/reports/annual-comprehensive-financial-reports/>

This work was completed as part of the Public Management course at the School of Advanced Studies (SAA), University of Turin, under the supervision of Prof. Valerio Brescia. The elements presented in this assignment have been developed in accordance with the

guidelines defined by Professors Paolo Biancone, Silvana Secinaro, Valerio Brescia, and Davide Calandra."