



# State of New York

## Basic Financial Statements and Other Supplementary Information

*for Fiscal Year Ended March 31, 2021*

New York State Comptroller  
**THOMAS P. DiNAPOLI**









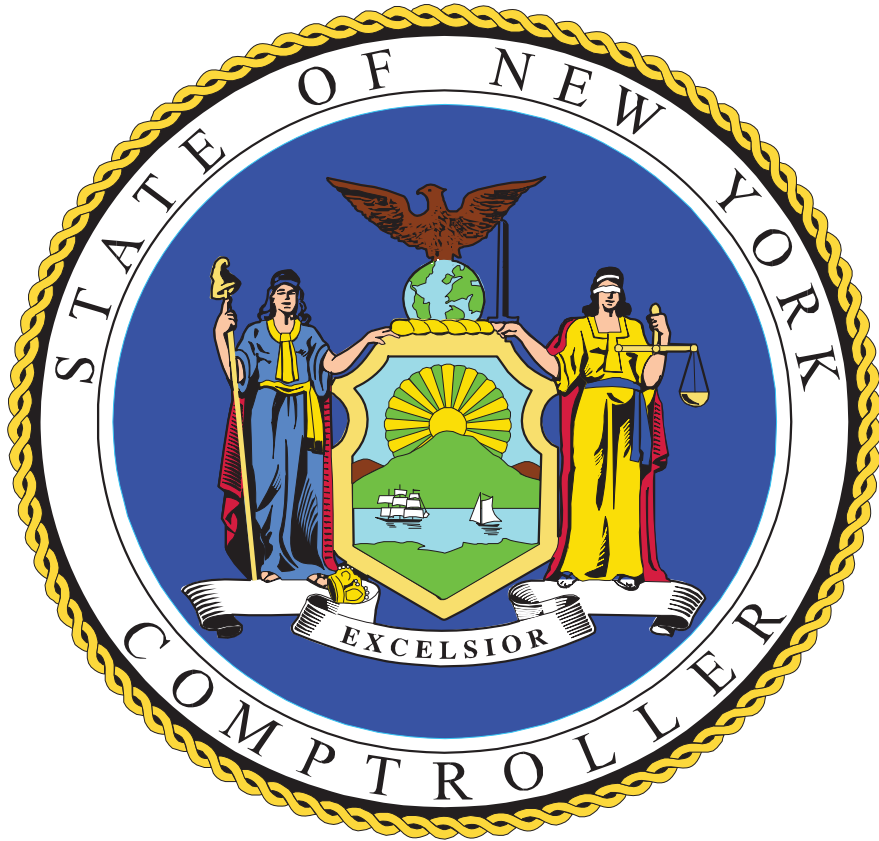
# State of New York

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Other Supplementary Information

*for Fiscal Year Ended March 31, 2021*

New York State Comptroller  
**THOMAS P. DiNAPOLI**







THOMAS P. DiNAPOLI  
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

July 29, 2021

To Members of the New York State Legislature:

In accordance with Section 8(9) of the State Finance Law, I am pleased to enclose my 2021 Financial Report to the Legislature which includes the 2021 basic financial statements prepared in accordance with generally accepted accounting principles, together with the report of the State's independent auditors, dated July 29, 2021.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom DiNapoli".

Thomas P. DiNapoli  
State Comptroller

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KPMG LLP  
515 Broadway  
Albany, NY 12207-2974

## Independent Auditors' Report

The Audit Committee  
New York State Legislature:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York (the State), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the State's Lottery enterprise fund, the City University of New York (CUNY) enterprise fund, the New York Local Government Assistance Corporation, the Tuition Savings Program, and certain discretely presented component units as identified in Note 14 to the basic financial statements. The State's Lottery and CUNY enterprise funds represent 100 percent of the assets and revenues of each associated major fund. The State's Lottery and CUNY enterprise funds collectively represent 28 percent and 13 percent, respectively, of the assets and revenues of the business-type activities. The New York Local Government Assistance Corporation represents 1 percent of the respective assets and revenues of the governmental activities and 1 percent of the respective assets and revenues of the aggregate remaining fund information. The Tuition Savings Program represents 12 percent and 6 percent, respectively, of the assets and revenues of the aggregate fund information. The certain discretely presented component units identified in Note 14 of the basic financial statements represent 57 percent and 68 percent, respectively, of the assets and revenues of the aggregated discretely presented component units. The financial statements of these entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the State's Lottery enterprise fund, CUNY enterprise fund, the New York Local Government Assistance Corporation, the Tuition Savings Program, and certain of the discretely presented component units identified in Note 14 of the basic financial statements, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the State's Lottery Fund and of certain discretely presented component units as identified in Note 14 of the basic financial statements were not audited in accordance with *Government Auditing Standards*.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

### *Emphasis of Matter*

As discussed in Note 1(t) and Note 1(u) to the basic financial statements, the State adopted Government Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and the information listed under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The other supplementary information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements





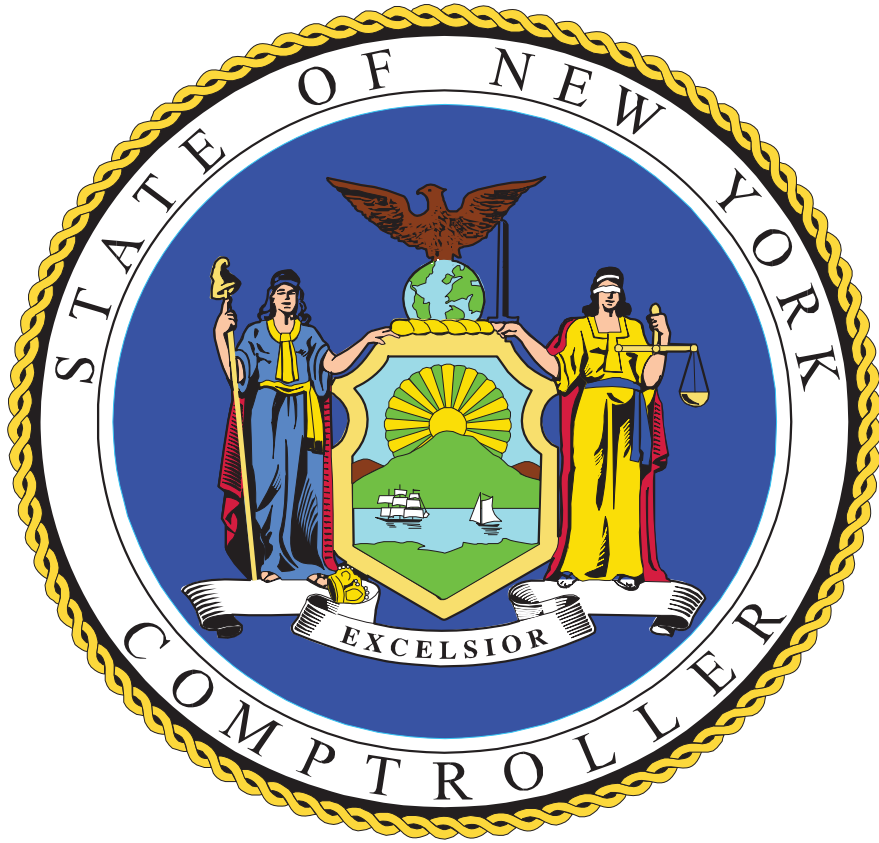
and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2021 on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York  
July 29, 2021





## MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

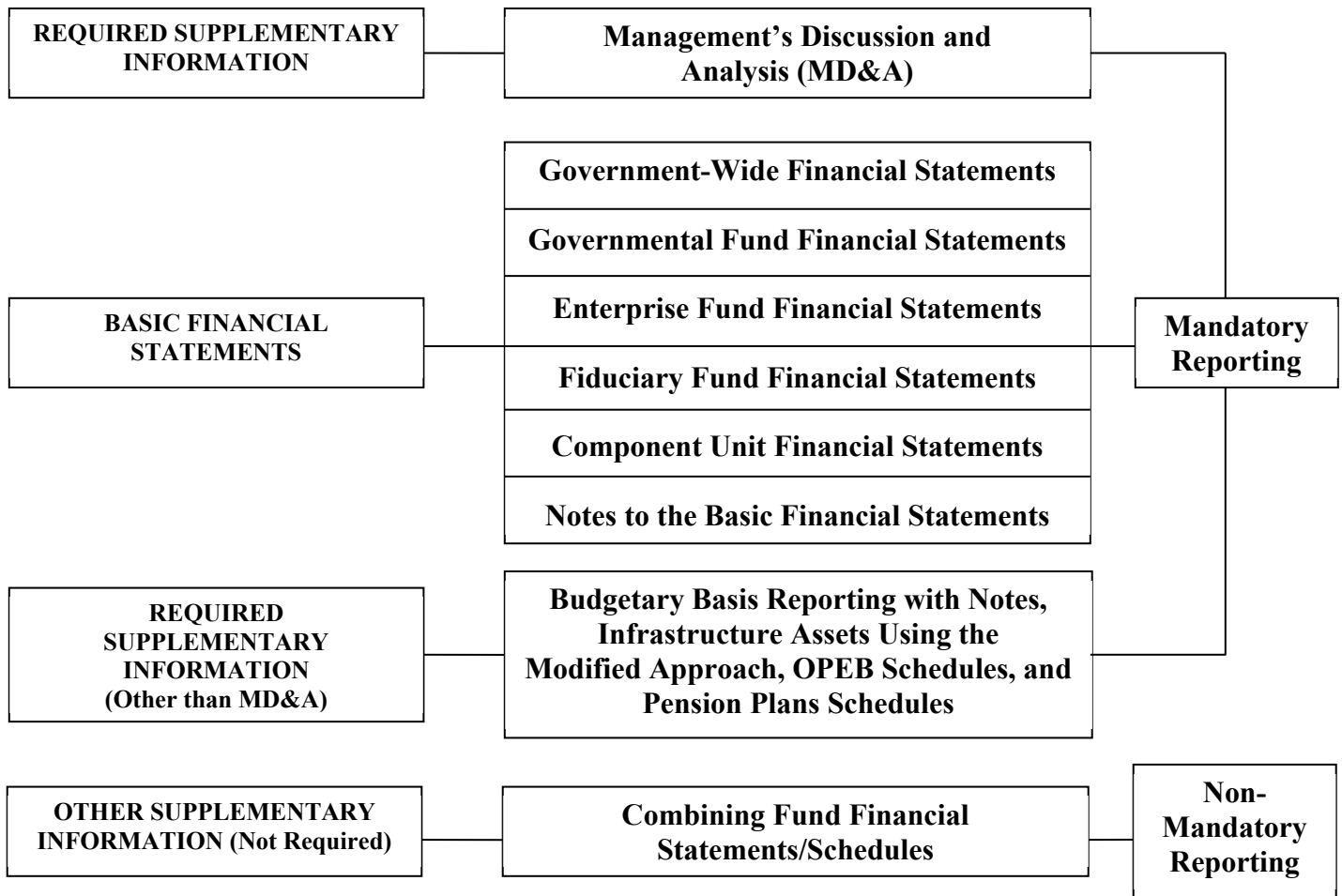
The following Management's Discussion and Analysis (MD&A) is required supplementary information to the State of New York's financial statements. It provides a narrative overview and analysis of the financial activities of the State of New York (State) for the fiscal year ended March 31, 2021. The MD&A is intended to serve as an introduction to the State's basic financial statements, which have the following components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. The MD&A is designed to (a) assist the reader in focusing on significant financial matters, (b) provide an overview of the State's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund matters. The following presentation is by necessity highly summarized, and in order to gain a thorough understanding of the State's financial condition, the following financial statements, notes and required supplementary information should be reviewed in their entirety.

### FINANCIAL HIGHLIGHTS

- New York State reported a net position deficit of \$13.6 billion, comprising \$204 billion in total assets and \$20.7 billion in deferred outflows of resources, less \$231.9 billion in total liabilities and \$6.5 billion in deferred inflows of resources (Table 1).
- The State's net position increased by \$60 million as a result of this year's operations. The net position for governmental activities increased by \$7.6 billion (145.5 percent) and the net position for business-type activities decreased by \$12.6 billion (-149.9 percent) due to current year operations (Table 2).
- The State's governmental activities had total revenues of \$210 billion, which exceeded total expenses of \$197.1 billion, excluding transfers to business-type activities of \$5.2 billion, by \$12.9 billion (Table 2).
- The total cost of all the State's programs, which includes \$95.8 billion in business-type activities, was \$292.9 billion (Table 2).
- The General Fund reported a surplus this year of \$8.6 billion, which increased the accumulated fund balance to \$20.3 billion.
- Total debt outstanding at year-end was \$66.5 billion, comprising \$50.2 billion in governmental activities and \$16.3 billion in business-type activities (Table 5).

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and supplementary information. The Statement of Net Position and the Statement of Activities (on pages 26 and 27, respectively) provide information about the activities of the State as a whole and present a longer-term view of the State's finances. Fund financial statements start on page 28. For governmental activities, these statements show how services were financed in the short-term, as well as the amount of resources that remain available for future spending. Fund financial statements also report the State's operations in more detail than the government-wide statements by providing information about the State's most significant funds. The remaining statements provide financial information about activities for which the State acts solely as a trustee for the benefit of those outside the government and about public benefit corporations for which the State is accountable. The layout and relationship of the financial statements and supplementary information is visually illustrated as follows:



## Reporting the State as a Whole

### The Statement of Net Position and the Statement of Activities

The analysis of the State, as a whole, begins on page 14. One of the most important questions asked about the State’s finances is: “Is the State, as a whole, better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the State, as a whole, and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current year’s revenues and expenses are taken into account, regardless of when cash was received or paid.

These two statements report the State’s net position and changes in it. One can think of the State’s net position—the difference between (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources—as one way to measure the State’s financial health, or financial position. Over time, increases or decreases in the State’s net position are one indicator of whether its financial health is improving or deteriorating. One may need to consider other nonfinancial factors, such as changes in the State’s tax structure, population, employment, and the condition of the State’s roads, bridges and buildings, in order to assess the overall health of the State.

In the Statement of Net Position and the Statement of Activities, operations of the State are divided into three kinds of activities:

- **Governmental Activities**—Most of the State's basic services are reported here, including education, public health, public welfare, public safety, transportation, environment and recreation, support and regulate business, general government, and interest on long-term debt. Federal grants, personal income taxes, consumption and use taxes, business and other taxes, transfer of lottery revenues, and bond proceeds finance most of these activities.
- **Business-Type Activities**—The State charges a fee to customers to help it cover all or part of the cost of certain services it provides. The State's Lottery Fund, Unemployment Insurance Benefit Fund, the State University of New York (SUNY) and the City University of New York (CUNY) Senior Colleges are reported here.
- **Component Units**—The State includes 43 separate legal entities in its report, as disclosed in Notes 1 and 14 of the Notes to the Basic Financial Statements. Although legally separate, these "component units" are important because the State is financially accountable for them and may be affected by their financial well-being. In addition, the State blends two other component units in with the governmental activities, because they provide services exclusively to the State.

## **Reporting the State's Most Significant Funds**

### **Fund Financial Statements**

Financial statements prepared at the fund level provide additional details about the State's financial position and activities. By definition, funds are accounting entities with a self-balancing set of accounts created for the purpose of carrying on specific activities or achieving specific goals. Information presented in the fund financial statements differs from the information presented in the government-wide statements because the perspective and basis of accounting used to prepare the fund financial statements are different than the perspective and basis of accounting used to prepare the government-wide statements. The State's governmental and proprietary fund types use different perspectives and accounting bases. The funds presented in the fund financial statements are categorized as either major or non-major funds, as required by generally accepted accounting principles (GAAP). The State uses three fund types for operations – governmental, proprietary and fiduciary. The analysis of the State's major funds begins on page 17. The fund financial statements begin on page 28 and provide detailed information about the most significant funds, not the State as a whole.

- **Governmental Funds**—Most of the State's basic services and expenditures are reported in governmental funds, which focus on how money flows into and out of those funds as well as the balances remaining at year-end that are available for spending. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. Assets and liabilities that do not impact current financial resources, such as capital assets and long-term liabilities, are not recognized in the governmental funds statements. The governmental funds statements provide a detailed short-term view of the State's general government operations and the basic services the State provides. Governmental funds information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. The relationships (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are presented in the reconciliations following the fund financial statements.



- Proprietary Funds—These funds are utilized when the State charges customers to recover its costs of providing services. Proprietary funds report on business-type activities, which include enterprise-type funds and internal service-type funds. The State has no internal service-type funds on a GAAP basis and, therefore, has only one proprietary fund type – Enterprise. The State’s enterprise funds are the same as the business-type activities reported in the government-wide statements. Proprietary Funds statements are prepared using the economic resources measurement focus and the accrual basis of accounting. In addition to a Statement of Net Position and a Statement of Revenues, Expenses and Changes in Fund Net Position, Proprietary Funds are also required to report a Statement of Cash Flows (page 34).

## **Reporting the State’s Fiduciary Responsibilities**

The State is the trustee, or fiduciary, for certain of its employees’ pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All the State’s fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 35 and 36, respectively. We exclude these activities from the State’s government-wide financial statements because the State cannot use these assets to finance its operations. The State is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **Component Units of the State**

The State has created numerous public benefit corporations – two of which provide services exclusively to the State government itself, the New York Local Government Assistance Corporation (LGAC) and the Tobacco Settlement Financing Corporation (TSFC), and the rest of which provide services directly to citizens. The financial position and activities of LGAC and TSFC have been blended within the Statement of Net Position and the Statement of Activities in the governmental activities column and in the governmental funds. The financial position and activities of the public benefit corporations that provide services directly to citizens have been presented in the Statement of Net Position and the Statement of Activities under the component units column and also in more detail in the Combining Statement of Net Position and the Combining Statement of Activities for the component units. These component units have been discretely presented in the State’s financial statements because their nature and significance to the State cause them to have an effect on the fiscal condition of the State and the State is accountable for them.

## **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS**

Governmental entities are required by GAAP to report on their net position. The Statement of Net Position presents the value of all of New York State's assets and deferred outflows of resources, and of its liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in a government's financial position. In the fiscal year ended March 31, 2021, the State reported a net position deficit of \$13.6 billion, comprising \$74 billion in net investment in capital assets, and \$13 billion in restricted net position, offset by an unrestricted net position deficit of \$100.6 billion.

Net position reported for governmental activities increased by \$12.6 billion to a \$7.3 billion net position surplus, inclusive of a restatement to fund balance of \$4.9 billion as noted in Table 2. Unrestricted net position for governmental activities – the part of net position that can be used to finance day-to-day

operations without constraints established by debt covenants, enabling legislation, or other legal requirements – had a deficit of \$76.5 billion at March 31, 2021.

The following table (Table 1) was derived from the current and prior year government-wide Statements of Net Position:

**Table 1**  
**Net Position as of March 31, 2021 and 2020**  
**(Amounts in millions)**

	Governmental Activities		Business-Type Activities*		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Noncapital assets:						
Cash and investments.....	\$ 40,419	\$ 20,552	\$ 9,056	\$ 10,956	\$ 49,475	\$ 31,508
Receivables, net .....	36,089	30,769	6,648	4,312	42,737	35,081
Other .....	638	744	216	187	854	931
<b>Total noncapital assets.....</b>	<b>77,146</b>	<b>52,065</b>	<b>15,920</b>	<b>15,455</b>	<b>93,066</b>	<b>67,520</b>
Capital assets.....	92,045	91,212	18,928	18,595	110,973	109,807
<b>Total assets.....</b>	<b>169,191</b>	<b>143,277</b>	<b>34,848</b>	<b>34,050</b>	<b>204,039</b>	<b>177,327</b>
<b>Deferred outflows of resources .....</b>	<b>16,949</b>	<b>5,542</b>	<b>3,777</b>	<b>1,026</b>	<b>20,726</b>	<b>6,568</b>
<b>Liabilities:</b>						
Liabilities due within one year.....	46,722	43,458	6,603	4,870	53,325	48,328
Liabilities due in more than one year.....	127,986	104,651	50,571	35,893	178,557	140,544
<b>Total liabilities.....</b>	<b>174,708</b>	<b>148,109</b>	<b>57,174</b>	<b>40,763</b>	<b>231,882</b>	<b>188,872</b>
<b>Deferred inflows of resources.....</b>	<b>4,103</b>	<b>5,950</b>	<b>2,376</b>	<b>2,688</b>	<b>6,479</b>	<b>8,638</b>
<b>Net position:</b>						
Net investment in capital assets .....	72,568	71,410	1,456	1,537	74,024	72,947
Restricted .....	11,305	3,265	1,684	5,034	12,989	8,299
Unrestricted deficits .....	(76,544)	(79,915)	(24,065)	(14,946)	(100,609)	(94,861)
<b>Total net position.....</b>	<b>\$ 7,329</b>	<b>\$ (5,240)</b>	<b>\$ (20,925)</b>	<b>\$ (8,375)</b>	<b>\$ (13,596)</b>	<b>\$ (13,615)</b>

\* As of June 30, 2020 and 2019 for SUNY and CUNY activities

The net position deficit in unrestricted governmental activities, which decreased by \$3.4 billion (4.2 percent) in 2021, exists primarily because the State has issued debt for purposes not resulting in a capital asset related to State governmental activities and because of the obligation related to other postemployment benefits (\$60.3 billion). Such outstanding debt included: eliminating the need for seasonal borrowing by the LGAC (\$90 million); and borrowing for local highway and bridge projects (\$4.6 billion), local mass transit projects (\$5 billion), and a wide variety of grants and other expenditures not resulting in State capital assets (\$16.6 billion). This deficit in unrestricted net position of governmental activities can be expected to continue for as long as the State continues to have obligations outstanding for purposes other than the acquisition of State governmental capital assets.

The net position deficit in business-type activities increased by \$12.6 billion (149.9 percent) to \$20.9 billion in 2021 as compared to \$8.4 billion in 2020. The increase in net position deficit for business-type activities was due to CUNY Senior Colleges' expenses exceeding revenues and State support by

\$181 million, and SUNY expenses exceeding revenues and State support by \$677 million. Due to the COVID-19 pandemic, most of the increase in net position deficit was due to unemployment benefit payments exceeding employer contributions and other revenue for the Unemployment Insurance Fund by \$11.7 billion. This was partially offset by Lottery net income exceeding education aid transfers by \$26 million.

The following table (Table 2) was derived from the current and prior year government-wide Statements of Activities:

**Table 2**  
**Changes in Net Position for the Fiscal Years Ended March 31, 2021 and 2020**  
**(Amounts in millions)**

	Governmental Activities		Business-Type Activities*		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues:						
Charges for services .....	\$ 26,283	\$ 15,899	\$ 14,722	\$ 15,714	\$ 41,005	\$ 31,613
Operating grants and contributions.....	79,831	66,630	6,701	5,696	86,532	72,326
Capital grants and contributions.	1,380	1,361	58,573	31	59,953	1,392
General revenues:						
Taxes .....	92,383	81,403	-	-	92,383	81,403
Other .....	10,126	1,886	713	913	10,839	2,799
<b>Total revenues.....</b>	<b>210,003</b>	<b>167,179</b>	<b>80,709</b>	<b>22,354</b>	<b>290,712</b>	<b>189,533</b>
<b>Expenses:</b>						
Education .....	36,092	37,632	-	-	36,092	37,632
Public health.....	88,501	78,882	-	-	88,501	78,882
Public welfare .....	18,342	13,959	-	-	18,342	13,959
Public safety .....	9,795	7,374	-	-	9,795	7,374
Transportation .....	12,878	11,098	-	-	12,878	11,098
Other .....	31,514	17,087	-	-	31,514	17,087
Lottery .....	-	-	5,726	6,483	5,726	6,483
Unemployment insurance.....	-	-	72,957	2,526	72,957	2,526
State University of New York....	-	-	13,122	12,188	13,122	12,188
City University of New York.....	-	-	4,022	3,914	4,022	3,914
<b>Total expenses.....</b>	<b>197,122</b>	<b>166,032</b>	<b>95,827</b>	<b>25,111</b>	<b>292,949</b>	<b>191,143</b>
<b>Increase (decrease) in net position before transfers .....</b>	<b>12,881</b>	<b>1,147</b>	<b>(15,118)</b>	<b>(2,757)</b>	<b>(2,237)</b>	<b>(1,610)</b>
Transfers.....	(5,244)	(2,260)	2,568	2,716	(2,676)	456
<b>Changes in net position .....</b>	<b>7,637</b>	<b>(1,113)</b>	<b>(12,550)</b>	<b>(41)</b>	<b>(4,913)</b>	<b>(1,154)</b>
<b>Net position, beginning of year..</b>	<b>(5,240)</b>	<b>(4,127)</b>	<b>(8,375)</b>	<b>(8,334)</b>	<b>(13,615)</b>	<b>(12,461)</b>
<b>Effect of implementation of GASBS 84.....</b>	<b>4,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,932</b>	<b>-</b>
<b>Net position, end of year .....</b>	<b>\$ 7,329</b>	<b>\$ (5,240)</b>	<b>\$ (20,925)</b>	<b>\$ (8,375)</b>	<b>\$ (13,596)</b>	<b>\$ (13,615)</b>

\* As of June 30, 2020 and 2019 for SUNY and CUNY activities

## Governmental Activities

In fiscal year 2021, the State's total revenues for governmental activities of \$210 billion exceeded its total expenses of \$197.1 billion by \$12.9 billion (Table 2). However, as shown in the Statement of Activities on page 27, the amount that State taxpayers ultimately financed for activities through State taxes and other State revenues was \$102.5 billion. Overall, the State's governmental program revenues, including intergovernmental aid, fees for services and capital grants, were \$107.5 billion in 2021. The State paid for the remaining "public benefit" portion of governmental activities with \$92.4 billion in taxes and \$10.1 billion in other revenues, including investment earnings.

Table 3 presents the cost of State support for each of the State's five largest programs: education, public health, public welfare, public safety, and transportation, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial obligation that was placed upon the State's taxpayers by each of these functions.

**Table 3**  
**Governmental Activities for the Fiscal Years Ended March 31, 2021 and 2020**  
**(Amounts in millions)**

	<b>2021</b>			<b>2020</b>
	<b>Total Cost of Services</b>	<b>Program Revenues</b>	<b>Net Cost of Services</b>	<b>Net Cost of Services</b>
Education .....	\$ 36,092	\$ 4,277	\$ 31,815	\$ 34,026
Public health .....	88,501	70,620	17,881	22,869
Public welfare .....	18,342	19,168	(826)	2,659
Public safety .....	9,795	2,142	7,653	5,820
Transportation .....	12,878	3,555	9,323	7,195
All others .....	31,514	7,732	23,782	9,573
<b>Totals .....</b>	<b>\$ 197,122</b>	<b>\$ 107,494</b>	<b>\$ 89,628</b>	<b>\$ 82,142</b>

## Business-Type Activities

The cost of all business-type activities this year was \$95.8 billion, an increase of \$70.7 billion over the \$25.1 billion cost in 2020 (Table 2). Increases in spending for Unemployment Insurance Fund benefit payments, SUNY hospitals and clinics, and SUNY and CUNY Senior Colleges' educational and general expenses were slightly offset by decreases in Lottery prizes and commissions and fees. As shown in the Statement of Activities on page 27, the amount reported as transfers that governmental activities ultimately financed for business-type activities was \$2.6 billion after activity costs were paid by those directly benefiting from the programs (\$14.7 billion), operating grants and contributions (\$6.7 billion), and capital grants and contributions (\$58.6 billion). The decrease in revenues from charges for services (\$992 million) resulted from a decline in Lottery ticket and video gaming sales that was offset by increases in operating revenue for SUNY hospitals and clinics, as well as SUNY and CUNY Senior Colleges' tuition and fees and auxiliary enterprises revenues. The increase in operating grants and contributions (\$1 billion) was due to increases in employer contributions into the Unemployment Insurance Fund as well as increases in State and federal grant to SUNY. The increase in operating grants



and contributions (\$58.5 billion) was due to federal grant contributions received by the State in the Unemployment Insurance Fund to assist in the response to the COVID-19 pandemic.

## **THE STATE'S FUNDS**

The State uses fund accounting to ensure and demonstrate compliance with legal and finance-related requirements. As the State completed the fiscal year, its governmental funds (as presented in the balance sheet on page 28) reported a combined fund balance of \$36.8 billion. Included in this year's total change in fund balance is a surplus of \$8.6 billion in the State's General Fund, resulting from expenditures exceeding revenues by \$15.8 billion, which was offset by net other financing sources of \$24.4 billion to the General Fund. The General Fund reported increases in personal income taxes (\$4.6 billion), business taxes (\$2.1 billion), other taxes (\$611 million), and miscellaneous revenues (\$51.3 billion) offset by decreases in consumption and uses taxes (\$380 million). Compared to the prior year, personal income tax revenue increased due to higher than estimated final returns. The increase in business taxes is due to higher penalties and interest collected as well as higher assessments on corporations. Total General Fund revenues increased \$26.7 billion, while expenditures increased \$13.6 billion. Local assistance expenditures increased by \$2.3 billion, due primarily to the timing of education assistance and public health expenditures. State operations expenditures increased \$11.2 billion. The increases in revenues and expenditures are primarily due to the implementation of GASB Statement 84: *Fiduciary Activities* which resulted in the movement of several previously reported fiduciary funds to General Fund for purposes of financial reporting. The State ended the 2020-21 fiscal year with a General Fund accumulated fund balance of \$20.3 billion.

The Enterprise Funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The change in net position of the Enterprise Funds has already been discussed in the preceding discussion of business-type activities.

### **General Fund Budgetary Highlights**

The State's financial plan, which uses the cash basis of accounting, is updated quarterly throughout the year as required by the State Finance Law. The quarterly updates to the 2020-21 financial plan reflected revisions to the original financial plan based on actual operating results to date and an updated analysis of underlying economic, revenue, and spending trends, as well as other actions and developments. This discussion includes comparisons to estimates from two different financial plan updates in 2020-21: the original financial plan (the "Enacted Budget Financial Plan" issued April 25, 2020) and the final financial plan (the "Updated Financial Plan" issued February 21, 2021).

General Fund receipts exceeded disbursements by \$216.6 million in the 2020-21 fiscal year. Total General Fund receipts for the year (including transfers from other funds) were \$74.3 billion. Total General Fund disbursements for the year (including transfers to other funds) were \$74.1 billion. The General Fund ended the fiscal year with a closing cash fund balance of \$9.2 billion, which consisted of \$2.5 billion in the State's rainy day reserve funds (\$1.3 billion in the Tax Stabilization Reserve Account and \$1.2 billion in the Rainy Day Reserve Fund), \$30 million in the Community Projects Fund, \$21 million in the Contingency Reserve Fund, and \$6.6 billion in the Refund Reserve Account. At the close of the 2020-21 fiscal year, the Division of the Budget (DOB) informally designated a portion of the \$6.6 billion on deposit in the Refund Reserve for economic uncertainties (\$1.5 billion), debt management (\$500 million), and transfers to capital projects funds (\$2.1 billion). These amounts can be used for other purposes.

New York began the 2020-21 fiscal year on April 1, 2020 in a period of enormous uncertainty. The COVID-19 pandemic caused economic activity to slow dramatically in the first months of the fiscal

year. In the 2020-21 budget, the Legislature granted the Budget Director authority to withhold all or a portion of specific local aid payments during the year (the "Reduction Authority") to maintain balanced operations. The Enacted Budget also authorized a series of other emergency measures, including authorization to borrow for liquidity purposes in response to the federal government's decision to extend the deadline for filing personal income taxes from April 15 to July 15, 2020.

In the Enacted Budget Financial Plan, DOB estimated that, in the absence of federal aid or improvements in tax collections, \$8.2 billion in local aid reductions would have to be executed under the Reduction Authority to maintain balanced operations for the fiscal year. In June 2020, DOB began withholding a portion of most local aid payments, preserving the option of converting the withheld amounts to permanent reductions. The Enacted Budget Financial Plan noted that the need for permanent reductions would depend, in part, on the availability of federal aid.

A series of favorable financial developments during the 2020-21 fiscal year, including federal aid that offset General Fund costs and stronger than expected tax collections, ultimately eliminated the need for most of the Budget Authority reductions and allowed for the repayment of the withheld amounts by the close of the fiscal year. These developments included an increased federal match on eligible State Medicaid expenditures, the allowable use of federal Coronavirus Relief Funds (CRF) for certain costs already budgeted in the Financial Plan (such as public safety payrolls), and stronger than expected tax collections.

General Fund receipts in the 2020-21 fiscal year were \$3.4 billion higher than the Enacted Budget Financial Plan estimate. Personal income tax (PIT) receipts, including transfers from other funds after debt service payments, exceeded estimates by \$2.4 billion. Higher PIT collections reflected stronger than expected growth in withholdings and estimated payments, particularly among high income taxpayers. These gains were offset by the repayment of liquidity financings (\$1.5 billion) and payment of debt service due in future years (\$2.2 billion). Lower consumption tax receipts were primarily due to the repayment in 2020-21 of debt service due in the 2021-22 fiscal year (\$899 million). Lower business taxes were attributable to reduced gross Corporate Franchise Tax, insurance, and audit collections, partially offset by lower Corporate Franchise Tax refunds. Growth in Other Taxes was attributable to a higher number of extra-large and super-large estate tax payments. Higher than projected miscellaneous receipts are mainly due to monetary settlements, reimbursements, abandoned property and licenses/fees.

General Fund disbursements in 2020-21 exceeded the Enacted Budget Financial Plan estimate by \$926 million. Local Assistance spending was \$2.6 billion higher than planned. Improved financial results during the year eliminated the need to execute nearly all of the \$8.2 billion in unallocated local aid reductions expected in the Enacted Budget Financial Plan. This increase was offset by lower state-share Medicaid costs due to emergency FMAP and lower than budgeted spending across many programs and activities. Agency operations were \$1.8 billion below initial expectations, attributable to savings from the reclassification of eligible expenses to the CRF, cost controls to limit spending to services in health and safety, and the withholding of general salary increases. CRF reclassifications provided net General Fund savings but were partially offset by additional COVID-19 pandemic costs incurred, but not yet shifted to the CRF or reimbursed through FEMA, which is expected to occur in 2021-22 or beyond.

Net operating results were \$1.9 billion more favorable than expected in the Updated Financial Plan, which estimated a net operating deficit of \$1.7 billion. The improvement comprised \$1.3 billion in higher receipts, mainly in PIT collections, and lower disbursements of \$652 million. Lower disbursements were driven by normal underspending and conservative estimation of disbursements.

The State's current year General Fund GAAP surplus of \$8.6 billion reported on page 28 differs from the General Fund's cash basis operating surplus of \$217 million reported in the reconciliation found under Budgetary Basis Reporting on page 168. This variation results from differences in basis of accounting, and entity and perspective differences between budgetary reporting versus those established as GAAP and followed in preparation of this financial statement.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of March 31, 2021, the State has \$111 billion invested in a broad range of capital assets, including equipment, buildings, construction in progress, land preparation, and infrastructure, which primarily includes roads and bridges (Table 4). This amount represents a net increase (including additions and deductions) of \$1.2 billion over last year.

**Table 4**  
**Capital Assets as of March 31, 2021 and 2020**  
(Net of depreciation, amounts in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land and land improvements.....	\$ 4,604	\$ 4,525	\$ 1,113	\$ 1,103	\$ 5,717	\$ 5,628
Land preparation .....	4,227	4,109	3	-	4,230	4,109
Buildings .....	5,288	4,919	13,327	12,968	18,615	17,887
Equipment and library books .....	331	330	856	725	1,187	1,055
Construction in progress ...	2,189	3,492	2,538	2,695	4,727	6,187
Infrastructure .....	74,819	73,222	876	874	75,695	74,096
Artwork and historical treasures .....	-	-	47	46	47	46
Intangible assets .....	587	615	168	184	755	799
<b>Totals.....</b>	<b>\$ 92,045</b>	<b>\$ 91,212</b>	<b>\$ 18,928</b>	<b>\$ 18,595</b>	<b>\$ 110,973</b>	<b>\$ 109,807</b>

State-owned roads and bridges that are maintained by the Department of Transportation (DOT) are being reported using the modified approach. As allowed by the reporting provisions in GASBS No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, infrastructure assets that meet prescribed criteria do not have to be depreciated but must be maintained at levels defined by State policy. The State currently has 42,742 lane miles of roads. The State has 7,912 bridges in the inventory, of which 7,700 are highway bridges. The remainder include railroad and pedestrian structures.

Highway condition is rated using a scale of 1 (very poor) to 10 (excellent) based on the prevalence of surface-related pavement distress. For bridges, in 2016, the State transitioned to the American Association of State Highway and Transportation Officials (AASHTO) element-based rating system that utilizes a 1 (good) through 4 (severe) scale as mandated by the Federal Highway Administration (FHWA). The new bridge goal will be based on the percentage of Structurally Deficient (SD) bridges as defined by FHWA. The SD calculations are based on the National Bridge Inventory (NBI) inspection data that has been collected by the DOT for more than 15 years and reported to FHWA on an annual

basis. Prior to 2016, the State used a numerical inspection condition rating (CR) scale ranging from 1 (minimum) to 7 (maximum). Under this prior rating system, bridges with a CR rating greater than 5.8 are in good condition, and generally require preventive and corrective maintenance actions; bridges receiving a rating between 4.9 (inclusive) and 5.8 (inclusive) are in fair protective condition, and generally require relatively minor preventive and corrective maintenance actions; those rated between 4.4 (inclusive) and 4.9 are in fair corrective condition, and generally require moderate preventive and corrective maintenance actions; and bridges assigned a rating less than 4.4 are considered to be in poor condition, and generally require major rehabilitation or replacement. Refer to the Required Supplementary Information (RSI) for additional information regarding infrastructure assets using the modified approach. Pavement condition rating parameters for the current year are between 6.7 and 7.2. Using the new criteria to identify Structurally Deficient bridges, it is the State's intention to maintain the percentage of SD bridges at or below 15 percent of the State highway bridge population. Previously, it was the State's intention to maintain the bridges at an average condition rating level of between 5.3 and 5.6. Capital spending for highway and bridge maintenance and preservation projects was approximately \$1.5 billion in 2021.

The State's 2021-22 fiscal year capital budget calls for it to spend \$15.9 billion for capital projects, of which \$7.5 billion is for transportation projects. To pay for these capital projects, the State plans to use \$213 million in general obligation bond proceeds, \$9.8 billion in other financing arrangements with public authorities, \$2.7 billion in federal funds, and \$3.2 billion in funds on hand or received during the year. More detailed information about the State's capitalization policy for capital assets is presented in Note 1 of the Notes to the Basic Financial Statements. For further information on capital asset balances, refer to Note 5.

### **Debt Administration**

The State has obtained long-term financing in the form of voter-approved General Obligation debt (voter-approved debt) and other obligations that are authorized by legislation but not approved by the voters (non-voter-approved debt), including lease-purchase and contractual obligations where the State's legal obligation to make payments is subject to and paid from annual appropriations made by the Legislature or from assignment of revenue in the case of Tobacco Settlement Revenue Bonds. Equipment capital leases and mortgage loan commitments, which represent \$524 million as of March 31, 2021, do not require legislative or voter approval. Other obligations include certain bonds issued through State public authorities and certificates of participation. The State administers its long-term financing needs as a single portfolio of State-supported debt that includes general obligation bonds and other obligations of both its governmental activities and business-type activities. Most of the debt reported under business-type activities, all of which was issued for capital assets used in those activities, is supported by payments from resources generated by the State's governmental activities—thus it is not expected to be directly repaid from resources generated by business-type activities. The State Finance Law allows the bonded portion of this single combined debt portfolio, which includes debt reported in both governmental and business-type activities, to include debt instruments which result in a net variable rate exposure in an amount that does not exceed 15 percent of total outstanding State-supported debt, and interest rate exchange agreements (swaps) that do not exceed 15 percent of total outstanding State-supported debt. At March 31, 2021, the State had \$90 million in State-supported net variable rate bonds outstanding and \$891 million in interest rate exchange agreements, in which the State issues variable rate bonds and enters into a swap agreement that effectively converts the rate to a fixed rate. Risks related to these transactions are explained in Note 7.

At March 31, 2021, variable rate bonds, net of those subject to the fixed rate swaps, were equal to 0.2 percent of the State-supported debt portfolio. Variable rate bonds that were converted to a synthetic



fixed rate through swap agreements of \$891 million were equal to 1.5 percent of the total State-supported debt portfolio.

At March 31, 2021, the State had \$66.5 billion in bonds, notes, and other financing agreements outstanding compared with \$60.9 billion in the prior year, an increase of \$5.6 billion as shown below in Table 5.

**Table 5**  
**Outstanding Debt as of March 31, 2021 and 2020**  
**(Amounts in millions)**

	Governmental Activities		Business-Type Activities*		Total Primary Government	
	2021	2020	2021	2020	2021	2020
State-supported debt as defined by the State Finance Law:						
General obligation bonds (voter-approved).....	\$ 2,170	\$ 2,131	\$ -	\$ -	\$ 2,170	\$ 2,131
Other financing arrangements .....	42,217	37,710	14,362	14,339	56,579	52,049
Municipal Bond Bank						
Agency (MBBA) Special Purpose School Aid bonds ....	68	104	-	-	68	104
Capital lease obligations.....	28	26	435	466	463	492
Mortgage loan commitments...	-	-	61	63	61	63
Other long-term debt.....	-	-	102	88	102	88
Unamortized bond premiums (discounts) .....	5,714	4,710	1,316	1,309	7,030	6,019
<b>Totals.....</b>	<b>\$ 50,197</b>	<b>\$ 44,681</b>	<b>\$ 16,276</b>	<b>\$ 16,265</b>	<b>\$ 66,473</b>	<b>\$ 60,946</b>

\*As of June 30, 2020 and 2019 for SUNY and CUNY activities

In addition to the debt outlined above, the State reported \$2.1 billion in collateralized borrowings (\$283 million in governmental activities and \$1.8 billion in business-type activities) for which specific revenues have been pledged. In the prior year, the State reported \$1.7 billion in collateralized borrowings (\$308 million in governmental activities and \$1.4 billion in business-type activities).

During the 12-month period reported, the State issued \$16.1 billion in bonds, of which \$2.2 billion was for refunding and \$13.9 billion was for new borrowing (Table 6). For additional information related to

outstanding debt, see Note 7 of the Notes to the Basic Financial Statements. See Note 16 for State debt issued subsequent to the reporting period.

**Table 6**  
**New Debt Issued During Prior 12-Month Period**  
**(Amounts in millions)**

	Governmental Activities		Business-Type Activities*		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Voter-approved debt:</b>						
General obligation:						
New issues .....	\$ 180	\$ -	\$ -	\$ -	\$ 180	\$ -
Refunding issues.....	454	914	-	-	454	914
<b>Total voter-approved debt .....</b>	<b>634</b>	<b>914</b>	<b>-</b>	<b>-</b>	<b>634</b>	<b>914</b>
<b>Non-voter-approved debt:</b>						
Other financing arrangements:						
New issues .....	12,406	4,013	1,358	400	13,764	4,413
Refunding issues.....	1,325	1,252	395	508	1,720	1,760
<b>Total non-voter-approved debt .</b>	<b>13,731</b>	<b>5,265</b>	<b>1,753</b>	<b>908</b>	<b>15,484</b>	<b>6,173</b>
<b>Totals .....</b>	<b>\$ 14,365</b>	<b>\$ 6,179</b>	<b>\$ 1,753</b>	<b>\$ 908</b>	<b>\$ 16,118</b>	<b>\$ 7,087</b>

\*As of June 30, 2020 and 2019 for SUNY and CUNY activities

The State's assigned general obligation bond ratings on March 31, 2021 were as follows: AA+ by Standard & Poor's Investor Services (S&P), Aa2 by Moody's Investor Service, Inc., and AA+ by Fitch Investor Service. The State Constitution, with exceptions for emergencies, limits the amount of general obligation bonds that can be issued to that amount approved by the voters for a single work or purpose in a general election. Currently, the State has \$2.2 billion in authorized but unissued bond capacity that can be used to issue bonds for specifically approved purposes. The State may issue short-term debt without voter approval in anticipation of the receipt of taxes and revenues or proceeds from duly authorized but not issued general obligation bonds. For detailed information related to general obligation bonds, refer to Note 6.

The State Finance Law, through the Debt Reform Act of 2000 (the Act), also imposes phased-in caps on the issuance of new State-supported debt and related debt service costs. The Act also limits the use of debt to capital works and purposes, and establishes a maximum term length for repayment of 30 years. The Act applies to all State-supported debt. The Act does not apply to debt issued prior to April 1, 2000 or to other obligations issued by public authorities where the State is not the direct obligor.

State legislation authorized in connection with the Enacted Budgets for the 2020-21 and 2021-22 fiscal years suspended the Debt Reform Act as part of the State response to the COVID-19 pandemic. Accordingly, any State-supported debt issued in 2020-21 and 2021-22 is not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service.

## ECONOMIC FACTORS AFFECTING THE STATE

In February 2020, the longest economic expansion in recorded U.S. history ended and the national economy went into recession. As a result of the COVID-19 pandemic and the limits on economic activity that were put in place, real gross domestic product (GDP) nationally decreased by 3.5 percent in 2020. As a result of the early impact of the pandemic in New York, the State's economy was more adversely impacted: real Gross State Product (GSP) decreased more sharply at 5.9 percent, the 4th steepest decline among the 50 states. While GSP declined in nearly all industry sectors in 2020, the largest was the leisure and hospitality sector, whose production value decreased 44.8 percent from 2019. Offsetting a portion of the overall decline were gains in the information and utilities industries.

Job losses occurred at both the national and state levels. The nation lost nearly 9 million jobs, a decrease of 6.1 percent. Employment declined at a faster pace in New York at 10.0 percent, a loss of over 955,000 jobs. All regions of the State experienced job losses with the largest declines in New York City and Long Island, 11.1 percent and 10.1 percent, respectively. The Capital Region realized the least employment decline, 7.8 percent.

Along with fewer jobs in 2020, New York's labor force declined by nearly 218,000 persons. As a result, the labor force participation rate of New York's civilian population decreased to 59.6 percent, its lowest level since 1984.

Despite the pandemic, total wages, which are influenced by employment levels as well as the amounts paid to workers, increased nationally in 2020 by 1.5 percent, while wages in New York decreased slightly by 0.8 percent. Both nationally and in New York, average annual wages earned by workers realized stronger gains, increasing by 10.3 percent and 8.1 percent, respectively. The industry in New York with the highest percentage growth in average annual wages in 2020 was information (13.5 percent), while the leisure and hospitality sector realized the lowest (3.1 percent).

The pandemic also caused a surge in claims for unemployment insurance (UI) benefits. Benefits paid under the regular State UI program in the fourth quarter of 2019 totaled \$530 million. By the second quarter of 2020, benefits paid under the regular State UI program had grown to \$6.5 billion. Although claims have continued to decline since that peak, they remained nearly three times higher than the pre-pandemic level at \$1.6 billion in the first quarter of 2021.

The securities industry in New York City is an important contributor to State and City revenues due to its large share of high-paid jobs and often large bonuses. Industrywide, profits increased by 81 percent in 2020 and the average bonus in the securities industry in New York City increased by an estimated 10 percent. However, finance and insurance industry employment in the City decreased by over 5,700 jobs in 2020.

New York State's population rose by an estimated 823,000 from 2010 to 2020, according to U.S. Census Bureau figures. This 4.2 percent increase was below the national average of 7.6 percent.

## CONTACTING THE STATE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to show the State's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the State Comptroller's Communications Office at 110 State Street, 15<sup>th</sup> Floor, Albany, New York 12236 or visit our website at [www.osc.state.ny.us](http://www.osc.state.ny.us).

# *Basic Financial Statements*

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## STATE OF NEW YORK

## Statement of Net Position

March 31, 2021

(Amounts in millions)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Cash and investments.....	\$ 40,419	\$ 9,056	\$ 49,475	\$ 60,645
Receivables, net of allowances for uncollectibles:				
Taxes.....	21,798	-	21,798	-
Due from Federal government.....	10,279	1,144	11,423	-
Loans, leases and notes.....	-	-	-	49,252
Other.....	4,609	4,546	9,155	4,011
Internal balances.....	(597)	958	361	-
Net pension asset.....	-	23	23	15
Net other postemployment benefits asset.....	-	3	3	-
Other assets.....	638	190	828	5,300
Capital assets:				
Land, infrastructure and construction in progress.....	85,166	3,698	88,864	23,705
Buildings, equipment, land improvements and infrastructure, net of depreciation.....	6,292	15,062	21,354	89,681
Intangible assets, net of amortization.....	587	168	755	711
Derivative instruments.....	-	-	-	1
<b>Total assets.....</b>	<b>169,191</b>	<b>34,848</b>	<b>204,039</b>	<b>233,321</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>16,949</b>	<b>3,777</b>	<b>20,726</b>	<b>8,067</b>
<b>LIABILITIES:</b>				
Tax refunds payable.....	11,115	-	11,115	-
Accounts payable.....	816	817	1,633	692
Accrued liabilities.....	14,568	3,468	18,036	20,993
Payable to local governments.....	8,754	-	8,754	-
Interest payable.....	156	158	314	-
Pension contributions payable.....	42	23	65	93
Unearned revenues.....	6,885	931	7,816	2,780
Derivative instruments.....	-	-	-	39
Long-term liabilities:				
Due within one year.....	4,386	1,206	5,592	6,999
Due in more than one year:				
Tax refunds payable.....	1,364	-	1,364	-
Accrued liabilities.....	5,009	1,418	6,427	474
Payable to local governments.....	1,010	-	1,010	-
Due to Federal government.....	500	10,672	11,172	-
Lottery prizes payable.....	-	1,003	1,003	-
Pension contributions payable.....	92	72	164	-
Net pension liability.....	11,582	2,279	13,861	9,147
Other postemployment benefits.....	60,284	17,577	77,861	26,114
Pollution remediation.....	906	-	906	124
Collateralized borrowings.....	268	1,888	2,156	-
Obligations under lease/purchase and other financing arrangements.....	44,797	15,610	60,407	-
Notes payable.....	-	-	-	551
Bonds payable.....	2,090	-	2,090	114,109
Other long-term liabilities.....	-	-	-	12,039
Derivative instruments.....	84	52	136	828
<b>Total liabilities.....</b>	<b>174,708</b>	<b>57,174</b>	<b>231,882</b>	<b>194,982</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>4,103</b>	<b>2,376</b>	<b>6,479</b>	<b>4,717</b>
<b>NET POSITION:</b>				
Net investment in capital assets.....	72,568	1,456	74,024	43,675
Restricted for:				
Debt service.....	4,141	71	4,212	2,282
Higher education, research and patient care.....	-	1,224	1,224	3,771
Environmental projects and energy programs.....	125	-	125	9,441
Economic development, housing and transportation.....	419	-	419	2,311
Insurance and administrative requirements.....	4,255	-	4,255	2,761
Future lottery prizes.....	-	331	331	-
Pensions.....	-	58	58	-
Other government programs.....	2,365	-	2,365	-
Unrestricted deficits.....	(76,544)	(24,065)	(100,609)	(22,552)
<b>Total net position.....</b>	<b>\$ 7,329</b>	<b>\$ (20,925)</b>	<b>\$ (13,596)</b>	<b>\$ 41,689</b>

See accompanying notes to the basic financial statements.



STATE OF NEW YORK

Statement of Activities

For the Year Ended March 31, 2021  
(Amounts in millions)

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Component Units
						Business-Type Activities	Total	
<b>Primary Government:</b>								
<b>Governmental activities:</b>								
Education.....	\$ 36,092	\$ 574	\$ 3,703	\$ -	\$ (31,815)	\$ -	\$ (31,815)	\$ -
Public health.....	88,501	15,118	55,502	-	(17,881)	-	(17,881)	-
Public welfare.....	18,342	1,401	17,767	-	826	-	826	-
Public safety.....	9,795	126	1,960	56	(7,653)	-	(7,653)	-
Transportation.....	12,878	1,676	555	1,324	(9,323)	-	(9,323)	-
Environment and recreation.....	1,601	261	45	-	(1,295)	-	(1,295)	-
Support and regulate business.....	2,200	1,467	39	-	(694)	-	(694)	-
General government.....	26,748	5,660	221	-	(20,867)	-	(20,867)	-
Interest on long-term debt.....	965	-	39	-	(926)	-	(926)	-
<b>Total governmental activities.....</b>	<b>197,122</b>	<b>26,283</b>	<b>79,831</b>	<b>1,380</b>	<b>(89,628)</b>	<b>-</b>	<b>(89,628)</b>	<b>-</b>
<b>Business-Type activities:</b>								
Lottery.....	5,726	8,595	-	-	-	2,869	2,869	-
Unemployment insurance.....	72,957	-	2,702	58,520	-	(11,735)	(11,735)	-
State University of New York.....	13,122	5,449	2,675	53	-	(4,945)	(4,945)	-
City University of New York.....	4,022	678	1,324	-	-	(2,020)	(2,020)	-
<b>Total business-type activities.....</b>	<b>95,827</b>	<b>14,722</b>	<b>6,701</b>	<b>58,573</b>	<b>-</b>	<b>(15,831)</b>	<b>(15,831)</b>	<b>-</b>
<b>Total primary government.....</b>	<b>\$ 292,949</b>	<b>\$ 41,005</b>	<b>\$ 86,532</b>	<b>\$ 59,953</b>	<b>(89,628)</b>	<b>(15,831)</b>	<b>(105,459)</b>	<b>-</b>
<b>Total component units.....</b>	<b>\$ 41,553</b>	<b>\$ 17,486</b>	<b>\$ 10,876</b>	<b>\$ 3,885</b>	<b>-</b>	<b>-</b>	<b>(9,306)</b>	<b>-</b>
General revenues:								
Taxes:								
Personal income.....					61,090	-	61,090	-
Consumption and use.....					16,733	-	16,733	-
Business.....					10,136	-	10,136	-
Other.....					4,424	-	4,424	-
Grants and contributions not restricted to specific programs.....					-	-	-	6,453
Investment earnings.....					651	208	859	1,528
Miscellaneous.....					9,475	505	9,980	3,269
<b>Total general revenues.....</b>					<b>102,509</b>	<b>713</b>	<b>103,222</b>	<b>11,250</b>
Transfers.....					(5,244)	2,568	(2,676)	-
<b>Total general revenues and transfers.....</b>					<b>97,265</b>	<b>3,281</b>	<b>100,546</b>	<b>11,250</b>
<b>Change in net position.....</b>					<b>7,637</b>	<b>(12,550)</b>	<b>(4,913)</b>	<b>1,944</b>
<b>Net position - beginning of year, as restated.....</b>					<b>(308)</b>	<b>(8,375)</b>	<b>(8,683)</b>	<b>39,745</b>
<b>Net position - end of year.....</b>					<b>\$ 7,329</b>	<b>\$ (20,925)</b>	<b>\$ (13,596)</b>	<b>\$ 41,689</b>

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

Balance Sheet  
Governmental Funds

March 31, 2021

(Amounts in millions)

	Major Funds				Eliminations	Total
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds		
<b>ASSETS:</b>						
Cash and investments.....	\$ 19,110	\$ 5,890	\$ 3,723	\$ 11,696	\$ -	\$ 40,419
Receivables, net of allowances for uncollectibles:						
Taxes.....	10,674	-	9,452	1,672	-	21,798
Due from Federal government.....	-	9,853	4	580	-	10,437
Other.....	2,067	783	-	1,759	-	4,609
Due from other funds.....	7,395	82	-	1,363	(7,994)	846
Other assets.....	355	188	-	95	-	638
<b>Total assets.....</b>	<b>\$ 39,601</b>	<b>\$ 16,796</b>	<b>\$ 13,179</b>	<b>\$ 17,165</b>	<b>\$ (7,994)</b>	<b>\$ 78,747</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ 6,295	\$ -	\$ 3,923	\$ 897	\$ -	\$ 11,115
Accounts payable.....	568	55	-	193	-	816
Accrued liabilities.....	6,184	5,135	8	237	-	11,564
Payable to local governments.....	4,372	3,479	593	310	-	8,754
Due to other funds.....	802	809	4,743	2,235	(7,994)	595
Pension contributions payable.....	42	-	-	-	-	42
Unearned revenues.....	142	6,741	-	2	-	6,885
<b>Total liabilities.....</b>	<b>18,405</b>	<b>16,219</b>	<b>9,267</b>	<b>3,874</b>	<b>(7,994)</b>	<b>39,771</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>858</b>	<b>577</b>	<b>305</b>	<b>410</b>	<b>-</b>	<b>2,150</b>
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	4,922	-	3,386	1,107	-	9,415
Committed.....	8,061	-	221	8,728	-	17,010
Assigned.....	7,355	-	-	4,189	-	11,544
Unassigned.....	-	-	-	(1,143)	-	(1,143)
<b>Total fund balances.....</b>	<b>20,338</b>	<b>-</b>	<b>3,607</b>	<b>12,881</b>	<b>-</b>	<b>36,826</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 39,601</b>	<b>\$ 16,796</b>	<b>\$ 13,179</b>	<b>\$ 17,165</b>	<b>\$ (7,994)</b>	<b>\$ 78,747</b>

See accompanying notes to the basic financial statements.

**STATE OF NEW YORK**

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**Reconciliation of the Balance Sheet - Governmental  
Funds to the Statement of Net Position**

**March 31, 2021**

(Amounts in millions)

**Total fund balances - governmental funds** **\$ 36,826**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 92,045

Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, are deferred in the funds. 1,997

Deferred inflows of resources related to derivative instruments and deferred gains on refundings of bonds payable and obligations under lease/purchase and other financing arrangements are not reported in the funds. (197)

Deferred inflows of resources related to pension and other postemployment benefits are not reported in the funds. (3,753)

Medicaid cost recoveries are not available soon enough to reduce current period expenditures that are due to the Federal government. (158)

Deferred outflows of resources related to derivative instruments and deferred losses on refundings of bonds payable and obligations under lease/purchase and other financing arrangements are not reported in the funds. 302

Deferred outflows of resources related to pension and other postemployment benefits are not reported in the funds. 16,647

Some liabilities (listed below) are not due and payable in the current period and therefore are not reported in the funds:

Interest payable	(156)
Due to business-type activities	(848)
Claimant liability for escheated property	(3,004)
Long-term liabilities due within one year	(4,386)
Tax refunds payable	(1,364)
Accrued liabilities	(5,009)
Payable to local governments	(1,010)
Due to Federal government	(500)
Pension contributions payable	(92)
Net pension liability	(11,582)
Other postemployment benefits	(60,284)
Pollution remediation	(906)
Collateralized borrowings	(268)
Obligations under lease/purchase and other financing arrangements	(44,797)
Bonds payable	(2,090)
Derivative instruments	(84)

**Total net position - governmental activities** **\$ 7,329**

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

**Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds**
**Year Ended March 31, 2021**  
(Amounts in millions)

	Major Funds			Other Governmental Funds	Eliminations	Total
	General	Federal Special Revenue	General Debt Service			
<b>REVENUES:</b>						
Taxes:						
Personal income.....	\$ 26,540	\$ -	\$ 32,123	\$ 2,268	\$ -	\$ 60,931
Consumption and use.....	7,219	-	3,524	6,042	-	16,785
Business.....	7,186	-	-	2,738	-	9,924
Other.....	1,642	-	2	2,810	-	4,454
Federal grants.....	-	79,061	35	1,886	-	80,982
Public health/patient fees.....	-	-	-	5,423	-	5,423
Tobacco settlement.....	-	-	-	478	-	478
Miscellaneous.....	25,534	94	24	4,838	-	30,490
<b>Total revenues.....</b>	<b>68,121</b>	<b>79,155</b>	<b>35,708</b>	<b>26,483</b>	<b>-</b>	<b>209,467</b>
<b>EXPENDITURES:</b>						
Local assistance grants:						
Education.....	26,276	3,441	-	5,864	-	35,581
Public health.....	23,157	49,037	-	6,148	-	78,342
Public welfare.....	2,764	11,940	-	1,046	-	15,750
Public safety.....	215	2,060	-	190	-	2,465
Transportation.....	110	64	-	9,008	-	9,182
Environment and recreation.....	18	1	-	228	-	247
Support and regulate business.....	144	7	-	1,097	-	1,248
General government.....	1,616	4,226	-	739	-	6,581
State operations:						
Personal service.....	7,594	2,832	-	201	-	10,627
Non-personal service.....	16,252	1,643	67	1,665	-	19,627
Pension contributions.....	2,603	322	-	31	-	2,956
Other fringe benefits.....	3,129	1,253	-	72	-	4,454
Capital construction.....	-	-	-	5,952	-	5,952
Debt service, including payments on financing arrangements.....	-	144	5,722	389	-	6,255
<b>Total expenditures.....</b>	<b>83,878</b>	<b>76,970</b>	<b>5,789</b>	<b>32,630</b>	<b>-</b>	<b>199,267</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(15,757)</b>	<b>2,185</b>	<b>29,919</b>	<b>(6,147)</b>	<b>-</b>	<b>10,200</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds.....	36,053	-	2,127	10,818	(44,902)	4,096
Transfers to other funds.....	(11,814)	(2,186)	(30,572)	(9,760)	44,902	(9,430)
General obligation bonds issued.....	-	-	-	180	-	180
Financing arrangements issued.....	-	-	-	8,029	-	8,029
Refunding debt issued.....	-	-	1,698	80	-	1,778
Payments to escrow agents for refundings.....	-	-	(664)	-	-	(664)
Premiums/discounts on bonds issued.....	118	-	217	1,325	-	1,660
<b>Net other financing sources (uses).....</b>	<b>24,357</b>	<b>(2,186)</b>	<b>(27,194)</b>	<b>10,672</b>	<b>-</b>	<b>5,649</b>
<b>Net change in fund balances.....</b>	<b>8,600</b>	<b>(1)</b>	<b>2,725</b>	<b>4,525</b>	<b>-</b>	<b>15,849</b>
<b>Fund balances at April 1, 2020, as restated.....</b>	<b>11,738</b>	<b>1</b>	<b>882</b>	<b>8,356</b>	<b>-</b>	<b>20,977</b>
<b>Fund balances at March 31, 2021.....</b>	<b>\$ 20,338</b>	<b>\$ -</b>	<b>\$ 3,607</b>	<b>\$ 12,881</b>	<b>\$ -</b>	<b>\$ 36,826</b>

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities

**Year Ended March 31, 2021**

(Amounts in millions)

**Net change in fund balances - total governmental funds** **\$ 15,849**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds and the sale of capital assets is recorded as revenue in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Depreciation expense, net of asset disposal	\$ (570)	
Disposal of assets	(151)	
Purchase of assets	<u>1,554</u>	833

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:

Repayment of principal	\$ 5,317	
Long-term debt proceeds	(11,647)	
Payments to escrow agents for refundings	<u>664</u>	(5,666)

Increase in revenues in the statement of activities that do not reduce current financial resources and are not reported in the funds. 549

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Local assistance grants	\$ (655)	
State operations	(6,111)	
Capital construction	2,748	
Transfers to business-type activities	<u>90</u>	<u>(3,928)</u>

**Change in net position of governmental activities** **\$ 7,637**

See accompanying notes to the basic financial statements.



## STATE OF NEW YORK

Statement of Net Position  
Enterprise FundsMarch 31, 2021  
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2020		Total
			SUNY	CUNY	
<b>ASSETS:</b>					
<b>Current assets:</b>					
Cash and cash equivalents.....	\$ 765	\$ 615	\$ 2,610	\$ 803	\$ 4,793
Investments.....	112	-	520	68	700
Deposits with trustees and DASNY.....	-	-	320	229	549
Due from Federal government.....	-	1,144	-	-	1,144
Receivables, net of allowance for uncollectibles.....	493	2,183	1,470	279	4,425
Due from other funds.....	-	-	178	352	530
Other assets.....	12	-	109	14	135
<b>Total current assets.....</b>	<b>1,382</b>	<b>3,942</b>	<b>5,207</b>	<b>1,745</b>	<b>12,276</b>
<b>Noncurrent assets:</b>					
Restricted cash and cash equivalents.....	-	-	131	7	138
Long-term investments.....	1,151	-	1,119	313	2,583
Deposits with trustees.....	-	-	233	60	293
Receivables, net of allowance for uncollectibles.....	-	-	114	7	121
Due from other funds.....	-	-	819	-	819
Net pension asset.....	-	-	23	-	23
Net other postemployment benefits asset.....	-	-	-	3	3
<b>Capital assets:</b>					
Land, construction in progress and artwork.....	-	-	2,137	1,561	3,698
Buildings and equipment, net of depreciation.....	-	-	11,596	3,466	15,062
Intangible assets, net of amortization.....	-	-	-	168	168
Other assets.....	-	-	54	1	55
<b>Total noncurrent assets.....</b>	<b>1,151</b>	<b>-</b>	<b>16,226</b>	<b>5,586</b>	<b>22,963</b>
<b>Total assets.....</b>	<b>2,533</b>	<b>3,942</b>	<b>21,433</b>	<b>7,331</b>	<b>35,239</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension activities.....	9	-	1,028	55	1,092
Other postemployment benefits activities.....	10	-	2,101	338	2,449
Derivative activities.....	-	-	-	52	52
Deferred loss on refunding.....	-	-	104	70	174
Other.....	-	-	10	-	10
<b>Total deferred outflows of resources.....</b>	<b>19</b>	<b>-</b>	<b>3,243</b>	<b>515</b>	<b>3,777</b>
<b>LIABILITIES:</b>					
<b>Current liabilities:</b>					
Accounts payable.....	7	-	544	266	817
Accrued liabilities.....	464	1,590	1,246	497	3,797
Due to Federal government.....	-	-	-	-	-
Pension contributions payable.....	-	-	23	-	23
Lottery prizes payable.....	137	-	-	-	137
Due to other funds.....	359	-	32	-	391
Interest payable.....	-	-	78	80	158
Unearned revenues.....	10	-	734	187	931
Collateralized borrowing.....	-	-	74	-	74
Obligations under lease/purchase and other financing arrangements.....	-	-	388	278	666
<b>Total current liabilities.....</b>	<b>977</b>	<b>1,590</b>	<b>3,119</b>	<b>1,308</b>	<b>6,994</b>
<b>Noncurrent liabilities:</b>					
Accrued liabilities.....	-	-	1,293	125	1,418
Due to Federal government.....	-	10,672	-	-	10,672
Pension contributions payable.....	-	-	72	-	72
Net pension liability.....	12	-	1,584	683	2,279
Other postemployment benefits.....	75	-	15,531	1,971	17,577
Lottery prizes payable.....	1,003	-	-	-	1,003
Collateralized borrowing.....	-	-	1,888	-	1,888
Obligations under lease/purchase and other financing arrangements.....	-	-	10,819	4,791	15,610
Derivative instruments.....	-	-	-	52	52
<b>Total noncurrent liabilities.....</b>	<b>1,090</b>	<b>10,672</b>	<b>31,187</b>	<b>7,622</b>	<b>50,571</b>
<b>Total liabilities.....</b>	<b>2,067</b>	<b>12,262</b>	<b>34,306</b>	<b>8,930</b>	<b>57,565</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Pension activities.....	-	-	123	177	300
Other postemployment benefits activities.....	4	-	1,734	306	2,044
Other.....	-	-	32	-	32
<b>Total deferred inflows of resources.....</b>	<b>4</b>	<b>-</b>	<b>1,889</b>	<b>483</b>	<b>2,376</b>
<b>NET POSITION:</b>					
Net investment in capital assets.....	-	-	1,135	321	1,456
Restricted for:					
Nonexpendable purposes:					
Instruction and departmental research.....	-	-	295	-	295
Scholarships, fellowships and general education support....	-	-	133	-	133
Investments.....	-	-	-	52	52
General operations and other.....	-	-	141	-	141
Expendable purposes:					
Instruction and departmental research.....	-	-	130	-	130
Scholarships, fellowships and general education support....	-	-	63	136	199
Loans.....	-	-	-	7	7
Debt service.....	-	-	-	71	71
General operations and other.....	-	-	183	84	267
Unemployment benefits.....	-	-	-	-	-
Future prizes.....	331	-	-	-	331
Pensions.....	-	-	58	-	58
Unrestricted (deficit).....	150	(8,320)	(13,657)	(2,238)	(24,065)
<b>Total net position.....</b>	<b>\$ 481</b>	<b>\$ (8,320)</b>	<b>\$ (11,519)</b>	<b>\$ (1,567)</b>	<b>\$ (20,925)</b>

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

**Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Enterprise Funds**

Year Ended March 31, 2021

(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2020		Total
			SUNY	CUNY	
<b>OPERATING REVENUES:</b>					
Ticket and video gaming sales.....	\$ 8,595	\$ -	\$ -	\$ -	\$ 8,595
Employer contributions.....	-	2,702	-	-	2,702
Tuition and fees, net.....	-	-	1,699	673	2,372
Government grants and contracts.....	-	-	1,240	607	1,847
Private gifts, grants and contracts.....	-	-	422	140	562
Hospitals and clinics.....	-	-	3,145	-	3,145
Auxiliary enterprises.....	-	-	605	5	610
Other.....	-	10	253	30	293
<b>Total operating revenues.....</b>	<b>8,595</b>	<b>2,712</b>	<b>7,364</b>	<b>1,455</b>	<b>20,126</b>
<b>OPERATING EXPENSES:</b>					
Benefits paid.....	-	72,955	-	-	72,955
Prizes.....	4,414	-	-	-	4,414
Commissions and fees.....	1,040	-	-	-	1,040
Educational and general.....	-	-	7,283	3,600	10,883
Hospitals and clinics.....	-	-	3,918	-	3,918
Auxiliary enterprises.....	-	-	657	1	658
Instant game ticket costs.....	21	-	-	-	21
Depreciation and amortization.....	-	-	685	235	920
Other.....	108	2	40	-	150
<b>Total operating expenses.....</b>	<b>5,583</b>	<b>72,957</b>	<b>12,583</b>	<b>3,836</b>	<b>94,959</b>
<b>Operating income (loss).....</b>	<b>3,012</b>	<b>(70,245)</b>	<b>(5,219)</b>	<b>(2,381)</b>	<b>(74,833)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment earnings.....	50	7	118	25	200
Other income (expenses), net.....	9	-	(8)	39	40
Private gifts, grants, and contracts.....	-	-	126	5	131
Federal and city appropriations.....	-	-	20	75	95
Federal and State nonoperating grants.....	-	58,520	993	502	60,015
Net increase (decrease) in the fair value of investments..	(94)	-	(29)	8	(115)
Plant and equipment write-off.....	-	-	(2)	-	(2)
Interest expense.....	(49)	-	(500)	(186)	(735)
<b>Total nonoperating revenues (expenses).....</b>	<b>(84)</b>	<b>58,527</b>	<b>718</b>	<b>468</b>	<b>59,629</b>
<b>Income (loss) before other revenues and transfers.....</b>	<b>2,928</b>	<b>(11,718)</b>	<b>(4,501)</b>	<b>(1,913)</b>	<b>(15,204)</b>
<b>TRANSFERS, CAPITAL CONTRIBUTIONS &amp; ADDITIONS TO PERMANENT ENDOWMENTS:</b>					
State transfers.....	689	-	3,454	1,391	5,534
Federal and State hospital support transfers.....	-	-	259	-	259
Education aid transfer.....	(3,591)	-	-	-	(3,591)
Capital transfers.....	-	-	25	341	366
Capital gifts and grants.....	-	-	53	-	53
Additions to permanent endowments.....	-	-	33	-	33
<b>Increase (decrease) in net position.....</b>	<b>26</b>	<b>(11,718)</b>	<b>(677)</b>	<b>(181)</b>	<b>(12,550)</b>
<b>Net position - beginning of year.....</b>	<b>455</b>	<b>3,398</b>	<b>(10,842)</b>	<b>(1,386)</b>	<b>(8,375)</b>
<b>Net position - end of year.....</b>	<b>\$ 481</b>	<b>\$ (8,320)</b>	<b>\$ (11,519)</b>	<b>\$ (1,567)</b>	<b>\$ (20,925)</b>

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

Statement of Cash Flows  
Enterprise FundsYear Ended March 31, 2021  
(Amounts in millions)

	Lottery	Unemployment Insurance Benefit	June 30, 2020		Total
			SUNY	CUNY	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from:					
Contributions.....	\$ -	\$ 1,531	\$ -	\$ -	\$ 1,531
Ticket sales.....	8,559	-	-	-	8,559
Tuition and fees.....	-	-	1,711	646	2,357
Government grants and contracts.....	-	-	1,072	539	1,611
Private grants and contracts.....	-	-	446	207	653
Hospitals and clinics.....	-	-	3,045	-	3,045
Auxiliary enterprises.....	-	-	609	5	614
Other.....	8	-	155	27	190
Payments for:					
Claims.....	-	(71,191)	-	-	(71,191)
Prizes.....	(4,575)	-	-	-	(4,575)
Commissions and fees.....	(1,076)	-	-	-	(1,076)
Operating expenses.....	(89)	-	(8,463)	(3,075)	(11,627)
Other.....	-	-	(316)	(322)	(638)
<b>Net cash provided (used) by operating activities.....</b>	<b>2,827</b>	<b>(69,660)</b>	<b>(1,741)</b>	<b>(1,973)</b>	<b>(70,547)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfer to education.....	(3,501)	-	-	-	(3,501)
Temporary loan from Federal government.....	-	10,820	-	1	10,821
Repayment of temporary loan from Federal government.....	-	(574)	-	-	(574)
Transfers from governmental activities.....	689	-	1,609	1,414	3,712
Federal and State nonoperating grants.....	-	57,905	767	497	59,169
Private gifts and grants.....	-	-	141	-	141
Gifts and grants.....	-	-	-	5	5
Proceeds from short-term loans.....	-	-	11	-	11
Repayment of short-term loans.....	-	-	(25)	-	(25)
Direct loan receipts.....	-	-	1,089	-	1,089
Direct loan disbursements.....	-	-	(1,089)	-	(1,089)
Enterprise fund transactions.....	-	-	(36)	38	2
<b>Net cash provided (used) by noncapital financing activities.....</b>	<b>(2,812)</b>	<b>68,151</b>	<b>2,467</b>	<b>1,955</b>	<b>69,761</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>					
Proceeds from capital debt.....	-	-	2,235	400	2,635
Capital transfers.....	-	-	27	341	368
Purchase of capital assets.....	-	-	(1,069)	(199)	(1,268)
Principal payments on capital leases.....	-	-	(1,545)	(187)	(1,732)
Principal payments on refunded bonds.....	-	-	-	(306)	(306)
Interest payments on capital leases.....	-	-	(551)	(274)	(825)
Capital gifts and grants received.....	-	-	39	-	39
Proceeds from sale of capital assets.....	-	-	2	-	2
Bond issuance cost.....	-	-	-	(5)	(5)
Deposits advanced from State.....	-	-	(116)	-	(116)
Deposits held by bond trustees and DASNY.....	-	-	279	338	617
Increase in amounts held by DASNY.....	-	-	-	3	3
Transfer to/from foundations.....	-	-	-	3	3
<b>Net cash provided (used) by capital financing activities.....</b>	<b>-</b>	<b>-</b>	<b>(699)</b>	<b>114</b>	<b>(585)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest, dividends and realized gains on investments.....	22	7	105	25	159
Proceeds from sales and maturities of investments.....	112	-	439	424	975
Purchases of investments.....	(20)	-	(590)	(430)	(1,040)
<b>Net cash provided (used) by investing activities.....</b>	<b>114</b>	<b>7</b>	<b>(46)</b>	<b>19</b>	<b>94</b>
<b>Net increase in cash and cash equivalents.....</b>	<b>129</b>	<b>(1,502)</b>	<b>(19)</b>	<b>115</b>	<b>(1,277)</b>
Cash and cash equivalents - beginning of year.....	636	2,117	2,760	695	6,208
<b>Cash and cash equivalents - end of year.....</b>	<b>\$ 765</b>	<b>\$ 615</b>	<b>\$ 2,741</b>	<b>\$ 810</b>	<b>\$ 4,931</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss).....	\$ 3,012	\$ (70,245)	\$ (5,219)	\$ (2,381)	\$ (74,833)
Adjustments to reconcile operating income (loss) to net cash provided (used) by nonoperating and noncash activities:					
Depreciation and amortization.....	-	-	685	235	920
Bad debt expense.....	-	-	-	27	27
Investment expense.....	(49)	-	-	-	(49)
Other nonoperating and noncash items.....	8	-	1,928	-	1,936
Change in assets and liabilities:					
Receivables, net.....	(37)	616	(113)	(71)	395
Other assets.....	-	(1,797)	(2,616)	-	(4,413)
Lottery prizes payable.....	(44)	-	-	-	(44)
Unclaimed and future prizes.....	(67)	-	-	-	(67)
Accrued liabilities.....	3	1,767	1,033	113	2,916
Pension contributions payable.....	(1)	-	-	-	(1)
Net pension liability.....	8	-	-	(46)	(38)
Other postemployment benefits.....	9	-	2,707	138	2,854
Unearned revenues.....	-	-	(146)	12	(134)
Other payables.....	-	(1)	-	-	(1)
Deferred outflows.....	(12)	-	-	-	(12)
Deferred inflows.....	(3)	-	-	-	(3)
<b>Net cash provided (used) by operating activities.....</b>	<b>\$ 2,827</b>	<b>\$ (69,660)</b>	<b>\$ (1,741)</b>	<b>\$ (1,973)</b>	<b>\$ (70,547)</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Unrealized gains (losses) on investments.....	\$ (94)	\$ -	\$ (17)	\$ 8	\$ (103)
Change in accounts payable attributable to capital assets.....	\$ -	\$ -	\$ -	\$ 9	\$ 9
Amortization of investment discount.....	\$ 28	\$ -	\$ -	\$ -	\$ 28
Noncash gifts.....	\$ -	\$ -	\$ 1	\$ -	\$ 1
Assets from Eastern Long Island Hospital affiliation.....	\$ -	\$ -	\$ 21	\$ -	\$ 21
Liabilities from Eastern Long Island Hospital affiliations.....	\$ -	\$ -	\$ 31	\$ -	\$ 31

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

## Statement of Fiduciary Net Position

## Fiduciary Funds

March 31, 2021

(Amounts in millions)

	Pension Trust	Private Purpose Trusts	Custodial Funds
<b>ASSETS:</b>			
Cash and investments.....	\$ -	\$ 40,740	\$ 1,693
Retirement system investments:			
Short-term investments.....	11,083	-	-
Domestic equities.....	90,264	-	-
Global fixed income.....	47,723	-	-
International equities.....	43,480	-	-
Private equities.....	29,470	-	-
Real estate and mortgage loans.....	18,692	-	-
Opportunistic/ARS investments.....	5,016	-	-
Real assets.....	3,930	-	-
Credit assets.....	8,478	-	-
Securities lending collateral, invested.....	16,923	-	-
Forward foreign exchange contracts.....	69	-	-
Receivables, net of allowances for uncollectibles:			
Employer contributions.....	929	-	-
Member contributions.....	6	-	-
Member loans.....	923	-	-
Accrued interest and dividends.....	347	-	-
Investment sales.....	332	-	-
Other.....	180	127	5
Other assets.....	532	-	-
<b>Total assets.....</b>	<b>278,377</b>	<b>40,867</b>	<b>1,698</b>
<b>LIABILITIES:</b>			
Securities lending obligations.....	16,931	-	-
Forward foreign exchange contracts.....	69	-	-
Accounts payable.....	-	-	3
Accounts payable - investments.....	673	-	-
Accounts payable - benefits.....	137	-	-
Other liabilities.....	486	139	-
Payable to local governments.....	-	-	1,405
<b>Total liabilities.....</b>	<b>18,296</b>	<b>139</b>	<b>1,408</b>
<b>NET POSITION:</b>			
Restricted for pension benefits and other purposes.....	260,081	-	-
Individuals, organizations, and other governments.....	-	40,728	290
<b>Total net position.....</b>	<b>\$ 260,081</b>	<b>\$ 40,728</b>	<b>\$ 290</b>

See accompanying notes to the basic financial statements.

## STATE OF NEW YORK

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

Year Ended March 31, 2021

(Amounts in millions)

	Pension Trust	Private Purpose Trusts	Custodial Funds
<b>Additions:</b>			
<b>Investment earnings:</b>			
Interest income.....	\$ 1,196	\$ 48	\$ -
Dividend income.....	1,557	816	-
Securities lending income.....	47	-	-
Other income.....	1,164	-	-
Net increase in the fair value of investments.....	67,602	3,786	-
<b>Total investment earnings.....</b>	<b>71,566</b>	<b>4,650</b>	<b>-</b>
Less:			
Securities lending expenses.....	(12)	-	-
Investment expenses.....	(904)	(65)	-
<b>Net investment earnings.....</b>	<b>70,650</b>	<b>4,585</b>	<b>-</b>
<b>Contributions:</b>			
College savings.....	-	3,745	-
NY ABLE savings.....	-	7	-
Employers.....	5,030	-	-
Members.....	1,365	-	-
Interest on accounts receivable.....	75	-	-
Other.....	41	-	-
<b>Total contributions.....</b>	<b>6,511</b>	<b>3,752</b>	<b>-</b>
<b>Collection of sales tax for other governments.....</b>	<b>-</b>	<b>-</b>	<b>16,594</b>
<b>Collection of real estate tax for other governments.....</b>	<b>-</b>	<b>-</b>	<b>3,927</b>
<b>Miscellaneous.....</b>	<b>-</b>	<b>-</b>	<b>469</b>
<b>Total additions.....</b>	<b>77,161</b>	<b>8,337</b>	<b>20,990</b>
<b>Deductions:</b>			
College aid redemptions.....	-	2,309	-
NY ABLE savings.....	-	2	-
Payments of sales tax to local governments.....	-	-	16,594
Payments of obligations on behalf of other governments.....	-	-	3,927
Payments to beneficiaries.....	-	-	224
Benefits paid:			
Retirement allowances.....	13,765	-	-
Death benefits.....	258	-	-
Other benefits.....	972	-	-
Administrative expenses.....	165	-	-
Other expenses.....	-	-	262
<b>Total deductions.....</b>	<b>15,160</b>	<b>2,311</b>	<b>21,007</b>
<b>Net increase (decrease) in net position.....</b>	<b>62,001</b>	<b>6,026</b>	<b>(17)</b>
<b>Net position restricted for pension benefits and other purposes at April 1, 2020, as restated.....</b>	<b>198,080</b>	<b>34,702</b>	<b>307</b>
<b>Net position restricted for pension benefits and other purposes at March 31, 2021.....</b>	<b>\$ 260,081</b>	<b>\$ 40,728</b>	<b>\$ 290</b>

See accompanying notes to the basic financial statements.



STATE OF NEW YORK

Combining Statement of Net Position  
Discretely Presented Component Units

March 31, 2021

(Amounts in millions)

	Major Component Units											Eliminations	Total
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONYMA	Environmental Facilities Corporation	Non-Major Component Units		
<b>ASSETS:</b>													
Cash and investments.....	\$ 1,504	\$ 2,716	\$ 1,286	\$ 11,299	\$ 8,562	\$ 1,540	\$ 4,941	\$ 20,048	\$ 3,228	\$ 2,555	\$ 9,321	\$ (6,345)	\$ 60,645
Receivables, net of allowances for uncollectibles:													
Loans, leases, and notes.....	129	16,203	-	-	52,991	-	15,639	-	2,885	10,448	1,002	(60,045)	48,252
Other.....	219	110	83	783	735	720	-	194	20	107	1,040	-	4,011
Net pension asset.....	-	-	-	-	-	-	-	-	-	-	15	-	15
Other assets.....	1,916	-	30	817	-	2,020	226	8	20	-	290	(27)	5,300
Capital assets:													
Construction in progress.....	791	-	191	21,775	-	734	-	-	-	-	214	-	23,705
Land, buildings and equipment, net of depreciation.....	5,241	-	7,451	59,120	33	9,580	4,977	-	-	-	3,279	-	89,681
Intangible assets.....	-	49	-	-	-	655	-	-	1	-	6	-	711
Derivative instruments.....	-	-	-	-	-	1	-	-	-	-	-	-	1
<b>Total assets.....</b>	<b>9,800</b>	<b>19,078</b>	<b>9,041</b>	<b>93,794</b>	<b>62,311</b>	<b>15,250</b>	<b>25,783</b>	<b>20,250</b>	<b>6,154</b>	<b>13,110</b>	<b>15,167</b>	<b>(66,417)</b>	<b>233,321</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>													
Pension activities.....	154	6	105	3,063	34	3	19	-	7	6	261	-	3,648
Other postemployment benefits activities.....	88	5	168	1,817	26	-	-	101	-	9	386	-	2,617
Derivative activities.....	2	-	-	494	-	33	59	-	44	-	16	-	648
Deferred loss on refunding.....	-	-	7	837	-	190	1	-	4	-	95	-	1,134
Other.....	17	-	3	-	-	-	-	-	-	-	-	-	20
<b>Total deferred outflows of resources.....</b>	<b>261</b>	<b>11</b>	<b>283</b>	<b>6,201</b>	<b>60</b>	<b>226</b>	<b>89</b>	<b>101</b>	<b>62</b>	<b>15</b>	<b>758</b>	<b>-</b>	<b>8,067</b>
<b>LIABILITIES:</b>													
Accounts payable.....	-	21	-	491	-	-	-	-	-	-	180	-	692
Accrued liabilities.....	484	209	350	4,018	1,853	734	355	11,967	83	212	1,737	(1,009)	20,993
Pension contributions payable.....	-	-	-	93	-	-	-	-	-	-	-	-	93
Unearned revenues.....	-	348	120	987	771	-	-	364	-	-	191	(1)	2,780
Notes payable.....	503	-	50	-	-	417	78	-	-	-	22	(1)	1,070
Bonds payable.....	-	653	145	1,543	4,085	286	1,177	-	135	324	189	(3,143)	5,366
Current portion of other long-term liabilities.....	50	-	-	48	5	334	88	-	-	-	38	-	563
Derivative instruments.....	-	-	-	4	-	35	-	-	-	-	-	-	39
Due in more than one year:													
Accrued liabilities.....	-	-	-	-	347	63	-	-	-	-	76	(12)	474
Net pension liability.....	203	8	132	8,359	40	3	25	-	11	8	358	-	9,147
Other postemployment benefits.....	198	39	1,181	21,117	229	-	150	871	43	48	2,238	-	26,114
Pollution remediation.....	-	-	-	123	-	-	-	-	-	-	1	-	124
Unearned revenues.....	-	39	-	-	-	-	-	-	-	-	265	-	304
Notes payable.....	45	-	-	-	-	-	484	-	-	-	22	-	551
Bonds payable.....	1,629	16,649	6,280	49,470	54,892	8,756	18,700	-	2,745	5,405	1,922	(52,339)	114,109
Other long-term liabilities.....	1,615	-	14	5,692	46	3,578	591	-	-	-	199	-	11,735
Derivative instruments.....	-	-	-	502	-	180	-	-	57	-	89	-	828
<b>Total liabilities.....</b>	<b>4,727</b>	<b>17,966</b>	<b>8,272</b>	<b>92,447</b>	<b>62,268</b>	<b>14,358</b>	<b>21,648</b>	<b>13,202</b>	<b>3,074</b>	<b>5,997</b>	<b>7,527</b>	<b>(56,504)</b>	<b>194,982</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>													
Pension activities.....	7	-	4	796	1	-	-	-	-	-	62	-	870
Other postemployment benefits activities.....	188	10	88	1,731	13	3	11	57	14	11	387	-	2,513
Derivative activities.....	13	-	-	-	-	-	59	-	-	-	-	-	72
Deferred gain on refunding.....	-	-	20	38	-	-	-	-	-	-	-	-	58
Other.....	383	-	-	-	-	577	237	-	-	-	7	-	1,204
<b>Total deferred inflows of resources.....</b>	<b>591</b>	<b>10</b>	<b>112</b>	<b>2,565</b>	<b>14</b>	<b>580</b>	<b>307</b>	<b>57</b>	<b>14</b>	<b>11</b>	<b>456</b>	<b>-</b>	<b>4,717</b>
<b>NET POSITION:</b>													
Net investment in capital assets.....	3,238	-	1,670	32,884	15	213	3,506	-	-	-	2,149	-	43,675
Restricted for:													
Debt service.....	-	739	97	480	62	137	-	-	696	-	71	-	2,282
Higher education, research and patient care.....	-	-	-	-	-	-	-	-	-	-	3,771	-	3,771
Environmental projects and energy programs.....	869	-	-	1,184	-	-	411	-	-	7,109	1,463	-	9,441
Economic development, housing and transportation.....	-	-	98	-	-	-	-	-	-	-	618	-	2,311
Insurance and administrative requirements.....	-	-	-	287	-	-	-	-	2,461	-	13	-	2,761
Unrestricted.....	636	374	(925)	(29,852)	12	188	-	7,092	(29)	8	(143)	87	(22,552)
<b>Total net position.....</b>	<b>\$ 4,743</b>	<b>\$ 1,113</b>	<b>\$ 940</b>	<b>\$ 4,993</b>	<b>\$ 89</b>	<b>\$ 538</b>	<b>\$ 3,917</b>	<b>\$ 7,092</b>	<b>\$ 3,128</b>	<b>\$ 7,117</b>	<b>\$ 7,942</b>	<b>\$ 87</b>	<b>\$ 41,689</b>

See accompanying notes to the basic financial statements.

STATE OF NEW YORK

Combining Statement of Activities  
Discretely Presented Component Units

Year Ended March 31, 2021  
(Amounts in millions)

	Major Component Units										Eliminations	Total		
	Power Authority	Housing Finance Agency	Thruway Authority	Metropolitan Transportation Authority	Dormitory Authority	Long Island Power Authority	Urban Development Corporation	State Insurance Fund	SONYMA	Environmental Facilities Corporation			Non-Major Component Units	
<b>EXPENSES:</b>														
Program operations.....	\$ 1,926	\$ 479	\$ 463	\$ 14,020	\$ 123	\$ 3,220	\$ 715	\$ 2,165	\$ 105	\$ 259	\$ 8,932	\$ (37)	\$ 32,370	
Interest on long-term debt.....	15	403	207	1,722	2,747	370	744	-	87	264	45	(2,322)	4,282	
Other interest.....	109	-	-	-	-	-	-	-	-	-	10	-	119	
Depreciation and amortization.....	258	-	356	3,011	-	421	56	-	-	-	208	-	4,310	
Other expenses.....	-	-	-	-	91	-	67	-	43	-	287	(16)	472	
<b>Total expenses.....</b>	<b>2,308</b>	<b>882</b>	<b>1,026</b>	<b>18,763</b>	<b>2,961</b>	<b>4,011</b>	<b>1,582</b>	<b>2,165</b>	<b>235</b>	<b>523</b>	<b>9,482</b>	<b>(2,375)</b>	<b>41,553</b>	
<b>PROGRAM REVENUES:</b>														
Charges for services.....	2,265	517	670	4,265	2,789	3,901	16	1,642	127	327	2,668	(1,701)	17,486	
Operating grants and contributions.....	-	1	1	4,824	-	-	1,649	-	-	120	4,935	(654)	10,876	
Capital grants and contributions.....	-	-	68	3,582	-	-	-	-	-	8	227	-	3,865	
<b>Total program revenues.....</b>	<b>2,265</b>	<b>518</b>	<b>739</b>	<b>12,671</b>	<b>2,789</b>	<b>3,901</b>	<b>1,665</b>	<b>1,642</b>	<b>127</b>	<b>455</b>	<b>7,830</b>	<b>(2,355)</b>	<b>32,247</b>	
<b>Net program revenue (expenses).....</b>	<b>(43)</b>	<b>(364)</b>	<b>(287)</b>	<b>(6,082)</b>	<b>(172)</b>	<b>(110)</b>	<b>83</b>	<b>(523)</b>	<b>(108)</b>	<b>(68)</b>	<b>(1,652)</b>	<b>20</b>	<b>(9,306)</b>	
<b>GENERAL REVENUES:</b>														
Non-State grants and contributions not restricted to specific programs.....	-	-	-	6,008	-	45	-	-	-	-	406	(6)	6,453	
Investment earnings:														
Restricted.....	-	21	-	-	3	-	-	1,130	57	71	69	(1)	1,350	
Unrestricted.....	23	-	4	-	-	48	2	-	-	-	103	(2)	178	
Miscellaneous.....	3	434	-	606	83	36	67	139	200	-	1,731	(30)	3,269	
<b>Total general revenues.....</b>	<b>26</b>	<b>455</b>	<b>4</b>	<b>6,614</b>	<b>86</b>	<b>129</b>	<b>69</b>	<b>1,269</b>	<b>257</b>	<b>71</b>	<b>2,309</b>	<b>(39)</b>	<b>11,250</b>	
<b>Change in net position.....</b>	<b>(17)</b>	<b>91</b>	<b>(283)</b>	<b>532</b>	<b>(86)</b>	<b>19</b>	<b>152</b>	<b>746</b>	<b>149</b>	<b>3</b>	<b>657</b>	<b>(19)</b>	<b>1,944</b>	
<b>Net position - beginning of year, as restated.....</b>	<b>4,760</b>	<b>1,022</b>	<b>1,223</b>	<b>4,451</b>	<b>175</b>	<b>519</b>	<b>3,765</b>	<b>6,346</b>	<b>2,979</b>	<b>7,114</b>	<b>7,285</b>	<b>106</b>	<b>39,745</b>	
<b>Net position - end of year.....</b>	<b>\$ 4,743</b>	<b>\$ 1,113</b>	<b>\$ 940</b>	<b>\$ 4,983</b>	<b>\$ 89</b>	<b>\$ 538</b>	<b>\$ 3,917</b>	<b>\$ 7,092</b>	<b>\$ 3,128</b>	<b>\$ 7,117</b>	<b>\$ 7,942</b>	<b>\$ 87</b>	<b>\$ 41,689</b>	

See accompanying notes to the basic financial statements.

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

### March 31, 2021

#### *NOTE 1 - Summary of Significant Accounting Policies*

The accompanying basic financial statements of the State of New York (State) have been prepared in conformity with generally accepted accounting principles (GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

The basic financial statements have been prepared primarily from accounts maintained by the State Comptroller. Additional data has been derived from reports prescribed by the State Comptroller and prepared by State departments, agencies, public benefit corporations and other entities based on independent or subsidiary accounting systems maintained by them.

#### **a. Reporting Entity**

The basic financial statements include all funds of the primary government, which is the State, as well as the component units and other organizational entities determined to be included in the State's financial reporting entity.

The decision to include a component unit in the State's reporting entity is based on several criteria, including legal standing, fiscal dependency and financial accountability. A brief review of certain entities included in the State's reporting entity follows.

**Blended Component Units** – The New York Local Government Assistance Corporation (LGAC) was created by Chapter 220 of the Laws of 1990. LGAC is administered by seven directors consisting of the State Comptroller and the Director of the Division of the Budget, serving ex officio, and five directors appointed by the Governor. LGAC was created to issue long-term debt on behalf of the State to finance certain local assistance aid payments plus amounts necessary to fund a capital reserve fund and other issuance costs. LGAC is legally separate but provides services exclusively to the State, and therefore is reported as part of the primary government as a blended component unit.

The Tobacco Settlement Financing Corporation (TSFC) was created by Part D3 of Chapter 62 of the Laws of 2003. TSFC was created as a subsidiary of the State of New York Municipal Bond Bank Agency (MBBA). The directors of the MBBA are members of TSFC. TSFC is governed by a seven-member board, consisting of the Chairman of the MBBA, the Secretary of State, the Director of the Budget, the State Comptroller or his appointee, and three directors appointed by the Governor. TSFC was created to issue long-term debt on behalf of the State to finance State operations plus amounts necessary to fund a capital reserve fund and other issuance costs. TSFC is legally separate but provides services exclusively to the State, and therefore is reported as part of the primary government as a blended component unit.

**Discretely Presented Component Units** – The public benefit corporations (Corporations) listed in Note 14 were established by State statute with full corporate powers. The Governor, with the approval of the State Senate, appoints most members of the board of directors of most Corporations and either the Governor or the board of directors selects the chairman and chief executive officer. Corporations

generally submit annual reports to the Governor, the Legislature and the State Comptroller on their operations and finances, accompanied by an independent auditors' report thereon. Corporations also submit to the Governor and the Legislature annual budget information on operations and capital construction. The State Comptroller is empowered to conduct financial and management audits of the Corporations. Financial assistance was provided in the fiscal year ended March 31, 2021 to certain Corporations, and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations. Since the Corporations are legally separate organizations for which the Governor and the Legislature are financially accountable, they are discretely presented as component units of the State.

**Related Organizations and Joint Ventures** – The State's officials are also responsible for appointing the members of the boards of various related organizations (e.g., the Nassau County Interim Finance Authority), but the State's accountability for these organizations does not extend beyond making the appointments. As discussed in more detail in Note 15, the State participates in several joint ventures but only reports on one due to materiality considerations.

#### **b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effects of interfund activity within governmental and business-type activities have been eliminated from these statements. However, balances due and resource flows between governmental and business-type activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions or programs. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate financial statements are provided for Governmental Funds, Enterprise Funds and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

#### **c. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the Enterprise Funds, the Component Units and the Fiduciary Funds financial statements. Revenues are recorded when earned and expenses are recorded



when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or collectible within 12 months of the end of the current fiscal period. Tax revenues are recorded by the State as taxpayers earn income (personal income, general business and other taxes), as sales are made (consumption and use taxes), and as the taxable event occurs (miscellaneous taxes), net of estimated overpayments (refunds). Receivables not expected to be collected within the next 12 months are recorded as deferred inflows of resources. Expenditures and related liabilities are generally recorded in the accounting period the liability is incurred, to the extent it is expected to be paid within the next 12 months, with the exception of items covered by GASB Interpretation 6 (GASBI 6), *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. GASBI 6 modified the recognition criteria of certain expenditures and liabilities. GASBI 6 requires that expenditures and liabilities such as debt service, compensated absences, and claims and judgments be recorded in the governmental fund statements only when they mature or become due for payment within the period. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met and amounts are considered available. Other nonexchange grants and subsidies, such as local assistance grants and public benefit corporation subsidies, are recognized as expenditures when all requirements of the grant and/or subsidy have been satisfied.

The State reports the following major and other governmental funds:

**General Fund** – is the primary operating fund of the State and is used to account for all financial transactions not required to be accounted for in another fund.

**Federal Special Revenue Fund** – accounts for federal grants received by the State that are earmarked for specific programs. In order to comply with federal accounting and reporting requirements, certain federal grants are accounted for in a number of accounts that are combined and reported as the Federal Special Revenue Fund. Accounts that are combined include the Federal USDA-Food and Nutrition Services Account (Federal USDA-FNS), the Federal Health and Human Services Account (Federal DHHS), the Federal Education Account, the Federal Operating Grants Account, the Unemployment Insurance Administration Account, the Unemployment Insurance Occupational Training Account and the Federal Employment and Training Grants Account.

**General Debt Service Fund** – accounts for the payment of principal and interest on the State's general debt, and payments on certain lease/purchase and other contractual obligations.

**Other Governmental Funds** – is a summarization of all the nonmajor governmental funds.

The governmental fund financial statements include a reconciliation between the fund statements and the government-wide statements. Differences that make a reconciliation necessary include the differences in measurement focus and basis of accounting between the statements. The Statement of Activities reflects the net costs of each major function of State operations, which differs from the

presentation of expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds, which matches the State’s budgetary (financial plan) presentation.

The State reports the following major Enterprise Funds:

**Lottery Fund** – accounts for lottery revenues that are earmarked for education assistance to local school districts, lottery administrative costs of the New York State Gaming Commission, and payment of lottery prizes.

**Unemployment Insurance Benefit Fund** – accounts for unemployment contributions from employers that are utilized for the payment of unemployment compensation benefits.

**SUNY Fund** – accounts for the operations of the State University of New York (SUNY). Information reported in this fund is obtained from the audited financial statements prepared by SUNY for the fiscal year ended June 30, 2020.

**CUNY Fund** – accounts for the operations of the City University of New York (CUNY) Senior Colleges. Information reported in this fund is obtained from the audited financial statements of the Senior Colleges prepared by CUNY for the fiscal year ended June 30, 2020.

Enterprise Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with an Enterprise Fund’s principal ongoing operations. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others, which therefore cannot be used to support the government’s own programs. The types of Fiduciary Funds maintained by the State consist of the following:

**Pension Trust Fund** – accounts for the activities of the New York State and Local Retirement System, which accumulates resources for pension benefit payments to qualified public employees.

**Private Purpose Trust Funds** – are used to account for resources held in trust to facilitate savings for higher education expenses and disability-related expenses, pursuant to New York’s 529 College Savings and New York ABLÉ Savings programs, respectively. There is no requirement that any portion of these resources be preserved as capital. Information reported for the savings programs is obtained from the audited financial statements prepared by the programs for the fiscal year ended December 31, 2020.

**Custodial Funds** – report fiduciary activities that are not required to be reported in another fiduciary fund type. This includes funds that are held for the benefit of individuals, organizations, or other governments that are not part of the State’s reporting entity, such as sales taxes and NYC real estate taxes collected on behalf of other governments.

Additionally, the State includes discretely presented component units:

**Component Units** – the public benefit corporations’ financial statements, except for the State Insurance Fund and the Aggregate Trust Fund, are prepared using the economic resources

measurement focus and are accounted for on the accrual basis of accounting. The State Insurance Fund and the Aggregate Trust Fund prepare financial statements in conformity with accounting practices prescribed or permitted by the New York State Department of Financial Services. The Department of Financial Services recognizes only New York Statutory Accounting Practices for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under New York State Insurance Law. The impact of variances from GAAP is not material to the Corporations in total.

#### **d. Cash and Investments**

Cash balances of funds held in the State Treasury are commingled in a general checking account and several special purpose bank accounts. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes. The balances pooled are limited to legally stipulated investments, which are reported at cost, including accrued interest, which approximates fair value. Non-interest-bearing compensating balances of \$923 million are included in cash and investments at March 31, 2021. At various times during the year, compensating balances could be substantially higher. Cash balances not held in the State Treasury and controlled by various State officials are generally deposited in interest-bearing accounts or other legally stipulated investments. Additional information about the State's cash and investments is provided in Note 2.

Generally, for purposes of reporting cash flows, cash includes cash and cash equivalents. Cash equivalents are liquid assets with maturities of 90 days or less. The Enterprise Funds' Statements of Cash Flows use the direct method of reporting cash flows.

All investments with a maturity of more than one year are recorded on the Statements of Net Position and the balance sheet at fair value and all investment income, including changes in the fair value of investments, is reported as revenue. Fair values were determined using market values at the applicable entities' year-end. Investments of the short-term investment pool have a maturity of one year or less and are recorded at cost.

#### **e. Receivables**

Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions. The Due from federal government category represents amounts owed to the State to reimburse it for expenditures incurred pursuant to federally funded programs. The Other receivables category represents amounts owed to the State, including Medicaid drug rebates, financial service settlements, tobacco settlements, patient fees of SUNY and Health Department hospitals and various mental hygiene facilities, student loans and lottery ticket sales. Additional information about receivables is provided in Note 4.

#### **f. Internal Balances**

All outstanding balances between funds at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements. Generally, the effects of interfund activity within the governmental funds have been removed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." For the most part, the remaining difference is a result of SUNY and CUNY having a different fiscal year than the State.

### **g. Other Assets**

Other assets in governmental activities and business-type activities include payments for costs applicable to future accounting periods, and other types of assets not reported on other lines. Inventories reported by the governmental funds are recorded as expenditures when they are purchased. Inventories reported by the Enterprise Funds are valued at cost using the first-in/first-out (FIFO) method.

In response to the COVID-19 pandemic in 2020, the State received approximately \$46 million in donations of goods and services. At March 31, 2021, \$17 million of donated goods remain in inventory. These donations included items such as Personal Protective Equipment (PPE), personal hygiene products and cleaning products. Donated services were provided by licensed medical professionals registered in the Roll Up Your Sleeves and ServNY program, administered by the Department of Health, throughout the pandemic relief effort. In addition, Health Research Institute, Inc., a component unit of the State, reported \$9 million in donated goods and \$31 million in cash accepted on behalf of the State in support of the pandemic response.

### **h. Capital Assets**

Capital assets are reported in the Statement of Net Position for government-wide and enterprise funds and further disclosed in Note 5. Capital assets include: land in urban centers, rural areas and forest preserves; land improvements; land preparation for roads; buildings which house State offices, correctional facilities, hospitals and educational facilities; equipment used in construction work, hospitals, offices, etc.; construction in progress; intangible assets (i.e., easements and internally generated software); and infrastructure assets such as roads and bridges. Capital assets are reported at historical cost or estimated historical cost and donated capital assets are valued at their acquisition value at the date of donation.

For governmental activities, equipment that has a cost in excess of \$40,000 at the date of acquisition and has an expected useful life of two or more years is capitalized. All initial building costs and building improvements and land and land improvements in excess of \$100,000 are capitalized. Infrastructure assets in excess of \$1 million are also capitalized. Software is capitalized when the costs exceed \$1 million.

The costs of normal repairs and maintenance that do not add to the value or extend lives of assets materially are not capitalized, but are reported as expenses in the year incurred. All maintenance and preservation costs relating to roads and bridges are expensed in the year incurred and not capitalized. Expenses relating to roads and bridges that add to the capacity and efficiency of the road and bridge networks are capitalized rather than expensed.

Capital assets in business-type activities and Enterprise Funds are from SUNY and CUNY. These capital assets are stated at cost, or in the case of gifts, acquisition value at the date of receipt. SUNY capitalizes building renovations and additions costing over \$100,000, equipment items with a unit cost of \$5,000 or more, and intangible assets, including internally generated computer software, costing \$1 million or more. CUNY capitalizes renovations and improvements that significantly increase the value or extend the useful lives of the structures and equipment with a cost of more than \$5,000 and useful lives of two or more years. CUNY reports intangible assets with a unit cost of more than \$5,000.

Buildings, land improvements, equipment and intangible assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Governmental Activities (Years)</b>	<b>Business-Type Activities (Years)</b>
Buildings and building improvements.....	12-60	2-50
Equipment and vehicles.....	4-30	2-50
Land improvements .....	12-30	2-50
Intangibles – easements .....	20	2-50
Intangibles – computer software.....	10-12	2-50

Land preparation reflects the costs of preparing the land for the construction of roads. Since land preparation has an indefinite life, associated costs are not depreciated.

The State has elected to use the modified approach for reporting and accounting for its highways and bridges, which are reported by the State Department of Transportation (DOT). The modified approach requires the State to commit to preserving and maintaining these infrastructure assets at levels established by DOT. No depreciation expense is reported for these assets and no amounts are capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their capacity or efficiency. DOT maintains an inventory of these assets and performs periodic condition assessments to ensure that the predetermined condition level is maintained. The Required Supplementary Information (RSI) contains additional information regarding infrastructure reported using the modified approach.

Capital asset reporting does not include historical artifacts, artwork and collections that are maintained by various State agencies, the State Archives, the State Museum and the State Library with the exception of SUNY and CUNY. These items are protected, preserved, and held for public exhibition and educational purposes, and the proceeds from any sale of such items are used to acquire new items for the collection. SUNY reports all artwork, historical treasures and library books. CUNY reports artwork, historical treasures and library books with a unit cost of more than \$5,000.

#### **i. Deferred Outflows and Deferred Inflows of Resources**

Deferred outflows of resources are defined as a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

The components of the deferred outflows of resources and deferred inflows of resources related to the primary government at March 31, 2021 are as follows (amounts in millions):

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Primary Government</u>
<b>Deferred outflows of resources:</b>			
Pension activities .....	\$ 8,628	\$ 1,092	\$ 9,720
Other postemployment benefits activities ...	8,019	2,449	10,468
Derivative activities .....	52	52	104
Loss on refunding of debt .....	250	174	424
Other .....	-	10	10
<b>Total deferred outflows of resources.....</b>	<b><u>\$ 16,949</u></b>	<b><u>\$ 3,777</u></b>	<b><u>\$ 20,726</u></b>
<b>Deferred inflows of resources:</b>			
Pension activities .....	\$ 394	\$ 300	\$ 694
Other postemployment benefits activities ...	3,359	2,044	5,403
Deferred gain on refunding.....	197	-	197
Federal grants.....	153	-	153
Other .....	-	32	32
<b>Total deferred inflows of resources.....</b>	<b><u>\$ 4,103</u></b>	<b><u>\$ 2,376</u></b>	<b><u>\$ 6,479</u></b>

The components of the deferred inflows of resources related to the governmental funds at March 31, 2021 are as follows (amounts in millions):

	<u>General</u>	<u>Federal Special Revenue</u>	<u>General Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Deferred inflows of resources:</b>					
Public health/patient fees.....	\$ -	\$ -	\$ -	\$ 3	\$ 3
Taxes considered unavailable...	734	-	305	69	1,108
Medicaid receivables .....	80	253	-	-	333
Medicaid liabilities .....	-	171	-	-	171
Oil spill .....	-	-	-	77	77
Miscellaneous agency.....	34	-	-	175	209
Federal grants .....	-	153	-	-	153
ENCON* collections.....	-	-	-	18	18
Other .....	10	-	-	68	78
<b>Total.....</b>	<b><u>\$ 858</u></b>	<b><u>\$ 577</u></b>	<b><u>\$ 305</u></b>	<b><u>\$ 410</u></b>	<b><u>\$ 2,150</u></b>

\* State Department of Environmental Conservation

#### j. Long-Term Obligations

In the Government-wide Statement of Net Position and in the Enterprise Funds Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities. For governmental



activities, bond premiums and discounts are reported as a component of the related bonds payable, and gains and losses on refunding are reported as deferred inflows of resources or deferred outflows of resources. Both are amortized over the life of the bonds using the straight-line method. For business-type activities, SUNY losses on refunding are reported as deferred outflows of resources and amortized over the life of the related debt. CUNY bond premiums and discounts are reported as a component of the related bonds payable, and gains and losses on refunding are reported as deferred inflows of resources or deferred outflows of resources. Both are amortized over the life of the bonds using the straight-line method. Issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as non-personal service expenditures in the period incurred.

#### **k. Compensated Absences**

The estimated vacation leave liability for State employees at March 31, 2021 is \$1.1 billion, which represents an increase of \$191 million over the prior year. State employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days per year, but may accumulate no more than a maximum of 40 days.

SUNY employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 21 days per year and may accumulate no more than a maximum of 40 days. CUNY employees accrue vacation leave based upon the number of years employed, with the maximum accumulation generally ranging from 45 to 50 days. The liability for vacation leave approximated \$324 million and \$171 million for SUNY and CUNY, respectively, at June 30, 2020.

CUNY employees may receive payments of up to 50 percent of the value of their accumulated sick leave as of the date of retirement from CUNY. CUNY reported a liability of \$59.3 million for sick leave credits in other postemployment benefits liabilities at June 30, 2020.

Lottery's employees, upon termination, may receive vacation pay benefits up to a maximum of 30 days. Lottery recognizes employees' compensated absence benefits when earned. The liability for employees' compensated absences was approximately \$1.3 million as of March 31, 2021.

#### **l. Accounting for Lease/Purchase and Other Financing Arrangements**

The construction of certain State office buildings, campus facilities and other public facilities has been financed through bonds and notes issued by public benefit corporations pursuant to lease/purchase and other financing arrangements with the State. The State has also entered into financing arrangements with public benefit corporations that have issued bonds to finance past State budgetary deficits and grants to local governments for both capital and operating purposes (Note 7).

These lease/purchase and other financing arrangements, which the State will repay over the duration of the agreements, constitute long-term liabilities. The amount included in obligations under lease/purchase and other financing arrangements consists of total future principal payments and equals the outstanding balance of the related bonds and notes.

### **m. State Lottery**

The State Lottery is accounted for as an Enterprise Fund. The revenues, administrative costs, aid to education and expenses for amounts allocated to prizes are reported, and uncollected ticket sales at March 31, 2021 are accrued. Prize monies to meet long-term prize payments are invested in United States government-backed obligations, New York City Transitional Finance Authority municipal bonds and U.S. Agency for International Development (AID) bonds, and are recorded at fair value. Lottery prize liabilities are recorded at a discounted value equivalent to the related investments. At March 31, 2021, the prize liabilities of approximately \$1.6 billion were reported at a discounted value of approximately \$1.1 billion (at interest rates ranging from 0.14 percent to 7.69 percent).

### **n. Net Position**

On the government-wide, enterprise fund, component unit and fiduciary fund financial statements, “Net Position” is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

Net position is reported as restricted when constraints placed on net position use are either:

- a. Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or
- b. Imposed by law through constitutional provisions or enabling legislation.

Enabling legislation, which restricts net position, authorizes the State to assess, levy, charge or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups or the judiciary) can compel the government to honor. When both restricted and unrestricted resources are available for use, it is the State’s policy to use restricted resources first, then unrestricted resources as they are needed.

At March 31, 2021, the Governmental Activities reported restricted net position of \$11.3 billion due to restrictions externally imposed by creditors or enabling legislation. This included \$4.1 billion restricted for debt service payments from various capital reserve funds, \$4.3 billion restricted for insurance and administrative requirements, and \$2.9 billion restricted for other purposes (details of fund balance classification are available in Note 1.o.).

The following terms are used in the reporting of net position:

#### **Net Investment in Capital Assets**

Net investment in capital assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

#### **Debt Service**

Net position restricted for the payment of future debt service payments from various capital reserve funds.

### **Higher Education, Research and Patient Care**

Net position restricted for funding of various higher education programs for instruction, research, scholarships, and operations, as well as medical research and patient care.

### **Environmental Projects and Energy Programs**

Net position restricted for funding of various environmental projects and energy programs.

### **Economic Development, Housing and Transportation**

Net position restricted for funding of various economic development, housing-related and transportation-related programs.

### **Insurance and Administrative Requirements**

Net position restricted for funding certain insurance payments and administrative costs.

### **Unemployment Benefits**

Net position restricted for the payment of unemployment benefits.

### **Future Lottery Prizes**

Net position restricted for future lottery prize payments.

### **Pensions**

Net position restricted for pension payments.

### **Other Government Programs**

Net position restricted for the funding of legal and law enforcement programs, various gifts, grants or bequests received by the State, and other legally restricted programs.

### **Unrestricted**

Unrestricted net position (deficit) is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position described above.

### **o. Fund Balance**

On governmental fund financial statements, "Fund Balance" is the difference between (a) fund assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

## **Fund Balance Hierarchy**

Fund balance for governmental funds is reported in the following classifications, which describe the relative strength of the constraints that control how specific amounts in the funds can be spent:

Nonspendable fund balance includes amounts that cannot be spent because they either: (a) are not in spendable form; or (b) are legally or contractually required to remain intact.

Restricted fund balances have constraints placed on the use of resources that are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances can only be used for specific purposes pursuant to constraints imposed by formal action of the State's highest level of decision-making authority, which includes establishment of laws of the State, and by bills passed by the Legislature and approved by the Governor, or any contracts approved by authorized State officials that are known to have their liability satisfied with the current fund balance. Commitments may be changed or lifted only by the State's highest level of decision-making authority taking the same formal action that originally imposed the constraint.

Assigned fund balances are constrained by the intent to use amounts for specific purposes, but are neither restricted nor committed. The Director of the Budget is authorized to assign amounts to a specific purpose through the approval of budget certificates as required by statute.

Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report a positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted or committed to those purposes.

For classification of governmental fund balances, the State considers expenditures to be made from restricted resources first, then in the following order: committed, assigned, and unassigned resources.

## **Reserve Accounts**

### **Tax Stabilization Reserve Account**

The authority for establishing the Tax Stabilization Reserve Account is in State Finance Law Section 92. The account was established in 1984.

At the close of each fiscal year, any surplus funds up to 0.2 percent of 1 percent of the "norm" shall be transferred to the Tax Stabilization Reserve Account, which shall not cumulatively exceed 2 percent of the "norm." The norm is the aggregate amount disbursed from the State Purposes Account during the fiscal year.

In any given fiscal year, when receipts fall below the norm, funds shall be transferred from the Tax Stabilization Reserve Account to the State Purposes Account, in an amount equal to the difference between the norm and the receipts, to the extent that funds are available in the Tax Stabilization Reserve Account. Money in the Tax Stabilization Reserve Account may be temporarily loaned to the State Purposes Account during the year in anticipation of the receipt of revenues, but these funds must be repaid within the same fiscal year.

The balance in the Tax Stabilization Reserve Account at March 31, 2021 is \$1.3 billion, and is included in the unassigned fund balance of the General Fund in Other Supplementary Information (page 192).

### **Rainy Day Reserve Account**

The authority for establishing the Rainy Day Reserve Account is in State Finance Law Section 92-cc. The account was established in 2007.

Funds deposited to this account are transferred from the State Purposes Account. The maximum balance in this account shall not exceed 5 percent of the aggregate amount projected to be disbursed from the General Fund during the fiscal year immediately following the current fiscal year.

The amounts in this account can be spent for two reasons:

- a. In the event of an economic downturn, as evidenced by a composite index of business cycle indicators prepared by the Commissioner of Labor. If the index declines for five consecutive months, the Commissioner of Labor shall notify the Governor, the Speaker of the Assembly, the Temporary President of the Senate and the minority leaders of the Assembly and the Senate. Upon such notification, the Director of the Budget may authorize the State Comptroller to transfer funds from the Rainy Day Reserve Account to the State Purposes Account.
- b. A catastrophic event, e.g., the need to repel invasion, suppress insurrection, defend the State in war, or to respond to any other emergency resulting from a disaster, including but not limited to a disaster caused by an act of terrorism.

The balance in the Rainy Day Reserve Account at March 31, 2021 is \$1.2 billion, and is included in the committed fund balance of the General Fund in Other Supplementary Information (page 192).

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for future expenditures are established in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. These amounts generally will become liabilities in future periods.

Significant encumbrances at March 31, 2021 include (amounts in millions):

<b>Fund Type</b>	<b>Amount</b>
General.....	\$ 1,818
Federal Special Revenue*.....	1,091
Other Special Revenue .....	45
Federal Capital Projects* .....	4,198
Other Capital Projects.....	8,109

\*Spending in federal funds is typically reimbursed by the federal government



## Fund Balances

Fund balances at March 31, 2021 are as follows (amounts in millions):

	Major Funds			Other Governmental Funds
	General Fund	Federal Special Revenue	General Debt Service	
<b>Restricted for:</b>				
Education.....	\$ -	\$ -	\$ -	\$ 6
Public health.....	667	-	-	-
Health care initiatives.....	-	-	-	386
Environment and recreation .....	-	-	-	30
Transportation .....	-	-	-	268
Workers' Compensation.....	4,255	-	-	-
General administration .....	-	-	-	186
Debt service.....	-	-	3,386	124
Capital purposes .....	-	-	-	107
<b>Committed to:</b>				
Education.....	19	-	-	395
Public health.....	-	-	-	136
Mental hygiene.....	6	-	-	-
Health care initiatives.....	-	-	-	1,256
Environment and recreation .....	1	-	-	86
Public safety .....	-	-	-	561
Transportation .....	-	-	-	651
Economic development.....	-	-	-	15
General administration .....	161	-	-	150
Debt service.....	-	-	221	410
Capital purposes .....	-	-	-	5,068
Fund reserves .....	7,874	-	-	-
<b>Assigned to:</b>				
Education.....	139	-	-	380
Public health.....	1,653	-	-	-
Mental hygiene.....	5	-	-	-
Public welfare.....	4	-	-	-
Environment and recreation .....	7	-	-	18
Public safety .....	159	-	-	-
Workers' Compensation.....	-	-	-	3,147
Insurance .....	-	-	-	643
General administration .....	5,311	-	-	-
Support and regulate business...	77	-	-	-
Debt service.....	-	-	-	1
<b>Unassigned .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,143)</b>
<b>Total fund balance.....</b>	<b>\$ 20,338</b>	<b>\$ -</b>	<b>\$ 3,607</b>	<b>\$ 12,881</b>

**p. Pensions**

The State is the largest participating employer of the New York State and Local Retirement System (System), consisting of the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are cost-sharing, multiple-employer, defined benefit pension plans. Consequently, the State has recorded the largest proportionate share of the net pension liability and related deferred inflows and outflows from pension activities, which are reflected in the reported amounts on the balance sheet. For purposes of determining net pension liability and other pension-related amounts, information about the fiduciary net position of ERS and PFRS and additions to and deductions from the fiduciary net position of ERS and PFRS have been determined on the same basis reported by the System.

**q. Postemployment Benefits**

Other postemployment costs are measured and disclosed using the accrual basis of accounting in the government-wide and enterprise funds financial statements (Note 13). In addition to providing pension benefits, the State is statutorily required to provide health insurance coverage and survivor benefits for retired employees and their survivors. Postemployment benefits other than pensions are recognized on an actuarially determined basis as employees earn benefits that are expected to be used in the future. Substantially all of the State's employees may become eligible for these benefits if they reach normal retirement age while working for the State. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the State and the retired employee. The amounts earned include employee sick leave credits expected to be used to pay for a share of post-retirement health insurance. The State, including the Lottery, recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure in the respective fund in the year paid. Additionally, the survivor's benefit program provides for a death benefit to be paid by the State to a retiree's designated beneficiary.

**r. Deficit Fund Balances**

As of March 31, 2021, a \$6.2 billion fund deficit was reported in the General Fund Local Assistance Account. In addition, Capital Projects Funds reported fund deficits in the Housing Program Fund (\$377 million), the Mental Hygiene Facilities Capital Improvement Fund (\$252 million), Correctional Facilities Capital Improvement Fund (\$217 million), and the Hazardous Waste Remedial Fund (\$74 million). The deficits related to the Capital Projects Funds are the result of differences in cash flow timing relating to the reimbursement of capital project costs and contractual commitments from bond proceeds, and are routinely resolved during subsequent fiscal years.

**s. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**t. Adoption of New Accounting Pronouncements**

During the fiscal year ended March 31, 2021, the State adopted the following new accounting standards as issued by GASB.

GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASBS 83). GASBS 83 addresses accounting and financial reporting for certain assets retirement obligations (AROs). AROs are legally enforceable liabilities associated with the retirement of tangible capital assets. A government that has a legal obligation to perform future asset retirement activities related to its tangible capital assets should recognize a liability when the liability is both incurred and reasonably estimable.

GASB Statement No. 84, *Fiduciary Activities* (GASBS 84), improves guidance regarding the identification of fiduciary activities and how those activities should be reported. This statement generally focuses on whether a government is controlling the assets of the fiduciary activity, and the beneficiaries with whom the fiduciary relationship exists. Fiduciary Fund statements should include pension trusts, investment trusts, private purpose trusts, and custodial funds. The adoption of GASBS 84 resulted in the movement of dozens of fiduciary funds to governmental funds, primarily to the General Fund. Among the funds that were moved, those having the greatest material impact on the General Fund statements include the Abandoned Property Fund and Workers' Compensation Funds.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASBS 88). GASBS 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance related consequences, and significant subjective acceleration clauses. GASBS 88 also requires that existing and additional information for direct borrowings and direct placement of debt be presented separate from other debt.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, (GASBS 90). GASBS 90 defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB Statement No. 92, paragraph 11, *Omnibus 2020*, (GASBS 92). GASBS 92, paragraph 11 states that for purposes of applying paragraph 37 of GASB Statement No. 10 (public entity risk pool accounting), amounts that are recoverable from reinsurers or excess insurers and relate to paid claims and claim adjustment expenses may be reported as reductions of expenses, but are not required to be. Implementation of the remainder of GASBS 92 is planned for State fiscal years 2022 and 2023.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASBS 93). The objective of GASBS 93 is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate. All paragraphs were implemented except for 11b, 13 and 14. Implementation of these paragraphs is planned for State fiscal year 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, par. 4 and 5* (GASBS 97). This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for certain pension, OPEB, or other employee benefit

plans, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This statement also requires that the financial burden criterion in paragraph 7 of GASBS 84 be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of GASBS 67, or paragraph 3 of GASBS 74. Implementation of the remainder of GASBS 97 is planned for State fiscal year 2023.

Except for GASBS 84, whose restatements are noted below, none of the other new accounting standards had an impact on the financial statements. The impact of GASBS 88 is solely to debt disclosures.

#### u. Restatements

The restatements of beginning net position in the governmental activities and discretely presented component units of the State were as follows (amounts in millions):

	<u>Net Position at March 31, 2020</u>	<u>Restatement</u>	<u>Net Position at April 1, 2020</u>
<b>Governmental Activities:</b>			
General Fund	\$ 3,736	\$	\$ 11,738
Abandoned Property .....		3,103	
MMIS Escrow .....		55	
Health Insurance Program.....		50	
Workers' Compensation .....		3,968	
Miscellaneous .....		532	
Sole Custody .....		294	
Other Governmental Funds	8,323		8,356
Other Special Revenue Funds – Miscellaneous .		33	
	<u>Net Position at March 31, 2020</u>	<u>Restatement</u>	<u>Net Position at April 1, 2020</u>
<b>Discretely Presented Component Units:</b>			
Urban Development Corporation.....	\$ -	\$ 3,765	\$ 3,765
Non-Major Component Units .....	7,165	120	7,285

Restatements in governmental funds were related to the adoption of GASB Statement No. 84, *Fiduciary Activities*.

The Urban Development Corporation and the Job Development Authority (included in Non-Major Component Units) were unable to provide audited financial statements in time for inclusion in the State's fiscal year 2019-2020 presentation, resulting in a restatement for the State's current fiscal year presentation. The changes to Non-Major Component Units vary in nature.

## ***NOTE 2 - Cash and Investments***

### **Governmental Activities, Private Purpose and Custodial Funds**

#### **Deposits**

The State maintains approximately 1,700 bank accounts for various purposes at locations throughout the State. Cash deposits in the State Treasury are under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance. Cash balances not required for immediate use are invested in a short-term investment pool (STIP) administered by the State Comptroller or by the fund custodian to maximize interest earnings. Cash is invested in repurchase agreements involving United States (U.S.) Treasury obligations, U.S. Treasury bills, commercial paper, government-sponsored agency bonds, and certificates of deposit. Cash deposits not held in the State Treasury are under the sole custody of a specified State official and are generally held in interest-bearing accounts. Both the State Comptroller and the Commissioner of Taxation and Finance are sole custodians of certain accounts.

The custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or collateral securities that are in the possession of an outside party.

For demand accounts, checking accounts and certificates of deposit, the State requires that its depository banks pledge collateral or provide a surety bond based on actual and average daily available bank balances. All securities pledged as collateral are held by the State's fiscal agent in the name of the State and are valued on a monthly basis. Surety bonds will be accepted only from companies with the highest ratings issued by nationally recognized statistical rating organizations (NRSROs). The use of average daily available balances to determine collateral requirements may result in the available balances being undercollateralized at various times during the fiscal year. The State's cash management policy is to invest all major revenues as soon as the monies are available within the banking system, which limits undercollateralization. The State's cash deposits with financial institutions had a book and bank balance of \$9.3 billion and were fully collateralized at the end of the 2021 fiscal year. Included in these balances were certificates of deposit held in the STIP with a book and bank balance of \$1.5 billion. Also included are deposits with a book and bank balance of \$297 million that were held by the State's fiscal agent and were exposed to custodial credit risk because they were uninsured and uncollateralized, except for \$1 million in deposits that were fully collateralized.

For the fiscal year ended March 31, 2021, the average daily balance of the STIP was \$30.5 billion, with an average annual yield of 0.2 percent and total investment income of \$58 million.

#### **Investments**

The State holds investments both for its own benefit and as an agent for other parties. Major investment programs conducted for the direct benefit of the State include STIP, which is used for the temporary investment of funds not required for immediate payments, and sole custody funds administered by the Department of Taxation and Finance.

Investments are made in accordance with State Finance Law and vary by fund but generally include: obligations of, or guaranteed by, the United States; obligations of New York State and its political

subdivisions; certificates of deposit; savings bank trust company notes; bankers' acceptances; repurchase agreements; corporate bonds; and commercial paper.

As of March 31, 2021 (except for New York's 529 College Savings Program, which is as of December 31, 2020), the State had the following investments and maturities (amounts in millions):

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Government-sponsored agency bonds .....	\$ 14,061	\$ 13,980	\$ -	\$ 81
Commercial paper .....	8,133	8,133	-	-
U.S. Treasury bills.....	4,897	4,897	-	-
U.S. Treasury notes/bonds .....	1,028	297	731	-
Municipal bonds.....	236	-	186	50
<b>Subtotal .....</b>	<b>28,355</b>	<b>\$ 27,307</b>	<b>\$ 917</b>	<b>\$ 131</b>
Investments held in an agent or trust capacity .....	41,631			
<b>Total.....</b>	<b>\$ 69,986</b>			

Included in the table are securities which either were not acquired for investment purposes or cannot be classified or categorized, and are being held by the State in an agent or trust capacity. Parents, grandparents and other parties wishing to save for a child's college education may deposit money into the College Savings Program. Individuals with blindness or a disability wishing to save for disability-related expenses without jeopardizing other assistance programs like Social Security or Medicaid may deposit money into the Achieving a Better Life (ABLE) Program. The State administers these programs on behalf of the account owners and holds the investment portfolios in a trust. The fair market value of the College Savings Program and ABLE Program portfolios were \$40.7 billion and \$13 million, respectively, at December 31, 2020. Employers seeking self-insurer status for workers' compensation purposes may deposit securities specified by Section 235 of the New York State Banking Law with the Chairman of the Workers' Compensation Board. Acting as an agent for the employers, the State holds these securities (carrying amount \$303 million at March 31, 2021, which approximates fair value) only as an agent for the employers. Securities that are unclaimed at financial institutions are transferred periodically to the State and are held temporarily by the State until they can be liquidated. The securities or proceeds can be claimed by the owners under established procedures. These securities had a carrying amount and fair value of \$659 million at March 31, 2021. The State holds cash and securities deposited by contractors in lieu of retainage on contract payments (carrying amount and fair value of \$6 million).

In addition to the securities held by the Workers' Compensation Board noted above, the State holds \$3.6 billion in surety bonds and letters of credit that are not included in the table above.

### Credit Risk

State law limits investments in commercial paper, repurchase agreements, government-sponsored agency bonds and municipal bonds to securities with the highest ratings issued by two NRSROs. Investments in commercial paper and repurchase agreements are limited to a rating of A-1 by Standard & Poor's Corporation (S&P) and P-1 by Moody's Investors Service, Inc. (Moody's). Investments in

government-sponsored agency bonds and municipal bonds are limited to AAA by S&P and Aaa by Moody's. If an investment in commercial paper drops in rating below the legal requirements during the year, the State's investment staff would consult with appropriate advisors to determine what action, if any, should be taken. Repurchase agreements are collateralized with U.S. Treasury obligations.

The portfolios of the College Savings Program, a Private Purpose Trust Fund, have underlying fixed income mutual funds which are not rated by any NRSRO.

### **Custodial Credit Risk**

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held either by: (a) the counterparty or (b) the counterparty's trust department or agent, but not in the government's name. The risk is that the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. The State's policy is to hold all of its investments in the State's name; however, the investments listed below are exposed to custodial credit risk because they are not held by the State but are held by a public benefit corporation in the public benefit corporation's name or administered by a fiscal agent on behalf of New York State. The following table presents the amortized costs, which approximate fair value of investments by type (amounts in millions):

<u>Investment Type</u>	<u>Fair Value</u>
U.S. Treasury bills.....	\$ 2,883
Government-sponsored agency bonds.....	2,380
U.S. Treasury notes .....	34
<b>Total.....</b>	<b>\$ 5,297</b>

### **Interest Rate Risk**

The fair values of the State's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest-rate-sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions.

The State manages its interest rate risk by limiting the majority of its investments to a maturity structure of one year or less. Additionally, the State holds its investments to maturity, which minimizes the occurrence of a loss on an investment.

The State's investments in mutual funds and equity securities have no stated maturity and have not been allocated to a time period on the preceding table.

### **Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investment in a single issuer (which may not exceed 5 percent or more of total investments). To mitigate this risk, it is the policy of the State to maintain a diversified portfolio among a variety of investment instruments in which it is legally permitted to invest.



## Foreign Currency Risk

The State Finance Law, Section 98-a, does not expressly permit investment in foreign currency and there is no formal policy related to foreign currency; however, the College Savings Plan has certain underlying mutual funds which invest in foreign securities. There are certain additional risks involved when investing in foreign securities that are not inherent with investments in domestic securities. These risks may involve foreign currency exchange rate fluctuations, adverse political and economic developments, and the possible prevention of currency exchange or other foreign governmental laws or restrictions. In addition, the liquidity of foreign securities may be more limited than that of domestic securities.

## Fair Value

GASB Statement No. 72, *Fair Value Measurement and Application* (GASBS 72), establishes a three-level valuation hierarchy of fair value measurements. This valuation hierarchy is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions and other inputs subject to management judgment. These inputs are incorporated in the following fair value hierarchy:

- **Level 1** inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2** inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- **Level 3** inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority.

The State's Level 1 investments in mutual funds and equity securities are reported at fair value using prices quoted in active markets for those securities. The Level 2 mutual funds, Treasury investments, municipal bonds, government-sponsored agency bonds, equity securities and debt securities are reported at fair value using quoted prices for similar assets or quoted prices for identical items that are not actively traded.

As of March 31, 2021, the State's composition of investments by levels within the fair value hierarchy were as follows (amounts in millions):

Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual funds.....	\$ 40,823	\$ 40,671	\$ 152
U.S. Treasury notes .....	731	-	731
Equity securities .....	492	491	1
Municipal bonds .....	236	-	236
Government-sponsored agency bonds.....	81	-	81
Debt securities .....	7	-	7
<b>Subtotal.....</b>	<b>42,370</b>	<b>\$ 41,162</b>	<b>\$ 1,208</b>
Workers' Compensation portfolio.....	309		
Investments valued at amortized cost.....	27,307		
<b>Total.....</b>	<b>\$ 69,986</b>		

## Business-Type Activities

### Deposits

SUNY does not have a formal policy for collateral requirements for cash deposits. At June 30, 2020, SUNY had \$2.6 billion in deposits held by the State Treasury and invested in the STIP, and \$161 million held by other local depositories. Deposits not held in the State Treasury that are not covered by depository insurance are: uncollateralized (\$54 million) and collateralized with securities held by a pledging financial institution (\$140 million). In addition, SUNY has \$115 million in cash and cash equivalents deposited with bond trustees, which are registered in SUNY's name and held by an agent or in trust accounts in SUNY's name.

CUNY's cash and cash equivalents were held by depositories and amounted to \$819 million (carrying value of \$810 million), of which \$203 million was insured and \$616 million was uninsured and uncollateralized, or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in CUNY's name.

Lottery deposits are made in accordance with State Finance Law and State Tax Law. At March 31, 2021, Lottery had \$765 million in deposits held by the State Treasury, which were invested in the STIP.

The Unemployment Insurance Benefit Fund has a total of \$615 million in a sole custody bank account, which is on deposit with the State Comptroller and invested in the STIP, and is subject to the same collateralization requirements as the State's investments.

## Investments

Generally, SUNY and CUNY are allowed to invest in a diverse investment portfolio. Permitted investments include, but are not limited to, obligations of the U.S. Government and its agencies, municipal debt securities, repurchase agreements, corporate bonds, commercial paper, equity securities, mutual funds, asset-backed securities, money market funds and security lending transactions.

The Lottery is authorized by State statute to invest in U.S. Government-backed obligations and New York City Transitional Finance Authority municipal bonds that provide for payment of prizes payable.

As of June 30, 2020 (except for the State Lottery, which is as of March 31, 2021), the business-type activities had the following investments and maturities (amounts in millions):

Investment Type	Carrying Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury notes/bonds.....	\$ 771	\$ 192	\$ 180	\$ 125	\$ 274
Municipal bonds .....	455	38	121	93	203
U.S. Treasury bills.....	276	276	-	-	-
AID bonds.....	189	16	50	39	84
Government-sponsored agency bonds.....	140	140	-	-	-
Fixed income .....	80	11	18	20	31
Mutual fund non-equities.....	63	5	3	43	12
Corporate bonds.....	14	7	7	-	-
U.S. Treasury strips .....	6	1	1	1	3
U.S. Treasury inflation-protected securities .....	4	-	2	1	1
International bonds .....	2	2	-	-	-
Certificates of deposit.....	1	1	-	-	-
<b>Subtotal.....</b>	<b>2,001</b>	<b>\$ 689</b>	<b>\$ 382</b>	<b>\$ 322</b>	<b>\$ 608</b>
External investment pools .....	1,034				
Cash and cash equivalents .....	477				
Global equities.....	121				
Hedge funds.....	90				
U.S. equities.....	71				
Multi-strategy funds .....	52				
Equity mutual funds.....	27				
Private equity .....	23				
Foreign equities .....	19				
US money market fund.....	19				
Limited partnership.....	17				
Credit securities .....	13				
Other .....	46				
<b>Total .....</b>	<b>\$ 4,010</b>				

### Credit Risk

Generally, SUNY individual fixed income investment securities must be of investment grade. Parameters exist that allow some limited investments in non-investment grade securities; however, investments rated below B3 by Moody's or B- by S&P are prohibited.

CUNY's investment policy for the CUNY Investment Pool includes specific guidelines for investment managers with a target allocation to fixed income, as well as reference to specific guidelines for each investment manager.

As of June 30, 2020 (except for the State Lottery, which is as of March 31, 2021), the business-type activities had the following investments with ratings (amounts in millions):

<b>Investment Type</b>	<b>Total</b>	<b>AAA</b>	<b>AA</b>	<b>A</b>	<b>BBB</b>	<b>Not Rated</b>
Municipal bonds .....	\$ 455	\$ 455	\$ -	\$ -	\$ -	\$ -
AID bonds .....	189	-	-	-	-	189
Government-sponsored agency bonds .....	140	140	-	-	-	-
Fixed income .....	80	6	74	-	-	-
Mutual fund non-equities .....	41	41	-	-	-	-
Corporate bonds .....	14	-	1	2	11	-
International bonds .....	2	-	-	1	1	-
<b>Total.....</b>	<b>\$ 921</b>	<b>\$ 642</b>	<b>\$ 75</b>	<b>\$ 3</b>	<b>\$ 12</b>	<b>\$ 189</b>

### Custodial Credit Risk

At June 30, 2020, SUNY had \$553 million in cash and investments held by the Dormitory Authority of the State of New York (DASNY), which represents bond proceeds needed to finance capital projects and to establish required building and equipment replacement and debt service reserves. These cash and investments are registered in SUNY's name and held by an agent or in a trust in SUNY's name. SUNY's investment policy does not formally address custodial credit risk.

At June 30, 2020, CUNY had \$289 million in investments held by DASNY or the bond trustee, and not in CUNY's name. CUNY's investment policy does not formally address custodial credit risk.

### Interest Rate Risk

SUNY has policies in place that limit fixed income investment duration within certain benchmarks, and a highly diversified portfolio is maintained which limits interest rate exposure. SUNY does not formally address any interest rate risk related to its investment pools. CUNY's investment policy does not formally limit investment maturities as a means of managing exposure to fair market value losses arising from increased interest rates. The Lottery's policy for managing interest rate risk is to hold investment securities to maturity, at which time the fair value of the investment is equal to the stated maturity value.

## Investment Pool

SUNY has certain assets included in its financial statements that are attributable to the statutory colleges at Cornell University and Alfred University, and are held as a portfolio of investments in external investment pools. The fair value of the investments is primarily based on the unit value of the pools and the number of shares owned in each pool. The unit values of the pools, as well as their fair values at June 30, 2020, are presented in the table below (fair value amounts in millions):

<u>Pool Type</u>	<u>Unit Value</u>	<u>Fair Value</u>
Cornell Statutory Colleges:		
Endowments:		
Long-term Investment Pool.....	\$ 55.76	\$ 969
Charitable Gift Annuities Master Trust Units.....	2.01	7
Charitable Trusts:		
Endowment Strategy .....	53.45	25
Common Trust Fund – Growth.....	43.64	6
Common Trust Fund – Income .....	13.48	3
Pooled Life Income Funds (PLIF):		
PLIF A.....	1.4	-
PLIF B.....	2.68	1
Alfred Ceramics:		
Endowment Long-term Investment Pool .....	7.08	23
<b>Total External Investment Pools.....</b>		<b>\$ 1,034</b>

## Fair Value

Except for investments reported at net asset value (NAV) or its equivalent, as described in the table below, SUNY reports its investments at fair value. For investments in mutual funds and exchange-traded funds, fair value is determined based on quoted market prices as of balance sheet date June 30, 2020. Investments in limited liability partnerships and corporations represent investments measured at NAV or its equivalent and include hedge funds, real estate, domestic and foreign equity funds, fixed income securities, and private equity funds in various investment vehicles. These investments, which are not exchange-traded and for which fair values are not readily determinable, are typically redeemable at NAV under the terms of the investment agreements.

CUNY's investments in debt and equity securities and certain other investments with readily determinable fair values are reported at fair value, which is based upon values provided by CUNY's custodian or current market quotations. Notable investments in hedge funds, or other investment funds are reported at NAV as determined by the fund managers, without adjustment when assessed as reasonable, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2020, CUNY had no plans or intentions to sell such investments at amounts different from NAV.

Lottery investments are measured based upon quoted prices for the security in active markets, or based upon quoted prices for identical or similar assets in markets that are not active or upon other observable inputs such as interest rates and yield curves observable at commonly quoted intervals.

As of June 30, 2020 (except for the State Lottery, which is as of March 31, 2021), the composition of investments for the State's business-type activities by levels within the fair value hierarchy were as follows (amounts in millions):

<b>Investment Type</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
U.S. Treasury notes/bonds.....	\$ 771	\$ 613	\$ 158	\$ -
Municipal bonds .....	455	-	455	-
U.S. Treasury bills.....	276	60	216	-
Cash equivalents.....	258	257	1	-
AID bonds .....	189	-	189	-
Government-sponsored agency bonds .....	140	-	140	-
Fixed income .....	80	80	-	-
U.S. equities .....	71	71	-	-
Mutual fund non-equities .....	63	63	-	-
Global equity .....	53	14	39	-
Equity mutual funds .....	27	27	-	-
Foreign equities .....	19	19	-	-
U.S. money market fund.....	19	19	-	-
Corporate bonds .....	14	-	14	-
U.S. Treasury strips.....	6	6	-	-
U.S. Treasury inflation- protected securities .....	4	4	-	-
International bonds.....	2	-	2	-
Certificates of deposit.....	1	-	1	-
Other .....	26	24	-	2
<b>Total.....</b>	<b>\$ 2,474</b>	<b>\$ 1,257</b>	<b>\$ 1,215</b>	<b>\$ 2</b>

SUNY investments at June 30, 2020, measured at the NAV were as follows (amounts in millions):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
External investment pools .....	\$ 1,034	Monthly	Two months
Hedge funds (equities).....	70	Quarterly	90 days
Global equities.....	68	Monthly, Quarterly, Annually	30-90 days
Multi-strategy funds .....	45	Monthly, Quarterly	45-95 days
Private equity .....	23	N/A – See below	N/A
Credit securities .....	13	Monthly, Quarterly	30-45 days
Other .....	20	N/A	N/A
<b>Total.....</b>	<b>\$ 1,273</b>		

External investment pools represent ownership in Cornell University's and Alfred University's long-term investment pools (LTIP) or other split-interest agreement pools. The objective of the LTIP investment policy is to maximize total return within a reasonable risk parameter; specifically, to achieve a total return, net of investment expenses, of at least 5 percent in excess of inflation as measured by a rolling average of the Consumer Price Index.

Private equity fund investments include non-controlling shares or interests in funds where the controlling general partner serves as the investment's manager. Such investments are generally not eligible for redemption from the fund or general partner but can potentially be sold to third-party buyers in private transactions. It is SUNY's intent to hold these investments until the fund has fully distributed all proceeds to the investors. SUNY has unfunded commitments to private equity investments as of June 30, 2020 of approximately \$37.3 million.

CUNY investments at June 30, 2020, measured at the NAV were as follows (amounts in millions):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Limited partnership.....	\$ 17	\$ 24	Illiquid, Monthly	N/A, 90 days
Systematic trading hedge fund.....	7	-	Daily	1 day
Global equity long/short hedge funds .....	7	-	Monthly	30 days
Multi-strategy funds.....	7	-	Quarterly	60 days
Global macro hedge funds .....	6	-	Quarterly	90 days
<b>Total.....</b>	<b>\$ 44</b>	<b>\$ 24</b>		

CUNY's limited partnership investments include private real assets funds, which invest several funds that are diverse by sector (transportation, energy, metal/mining, commodities, and financial assets), type/structure, and geography (North/America, Western Europe, Australia). The systematic trading hedge funds invest in various security instruments which include futures and foreign exchange contracts. Global equity long/short hedge funds utilize over-the-counter (OTC) long-dated options as well as short options for investment purposes across several asset classes, such as equities, interest rates, commodities, and currencies. Global macro hedge funds focus to capitalize on macro trends from rapid change/price movement and investments in non-U.S. emerging and frontier markets. The multi-strategy



funds category includes funds that invest in a diversified group of investment strategies utilizing both long and short positions in an unlimited range of financial instruments throughout the world.

## **Fiduciary Activities**

### **Retirement System - New York State and Local Retirement System**

Investments of the New York State and Local Retirement System (System) are reported at fair value. Equity securities traded on a national or international exchange are valued at quoted fair value. Investments that do not have an established market are reported at estimated fair value as determined by the general partner or by the investment manager. The System trades in foreign exchange contracts in the normal course of its investing activities in order to manage exposure to market risks. Such contracts, which are generally for a period of less than one year, are used to purchase and sell foreign currency at a guaranteed future price. These contracts are recorded at fair value using foreign currency exchange rates. The System is exposed to various investment risks, which are discussed in the remainder of this Note.

### **Custodial Credit Risk**

Equity and fixed income investments owned directly by the System which trade in the United States markets are generally held by the System's custodian, in separate accounts, in the name of the Comptroller of the State of New York in Trust for the Common Retirement Fund. These securities are typically held in electronic form by the Depository Trust Company (DTC) and its subsidiaries, acting as an agent of the System's custodian bank. Securities held directly by the System which trade in markets outside the U.S. are held by a subsidiary of the System's custodian bank in the local market, by a bank performing custodial services in the local market acting as an agent for the System's custodian bank, or, in some foreign markets, by a DTC subsidiary or an organization similar to DTC, which holds the securities in electronic format. Equity investments held indirectly by the System via limited partnerships, commingled investment funds, joint ventures and other similar vehicles are held in custody by an organization contracted with by the general partner and/or the investment management firm responsible for the management of each investment organization. Title to real estate invested in by the System is either held by a real estate holding company or a real estate investment fund. Ownership of mortgage assets is documented by the System's holding of original mortgage and note documents by the Division of Pension Investment and Cash Management in the Office of the State Comptroller.

### **Credit Risk**

New York State statutes and the System's investment policies provide investment guidance on credit risk. Approximately \$28.2 billion or 59.15 percent of the System's \$47.7 billion long-term bond portfolio is rated AAA by NRSROs. For the balance of the portfolio: 38.97 percent is rated BBB to AA; 0.50 percent is rated D to BB; and 0.72 percent is not rated. Externally managed funds account for 0.66 percent and are rated in a range from AAA to CCC or not rated.

### **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the System's fixed income securities. The price volatility of the System's fixed income holdings is measured by duration. The average duration of the System's core fixed income portfolio is 6.17 years.

## Concentration of Credit Risk

Issuer limits for investments held by the System are established for each investment area by New York State Retirement and Social Security Law (RSSL), Article 2, Section 13 and Article 4A, Sections 176, 177, 178, and 313, and by policy guidelines adopted by the Comptroller.

Restrictions are placed on short-term fixed income investments, such that any one issuer of commercial paper must have the highest rating by two NRSROs and a maximum of \$1 billion of the short-term portfolio can be invested in any one issuer. In addition, simultaneous purchase and sales of U.S. Treasury obligations may be executed with primary government dealers; however, no more than \$200 million may be invested with any one primary dealer.

Restrictions are placed on fixed income investments with maturities longer than one year. These investments are generally limited to obligations payable in U.S. dollars issued by: any department, agency or political subdivision of the U.S. government; any corporation, company or other issuer of any kind or description created or existing under the laws of the U.S.; any state of the U.S.; the District of Columbia; the Commonwealth of Puerto Rico; and Canada or any province or city of Canada, provided each obligation is rated investment grade by two NRSROs. The aggregate investment by the System in the obligations of any one issuer should not exceed 2 percent of the assets of the System or 5 percent of the direct liabilities of the issuer. In addition, the aggregate amount invested in interest-bearing obligations payable in U.S. dollars (which at the time of investment are rated one of the three highest grades by each NRSRO approved by the New York State Department of Financial Services) may not exceed 1 percent of the assets of the System; and bonds issued or guaranteed by the State of Israel, payable in U.S. dollars, may not exceed 5 percent of the assets of the System; and obligations issued or guaranteed by the International Bank for Reconstruction and Development may not exceed 5 percent of the assets of the System.

As of March 31, 2021, the System did not hold any investments in any one issuer that totaled 5 percent or more of fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from the above referenced aggregate investment policy.

## Securities Lending

Section 177-d of the RSSL authorizes the System to enter into security loan agreements with broker/dealers and New York State or national banks. The System has two providers to manage a securities lending program. These programs are subject to written contracts between the System and the Contractor, who acts as security lending agent for the System. The Custodian is authorized to lend securities within the borrower limits and guidelines established by the System. Types of collateral received from borrowers for securities loaned are cash, government securities and federal agency obligations. The securities lending providers are authorized to invest the cash collateral in short-term investments that are legal for the System. These include domestic corporate and bank notes, U.S. Treasury obligations, obligations of federal agencies, repurchase agreements and specific asset-backed securities. All rights of ownership to securities pledged as collateral remain with the borrower except in the event of default. The System has not experienced any losses resulting from the default of a borrower or lending agent during the year ended March 31, 2021.

The System lends fixed income, domestic equity, and international equity securities to approved broker/dealers. Collateral for securities loaned equals 102 percent of fair market value for domestic securities and 105 percent for international securities. Credit risk associated with the investment of cash

collateral pledged by borrowers is mitigated by the maturity restrictions, percentage limitations, and rating requirements for individual asset classes included in the System's reinvestment guidelines. Each Contractor acknowledges responsibility to reimburse the System for any losses that might arise from managing the program in a manner inconsistent with the contract. The System manages its market risk by recording investments at market value daily and maintaining the value of the collateral held by the System in excess of the value of the securities loaned.

As of March 31, 2021, the fair value of securities on loan was \$19.6 billion. The associated collateral was \$20 billion, of which \$17.4 billion was cash collateral and \$2.6 billion was securities held as collateral. The fair value of the invested cash collateral, as of March 31, 2021, was \$16.9 billion and the securities lending obligations were \$16.9 billion. The unrealized loss in invested cash collateral on March 31, 2021 was \$7.7 million, which is included in the Statement of Changes in Fiduciary Net Position as part of "Net increase in the fair value of investments."

All open security loans can be terminated on demand by either the System or the borrower. To provide sufficient liquidity, the policy of the System is to maintain a minimum of 10 percent of collateral in overnight investments. While the Securities Lending Investment Guidelines allow investments up to a maximum of three years for U.S. Treasury and federal agency obligations and up to one full year for all other investments, the average term of open security loans at March 31, 2021 was 39 days. All loans were open loans. There were no direct matching loans. The collateral pool is valued at fair value as obtained from independent pricing services.

### **Foreign Currency Risk**

As of March 31, 2021, the System's current position in publicly traded international equity securities, invested in directly or through commingled funds, is approximately \$37.1 billion. The System also has foreign investments held in U.S. dollars of \$14.2 billion; \$16.2 billion in private equity, opportunistic, absolute return strategy, real asset and credit funds; and \$4 billion in real property owned, made, or located outside the United States. The approximate total market value of the System's investments made outside of the United States is \$71.5 billion.

### **Fair Value**

Investments classified in Level 1 of the fair value hierarchy are valued from predetermined external pricing vendors or primary dealers who source quoted prices in active markets, which are readily attainable exit values of these securities. Investments classified in Level 2 are subject to alternative pricing sources, including a combination of price sources, descriptive data and pricing models based on attributes such as spread data, sector, quality, duration, and prepayment characteristics. Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models and public market comparables of similar assets where applicable. The values are supplied by advisors or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit value attainable for the assets.

As of March 31, 2021, the composition of the System's investments by levels within the fair value hierarchy as of March 31, 2021 were as follows (amounts in billions):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Domestic equities .....	\$ 85	\$ 85	\$ -	\$ -
Global fixed income securities .....	48	1	48	-
International equities .....	40	40	-	-
Securities lending collateral, invested.....	14	-	14	-
Short-term instruments .....	10	-	10	-
Mortgages .....	1	-	-	1
Other .....	2	-	-	2
<b>Subtotal.....</b>	<b>200</b>	<b>\$ 126</b>	<b>\$ 71</b>	<b>\$ 3</b>
Investments valued at amortized cost.....	3			
<b>Total.....</b>	<b>\$ 203</b>			

The System's investments at March 31, 2021, measured at the NAV were as follows (amounts in billions):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Private equity .....	\$ 29	\$ 15	N/A	N/A
Real Estate .....	17	6	N/A	N/A
Credit.....	9	3	N/A	N/A
Hedge funds .....	5	1	N/A, Monthly, Quarterly, Annually, Semi-Annually	N/A, 5-120 Days
Domestic equities .....	5	-	N/A, Weekly, Monthly, Annually	N/A, 2-90 Days
Real assets.....	4	5	N/A	N/A
International equity funds.....	3	-	Daily, Monthly, Quarterly	15-120 Days
<b>Total .....</b>	<b>\$ 72</b>	<b>\$ 30</b>		

Global fixed income funds consist of three funds for which the System is the only investor. These funds invest primarily in both privately and publicly issued global fixed income securities. The investments are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

Domestic equities consist of two commingled investment vehicles and one fund for which the System is the only investor. The funds invest primarily in publicly traded domestic equity securities. The investments are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

International equity funds consist of six commingled investment vehicles and one fund for which the System is the only investor. The funds invest primarily in publicly traded global equity securities. The funds are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.

The System's alternative investments portfolio includes private equity, opportunistic/absolute return strategy funds, real assets, credit and real estate through various fund structures. Private equity (10.7 percent of the System's total investments and securities lending collateral invested at March 31, 2021) consists of buyout, co-investments, distressed debt and turnaround funds, funds of funds, growth equity, and venture capital. Opportunistic/absolute return strategy investments (1.8 percent) consist of investments in strategies including hedged equity, credit, global macro, closed-end funds, and investments that do not meet the mandates of the other asset classes. Real assets (1.4 percent) consist of commodities, farmland, inflation-linked bonds, infrastructure, and renewables. Credit (3.1 percent) consists of non-investment grade public and private credit strategies in direct lending, distressed and special situations, specialty finance, structured credit and real assets credit through closed-end and open-end funds, co-investments, separately managed accounts, and funds of funds. The real estate private equity funds (6.4 percent) consist of investments in closed-end, open-end, and funds of funds. The fair values of the alternative investments have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partner's capital. The private equity, opportunistic funds, real assets, and real estate are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 5-10 years.

**NOTE 3 - Taxes Receivable, Tax Refunds Payable and Tax Abatements****Taxes Receivable**

Taxes receivable represent amounts owed by taxpayers for the 2020 calendar year and the first quarter of the 2021 calendar year, including prior year assessments for underpayments, penalties and interest. Taxes receivable are recognized as revenue when they become both measurable and available, based on actual collections or estimates of amounts to be collected during the next 12 months.

Personal income tax (PIT) revenues are reported as income when earned by the taxpayers. The primary components of the PIT receivable are the estimated and withholding payments that relate to the first quarter of the 2021 calendar year, payments with final returns which relate to the 2020 calendar year, and assessments which relate to prior tax periods.

Consumption and use tax revenues are reported in the fiscal period when the sale is made. The principal component of this receivable is sales tax receivables, which include sales taxes due through March 31, 2021 and assessments which relate to prior tax periods.

General business tax revenues are reported as businesses earn income. General business tax receivables comprise estimated tax payments, payments remitted with final returns, and assessments.

Other taxes receivable comprises estate and gift taxes, real property gains taxes, real estate transfer taxes, metropolitan commuter transportation mobility taxes and assessments.

Net taxes receivable at March 31, 2021 for the governmental funds totaled approximately \$22 billion. The following table summarizes taxes receivable by major tax type for the governmental funds (amounts in millions):

	<u>General</u>	<u>General Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Current taxes receivable:</b>				
Personal income .....	\$ 8,237	\$ 8,949	\$ 715	\$ 17,901
Consumption and use .....	313	253	655	1,221
Business.....	485	-	86	571
Other.....	1,008	-	170	1,178
<b>Subtotal .....</b>	<b>10,043</b>	<b>9,202</b>	<b>1,626</b>	<b>20,871</b>
<b>Long-Term taxes receivable:</b>				
Personal income .....	260	283	23	566
Consumption and use .....	22	22	46	90
Business.....	189	-	-	189
Other.....	263	-	-	263
<b>Subtotal .....</b>	<b>734</b>	<b>305</b>	<b>69</b>	<b>1,108</b>
Allowance for uncollectibles.....	(103)	(55)	(23)	(181)
<b>Total.....</b>	<b>\$ 10,674</b>	<b>\$ 9,452</b>	<b>\$ 1,672</b>	<b>\$ 21,798</b>

### Tax Refunds Payable

Tax refunds payable primarily represent amounts owed to taxpayers because of overpayments of their 2020 calendar year and first quarter 2021 calendar year tax liabilities. Tax refunds payable, which reduce respective tax revenues, are accrued to the extent they are measurable based on payments and estimates. The amount of PIT refunds payable includes estimates of overpayments of the first calendar quarter 2021 tax liability and payments of 2020 calendar and prior year refunds. The remaining portion of tax refunds payable comprise payments made subsequent to the end of the fiscal year and estimates of a remaining refund liability. Tax refunds payable at March 31, 2021 are summarized as follows (amounts in millions):

#### Governmental Activities:

	<u>Current</u>				
	<u>General</u>	<u>General</u>	<u>Other</u>	<u>Total</u>	
		<u>Service</u>	<u>Governmental</u>	<u>Current</u>	<u>Long-term</u>
	<u>General</u>	<u>Debt</u>	<u>Funds</u>		
Personal income.....	\$ 3,846	\$ 3,880	\$ 309	\$ 8,035	\$ 320
Consumption and use ....	44	43	114	201	461
Business .....	2,318	-	238	2,556	547
Other .....	87	-	236	323	36
<b>Total.....</b>	<b>\$ 6,295</b>	<b>\$ 3,923</b>	<b>\$ 897</b>	<b>\$ 11,115</b>	<b>\$ 1,364</b>

### Tax Abatements

For financial reporting purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development in the taxing entity's jurisdiction or otherwise benefits the government or its citizens.



As of March 31, 2021, the State provided tax abatements through the following programs:

Program Name .....	Film and Commercial Production Credit	Brownfields
Program Purpose.....	The program is designed to increase the presence and overall positive impact of the film production and post-production industry on the State’s economy.	The program encourages cleanup and development of brownfield sites across the State to revitalize economically blighted communities.
Taxes being abated.....	Personal income tax and Corporate franchise tax.	Personal income tax, Corporate franchise tax, Insurance tax, and Corporate tax.
Authority under which abatements are entered into .....	State tax law: Article 22, Sections 606(gg), 606(jj) and 606(qq) Article 9-A, Sections 210-B(20), 210-B(23) and 210-B(32) Article 1, Sections 24, 28 and 31	State tax law: Article 22, Sections 606(dd), 606(ee) and 606(ff) Article 9-A, Sections 210-B(17), 210-B(18) and 210-B(19) Article 33, Sections 1511(u), 1511(v) and 1511(w) Article 9, Sections 187-G, 187-H and 187-I
Criteria to be eligible to receive abatements and commitment of the taxpayer.....	The program is limited to feature films, television series, relocated television series, television pilots, and films for television. The filming must be substantially in the State or the post-production work must be completed by a State company.	The program requires an application with the project description, purpose, and start and end date of remediation. The applicant commits to undertake remedial activities under the direction of the Department of Environmental Conservation.
How taxes are reduced .....	Allowance of credit against taxes. Taxpayer receives the full amount of the credit regardless of its tax liability (refundable credit).	Allowance of credit against taxes. Refundable credit.
How amount of abatement is determined.....	The credit is 30 percent of qualified production and post-production costs. It increases by 5 percent if post-production costs are incurred upstate and increases an additional 10 percent of any qualified labor expenses that are incurred in specific counties.	Credits result from various percentages of costs associated with three components of cleanup and development: site preparation, tangible property, and on-site groundwater remediation.
Provisions for recapturing abated taxes.....	N/A	N/A
Type of commitments other than taxes .....	N/A	N/A
Total revenue estimated to be reduced for calendar year 2020.....	\$606 million	\$130 million

Program Name .....	Empire Zones (EZ)	Qualified Empire Zone Enterprise (QEZE)
Program Purpose .....	The program is designed to bring new businesses and jobs to the State in areas that need revitalization.	This program is designed to create jobs and prevent loss of employment in the Empire Zone and to enhance economic climate in EZ areas.
Taxes being abated .....	Personal income tax, Corporate franchise tax, Bank and Insurance taxes, and Corporate tax.	Personal income tax, Sales and use tax, Corporate franchise tax, Bank and Insurance taxes, and Corporate tax.
Authority under which abatements are entered into .....	State tax law: Article 22, Sections 606(j)(1), 606(k) and 606(l) Article 9-A, Sections 210-B(3 & 4) and 210-B(46) Article 33, Sections 1511(g) and 1511(h) Article 9, Sections 187-K, 187-L and 187-M	State tax law: Article 22, Sections 606(bb) and 606(cc) Article 28, Sections 1119(d) Article 9-A, Sections 210-B(5) and 210-B(6) Article 9, Sections 187-J Article 33, Sections 1511(r) and 1511(s)
Criteria to be eligible to receive abatements and commitment of the taxpayer .....	An agreement is made between the State and a local government to designate an area as an EZ. Businesses will apply to be certified, and then will conduct business and make investments in the EZ to create new jobs or prevent loss of employment.	Businesses in the EZ apply to be certified as QEZEs. QEZEs are certified businesses that meet the employment test (increase level of employment between tax year and base year).
How taxes are reduced .....	Allowance of credit against taxes. Taxpayer receives the amount of the credit only up to the amount of their liability (nonrefundable credit) and can carry forward the credit against future tax liability. Refundable credit available for new businesses.	Allowance of credit against taxes. Refundable credit.
How amount of abatement is determined.....	The Investment Tax Credit and Employment Incentive Credit are equal to a percentage of the cost or other basis of tangible personal property for federal income tax purposes, including buildings and structural components of buildings located within a designated EZ.  The Wage Tax Credit is calculated on the average number of newly hired employees. It is \$3,000 per targeted and \$1,500 per nontargeted employee.  The Capital Credit equals 25 percent of the sum of each type of investment.	A credit is available for tax paid on tangible personal property and certain services purchased by a QEZE and used or consumed in an EZ.  The Real Property Tax Credit equals 25 percent of the wages plus health and retirement benefits of net new employees.  The Tax Reduction Credit is based on benefit period, employment increase, zone allocation, and tax factors.
Provisions for recapturing abated taxes .....	N/A	N/A
Type of commitments other than taxes.....	N/A	N/A
Total revenue estimated to be reduced for calendar year 2020 .....	\$48 million	\$46 million

Program Name .....	Industrial Development Agencies (IDAs)	New York Youth Jobs Program (Formerly Urban Youth Jobs Program)
Program Purpose.....	The program is intended to foster economic development in specific localities.	The program is designed to provide employment for at-risk youth in full-time and part-time positions.
Taxes being abated.....	Sales and use tax.	Personal income tax and Corporate franchise tax.
Authority under which abatements are entered into .....	State tax law: Article 28, Section 1116(a)(1)  General municipal law: Article 18-A	State tax law: Article 22, Section 606(tt) Article 9-A, Section 210-B(36)
Criteria to be eligible to receive abatements and commitment of the taxpayer.....	The IDA is an exempt government organization and receives all the benefits of that status. To extend the sales tax exemption benefit, the IDA can appoint an agent or project operator to make purchases for its project.	The taxpayer applies to be a qualified employer and receives a certificate of eligibility indicating the maximum amount of credit allowed to be claimed. The employer is required to hire high school students on a part-time or full-time basis and to retain those students for a period of time.
How taxes are reduced .....	Sales tax exemption on purchases.	Allowance of credit against taxes. Refundable credit.
How amount of abatement is determined.....	Purchases to acquire, build, and equip the project are exempt from sales taxes, including the 3/8 percent sales tax in the Metropolitan Commuter Transportation District (MCTD), to the extent provided by the terms of the IDA project agreement.	The credit is \$375 to \$1,500 per qualified employee, either part-time or full-time high school student, and additional amounts can be received if the employee is retained for additional time.
Provisions for recapturing abated taxes.....	N/A	N/A
Type of commitments other than taxes .....	N/A	N/A
Total revenue estimated to be reduced for calendar year 2020.....	\$102 million	\$40 million

Program Name.....	Excelsior Jobs Program and Empire State Job Retention Program Credit	Low-Income Housing Credit
Program Purpose .....	The program encourages businesses to expand in and relocate to the State while maintaining a guarantee to deliver on job and investment commitments to better the economy in selected regions. It includes three programs: Job Tax Credit, Investment Tax Credit, and Research and Development Tax Credit.	The program is designed to promote the development of and facilitate investment in low-income housing.
Taxes being abated.....	Personal income tax, Corporate franchise tax, Bank and Insurance taxes.	Personal income tax, Corporate franchise tax and Insurance tax.
Authority under which abatements are entered into .....	State tax law: Article 22, Section 606(qq) and Section 606(tt) Article 9-A, Section 210-B(31) and Section 210-B(37) Article 33, Section 1511(y) and Section 1511(bb)	State tax law: Article 22, Section 606(x) Article 9-A, Section 210-B(15) Article 33, Section 1511(n) Article 1, Section 18
Criteria to be eligible to receive abatements and commitment of the taxpayer.....	The taxpayer applies for a credit and, if approved, is issued a certificate entitling it to the credit. The taxpayer in return creates jobs or invests in the region as specified in the application submitted.	The participant makes a long-term commitment to offer low-income housing where the buildings must serve households whose incomes are at or below 90 percent of the area median income.
How taxes are reduced .....	Allowance of credit against taxes. Refundable credit.	Allowance of credit against taxes. Non-refundable credit, can be carried forward.
How amount of abatement is determined .....	The Job Tax Credit is 6.85 percent of wages per net new job.  The Investment Tax Credit is 2 percent of the qualified investments.  The Research and Development Tax Credit is 50 percent of the federal research and development credit, and up to 6 percent of research expenditures in the State.	The credit is determined by the Division of Housing and Community Renewal and depends on the applicable percentage of the qualified basis of each low-income building. The credit amount allocated is allowed as a credit for the next 10 tax years.
Provisions for recapturing abated taxes .....	N/A	N/A
Type of commitments other than taxes.....	N/A	N/A
Total revenue estimated to be reduced for calendar year 2020.....	\$168 million	\$51 million

The State had additional tax abatement programs each amounting to \$10 million or less in revenue estimated to be reduced in calendar year 2020. In total, these programs resulted in \$20.6 million in estimated tax abatements. These include the Excelsior Business Program (formerly START-UP NY Tax Elimination Credit), the Employee Training Incentive Program, Workers with Disabilities Tax Credits, Employer Recovery Hiring Tax Credit, the Historic Homeownership Rehabilitation Tax Credit, and the Musical and Theatrical Production Credit.

**NOTE 4 - Other Receivables**

Other receivables at March 31, 2021 are summarized as follows (amounts in millions):

**Governmental Activities:**

	<u>General</u>	<u>Federal Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Activities</u>
<b>Other current receivables:</b>				
Public health/patient fees .....	\$ 3	\$ -	\$ 844	\$ 847
Medicaid .....	1,081	696	-	1,777
Financial settlements .....	55	-	199	254
Tobacco settlement .....	-	-	391	391
Miscellaneous agency .....	132	35	230	397
Oil spill .....	-	-	9	9
Public authorities .....	37	-	-	37
Casino .....	19	-	-	19
Other .....	725	5	164	894
<b>Subtotal .....</b>	<b><u>2,052</u></b>	<b><u>736</u></b>	<b><u>1,837</u></b>	<b><u>4,625</u></b>
<b>Other long-term receivables:</b>				
Medicaid .....	81	157	-	238
Miscellaneous agency .....	64	175	844	1,083
Oil spill .....	-	-	127	127
Other .....	-	-	48	48
<b>Subtotal .....</b>	<b><u>145</u></b>	<b><u>332</u></b>	<b><u>1,019</u></b>	<b><u>1,496</u></b>
<b>Gross receivables .....</b>	<b><u>2,197</u></b>	<b><u>1,068</u></b>	<b><u>2,856</u></b>	<b><u>6,121</u></b>
Allowance for uncollectibles ...	<u>(130)</u>	<u>(285)</u>	<u>(1,097)</u>	<u>(1,512)</u>
<b>Total other receivables .....</b>	<b><u>\$ 2,067</u></b>	<b><u>\$ 783</u></b>	<b><u>\$ 1,759</u></b>	<b><u>\$ 4,609</u></b>

**Business-Type Activities:**

	Lottery	Unemployment Insurance Benefit	June 30, 2020		Total
			SUNY	CUNY	
<b>Other current receivables:</b>					
Ticket sales .....	\$ 489	\$ -	\$ -	\$ -	\$ 489
Public health/patient fees.....	-	-	1,341	-	1,341
Student loans.....	-	-	122	15	137
Contributions .....	-	3,277	-	-	3,277
Benefit overpayments .....	-	358	-	-	358
State agencies/municipalities....	-	14	-	-	14
Other .....	5	21	516	395	937
<b>Subtotal.....</b>	<b>494</b>	<b>3,670</b>	<b>1,979</b>	<b>410</b>	<b>6,553</b>
Allowance for uncollectibles .....	(1)	(1,487)	(509)	(131)	(2,128)
<b>Net current receivables .....</b>	<b>493</b>	<b>2,183</b>	<b>1,470</b>	<b>279</b>	<b>4,425</b>
<b>Other long-term receivables:</b>					
Accounts, notes and loans .....	-	-	98	7	105
Contributions .....	-	-	43	-	43
Other .....	-	-	-	1	1
<b>Subtotal.....</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>8</b>	<b>149</b>
Allowance for uncollectibles .....	-	-	(27)	(1)	(28)
<b>Net long-term receivables .....</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>7</b>	<b>121</b>
<b>Total other receivables .....</b>	<b>\$ 493</b>	<b>\$ 2,183</b>	<b>\$ 1,584</b>	<b>\$ 286</b>	<b>\$ 4,546</b>



**NOTE 5 - Capital Assets**

Capital asset activity for the year ended March 31, 2021 was as follows (amounts in millions):

**Governmental Activities:**

	<b>Balance April 1, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance March 31, 2021</b>
<b>Depreciable and amortizable assets:</b>				
Buildings and building improvements.....	\$ 13,218	\$ 756	\$ 20	\$ 13,954
Land improvements.....	784	71	2	853
Infrastructure .....	502	10	-	512
Equipment .....	997	81	32	1,046
Intangible assets – easements .....	201	-	-	201
Intangible assets – computer software.....	985	81	-	1,066
<b>Total depreciable and amortizable assets .....</b>	<b>16,687</b>	<b>999</b>	<b>54</b>	<b>17,632</b>
<b>Less accumulated depreciation and amortization:</b>				
Buildings and building improvements.....	(8,299)	(380)	(13)	(8,666)
Land improvements.....	(495)	(28)	(1)	(522)
Infrastructure .....	(151)	(19)	-	(170)
Equipment .....	(667)	(76)	(28)	(715)
Intangible assets – easements .....	(93)	(10)	-	(103)
Intangible assets – computer software.....	(478)	(99)	-	(577)
<b>Total accumulated depreciation and amortization .....</b>	<b>(10,183)</b>	<b>(612)</b>	<b>(42)</b>	<b>(10,753)</b>
<b>Total depreciable and amortizable assets, net.....</b>	<b>6,504</b>	<b>387</b>	<b>12</b>	<b>6,879</b>
<b>Nondepreciable and nonamortizable assets:</b>				
Land.....	4,236	37	-	4,273
Land preparation.....	4,109	118	-	4,227
Construction in progress (buildings) .....	1,167	361	702	826
Construction in progress (roads and bridges).....	2,325	701	1,663	1,363
Infrastructure (roads and bridges).....	72,871	1,703	97	74,477
<b>Total nondepreciable and nonamortizable assets .....</b>	<b>84,708</b>	<b>2,920</b>	<b>2,462</b>	<b>85,166</b>
<b>Governmental activities, capital assets, net .....</b>	<b>\$ 91,212</b>	<b>\$ 3,307</b>	<b>\$ 2,474</b>	<b>\$ 92,045</b>

## Business-Type Activities:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
<b>SUNY:</b>				
<b>Depreciable assets:</b>				
Infrastructure and land improvements.....	\$ 1,468	\$ 75	\$ 1	\$ 1,542
Buildings.....	15,080	674	12	15,742
Equipment and library books.....	3,338	320	144	3,514
<b>Total depreciable assets.....</b>	<b>19,886</b>	<b>1,069</b>	<b>157</b>	<b>20,798</b>
<b>Less accumulated depreciation:</b>				
Infrastructure and land improvements.....	(667)	(65)	(1)	(731)
Buildings.....	(5,340)	(444)	(10)	(5,774)
Equipment and library books.....	(2,656)	(176)	(135)	(2,697)
<b>Total accumulated depreciation.....</b>	<b>(8,663)</b>	<b>(685)</b>	<b>(146)</b>	<b>(9,202)</b>
<b>Total depreciable assets, net.....</b>	<b>11,223</b>	<b>384</b>	<b>11</b>	<b>11,596</b>
<b>Nondepreciable assets:</b>				
Land.....	779	13	-	792
Construction in progress.....	1,335	864	890	1,309
Artwork.....	35	1	-	36
<b>Total nondepreciable assets.....</b>	<b>2,149</b>	<b>878</b>	<b>890</b>	<b>2,137</b>
<b>SUNY capital assets, net.....</b>	<b>13,372</b>	<b>1,262</b>	<b>901</b>	<b>13,733</b>
<b>CUNY:</b>				
<b>Depreciable and amortizable assets:</b>				
Buildings and building improvements.....	6,386	318	1	6,703
Land improvements.....	56	-	-	56
Equipment.....	464	24	19	469
Infrastructure.....	164	-	-	164
Intangible assets.....	252	-	-	252
<b>Total depreciable and amortizable assets.....</b>	<b>7,322</b>	<b>342</b>	<b>20</b>	<b>7,644</b>
<b>Less accumulated depreciation and amortization:</b>				
Buildings and building improvements.....	(3,158)	(187)	(1)	(3,344)
Land improvements.....	(53)	-	-	(53)
Equipment.....	(421)	(24)	(15)	(430)
Infrastructure.....	(91)	(8)	-	(99)
Intangible assets.....	(68)	(16)	-	(84)
<b>Total accumulated depreciation and amortization.....</b>	<b>(3,791)</b>	<b>(235)</b>	<b>(16)</b>	<b>(4,010)</b>
<b>Total depreciable and amortizable assets, net.....</b>	<b>3,531</b>	<b>107</b>	<b>4</b>	<b>3,634</b>
<b>Nondepreciable assets:</b>				
Land.....	321	-	-	321
Construction in progress.....	1,360	194	325	1,229
Artwork and historical treasures.....	11	-	-	11
<b>Total nondepreciable assets.....</b>	<b>1,692</b>	<b>194</b>	<b>325</b>	<b>1,561</b>
<b>CUNY capital assets, net.....</b>	<b>5,223</b>	<b>301</b>	<b>329</b>	<b>5,195</b>
<b>Business-type activities, capital assets, net.....</b>	<b>\$ 18,595</b>	<b>\$ 1,563</b>	<b>\$ 1,230</b>	<b>\$ 18,928</b>

For the year ended March 31, 2021, depreciation and amortization expense was charged to the following governmental functions (amounts in millions):

<b>Allocation of depreciation and amortization:</b>	<b>Governmental Activities</b>
Education.....	\$ 4
Public health.....	237
Public welfare.....	27
Public safety.....	147
Transportation.....	57
Environment and recreation.....	35
Support and regulate business.....	3
General government.....	102
<b>Total depreciation and amortization expense.....</b>	<b>\$ 612</b>

For the year ended June 30, 2020, depreciation and amortization expense was charged to the following business-type functions (amounts in millions):

<b>Allocation of depreciation and amortization:</b>	<b>Business-Type Activities</b>
SUNY.....	\$ 685
CUNY.....	235
<b>Total depreciation and amortization expense.....</b>	<b>\$ 920</b>

**NOTE 6 - Bonds Payable**

General obligation bonds are backed by the full faith and credit of the State, and constitutionally must be repaid in equal annual principal installments or substantially level or declining debt service payments beginning not more than one year after issuance of such bonds and must mature within 40 years after issuance. The Debt Reform Act of 2000 further limits the maximum term of new State-supported debt issued on and after April 1, 2000, including general obligation bonds, to a maximum term of 30 years. Refer to Note 7 for further discussion of the Debt Reform Act of 2000. Changes for the year in bonds payable were as follows (amounts in millions):

<b>Purpose</b>	<b>Outstanding April 1, 2020</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Outstanding March 31, 2021</b>
Accelerated capacity and transportation improvements of the 1990s.....	\$ 12	\$ -	\$ 2	\$ 10
Clean water/clean air .....	356	90	120	326
Environmental quality (1986):				
Land acquisition, development, restoration, and forests.....	5	-	3	2
Solid waste management .....	92	18	27	83
Environmental quality (1972):				
Land and wetlands .....	5	-	1	4
Water.....	6	-	1	5
Housing:				
Low income .....	5	4	6	3
Middle income .....	5	-	2	3
Pure waters.....	16	2	4	14
Transportation capital facilities:				
Aviation .....	1	-	-	1
Energy conservation through improved transportation .....	2	-	-	2
Rebuild New York transportation infrastructure renewal:				
Highways, parkways, and bridges .....	1	-	-	1
Rapid transit, rail, and aviation.....	2	-	-	2
Rebuild and Renew New York transportation:				
Highway facilities.....	601	142	180	563
Canals and waterways.....	10	-	2	8
Aviation .....	41	9	9	41
Mass transit - DOT .....	11	5	2	14
Mass transit - MTA.....	705	196	211	690
Rail and port.....	93	4	7	90
Smart Schools Bond Act.....	162	164	18	308
<b>Total .....</b>	<b>\$ 2,131</b>	<b>\$ 634</b>	<b>\$ 595</b>	<b>\$ 2,170</b>

Debt service expenditures (principal and interest) related to the above general obligation bonds during the year were approximately \$241 million. Federal subsidies related to the interest payments made during the year on Build America Bonds were \$3.2 million. The total amount of general obligation bonds authorized but not issued at March 31, 2021 was \$2.2 billion.

Debt service requirements for general obligation bonds in future years, which are financed by transfers from the General Fund to the General Debt Service Fund, are as follows (amounts in millions):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022.....	\$ 174	\$ 66	\$ 240
2023.....	160	60	220
2024.....	147	55	202
2025.....	172	50	222
2026.....	164	45	209
2027-2031 .....	709	156	865
2032-2036 .....	367	77	444
2037-2041 .....	243	28	271
2042-2046 .....	34	2	36
<b>Total.....</b>	<b>\$ 2,170</b>	<b>\$ 539</b>	<b>\$ 2,709</b>

Debt service requirements were calculated based upon actual rates ranging from 0.25 percent to 5.62 percent.

During the fiscal year ended March 31, 2021, \$454 million in general obligation refunding bonds (Series 2021B) were issued. The issue refunded \$430 million in existing debt with a cash flow savings of \$50.2 million and a present value gain of \$49.7 million. The differences between the reacquisition price and the net carrying value of the refunded bonds generated a deferred accounting gain, which is reported as deferred inflows of resources. The total deferred accounting gain was \$23.9 million, all of which will be amortized into interest expense in future years.

## ***NOTE 7 - Obligations Under Lease/Purchase and Other Financing Arrangements***

### **Governmental Activities Debt**

The State has entered into contractual financing arrangements with certain public benefit corporations and other entities for various capital assets, local assistance payments and deficit financing. Under these agreements, generally, construction costs are initially paid by the State from appropriations (reported as capital construction expenditures in the governmental funds). These appropriations are then repaid to the State from the proceeds of bonds issued by the public benefit corporations or other entities (reported as financing arrangements in the governmental funds). The State becomes the tenant of the facility under a lease/purchase agreement, which provides for the payment of rentals sufficient to cover the related bond debt service and for the passage of title to the State after the bonds have been repaid.

The State has also entered into contractual obligation financing arrangements (also referred to as “service contract bonds”) with certain public benefit corporations that have issued bonds to finance past State budgetary deficits, grants to local governments and various special project initiatives undertaken in partnership with private entities, including commercial enterprises, for both capital and operating purposes. The terms of these arrangements require the State to fund the debt service requirements of the specific debt issued by these entities.

Chapter 59 of the Laws of 2000 enacted the Debt Reform Act (Act) which applies to all new State-supported debt issued on and after April 1, 2000. The Act imposes statutory limitations which restrict the issuance of State-supported debt to capital purposes only and establishes a maximum term of 30 years for such debt. The Act also imposes phased-in caps that ultimately limit the amount of State-supported debt issued on and after April 1, 2000 to 4 percent of State personal income, and limit State-supported debt service on debt issued on and after April 1, 2000 to 5 percent of total governmental funds receipts. The Act requires that the limitations be calculated by October 31<sup>st</sup> of each year using the State-supported debt outstanding and State-supported debt service amounts from the previous fiscal year. As of March 31, 2020, the cumulative debt outstanding and debt service caps were at 4 and 5 percent, and there was \$49.4 billion of State-supported debt outstanding applicable to the debt reform cap, which was about \$6.4 billion below the statutory debt outstanding limitation. The debt service cost on this new debt was \$5.0 billion, about \$3.8 billion below the statutory debt service limitation. The Act does not apply to debt that is not considered State-supported and therefore does not encompass State-guaranteed debt, moral obligation debt, and contingent-contractual obligation financing.

State legislation enacted in connection with the Enacted Budgets for the 2020-21 and 2021-22 fiscal years suspended the Debt Reform Act as part of the State response to the COVID-19 pandemic. Accordingly, any State-supported debt issued in the 2020-21 and 2021-22 fiscal years is not limited to capital purposes and is not counted towards the statutory caps on debt outstanding and debt service. In addition, debt issuances undertaken by the State for MTA capital projects in the 2021-22 fiscal year may be issued with maximum maturities longer than 30 years. This change allows bonds to be issued over the full useful life of the assets being financed, subject to federal tax law limitations, and is consistent with the rules that would have been in effect if the projects had been directly financed by the MTA. Current projections anticipate that State-supported debt outstanding and State-supported debt service will continue to remain below the limits imposed by the Debt Reform Act due to the suspension of the debt cap during the 2020-21 and 2021-22 fiscal years.

The State and some of its public authorities which issue debt on behalf of the State have purchased letters of credit and standby purchase agreements from various providers to ensure that the liquidity needs of certain variable rate demand bonds can be met. As of March 31, 2021, these agreements covered \$906 million of variable rate demand bonds outstanding, with costs ranging from 40 to 75 basis points of the amount of credit provided and expiration dates ranging from September 15, 2021 to June 5, 2026.

In 2003, the State enacted legislation creating the TSFC to finance a portion of its future revenues expected to be received under the 1998 Master Settlement Agreement (MSA) with the settling cigarette manufacturers. The MSA revenues were intended to compensate the State for all claims for past, present, and future health care costs originating from health care expenses incurred by the State from the effects of cigarette smoking by its citizens. In accordance with the legislation, TSFC issued \$4.6 billion in bonds to finance a payment of \$4.2 billion to the State's General Fund, enabling the State to finance a portion of the budget deficits occurring in fiscal years ending March 31, 2003 through March 31, 2005, to establish \$449 million in debt service reserves, and to provide \$129 million to finance a portion of the first debt service payments due on TSFC bonds. In accordance with the legislation, all future revenues from the 1998 MSA would be used to repay the debt until it was fully retired, after which all MSA revenues would revert to the State. The State agreed to make additional payments for TSFC debt service, subject to annual appropriation, from other sources if the future revenues proved insufficient to meet TSFC debt service requirements of the State. However, the State was never called upon to make any payments related to this contingency agreement. In the fiscal year ended March 31, 2018, bonds secured by annual payments from tobacco manufacturers under the MSA were retired, with no remaining debt service requirements to be paid on these bonds. The fiscal year 2018 Enacted Budget authorized and directed that MSA payments be used to help defray costs of the State's takeover of Medicaid costs for counties and New York City. During the fiscal year, pledged MSA revenues of \$391 million were recognized and \$294 million of Medicaid payments were made.

Prior to 1996, certain payments due to the State's local government units in the first quarter of the State's fiscal year exceeded available State funds. To meet these payments in the past, the State issued short-term tax and revenue anticipation notes called the annual "Spring Borrowing." LGAC was established in 1990 to issue up to \$4.7 billion in long-term debt to finance certain local assistance aid payments, plus amounts necessary to fund a capital reserve fund and other issuance costs. Issuance of the entire \$4.7 billion bond authorization as of March 31, 1996 eliminated the need for the State's annual Spring Borrowing. Pursuant to the legislation establishing LGAC, the State deposits an amount equal to a 1 percent rate of taxation of the total State sales and use tax collected into Other Governmental Funds (Local Government Assistance Tax Fund) to make payments to LGAC for debt service on its bonds and other expenses of LGAC. Amounts in excess of LGAC's needs are subsequently transferred to the General Fund. Payments to LGAC are subject to annual appropriations by the Legislature. LGAC's bondholders do not have a lien on monies deposited in the Local Government Assistance Tax Fund. Under current State statute, any issuance of bonds by LGAC in the future will be for refunding purposes only.

Chapter 62 and Chapter 63 of the Laws of 2003 enacted, among other provisions, the Municipal Assistance Refinancing Act (Refinancing Act), effective July 1, 2003 and deemed repealed July 1, 2034. The Refinancing Act created an incentive for the State to seek an appropriation to provide \$170 million per year, from Other Governmental Funds (Local Government Assistance Tax Fund (Fund)) to the City of New York (City) for each of the City's fiscal years beginning July 1, 2003 and ending June 30, 2034. The Refinancing Act requires LGAC to annually certify \$170 million so that the State, subject to annual



State appropriation by the Legislature, can provide for a series of payments to the City or the Mayor's assignee in each City fiscal year, beginning July 1, 2003 and ending June 30, 2034, totaling \$5.3 billion. Based on current law, until the Legislature enacts an appropriation of \$170 million, LGAC certifies the release of the funds, the \$170 million State payment is made, and LGAC receives the amount it has certified for its needs, no excess sales tax receipts can be transferred from the Fund to the State's General Fund. During the fiscal year ended March 31, 2021, LGAC certified the release for the State payment of \$170 million to the City.

Chapter 56 of the Laws of 1993 authorized the New York State Thruway Authority to issue up to \$2.93 billion in bonds for State highway and bridge projects (the amount of authorized bonds has been raised four times, most recently in 2021, up to \$18.2 billion). The bonds are secured and funded by a dedication of portions of the State's petroleum business tax, motor fuel tax, highway and fuel use tax, motor vehicle registration fees, auto rental tax, transmission and transportation tax and certain miscellaneous revenues.

In 2001, the State enacted legislation providing for the issuance of State Personal Income Tax Revenue Bonds (PIT bonds) to be issued by several State public benefit corporations. The original legislation provided that 25 percent of personal income tax receipts, excluding refunds owed to taxpayers, be deposited to the Revenue Bond Tax Fund (RBTF), which is an account of the General Debt Service Fund. These deposits are used to make debt service payments on PIT bonds, with excess amounts returned to the General Fund. In the event that the State Legislature fails to appropriate amounts required to make debt service payments on the PIT bonds, or if required payments have not been made when due, the original legislation required that deposits continue to be made to the RBTF until amounts on deposit equal the greater of 25 percent of personal income tax receipts or \$6 billion. Amounts in excess of that needed for current debt service are subsequently transferred to the General Fund. Effective April 1, 2018 enacted legislation amends the State Finance Law provisions to increase the level of personal income tax receipts to be deposited into the RBTF to 50 percent, in addition to a requirement in the legislation creating the Employer Compensation Expense Program (ECEP) to deposit 50 percent of ECEP receipts into the RBTF for the purposes of making debt service payments on PIT bonds. The legislation also provides that personal income tax receipts and ECEP receipts continue to be deposited to the RBTF equal to 40 percent of the aggregate annual personal income tax receipts and the ECEP receipts or \$12 billion, whichever is greater, in the event the State Legislature fails to appropriate amounts required to make debt service payments on the PIT bonds, or if required payments have not been made when due. The first PIT bonds were issued on May 9, 2002 and approximately \$43.8 billion issued for both governmental and business-type activities were outstanding as of March 31, 2021.

In 2013, the State enacted legislation providing for the issuance of State Sales Tax Revenue Bonds to be issued by certain State public benefit corporations. The legislation created the Sales Tax Revenue Bond Tax Fund, an account of the General Debt Service Fund, to provide for the debt service payments on these bonds. The bonds are secured by the pledge of payments from this fund, which will receive 25 percent of the State's sales and use tax receipts. Upon the satisfaction of all of the obligations and liabilities of LGAC, this share will increase to 50 percent of the State's sales tax receipts. Amounts in excess of that needed for current debt service will be transferred to the General Fund. All LGAC bonds will be fully retired on April 1, 2021. The first sales tax bonds were issued on October 24, 2013 and approximately \$10.7 billion issued for both governmental and business-type activities were outstanding as of March 31, 2021.

During the fiscal year ended March 31, 2021, the State adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASBS 88). GASBS 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements, GASBS 88 also requires that existing and additional information for direct borrowings and direct placements of debt be presented separate from other debt.

### Governmental Activities Short-Term Debt

In 2020, the State entered into short-term contractual financing arrangements with the Dormitory Authority to mitigate the cash flow impact caused by the Federal government's decision to extend the personal income tax filing deadline from April 15 to July 15, 2020 in response to the COVID-19 pandemic.

On May 20, 2020, the Dormitory Authority issued a State Personal Income Tax Subordinate Revenue Anticipation Note (General Purposes), Series 2020A, at a par amount of \$1 billion. This note was obtained by a direct placement. JP Morgan Securities was the purchaser of the note. This note was paid-off in December 2020 with personal income tax receipts when it became due.

On June 18, 2020, the Dormitory Authority issued a State Personal Income Tax Subordinate Revenue Anticipation Note (General Purposes), Series 2020B, at a par amount of \$3.4 billion at a \$118 million premium. This note was paid off in March with personal income tax receipts when it became due.

Changes in Short-Term Debt for the year were as follows (amounts in millions):

Issuer - Public Benefit Corporation	Outstanding April 1, 2020	Issued	Redeemed	Outstanding March 31, 2021
<b>Dormitory Authority:</b>				
PIT Revenue Anticipation Note Series 2020A (Direct Placement).....	\$ -	\$ 1,000	\$ 1,000	\$ -
PIT Revenue Anticipation Note Series 2020B .....	-	3,382	3,382	-
<b>Total .....</b>	<b>\$ -</b>	<b>\$ 4,382</b>	<b>\$ 4,382</b>	<b>\$ -</b>

Debt service expenditures (principal and interest) related to the above PIT notes during the year were approximately \$4.5 billion. The total interest expense of \$145 million was reimbursed from federal aid as eligible COVID-19 expenditures during the year.

On June 15, 2020, the Dormitory Authority entered into a credit agreement on behalf of the State with the Bank of America to provide additional temporary liquidity up to \$3 billion to the State. The Line of Credit was terminated on March 26, 2021. No draws were made on the line of credit during the fiscal year ended March 31, 2021. The administrative costs of \$21 million was reimbursed from federal aid as eligible COVID-19 expenditures during the year.

## Governmental Activities Long-Term Debt

Changes in long-term lease/purchase and other financing arrangements for the year were as follows (amounts in millions):

Issuer	Outstanding April 1, 2020	Issued	Redeemed	Outstanding March 31, 2021
<b>Public Benefit Corporations:</b>				
Dormitory Authority .....	\$ 20,995	\$ 3,347	\$ 1,864	\$ 22,478
Environmental Facilities Corporation.....	16	-	16	-
Housing Finance Agency .....	22	-	20	2
Local Government Assistance Corporation .....	253	-	163	90
Municipal Bond Bank Agency.....	104	-	36	68
Thruway Authority.....	2,306	-	1,139	1,167
Urban Development Corporation - Direct Placement .....	381	-	150	231
Urban Development Corporation - Other .....	13,737	6,002	1,490	18,249
<b>Total .....</b>	<b>\$ 37,814</b>	<b>\$ 9,349</b>	<b>\$ 4,878</b>	<b>\$ 42,285</b>

Debt service expenditures (principal and interest) for the aforementioned obligations during the fiscal year were \$5.9 billion. These expenditures were financed primarily by the revenues reported in the governmental funds. Federal subsidies related to the interest payments made during the year on Build America Bonds and Qualified School Construction Bonds were \$74.8 million (\$35.9 million related to governmental activities and \$38.9 million for business-type activities related to SUNY and CUNY).

Certain of the underlying bond indentures require the maintenance of various reserves. Such amounts totaled \$19 million at March 31, 2021 and are reported as cash and investments in the General Debt Service Fund and appropriate Other Governmental Funds, with a corresponding restriction of fund balance.

Following are summaries of the future minimum rental payments for long-term lease/purchase and contractual obligation financing arrangements, presenting direct placements of debt separately from all other forms of debt in compliance with GASBS 88. Fixed rate interest ranges from 0.21 percent to 5.88 percent and variable rate interest ranges from 0.05 percent to 0.09 percent (amounts in millions):

**Direct Placement**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Net Swap Amount</b>	<b>Total</b>
2022.....	\$ 112	\$ 3	\$ -	\$ 115
2023.....	78	1	-	79
2024.....	37	1	-	38
2025.....	4	-	-	4
<b>Total.....</b>	<b>\$ 231</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 236</b>

**All Other Debt**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Net Swap Amount</b>	<b>Total</b>
2022.....	\$ 2,693	\$ 1,862	\$ 15	\$ 4,570
2023.....	2,572	1,751	14	4,337
2024.....	2,347	1,640	13	4,000
2025.....	2,475	1,535	12	4,022
2026.....	2,533	1,427	10	3,970
2027-2031.....	10,675	5,554	28	16,257
2032-2036.....	7,376	3,401	2	10,779
2037-2041.....	4,836	1,955	-	6,791
2042-2046.....	3,825	1,028	-	4,853
2047-2051.....	2,722	227	-	2,949
<b>Total.....</b>	<b>\$ 42,054</b>	<b>\$ 20,380</b>	<b>\$ 94</b>	<b>\$ 62,528</b>

Future debt service is calculated using rates in effect at March 31, 2021 for variable rate bonds. The net swap payment amounts were calculated by subtracting the future variable rate interest payment subject to swap agreements based on rates in effect at March 31, 2021 from the synthetic fixed rate amount intended to be achieved by the swap agreements.

The actual amounts of future interest to be paid are affected by changes in variable interest rates. The actual amounts of future net swap payments are also affected by changes in published indexes – the London Interbank Offered Rate (LIBOR) and the Securities Industry and Financial Markets Association (SIFMA) Swap Index, which are floating rates.

Summarized by bond type/purpose, the schedule below details outstanding bonds that have assets pledged as collateral for debt and contain terms specified in debt agreements related to events of default and subjective acceleration clauses that have finance-related consequences.

	<b>Bonds Outstanding</b>	<b>Assets Pledged as Collateral</b>	<b>Events of Default</b>	<b>Termination Events</b>	<b>Subjective Acceleration Clauses</b>
<b>Dormitory Authority</b>					
Personal Income Tax (Multiple Purposes).....	\$ 16,074	(1)	(8)	(10)	(11)
Sales Tax (Multiple Purposes)....	6,164	(2)	(8)	(10)	(11)
Upstate Community Colleges .....	22	(3)	(9)	(10)	(12)
City University Community Colleges .....	14	(4)	(9)	(10)	(12)
Department of Health.....	107	(5)	(9)	(10)	(12)
Department of Health Veterans Home .....	1	(6)	(9)	(10)	(12)
Mental Health Services Facilities.....	96	(7)	(9)	(10)	(12)
<b>Urban Development Corporation</b>					
Personal Income Tax (Multiple Purposes).....	16,626	(1)	(8)	(10)	(11)
Sales Tax (Multiple Purposes)....	1,732	(2)	(8)	(10)	(11)
<b>Thruway Authority</b>					
Personal Income Tax (Transportation) .....	519	(1)	(8)	(10)	(11)

**Footnotes for the column identified as Assets Pledged as Collateral:**

- (1) Effective April 1, 2018, a statutory allocation of 50 percent (previously 25 percent) of State of New York personal income tax receipts are deposited into the Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. Also added was a requirement to deposit 50 percent of the New York State Employer Compensation Expense Program receipts as an additional revenue source. Annual State appropriations are required prior to any payments out of the account. Should the balance be insufficient to make financing agreement payments that have been appropriated, the State Comptroller is required to transfer from the State's General Fund amounts necessary to meet the cash requirements.
- (2) Initially a statutory allocation of 1 percent of New York State sales tax receipts are deposited in the Sales Tax Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. The 1 percent allocation of sales tax receipts will be increased to 2 percent once all New York Local Government Assistance Corporation bonds have been redeemed or defeased which is expected to occur on or before April 1, 2025.
- (3) Community College Tuition and Instructional Income Fund held by the State's Commissioner of Taxation and Finance where all monies appropriated annually by the State are to be deposited.
- (4) Secured by a pledge of all revenues received by the City University Construction Fund and an annual State and City appropriation. Certain bonds are also secured by a direct pay letter of credit.
- (5) Health Income Fund held by the State Comptroller where all patient care revenues are required to be deposited, as well as an annual State appropriation. The State Comptroller is required to maintain an amount sufficient to meet the next succeeding six months financing obligations before transferring the balance to the medical care facilities.
- (6) Veterans Home Income Fund held by the State Comptroller where all patient care revenues are required to be deposited, as well as an annual State appropriation. The State Comptroller is required to maintain an amount sufficient to meet the next succeeding six months financing obligations before transferring the balance to the medical care facilities.
- (7) Mental Health Services Fund held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller where all mental hygiene patient care revenues and loan repayments with respect to Voluntary Agency Facilities are required to be deposited, as well as an annual State appropriation. Certain bonds are also secured by a direct pay letter of credit.

**Footnotes for the column identified as Events of Default:**

- (8) There are no events of default that cause additional financial consequences. Bondholders continue to be entitled to receive all principal and interest that is due.
- (9) Failure of timely payment of amounts due and meeting all bond covenants, conditions, agreements, and provisions in the respective resolutions; or tax exempt bonds have been deemed taxable.

**Footnotes for the column identified as Termination Events:**

- (10) There are no termination events with financial consequences.

**Footnotes for the column identified as Subjective Acceleration Clauses:**

- (11) The bond resolution does not permit the trustee or bondholders to declare the bonds immediately due and payable. Bondholders of not less than a majority in aggregate principal amount of bonds outstanding may bring an action or suit to enforce the rights of the bondholders.
- (12) Upon the written request of bondholders of not less than 25 percent in principal outstanding, the Trustee may declare all principal and interest on the outstanding bonds to be due immediately after a thirty day notice period.

The State is also committed under numerous Customer Installation Commitments with the New York Power Authority (NYPA) for energy efficiency projects, and other capital leases for computer network and telecommunications equipment. Debt service expenditures for capital lease obligations during the year were \$4.6 million. Following is a summary of the debt service payments for the remaining lease periods of these capital leases (amounts in millions):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022.....	\$ 4	\$ 1	\$ 5
2023.....	4	1	5
2024.....	4	1	5
2025.....	4	-	4
2026.....	3	-	3
2027-2031 .....	9	-	9
<b>Total.....</b>	<b>\$ 28</b>	<b>\$ 3</b>	<b>\$ 31</b>

## Refunding

During the fiscal year ended March 31, 2021, the State, acting through certain public authorities, refunded \$1.5 billion in existing fixed and variable rate bonds related to lease/purchase and other financing arrangements by issuing refunding bonds in a par amount of \$1.3 billion at a \$224 million premium and releasing a net amount of \$19 million from reserves and debt service accounts. The result will produce an estimated gain of \$244 million in future cash flow, with an estimated present value gain of \$241 million. The differences between the reacquisition prices and the net carrying values of the refunded bonds generated deferred accounting gains, resulting in deferred inflows of resources. The accounting gain was \$133.9 million, of which \$127.8 million was deferred and will be amortized as an adjustment to interest expense in future years. The impact of the refunding issues is presented in the following table (amounts in millions):

<b>Issue Description</b>	<b>Refunding Amount</b>	<b>Refunded Amount</b>	<b>Cash Flow Gain (Loss)</b>	<b>Present Value Gain (Loss)</b>
Dormitory Authority PIT General Purpose Bond Series 2020A .....	\$ 79	\$ 84	\$ 9	\$ 8
Dormitory Authority PIT General Purpose Bond Series 2020B .....	14	8	1	1
Dormitory Authority PIT General Purpose Bond Series 2021A .....	292	366	87	82
Dormitory Authority PIT General Purpose Bond Series 2021B .....	219	204	(2)	3
Urban Development Corporation PIT General Purpose Bond Series 2020C .....	230	264	52	47
Urban Development Corporation PIT General Purpose Bond Series 2020D .....	35	33	(4)	1
Urban Development Corporation PIT General Purpose Bond Series 2020E .....	393	470	121	104
Urban Development Corporation PIT General Purpose Bond Series 2020F .....	63	73	(20)	(5)
<b>Total .....</b>	<b>\$ 1,325</b>	<b>\$ 1,502</b>	<b>\$ 244</b>	<b>\$ 241</b>

In prior years, the State defeased certain of its obligations under lease/purchase and other financing arrangements, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. At March 31, 2021, no such defeased obligations were outstanding.

## Business-Type Activities Debt

The State has issued bonds for educational facilities for SUNY and CUNY Senior Colleges through DASNY. Such debt, totaling \$15.5 billion, is funded by payments from the State's General Fund. The remainder of the debt of SUNY and CUNY (\$794 million) is funded from student fees and other operating aid provided by the State.



The following represents year-end principal balances (at June 30, 2020 for SUNY and CUNY) for lease/purchase and other financing arrangements for business-type activities (amounts in millions):

	<b>Beginning Outstanding</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Outstanding</b>
<b>Dormitory Authority:</b>				
SUNY educational facilities .....	\$ 9,220	\$ 1,339	\$ 888	\$ 9,671
Unamortized premium .....	843	123	85	881
SUNY residence halls .....	368	-	321	47
Unamortized premium .....	37	-	32	5
CUNY educational facilities .....	4,616	395	511	4,500
Unamortized premium .....	429	5	4	430
<b>Total Dormitory Authority .....</b>	<b>15,513</b>	<b>1,862</b>	<b>1,841</b>	<b>15,534</b>
SUNY capital lease commitments .....	390	22	53	359
SUNY certificates of participation.....	3	-	2	1
SUNY other State-supported debt .....	128	19	6	141
SUNY other long-term debt.....	88	21	7	102
CUNY capital lease commitments.....	76	-	-	76
CUNY mortgage loan commitments ....	63	-	2	61
CUNY certificates of participation .....	4	-	2	2
<b>Total (See Note 8).....</b>	<b>\$ 16,265</b>	<b>\$ 1,924</b>	<b>\$ 1,913</b>	<b>\$ 16,276</b>

The following represents a year-end summary at June 30, 2020 of future minimum debt service payments on the bonds issued by DASNY for SUNY, including interest rates ranging from 1.8 percent to 5.6 percent (amounts in millions):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021 .....	\$ 263	\$ 468	\$ 731
2022 .....	374	452	826
2023 .....	459	436	895
2024 .....	471	413	884
2025 .....	524	387	911
2026-2030 .....	1,852	1,614	3,466
2031-2035 .....	1,557	1,203	2,760
2036-2040 .....	1,939	799	2,738
2041-2045 .....	1,593	359	1,952
2046-2050 .....	686	59	745
<b>Total.....</b>	<b>\$ 9,718</b>	<b>\$ 6,190</b>	<b>\$ 15,908</b>

The following represents a year-end summary at June 30, 2020 of future minimum debt service payments on the bonds issued by DASNY for CUNY Senior Colleges, including interest rates ranging from 2 percent to 6.1 percent (amounts in millions):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Net Swap Amount</u>	<u>Total</u>
2021 .....	\$ 275	\$ 209	\$ 10	\$ 494
2022 .....	156	198	9	363
2023 .....	92	191	8	291
2024 .....	191	186	8	385
2025 .....	149	178	6	333
2026-2030.....	907	770	14	1,691
2031-2035.....	991	560	-	1,551
2036-2040.....	756	345	-	1,101
2041-2045.....	820	138	-	958
2046-2050.....	163	9	-	172
<b>Total.....</b>	<b>\$ 4,500</b>	<b>\$ 2,784</b>	<b>\$ 55</b>	<b>\$ 7,339</b>

Future debt service on the bonds issued by DASNY for CUNY Senior Colleges, together with the net swap amount, is calculated assuming current interest rates remain the same. The actual amounts of future interest to be paid are affected by changes in variable interest rates. The actual amounts of future net swap payments are also affected by changes in published indexes – the LIBOR and the SIFMA floating rate.

The following represents a year-end summary at June 30, 2020 for SUNY and CUNY of future minimum debt service payments on capital lease commitments, mortgage loan commitments, certificates of participation, other State-supported debt and other long-term debt for business-type activities (amounts in millions):

<u>Fiscal Year</u>	<u>SUNY</u>		<u>CUNY</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021 .....	\$ 75	\$ 30	\$ 3	\$ 3	\$ 78	\$ 33
2022 .....	57	27	2	3	59	30
2023 .....	53	25	2	3	55	28
2024 .....	44	22	2	4	46	26
2025 .....	41	19	2	4	43	23
2026-2030.....	166	56	58	21	224	77
2031-2035.....	32	31	12	18	44	49
2036-2040.....	45	24	25	10	70	34
2041-2045.....	18	16	23	5	41	21
2046-2050.....	72	5	10	1	82	6
<b>Total.....</b>	<b>\$ 603</b>	<b>\$ 255</b>	<b>\$ 139</b>	<b>\$ 72</b>	<b>\$ 742</b>	<b>\$ 327</b>

The liabilities for lease/purchase debt, capital leases, mortgage loans, certificates of participation, other State-supported debt and other long-term debt are reported as obligations under lease/purchase and other financing arrangements in the Enterprise Funds.

Debt service expenditures (principal and interest) for all of the aforementioned obligations during the year ended June 30, 2020 totaled \$1.8 billion.

During SUNY's fiscal year ending June 30, 2020, Personal Income Tax (PIT) and Sales Tax Revenue Bonds were issued with a par amount of \$626.3 million at a premium of \$102.8 million for the purpose of financing capital construction and major rehabilitation for educational facilities. PIT bonds were also issued with a par amount of \$732.2 million at a premium of \$20.1 million in order to refund \$667.5 million of SUNY's existing educational facilities obligations. The result will produce an estimated savings of \$75 million in future cash flow, with an estimated present value gain of \$81 million.

In prior years, SUNY defeased various obligations, whereby proceeds of new obligations were placed in an irrevocable trust to provide for all future debt service payments on the defeased obligations. Accordingly, the trust account assets and liabilities for the defeased obligations are not included in SUNY's financial statements. As of March 31, 2020, outstanding educational facility obligations of \$574.9 million and outstanding residence halls obligations of \$672.3 million were considered defeased.

During CUNY's fiscal year ending June 30, 2020, DASNY issued refunding bonds with a par value of \$395.2 million and original issue premium of \$4.7 million on behalf of CUNY Senior Colleges. Bond proceeds of \$364.7 million were used to defease \$327.5 million of existing debt. Under the terms of the resolutions for the defeased bonds, bond proceeds were paid directly to the bondholders of the defeased bonds. As a result, the refunded debt is considered defeased. The remaining unamortized premium and discount of \$21.8 million are deferred and amortized in a systematic and rational manner over the remaining life of the old debt or new debt, whichever is shorter. There were no remaining unamortized bond issue costs, underwriter discounts, or any other related costs affiliated with the refunded debt.

At June 30, 2020, a total of \$327.5 million of previously outstanding CUNY Senior Colleges debt was defeased.

### **Interest Rate Exchange Agreements (Swaps)**

Article 5-D of the State Finance Law authorized the use of a limited amount of swaps equal to 15 percent of statutorily defined State-supported debt. Starting in November 2002, the State began to enter into swap agreements to "synthetically" change the interest cost associated with bonds it had issued from either variable rate to fixed rate or from fixed rate to variable rate. The intention of each of the swaps was to lower the cost of borrowing to the State below what could have been achieved on bonds without the use of the associated swap agreements and to reduce the risks associated with the variability of cash flows or fair values of the underlying debt.

The statutory authorization for the use of swaps also requires that each of the swaps entered into meet the following requirements:

- Counterparties have a credit rating from at least one NRSRO that is within the two highest investment grade categories;

- An independent financial advisor certifies that the terms and conditions of all swaps reflect a fair value;
- A standardized interest rate exchange agreement is utilized;
- Monthly reports are issued by the public benefit corporations to provide monitoring and swap performance assessment; and
- The agreements comply with uniform interest rate exchange guidelines.

The State manages the swaps as a single portfolio, although they relate to debt reported under both governmental activities and business-type activities.

### Swap Activity and Terms

The State has a notional amount of approximately \$891 million of swaps outstanding (\$537 million of which related to governmental activities as of March 31, 2021 and \$354 million related to business-type activities as of June 30, 2020) that were issued to synthetically create fixed rate debt from variable rate debt. The portfolio includes 31 separate pay-fixed, receive-variable interest rate swap agreements with six counterparties. The maturities of the synthetic fixed rate swaps are coterminous with the underlying debt.

The table below summarizes fair value balances and notional amounts of derivative instruments outstanding on March 31, 2021 for governmental activities and on June 30, 2020 for business-type activities, and the changes in fair value of those derivatives for the years then ended as reported in the State's 2021 financial statements (amounts in millions):

<u>Issuer/Type</u>	<u>Notional Amount</u>	<u>Changes in Fair Value</u>		<u>Fair Value</u>	
		<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>
<b>Governmental Activities:</b>					
<b>Cash Flow Hedges:</b>					
Dormitory Authority		Deferred		Derivative	
Pay-fixed interest rate swaps.....	\$ 189	Outflow	\$ 10	Instruments	\$ (26)
Urban Development Corporation		Deferred		Derivative	
Pay-fixed interest rate swaps.....	346	Outflow	22	Instruments	(58)
Housing Finance Agency		Deferred		Derivative	
Pay-fixed interest rate swaps.....	2	Outflow	-	Instruments	-
<b>Subtotal.....</b>	<b><u>537</u></b>		<b><u>32</u></b>		<b><u>(84)</u></b>
<b>Business-Type Activities</b>					
<b>(as of June 30, 2020):</b>					
<b>Cash Flow Hedges:</b>					
Dormitory Authority - CUNY		Deferred		Derivative	
Pay-fixed interest rate swaps.....	354	Outflow	(9)	Instruments	(52)
<b>Total.....</b>	<b><u>\$ 891</u></b>		<b><u>\$ 23</u></b>		<b><u>\$ (136)</u></b>

The fair values were calculated utilizing an income approach based on Level 2 (observable) inputs. These inputs include mid-market valuation and then incorporate the credit risk of the State and the bid/offer spread that would be charged to the State in order to transact. The mid-market values of the swaps were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement date.

The table below summarizes the terms of the State's derivative instruments outstanding at March 31, 2021 for governmental activities and at June 30, 2020 for business-type activities (amounts in millions):

<u>Issuer/Type</u>	<u>Underlying Debt</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Final Maturity Date</u>	<u>Terms</u>
<b>Governmental Activities:</b>					
Dormitory Authority:					
Pay-fixed interest rate swaps .....	CUNY 5 <sup>th</sup> Res. Series 2008C, D Bonds	\$ 16	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
Pay-fixed interest rate swaps .....	Mental Health Series 2003D-2 Bonds	95	7/15/2003	2/15/2031	Pay 3.044%; Receive 65% LIBOR
Pay-fixed interest rate swaps .....	PIT Revenue Bond Series 2019C*	78	3/10/2005	3/15/2033	Pay 3.336%; Receive 65% LIBOR
Urban Development Corporation:					
Pay-fixed interest rate swaps .....	Correctional/ Youth Series 2008A Bonds	122	11/26/2002	1/1/2030	Pay 3.578%; Receive 65% LIBOR
Pay-fixed interest rate swaps .....	PIT (State Fac. & Equip.) Series 2004A-3 Bonds	224	12/22/2004	3/15/2033	Pay 3.49%; Receive 65% LIBOR
Housing Finance Agency:					
Pay-fixed interest rate swaps .....	Service Contract Revenue Series 2003L, M Bonds	2	8/28/2003	9/15/2021	Pay 3.66%; Receive 65% LIBOR
<b>Subtotal.....</b>		<u>537</u>			

<u>Issuer/Type</u>	<u>Underlying Debt</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Final Maturity Date</u>	<u>Terms</u>
<b>Business-Type Activities</b> (as of June 30, 2020):					
Dormitory Authority – CUNY:					
Pay-fixed interest rate swaps.....	CUNY 5 <sup>th</sup> Res. Series 2008C, D Bonds	354	4/10/2003	1/1/2025-7/1/2031	Pay 3.36%; Receive 65% LIBOR
<b>Total .....</b>		<b>\$ 891</b>			

## Risks

**Credit Risk** – The State is exposed to credit risk on interest rate swap agreements in asset positions (positive fair values). To minimize its exposure to loss related to credit risk, it is the State’s policy to require each counterparty to have credit ratings from at least one NRSRO within the two highest investment grade categories and ratings from any other NRSRO within the three highest investment grade categories, or the counterparty’s payment obligations shall be unconditionally guaranteed by an entity with such credit ratings. The swap agreements and Article 5-D of the State Finance Law also require that should the credit rating of a counterparty or an entity unconditionally guaranteeing the counterparty’s payment obligations, if so secured, fall below the rating required, that the obligations of such counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, with a net market value of at least 102 percent of the net market value of the contract to the issuer, and such collateral shall be deposited with the issuer or its agent. The following table presents the counterparty credit ratings as of March 31, 2021 and includes scheduled notional reductions to the CUNY business-type activity swap that occurred after June 30, 2020 (amounts in millions):

<u>Counterparty</u>	<u>Notional Amount</u>	<u>Credit Ratings</u>		
		<u>Moody’s</u>	<u>S&amp;P</u>	<u>Fitch</u>
Citibank.....	\$ 249	Aa3	A+	A+
Goldman .....	154	Aa2	AA-	-*
JP Morgan .....	80	Aa2	A+	AA
Merrill Lynch.....	75	A2	A-	A+
Morgan Stanley.....	92	A1	BBB+	A
UBS.....	149	Aa3	A+	AA-
<b>Total .....</b>	<b>\$ 799</b>			

\* Not rated

Certain of the State’s swap agreements contain set-off provisions. Under the terms of the agreements, should an agreement terminate, close-out set-off provisions permit all outstanding transactions with the related counterparty to terminate and net the transaction’s fair values so that a single sum will be owed by, or owed to, the State.

There were no interest rate swap agreements in asset positions at March 31, 2021; therefore, the State was not exposed to credit risk and no collateral was required to be posted by counterparties. However, should interest rates change and the fair values of interest rate swap agreements become positive, the State would be exposed to credit risk in the amount of those swaps’ fair value.

**Basis Risk** – The State is exposed to basis risk on its pay-fixed interest rate swaps, which is the possibility that the variable rate payments received by the State in the swap are less than the variable rate payments made by the State on the underlying bonds issued. Because the swaps are based on a percentage of LIBOR, there is a possibility that this floating rate will not match the actual interest rates set in the tax-exempt market on the underlying bonds. Times when the mismatch may be out of favor to the State are in very low interest rate environments or if major changes in the tax code were to be enacted, causing tax-exempt floating-rate bonds to trade less favorably in comparison to taxable floating rate bonds. Should the relationship between LIBOR and the actual variable rate payments converge, the expected cost savings may not materialize.

**Termination Risk** – The swap contracts use the International Swap Dealers Association Master Agreement (Master Agreement), which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes “additional termination events,” providing that the swaps may be terminated if either the State or a counterparty's credit quality rating falls below certain levels. The State or the counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. The State may also terminate the swaps at its option. If a swap agreement is terminated, the synthetically created fixed or variable interest rate will cease to exist and the State's interest payment will be based solely upon the rate required by the related bonds as issued. When a termination occurs, a mark-to-market (or fair market value) calculation is performed to determine whether the State is owed money or must pay money to close out a swap position. A negative fair market value means the State would incur a loss and need to make a termination payment to settle the swap position. A positive fair market value means the State would realize a gain and receive a termination payment to settle the swap position.

**Rollover Risk** – The State is exposed to rollover risk on interest rate swap agreements that are hedges of debt that mature or may be terminated prior to the maturity of the hedged debt. When these swap agreements terminate, or in the case of a termination option, when the option is exercised, the State will be re-exposed to the risks being hedged by the swap agreement. Currently, the maturity dates of the State's interest rate swap agreements and hedged debt are coterminous.



## Operating Leases

The State is also committed under numerous operating leases covering real property and equipment. Rental expenditures, reported for the year ended March 31, 2021 under such operating leases, totaled \$358 million and were financed primarily from the General Fund. The following is a summary of future minimum rental commitments under real property and equipment leases with terms exceeding one year (amounts in millions):

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2022 .....	\$ 316
2023 .....	288
2024 .....	266
2025 .....	239
2026 .....	228
2027-2031 .....	857
2032-2036 .....	372
2037-2041 .....	52
2042-2046 .....	13
2047-2051 .....	14
2052-2056 .....	16
2057-2061 .....	5
<b>Total .....</b>	<b>\$ 2,666</b>

Business-type activities reported rental expenditures of \$137 million and the following future minimum rental commitments under real property and equipment leases with terms exceeding one year at year-end (June 30, 2020 for SUNY and CUNY and March 31, 2021 for Lottery) (amounts in millions):

<u>Fiscal Year</u>	<u>Business-Type Activities</u>
2021 .....	\$ 124
2022 .....	113
2023 .....	98
2024 .....	87
2025 .....	80
2026-2030 .....	337
2031-2035 .....	182
2036-2040 .....	73
2041-2045 .....	48
2046-2050 .....	26
2051-2055 .....	22
2056-2060 .....	22
2061-2065 .....	1
<b>Total .....</b>	<b>\$ 1,213</b>

**Governmental Activities - Collateralized Borrowings**

In December 2013, \$370 million of Employer Assessment Revenue Bonds, Series 2013A, were issued by DASNY. These bonds are special revenue obligations of DASNY. Principal and interest on the Series 2013A Bonds are payable from employer assessments to be assessed and collected by the Chair of the Workers' Compensation Board. At March 31, 2021, principal and interest outstanding were \$283 million and \$108 million, respectively. Annual principal and interest payments will continue through December 1, 2034.

The State determined that these transactions meet the criteria for collateralized borrowings under GASBS No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, since the pledged revenues are formally committed to directly collateralize or secure debt of a component unit. These Employer Assessment Revenue Bonds are reported as collateralized borrowings in the State's financial statements (amounts in millions):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022 .....	\$ 15	\$ 13	\$ 28
2023 .....	16	12	28
2024 .....	17	11	28
2025 .....	17	11	28
2026 .....	18	10	28
2027-2031 .....	101	39	140
2032-2036 .....	99	12	111
<b>Total .....</b>	<b>\$ 283</b>	<b>\$ 108</b>	<b>\$ 391</b>

**Business-Type Activities - Collateralized Borrowings**

In March 2013, the State enacted legislation that authorized SUNY to assign all its rights, title and interest in revenues of certain residence halls to DASNY, and authorized DASNY to issue SUNY Dormitory Facilities Revenue Bonds payable from and secured by the residence hall revenues assigned to it by SUNY. The legislation also created a special fund to be held by the State's Commissioner of Taxation and Finance on behalf of DASNY. All residence hall revenues collected by SUNY are required to be deposited in this special fund.

The outstanding obligations under these bonds are reported as a collateralized borrowing, since these bonds are not payable from any money of SUNY or the State and neither SUNY nor the State has any obligation to make any payments with respect to the debt service on the bonds. The pledged revenues recognized during SUNY's fiscal year ended June 30, 2020 amounted to \$544 million. There were principal payments of \$55 million and interest payments of \$62 million during the fiscal year ending June 30, 2020. During 2020, bonds with a par amount of \$702 million at a premium of \$25 million were issued for financing capital construction and major rehabilitation of residence halls as well as to refinancing \$509.5 million of the State University's existing residential facility obligations. The result will produce an estimated savings of \$71.1 million in future cash flow, with an estimated present value gain of \$75.8 million. These bonds are special obligations of DASNY payable solely from the residence hall revenues collected by SUNY as agent for DASNY. At June 30, 2020, total principal and interest outstanding on the bonds were \$1.8 billion and \$827 million, respectively. Annual principal and interest payments will continue through July 1, 2049 (amounts in millions):

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021 .....	\$ 66	\$ 76	\$ 142
2022 .....	74	71	145
2023 .....	83	67	150
2024 .....	89	63	152
2025 .....	92	59	151
2026-2030 .....	466	233	699
2031-2035 .....	379	144	523
2036-2040 .....	295	78	373
2041-2045 .....	179	30	209
2046-2050 .....	63	6	69
<b>Total.....</b>	<b>\$ 1,786</b>	<b>\$ 827</b>	<b>\$ 2,613</b>

**NOTE 8 - Liabilities****Changes in Long-Term Liabilities**

The following table summarizes changes in long-term liabilities for both governmental activities and business-type activities (amounts in millions):

**Changes in Long-Term Liabilities – Governmental Activities**

<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Tax refunds payable.....</b>	<b>\$ 1,470</b>	<b>\$ -</b>	<b>\$ 106</b>	<b>\$ 1,364</b>	<b>\$ -</b>
<b>Accrued liabilities:</b>					
Payroll and fringe benefits .....	\$ 171	\$ -	\$ 4	\$ 167	-
Compensated absences .....	905	253	62	1,096	58
Medicaid .....	270	-	10	260	33
Health insurance .....	192	-	-	192	-
Litigation .....	136	49	88	97	87
Workers' compensation reserve ...	3,548	602	598	3,552	541
Secured hospitals .....	25	-	4	21	21
Due to component unit .....	129	-	43	86	43
Miscellaneous .....	11	323	11	323	2
<b>Total.....</b>	<b>\$ 5,387</b>	<b>\$ 1,227</b>	<b>\$ 820</b>	<b>\$ 5,794</b>	<b>\$ 785</b>

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Payable to local governments:</b>					
Education aid.....	\$ 303	\$ -	\$ 18	\$ 285	-
Medicaid.....	286	376	-	662	-
Miscellaneous.....	39	63	39	63	-
<b>Total .....</b>	<b>\$ 628</b>	<b>\$ 439</b>	<b>\$ 57</b>	<b>\$ 1,010</b>	<b>-</b>
<b>Due to federal government .....</b>	<b>\$ 700</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 600</b>	<b>100</b>
<b>Pension contributions payable.....</b>	<b>\$ 1,004</b>	<b>\$ -</b>	<b>\$ 912</b>	<b>\$ 92</b>	<b>-</b>
<b>Net pension liability.....</b>	<b>\$ 3,183</b>	<b>\$ 8,399</b>	<b>\$ -</b>	<b>\$ 11,582</b>	<b>-</b>
<b>Other postemployment benefits .....</b>	<b>\$ 51,139</b>	<b>\$ 10,872</b>	<b>\$ 1,727</b>	<b>\$ 60,284</b>	<b>-</b>
<b>Pollution remediation.....</b>	<b>\$ 1,183</b>	<b>\$ 47</b>	<b>\$ 148</b>	<b>\$ 1,082</b>	<b>176</b>
<b>Collateralized borrowings .....</b>	<b>\$ 308</b>	<b>\$ -</b>	<b>\$ 25</b>	<b>\$ 283</b>	<b>15</b>
<b>General obligation bonds payable:</b>					
General obligation bonds payable .....	\$ 2,131	\$ 634	\$ 595	\$ 2,170	174
Deferred amounts:					
Unamortized premiums .....	135	23	54	104	10
<b>Total.....</b>	<b>\$ 2,266</b>	<b>\$ 657</b>	<b>\$ 649</b>	<b>\$ 2,274</b>	<b>184</b>
<b>Other financing arrangements:</b>					
Capital leases.....	\$ 26	\$ 5	\$ 3	\$ 28	4
Other financing arrangements- Direct					
Placements.....	381	-	150	231	112
Other financing arrangements-Other .....	37,433	9,349	4,728	42,054	2,693
Deferred amounts:					
Unamortized premiums .....	4,579	1,518	484	5,613	318
Unamortized discounts .....	(4)	-	(1)	(3)	(1)
<b>Total.....</b>	<b>\$ 42,415</b>	<b>\$ 10,872</b>	<b>\$ 5,364</b>	<b>\$ 47,923</b>	<b>3,126</b>
<b>Derivative instruments.....</b>	<b>\$ 116</b>	<b>\$ -</b>	<b>\$ 32</b>	<b>\$ 84</b>	<b>-</b>
<b>Total due within one year .....</b>					<b>\$ 4,386</b>

## Changes in Long-Term Liabilities – Business-Type Activities

Description	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Accrued liabilities:</b>					
Compensated absences .....	\$ 453	\$ 209	\$ 166	\$ 496	\$ 298
Litigation .....	793	78	23	848	30
Miscellaneous .....	691	14	302	403	1
<b>Total.....</b>	<b>\$ 1,937</b>	<b>\$ 301</b>	<b>\$ 491</b>	<b>\$ 1,747</b>	<b>329</b>
<b>Due to Federal government (UIB Fund).....</b>	<b>\$ -</b>	<b>\$ 11,261</b>	<b>\$ 589</b>	<b>\$ 10,672</b>	<b>-</b>
<b>Lottery prizes payable.....</b>	<b>\$ 1,185</b>	<b>\$ 84</b>	<b>\$ 129</b>	<b>\$ 1,140</b>	<b>137</b>
<b>Pension contributions payable:</b>					
SUNY (June 30, 2020) .....	\$ 94	\$ 23	\$ 22	\$ 95	23
Lottery .....	1	-	1	-	-
<b>Total.....</b>	<b>\$ 95</b>	<b>\$ 23</b>	<b>\$ 23</b>	<b>\$ 95</b>	<b>23</b>
<b>Net pension liability:</b>					
SUNY (June 30, 2020) .....	\$ 428	\$ 1,378	\$ 222	\$ 1,584	-
CUNY (June 30, 2020).....	622	61	-	683	-
Lottery .....	4	8	-	12	-
<b>Total.....</b>	<b>\$ 1,054</b>	<b>\$ 1,447</b>	<b>\$ 222</b>	<b>\$ 2,279</b>	<b>-</b>
<b>Other postemployment benefits:</b>					
SUNY (June 30, 2020) .....	\$ 12,824	\$ 3,111	\$ 404	\$ 15,531	-
CUNY (June 30, 2020).....	1,978	207	214	1,971	-
Lottery .....	65	12	2	75	-
<b>Total.....</b>	<b>\$ 14,867</b>	<b>\$ 3,330</b>	<b>\$ 620</b>	<b>\$ 17,577</b>	<b>-</b>
<b>Collateralized borrowings:</b>					
SUNY (June 30, 2020) .....	\$ 1,350	\$ 702	\$ 266	\$ 1,786	66
Unamortized premiums .....	174	24	22	176	8
<b>Total.....</b>	<b>\$ 1,524</b>	<b>\$ 726</b>	<b>\$ 288</b>	<b>\$ 1,962</b>	<b>74</b>
<b>Other financing arrangements:</b>					
SUNY (June 30, 2020) .....	\$ 10,197	\$ 1,401	\$ 1,277	\$ 10,321	338
CUNY (June 30, 2020).....	4,759	395	515	4,639	278
Unamortized premiums:					
SUNY (June 30, 2020) .....	880	123	117	886	50
CUNY (June 30, 2020).....	429	5	4	430	-
<b>Total.....</b>	<b>\$ 16,265</b>	<b>\$ 1,924</b>	<b>\$ 1,913</b>	<b>\$ 16,276</b>	<b>666</b>
<b>Derivative instruments.....</b>	<b>\$ 43</b>	<b>\$ 9</b>	<b>\$ -</b>	<b>\$ 52</b>	<b>-</b>
<b>Total due within one year .....</b>					<b>\$ 1,229</b>

Litigation and workers’ compensation liabilities will be liquidated by the General Fund. Medicaid accrued liabilities and amounts payable to local governments will be liquidated by the General Fund and the Federal Special Revenue Fund. Payroll and related fringe benefits, compensated absences, health insurance, pension contributions, other postemployment benefits, pollution remediation, secured hospitals and miscellaneous accrued liabilities will be liquidated by the General Fund, Federal Special Revenue Fund, General Debt Service Fund and Other Governmental Funds.

**Accrued Liabilities – Governmental Activities**

The following table summarizes accrued liabilities at March 31, 2021 for governmental activities (amounts in millions):

<u>Description</u>	<u>General</u>	<u>Federal Special Revenue</u>	<u>General Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Activities</u>
Payroll .....	\$ 753	\$ 26	\$ -	\$ 52	\$ 831
Fringe benefits.....	467	2	-	24	493
Medicaid.....	3,483	4,324	-	-	7,807
Health programs .....	599	-	-	-	599
Public school aid .....	74	610	-	-	684
Public welfare.....	-	106	-	-	106
Miscellaneous.....	808	67	8	161	1,044
<b>Total Governmental Funds....</b>	<b><u>\$ 6,184</u></b>	<b><u>\$ 5,135</u></b>	<b><u>\$ 8</u></b>	<b><u>\$ 237</u></b>	<b><u>11,564</u></b>
Claimant liability for escheated property .....					<u>3,004</u>
<b>Total.....</b>					<b><u>\$ 14,568</u></b>

**Payable to Local Governments – Governmental Funds**

The following table summarizes amounts payable to local governments at March 31, 2021 for governmental funds (amounts in millions):

<b>Description</b>	<b>General</b>	<b>Federal Special Revenue</b>	<b>General Debt Service</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Education programs .....	\$ 1,904	\$ 223	\$ -	\$ 62	\$ 2,189
Temporary and disability assistance.....	544	1,449	-	-	1,993
Local health programs .....	1,593	470	-	45	2,108
Mental hygiene programs .....	7	-	-	-	7
Criminal justice programs .....	35	9	-	-	44
Child and family services programs .....	4	-	-	-	4
Local share of tax revenues .....	-	-	593	-	593
Public safety .....	62	38	-	13	113
Emergency management.....	45	1,152	-	-	1,197
Miscellaneous .....	178	138	-	190	506
<b>Total.....</b>	<b>\$ 4,372</b>	<b>\$ 3,479</b>	<b>\$ 593</b>	<b>\$ 310</b>	<b>\$ 8,754</b>

**Accrued Liabilities – Business-Type Activities**

The following table summarizes current accrued liabilities at March 31, 2021 for business-type activities (June 30, 2020 for SUNY and CUNY) (amounts in millions):

<b>Description</b>	<b>Lottery</b>	<b>Unemployment Insurance Benefit</b>	<b>SUNY</b>	<b>CUNY</b>	<b>Total</b>
Payroll .....	\$ -	\$ -	\$ 256	\$ 153	\$ 409
Fringe benefits.....	-	-	196	65	261
Employer overpayments.....	-	603	-	-	603
Benefits due claimants.....	-	987	-	-	987
Unclaimed and future prizes....	463	-	-	-	463
Miscellaneous.....	-	-	572	173	745
<b>Total.....</b>	<b>463</b>	<b>1,590</b>	<b>1,024</b>	<b>391</b>	<b>3,468</b>
Long-term accrued liabilities - due within one year .....	1	-	222	106	329
<b>Total .....</b>	<b>\$ 464</b>	<b>\$ 1,590</b>	<b>\$ 1,246</b>	<b>\$ 497</b>	<b>\$ 3,797</b>



**NOTE 9 - Interfund Transactions and Other Transfers****Interfund Transfers**

Interfund transfers for the year ended March 31, 2021 consisted of the following (amounts in millions):

<b>Transfers From</b>	<b>Transfers To</b>						
	<b>General</b>	<b>General Debt Service</b>	<b>Other Governmental</b>	<b>Elimination</b>	<b>Total Governmental Funds</b>	<b>Business-Type Activities</b>	<b>Total</b>
General .....	\$ -	\$ 325	\$ 5,297	\$ -	\$ 5,622	\$ 6,192	\$ 11,814
Federal Special Revenue.....	191	-	1,433	-	1,624	562	2,186
General Debt Service.....	28,930	-	-	-	28,930	1,642	30,572
Other Governmental.....	6,800	1,802	124	-	8,726	1,034	9,760
Elimination.....	-	-	-	(44,902)	(44,902)	-	(44,902)
<b>Total Governmental Funds.....</b>	<b>35,921</b>	<b>2,127</b>	<b>6,854</b>	<b>(44,902)</b>	<b>-</b>	<b>9,430</b>	<b>9,430</b>
SUNY .....	128	-	373	-	501	-	501
Lottery .....	4	-	3,591	-	3,595	-	3,595
Governmental Activities .....	-	-	-	-	-	(90)	(90)
<b>Total .....</b>	<b>\$ 36,053</b>	<b>\$ 2,127</b>	<b>\$ 10,818</b>	<b>\$ (44,902)</b>	<b>\$ 4,096</b>	<b>\$ 9,340</b>	<b>\$ 13,436</b>

Transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Significant transfers include transfers to the General Fund from other funds representing excess revenues not needed in those funds. Transfers to the General Fund from the General Debt Service Fund for excess funds not needed for debt service on revenue bonds backed by personal income and sales tax revenues totaled approximately \$28.9 billion. Transfers to the General Fund from Other Governmental Funds are primarily due to: mental health patient fees in excess of debt service and rental reserve requirements of \$1.4 billion; excess sales tax receipts not needed for LGAC debt service requirements of \$3.6 billion; \$200 million for health care-related expenditures; \$312 million from tobacco settlement collections; and excess real property transfer tax receipts from clean water and clean air programs of \$833 million. Transfers from the General Fund to the General Debt Service Fund are primarily due to State debt service payments of \$325 million. Transfers from the Other Governmental Funds to the General Debt Service Fund include \$1.4 billion to the Dedicated Highway and Bridge Trust Fund and \$298 million to the Mental Health Services Fund. Transfers from the General Fund to Other Governmental Funds include \$513 million to the Dedicated Infrastructure Investment Fund, \$786 million to the Dedicated Highway and Bridge Trust Fund, \$3.1 billion to the State Capital Project Fund for capital projects and \$394 million to the MTA Financial Assistance Fund. Transfers from the General Fund to the Enterprise Funds comprise State support to the Lottery, SUNY and CUNY Funds (\$5.5 billion). Transfers from the Federal Special Revenue Fund and Other Governmental Funds comprise the federal share of Medicaid payments for a variety of purposes, including transfers to the Mental Health Services Fund for recipients residing in State-operated facilities (\$1.4 billion). Transfers from the Lottery to Other Governmental Funds represent Lottery support for school aid payments (\$3.6 billion). The eliminations of \$44.9 billion represent transfers made between the governmental funds.

Transfers from the governmental funds to the SUNY and CUNY Funds are reported as transfers to other funds by the governmental funds and as State appropriations by the SUNY and CUNY Funds. As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2020. Therefore, because of the different fiscal year-end for the SUNY and CUNY Funds, total transfers from other funds exceed total transfers to other funds by \$2.7 billion. The following is a reconciliation of transfers resulting from different year-ends (amounts in millions):

<b>Governmental Activities transfers:</b>	
SUNY .....	\$ (5,850)
CUNY.....	(2,296)
Lottery (State transfers).....	(689)
Lottery (Education aid) .....	3,591
Total Governmental Activities transfers .....	<u>(5,244)</u>
<b>Business-Type Activities transfers:</b>	
State .....	5,534
Federal and State hospital support transfers.....	259
Education aid .....	(3,591)
Capital .....	366
Total Business-Type Activities transfers .....	<u>2,568</u>
<b>Total transfers.....</b>	<b><u>\$ (2,676)</u></b>

### Due To/From Other Funds

The following is a summary of the amounts due to other funds and due from other funds at March 31, 2021 (amounts in millions):

<b>Due To Other Funds</b>									
<b>Due From Other Funds</b>	<b>General</b>	<b>Federal Special Revenue</b>	<b>General Debt Service</b>	<b>Other Governmental</b>	<b>Elimination</b>	<b>Total Governmental Funds</b>	<b>Business-Type Activities</b>	<b>Governmental Activities</b>	<b>Total</b>
General.....	\$ -	\$ 529	\$ 4,742	\$ 2,119	\$ -	\$ 7,390	\$ 5	\$ -	\$ 7,395
Federal Special Revenue.....	73	-	-	9	-	82	-	-	82
Other Governmental.....	245	276	1	-	-	522	841	-	1,363
Elimination.....	-	-	-	-	(7,994)	(7,994)	-	-	(7,994)
<b>Total Governmental Funds.....</b>	<b><u>318</u></b>	<b><u>805</u></b>	<b><u>4,743</u></b>	<b><u>2,128</u></b>	<b><u>(7,994)</u></b>	<b><u>-</u></b>	<b><u>846</u></b>	<b><u>-</u></b>	<b><u>846</u></b>
Business-Type Activities.....	484	4	-	107	-	595	-	848	1,443
<b>Total .....</b>	<b><u>\$ 802</u></b>	<b><u>\$ 809</u></b>	<b><u>\$ 4,743</u></b>	<b><u>\$ 2,235</u></b>	<b><u>\$ (7,994)</u></b>	<b><u>\$ 595</u></b>	<b><u>\$ 846</u></b>	<b><u>\$ 848</u></b>	<b><u>\$ 2,289</u></b>

The more significant balances in due to/from other funds include \$1.7 billion due to the General Fund to cover cash overdrafts in the short-term investment pool. These temporary interfund loans include \$36 million to the Federal Special Revenue Fund and \$1.7 billion to Other Governmental Funds. Due to other funds in the General Debt Service Fund includes \$4.7 billion for amounts owed to the General Fund for excess personal income revenues.

As explained in Note 1, the amounts reported for the SUNY and CUNY Funds are derived from their annual financial statements for the fiscal year ended June 30, 2020. Therefore, because the fiscal year-end of the SUNY and CUNY Funds differs from the State's fiscal year-end, the total amount reported as due to other funds exceeds the total amount reported as due from other funds by \$530 million.

**NOTE 10 - Commitments and Contingencies**

The State receives significant financial assistance from the federal government in the form of grants and entitlements. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for eligible purposes. Substantially all federal grants are either subject to the Federal Single Audit Act or to financial and compliance audits by grantor agencies of the federal government or their designees. Disallowances by federal program officials as a result of these audits may become liabilities of the State.

Pursuant to legislation enacted in 1985, the State entered into service contracts establishing a contingent-contractual obligation with respect to financings related to the DASNY Secured Hospital Program for the purpose of enabling certain financially distressed not-for-profit hospitals to gain access to the capital markets. The State service contracts obligate the State to pay debt service, subject to annual appropriations, on bonds in the event of shortfalls in hospital resources. The bonds mature annually through February 15, 2028, with semiannual interest payments. As of March 31, 2021, there are \$100 million of outstanding bonds in the program with a scheduled annual debt service requirement of \$27 million. Authorization to issue bonds under this program expired on March 1, 1998.

Three of the four remaining hospitals in the State's Secured Hospital Program are in poor financial condition and are included in the liability recognized by the State. During the fiscal year, the State paid \$25 million, resulting in cumulative payments of \$182 million under the obligation since fiscal year 2014 when the State's contingent contractual obligation was first invoked. Of the \$182 million paid, \$147 million is related to those obligations outstanding at March 31, 2021. The State has recognized a liability under the guarantee of approximately \$21 million based on the present value of expected debt service payments required through fiscal year 2028, net of the present value of anticipated revenues from a lease agreement on one of the properties and the estimated market value of other properties assumed by affiliates of DASNY through bankruptcy proceedings, that will be used to offset the debt service payments. This amount would cover the debt service costs for one hospital which had its debt service obligation discharged in bankruptcy, a second hospital which closed in 2010 and a third hospital that is currently delinquent in its payments. During the fiscal year ended March 31, 2021, the State adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASBS 88). GASBS 88 requires that additional essential information related to debt be disclosed in notes to financial statements, including assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance related consequences, and significant subjective acceleration clauses. GASBS 88 note disclosures for Secured Hospital debt outstanding at March 31, 2021 are as follows:

- Assets Pledged as Collateral – Pledged receipts; mortgage on property; security interest in fixtures; furniture, and equipment; and a Service Contract with the State should there be insufficient receipts as long as there is an annual State appropriation.
- Events of Default – Failure of timely payment of amounts due, failure to deposit gross receipts, charter of the institution suspended, or tax exempt bonds have been deemed taxable.
- Termination Events – There are no termination events with financial consequences.
- Subjective Acceleration Clauses – Upon the written request of bondholders, of not less than 25% in principal outstanding for a particular series of bonds, the Trustee may declare all

principal and interest on the outstanding bonds to be due immediately after a thirty day notice period.

Health care providers have a right to appeal Medicaid reimbursement rates. Based on an analysis of appeals, a liability of \$145 million has been recognized in the government-wide Statement of Net Position.

The Centers for Medicare and Medicaid Services (CMS) disallowed Medicaid claims for services provided by the New York State Office for People With Developmental Disabilities in fiscal years 2011, 2012 and 2013. The State and CMS reached a settlement agreement on March 20, 2015 on this matter, whereby the State agreed to pay a total of \$1.95 billion to CMS. The agreement called for the State to adjust the federal and State shares of Medicaid costs over 12 years to yield repayments of \$850 million in fiscal year 2016, and \$100 million in fiscal years 2017 through 2027. Through March 31, 2021, the State has reimbursed the federal government \$1.35 billion and, accordingly, has reported the remaining liabilities of \$600 million in the governmental activities.

In 1977-78, the State required that reserve funds held by insurance companies that underwrite the State employee health insurance programs be paid to the General Fund. The State is liable to replenish these reserve funds if needed to pay insured benefits or if the contracts with the insurance companies are terminated. Accordingly, based on actuarial calculations, the State has recorded a liability of \$192 million, which is reported as accrued liabilities due in more than one year on the government-wide Statement of Net Position.

Generally, the State does not insure its buildings, contents or related risks and does not insure its State-owned automobiles for bodily injury and property damages, but the State does have fidelity insurance on State employees. A liability is estimated for unpaid automobile claims based on an analysis of property loss and claim settlement trends. Routine uninsured losses are recorded as expenditures in the General Fund as paid, while significant uninsured losses usually are the result of litigation that is discussed further in Note 11. Insured losses incurred by the State did not exceed coverage for any of the three preceding fiscal years. Litigation losses are estimated based on an assessment of pending cases conducted by the Office of the Attorney General.

Workers' compensation is provided with the State Insurance Fund acting as the State's administrator and claims processing agent. Under an agreement with the State Insurance Fund, the State pays only what is necessary to fund claims. Based on actuarial calculations, discounted at 0.71 percent as of March 31, 2021, the State is liable for unfunded claims and incurred but not reported claims totaling \$3.6 billion, which are reported as accrued liabilities in the government-wide Statement of Net Position.

Changes in the State's liability relating to workers' compensation claims, litigation and incurred but not reported loss estimates related to medical malpractice claims (Note 11), and auto claims in fiscal years 2020 and 2021 were (amounts in millions):

<u>Fiscal year</u>	<u>Claim Liability Beginning of Year</u>	<u>Increase in Liability Estimate</u>	<u>Payments and Decrease in Liability Estimate</u>	<u>Claim Liability End of Year</u>
2019-2020 .....	\$ 4,622	\$ 489	\$ 548	\$ 4,563
2020-2021 .....	\$ 4,563	\$ 526	\$ 651	\$ 4,437

The State Finance Law requires the Abandoned Property Fund (Fund), a General Fund Account, to have a maximum cash balance of \$750,000 at fiscal year-end. All Fund receipts are recorded in the State Purposes Account (Account) and receipts recorded in the Fund are for payment upon approval of a claim. At March 31, 2021, the Fund included \$659 million of securities not yet liquidated and not subject to the State Finance Law's cash provisions. Net collections from inception (1942) to March 31, 2021 of approximately \$17.1 billion, excluding interest, represent a contingent liability to the State since the owners of such property may file claims for refunds.

Restricted net position at March 31, 2021 of \$3 billion, representing the probable amount of escheat property that will be reclaimed and paid to claimants, is reported in the State's Statement of Net Position. To the extent that assets in the Fund are less than the claimant liability, a receivable (due from other funds) is reported in the Fund and an equal liability (due to other funds) is reported in the Account. At March 31, 2021, the amount reported was \$2.1 billion due from the Fund to the Account. Since receipts in the Fund are expected to be adequate to pay current claims, it is not expected that the Account will be required to support the Fund for that purpose. Claims paid from the Fund during the year totaled \$371 million.

The State is liable for costs relating to the closure and post-closure of landfills totaling \$5 million, which is recorded in accrued liabilities. Closure and post-closure requirements are generally governed by Title 6, Part 360 of the New York Code of Rules and Regulations. Since most landfills are inactive, the liability reflects the total estimated closure and post-closure cost at year-end. Liability estimates are based on engineering studies or on estimates by agency officials that are updated annually.

GASBS No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASBS 49 does not require the State to search for pollution, it does require the State to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and the State is compelled to take action;
- The State is in violation of a pollution-related permit or license;
- The State is named or has evidence that it will be named as responsible party by a regulator;
- The State is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- The State commences or legally obligates itself to conduct remediation activities.

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the State. Several State agencies have dedicated programs, rules and regulations that routinely deal with remediation-related issues; others become aware of pollution conditions in the fulfillment of their missions. The State has the knowledge and expertise to estimate its remediation obligations based upon prior experience in identifying and funding similar remediation activities. The standard requires the State to calculate pollution remediation liabilities using the expected cash flow technique. Where the State cannot reasonably estimate a pollution remediation obligation, it does not report a liability; however, the State has not identified any such situation.

The State's estimated pollution remediation obligations are subject to change over time. Costs may vary due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions

to these estimated obligations. Prospective recoveries from responsible parties may reduce the State's obligation. Capital assets may be created when pollution remediation outlays are made under specific circumstances.

During the fiscal year, the State recognized estimated additional liabilities of \$47 million, spent \$104 million in activities related to pollution remediation obligations and recognized adjustments decreasing the liability by \$44 million. The State recovered \$34 million from other responsible parties. At March 31, 2021, the State had an outstanding pollution remediation liability of \$1.1 billion, with an estimated potential recovery of \$106 million from other responsible parties.

Several unions have not reached labor settlement agreements with the State at this time. Settlements may result in added costs to the State.

### **Business-Type Activities**

SUNY has entered into contracts for the construction and improvement of various projects. At June 30, 2020, these outstanding contractual commitments totaled approximately \$712 million. CUNY Senior Colleges have also entered into contracts for the construction and improvement of various capital assets. At June 30, 2020, these outstanding contractual commitments totaled approximately \$310 million.

SUNY and CUNY Senior Colleges have insurance coverage for residence halls, but in general, do not insure educational facilities, contents or related risks and do not insure vehicles and equipment for claims and assessments arising from bodily injury, property damages, and other perils. Unfavorable judgments, claims, or losses incurred by SUNY and CUNY Senior Colleges are covered by the State on a self-insured basis. The fidelity insurance the State has on State employees includes SUNY and CUNY Senior Colleges employees.

The Lottery is party to a number of contracts with vendors relating to maintaining the traditional lottery gaming network, supplying instant game tickets, maintaining instant game ticket self-service terminals, supplying video lottery gaming machines to nine video lottery gaming facilities, and providing a central processing system for the operation of video lottery gaming.

Governor Cuomo's "New York State on Pause" order on March 22, 2020 called for the closure of all non-essential businesses statewide. This negatively impacted receipts from both traditional lottery games and video lottery games by decreasing consumer demand at retail points of sale and closing video lottery gaming facilities. The loss of revenues from both traditional and video lottery games resulted in a Lottery Aid Guarantee from the State of New York general fund of approximately \$693 million in 2021.

During fiscal year 2020-21, the State Department of Labor (Department) received a significant increase in unemployment claim filings due to the COVID-19 pandemic. Due to the significant increase in claims, there is an inherent increase in the risk of fraudulent claims thereby increasing the risk of improper unemployment benefit payments. To mitigate this risk, the Department was deliberate in maintaining its existing controls over processing and implemented enhanced identity verification procedures, which at the onset resulted in a backlog and delay in processing and payment of unemployment claims. The Department continues to process and pay unemployment claims with the enhanced procedures, however the backlog and delays have decreased.

***NOTE 11 – Litigation***

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings, and other alleged violations of State and federal laws.

Included in the State's outstanding litigation are a number of cases challenging the legality or the adequacy of a variety of significant social welfare programs, primarily involving the State's Medicaid and mental health programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care that could require substantial increased financing of the litigated programs in the future.

With respect to pending and threatened litigation, the State has reported \$885 million in the primary government; \$97 million is related to governmental activities and \$788 million pertains to SUNY. SUNY reported \$848 million as of December 31, 2020 for awarded claims, anticipated unfavorable judgments, and incurred but not reported loss estimates related to medical malpractice claims. The difference of \$60 million is due to a timing difference between the State's and SUNY's fiscal year end. In addition, the State is party to other claims and litigation that its legal counsel has advised may result in possible adverse court decisions with estimated potential losses of approximately \$127.5 million.



## **NOTE 12 - Retirement Systems**

### **New York State and Local Retirement System**

The Office of the State Comptroller administers the following plans: the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. ERS and PFRS are cost-sharing, multiple-employer, defined benefit pension plans. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. For financial reporting purposes, GLIP amounts are apportioned to and included in ERS and PFRS.

The System issues a publicly available Comprehensive Annual Financial Report that includes financial statements, expanded disclosures, and required supplementary information for the System. The report may be obtained by writing to the New York State and Local Retirement System, Office of the State Comptroller, 110 State Street, Albany, New York, 12244-0001 or at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

### **Plan Benefits**

The System provides retirement benefits as well as death and disability benefits. System benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined the System. The RSSL has established distinct classes of membership. The System uses a tier concept within ERS and PFRS to distinguish these groups, as follows:

#### **ERS**

- Tier 1 ..... Those persons who last became members before July 1, 1973.
- Tier 2 ..... Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 ..... Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 ..... Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 ..... Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 ..... Those persons who first became members on or after April 1, 2012.

**PFRS**

- Tier 1 ..... Those persons who last became members before July 31, 1973.
- Tier 2 ..... Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 ..... Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 ..... N/A
- Tier 5 ..... Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members and elected to join Tier 5.
- Tier 6 ..... Those persons who first became members on or after April 1, 2012.

Generally, members of ERS and PFRS must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Full benefits may be collected at age 55 for Tier 1 members. Members of Tiers 2, 3 and 4 must generally have five years of service to be eligible to collect a retirement benefit. The full benefit age for members of Tiers 2, 3 and 4 is 62. Members in Tiers 3 and 4 with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Tier 5 members must generally have ten years of service to be eligible to collect a retirement benefit. The full benefit age for Tier 5 members is 62. Tier 6 members must generally have ten years of service to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Members in Tiers 5 and 6 with less than ten years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined the System prior to January 1, 2010 generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) need 10 years of service credit to be 100 percent vested.

Typically, the benefit for members in all Tiers within ERS and PFRS is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or 2 member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4 or 5 member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4 or 5 member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest-paid consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, earnings in any year included in the final average salary calculation cannot exceed the previous year's earnings by more than 20 percent. For Tier 2 members, earnings in any year included in the final average salary calculation cannot exceed the average of the previous two years by more than 20 percent. For Tier 3, 4 and 5 members, the earnings for any year used in computing final average salary cannot exceed the average of the previous two years by more than 10 percent. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest-paid consecutive

years. Earnings for each year used in the final average salary calculation cannot exceed the average of the previous four years by more than 10 percent.

A cost-of-living adjustment is provided annually to: retirees who have attained age 62 and have been retired for five years; retirees who have attained age 55 and have been retired for 10 years; all disability retirees, regardless of age, who have been retired for five years; ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or greater than 3 percent.

### **Contributions**

Employee contribution requirements depend upon the point in time at which an employee last joined the System. Most Tier 1 and Tier 2 members of ERS and most members of PFRS are not required to make employee contributions. Employees in Tiers 3, 4 and 5 are required to contribute 3 percent of their salaries. However, as a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees who have ten or more years of membership or credited service within the System are not required to contribute. The Tier 6 contribution rate varies from 3 percent to 6 percent, depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2021 was approximately 14.6 percent of payroll. The average contribution rate for PFRS for the fiscal year ended March 31, 2021 was approximately 24.4 percent of payroll. The State's contributions for the year ended March 31, 2021 were \$1.7 billion for ERS and \$178 million for PFRS.

Chapter 57 of the Laws of 2010 authorized the State and local employers to amortize a portion of their annual pension costs over ten years during periods when actuarial contribution rates exceed thresholds established by the statute. The following represents the amortized receivable balance from the State and Local participating employers as of March 31, 2021, including the statutory amortization threshold and interest rate, for each respective fiscal year (dollar amounts in millions):

**Chapter 57, Laws of 2010**

<b>Fiscal Year</b>	<b>% of Payroll</b>			<b>State</b>	<b>Local</b>
	<b>ERS</b>	<b>PFRS</b>	<b>Interest %</b>		
2011.....	9.5	17.5	5.00	\$ -	\$ -
2012.....	10.5	18.5	3.75	-	18.5
2013.....	11.5	19.5	3.00	23.3	68.9
2014.....	12.5	20.5	3.67	36.8	58
2015.....	13.5	21.5	3.15	41.1	57.6
2016.....	14.5	22.5	3.21	32.2	34.8
2017.....	15.1	23.5	2.33	-	3.8
2018.....	14.9	24.3	2.84	-	3.2
2019.....	14.4	23.5	3.64	-	3.5
2020.....	14.2	23.5	2.55	-	-
2021.....	14.1	24.4	1.33	-	-
<b>Total.....</b>				<b>\$ 133.4</b>	<b>\$ 248.3</b>

Amounts owed by the State under these programs have been allocated among the governmental activities, and the SUNY and Lottery enterprise funds.

The fiscal year 2014 Enacted Budget included an alternate contribution program (the Alternate Contribution Stabilization Program) that provided certain participating employers with a one-time election to amortize slightly more of their required contributions than would be available for amortization under the 2010 legislation. In addition, the maximum payment period was increased from ten years to twelve years. The election was available to counties, cities, towns, villages, BOCES, school districts and the four public health care centers operated in the counties of Nassau, Westchester and Erie. The State was not eligible to participate in the Alternate Contribution Stabilization Program. Further specific provisions include (dollar amounts in millions):

**Chapter 57, Laws of 2013**

<b>Fiscal Year</b>	<b>% of Payroll</b>			<b>Local</b>
	<b>ERS</b>	<b>PFRS</b>	<b>Interest %</b>	
2014.....	12.0	20.0	3.76	\$ 64.5
2015.....	12.0	20.0	3.50	97.7
2016.....	12.5	20.5	3.31	76.7
2017.....	13.0	21.0	2.63	59.9
2018.....	13.5	21.5	3.31	58.9
2019.....	14.0	22.0	3.99	21.7
2020.....	14.2	22.5	2.87	18.1
2021.....	14.1	23.0	1.60	45.1
<b>Total.....</b>				<b>\$ 442.6</b>

## Net Pension Liabilities and Other Pension-Related Amounts

For purposes of determining net pension liability and other pension-related amounts, information about the fiduciary net position of ERS and PFRS and additions to and deductions from the fiduciary net position of ERS and PFRS have been determined on the same basis reported by the System. Benefits are recognized when due and payable. Investments are recorded at fair value as further described in Note 2.

The State's proportionate share of the collective net pension liability for ERS and PFRS reported at March 31, 2021, was measured as of March 31, 2020, and was determined using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The overall State's ERS proportion of the net pension liability measured at March 31, 2020 was 45.54 percent, of which, the State's share net of SUNY hospitals and SUNY Construction Fund (SUCF) was 42.68 percent. In comparison, the overall State's ERS proportion of the net pension liability measured at March 31, 2019 was 45.80 percent, of which, the State's share net of SUNY hospitals and SUCF was 43.04 percent. The overall State's PFRS proportion of the net pension liability measured at March 31, 2020 was 21.09 percent. In comparison, the overall State's PFRS proportion of the net pension liability measured at March 31, 2019 was 21.36 percent. The State's shares related to each plan were determined consistently with the manner in which contributions to the pension plan are determined. The State's total projected long-term contribution effort to ERS and PFRS was compared to the total projected long-term contribution effort from all employers to ERS and PFRS in order to determine the State's proportionate share of the respective plan's net pension liability.

State employees engaged in governmental activities, as well as those employed by the SUNY and Lottery enterprise funds, are generally members of ERS. The State proportion of the ERS collective net pension liability measured at March 31, 2020 of 42.68 percent was allocated 39.71 percent to governmental activities, 2.89 percent to the SUNY enterprise fund, 0.05 percent to the Lottery enterprise fund, and 0.03 percent to New York State Higher Education Services Corporation (HESC), as compared to the March 31, 2019 proportion of 43.04 percent being allocated 40.14 percent to governmental activities, 2.82 percent to the SUNY enterprise fund, 0.05 percent to the Lottery enterprise fund, and 0.03 percent to HESC. In addition to its allocation of the State proportion, SUNY recognized a proportion of the ERS collective net pension liability of 2.9 percent associated with specific related entities excluded from the State proportion measured at March 31, 2020, compared to 2.8 percent associated with specific related entities excluded from the State proportion measured at March 31, 2019. The State proportion of the PFRS collective net pension liability measured at March 31, 2020 of 21.1 percent was allocated 19.9 percent to governmental activities and 1.1 percent to the SUNY enterprise fund, as compared to the March 31, 2019 proportion of 21.4 percent that was allocated 20.2 percent to governmental activities and 1.1 percent to the SUNY enterprise fund. In addition to its allocation of the State proportion, SUNY recognized a proportion of the PFRS collective net pension liability of 0.03 percent associated with specific related entities excluded from the State proportion.

The State recognized net pension liability of \$10.5 billion and \$1.1 billion in governmental activities for its respective proportionate shares of the ERS and PFRS collective net pension liabilities. Pension expense recognized by the State in governmental activities was \$3.5 billion for ERS and \$366.6 million for PFRS for the year ended March 31, 2021. The State reported the following deferred outflows of resources and deferred inflows of resources in governmental activities for ERS and PFRS at March 31, 2021 (amounts in millions):

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience.....	\$ 619	\$ -	\$ 71	\$ 18
Net difference between projected and actual investment earnings on pension plan investments .....	5,391	-	480	-
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	15	150	6	43
Changes in assumptions .....	212	183	91	-
Contributions made subsequent to measurement date.....	1,574	-	169	-
<b>Total</b> .....	<b>\$ 7,811</b>	<b>\$ 333</b>	<b>\$ 817</b>	<b>\$ 61</b>

The amounts of deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2022. The remaining cumulative net amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the governmental activities will be recognized in future pension expense as follows (amounts in millions):

Fiscal Year	ERS	PFRS
2022.....	\$ 967	\$ 122
2023.....	1,471	136
2024.....	1,917	176
2025.....	1,549	149
2026.....	-	4
<b>Total</b> .....	<b>\$ 5,904</b>	<b>\$ 587</b>

SUNY recognized net pension liability of \$1.52 billion and \$61.4 million for its proportionate shares of the ERS and PFRS net pension liabilities, respectively, measured on March 31, 2020. For the year ended June 30, 2020, SUNY recognized pension expense of \$501.8 million and \$21.0 million for ERS and PFRS, respectively. Deferred outflows of resources and deferred inflows of resources related to ERS and PFRS are from the following sources (amounts in millions):

	SUNY			
	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience .....	\$ 90	\$ -	\$ 4	\$ 1
Net difference between projected and actual investment earnings on pension plan investments .....	781	-	28	-
Changes in proportion and differences between employer contributions and proportionate share of contributions .....	16	47	-	3
Changes in assumptions .....	31	26	5	-
<b>Total.....</b>	<b>\$ 918</b>	<b>\$ 73</b>	<b>\$ 37</b>	<b>\$ 4</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for SUNY ERS and SUNY PFRS will be recognized in future pension expense as follows (amounts in millions):

Fiscal Year	SUNY	
	ERS	PFRS
2021 .....	\$ 135	\$ 7
2022 .....	210	8
2023 .....	276	9
2024 .....	224	9
<b>Total.....</b>	<b>\$ 845</b>	<b>\$ 33</b>

The Lottery recognized a net pension liability of \$12 million for its proportionate share of the ERS net pension liability. For the year ended March 31, 2021, Lottery recognized pension expense of \$4 million related to ERS. Deferred outflows of resources and deferred inflows of resources related to ERS are from the following sources (amounts in millions):

	<b>Lottery</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience .....	\$ 1	\$ -
Net difference between projected and actual investment earnings on pension plan investments .....	6	-
Changes in proportion and differences between employer contributions and proportionate share of contributions .....	-	-
Changes in assumptions.....	-	-
Contributions made subsequent to measurement date .....	2	-
<b>Total .....</b>	<b>\$ 9</b>	<b>\$ -</b>

The amounts of deferred outflows of resources resulting from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for Lottery will be recognized in future pension expense over the next five years.

### Actuarial Assumptions

The total pension liability for the March 31, 2020 measurement date was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation for both ERS and PFRS used the following actuarial assumptions:

Actuarial cost method.....	Entry age normal
Inflation .....	2.5 percent
Salary scale.....	4.2 percent in ERS; 5 percent in PFRS, indexed by service
Investment rate of return, including inflation .....	6.8 percent compounded annually, net of investment expenses
Cost of living adjustments.....	1.3 percent annually
Active member decrements .....	Based upon fiscal year 2011-2015 experience
Pensioner mortality.....	Gender/Collar specific tables based upon fiscal year 2011-2015 experience
Mortality improvement.....	Society of Actuaries Scale MP-2018



## Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for ERS and PFRS as of April 1, 2020 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return*</b>
Domestic equities.....	36 %	4.05 %
International equities .....	14 %	6.15 %
Private equities.....	10 %	6.75 %
Real estate.....	10 %	4.95 %
Absolute return strategies .....	2 %	3.25 %
Opportunistic portfolio .....	3 %	4.65 %
Real assets.....	3 %	5.95 %
Bonds and mortgages.....	17 %	0.75 %
Cash .....	1 %	0.00 %
Inflation-indexed bonds .....	4 %	0.50 %
<b>Total .....</b>	<b>100 %</b>	

\*Real rates of return are net of long-term inflation assumption of 2.5 percent.

## Discount Rate

The discount rate used to measure the ERS and PFRS total pension liabilities as of March 31, 2020 was 6.8 percent, decreased from the discount rate of 7 percent for the March 31, 2019 measurement date. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon these assumptions, the ERS and PFRS fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the current period net pension liability of the State's governmental activities, SUNY and Lottery calculated using the current period discount rate assumption of 6.8 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.8 percent) or 1 percentage point higher (7.8 percent) than the current assumption (amounts in millions):

	<b>1% Decrease (5.8%)</b>	<b>Current Assumption (6.8%)</b>	<b>1% Increase (7.8%)</b>
Governmental activities ERS net pension liability (asset) .....	\$ 19,301	\$ 10,517	\$ 2,426
Governmental activities PFRS net pension liability (asset) .....	1,905	1,066	313
SUNY - ERS net pension liability (asset) .....	2,795	1,523	351
SUNY - PFRS net pension liability (asset) .....	110	61	18
Lottery - ERS net pension liability (asset) .....	22	12	3

### **Voluntary Defined Contribution Plan**

The Voluntary Defined Contribution Plan (VDCP) is offered through the Teachers Insurance and Annuity Association (TIAA, formerly known as TIAA-CREF). TIAA is an Optional Retirement Program (ORP) and provides retirement and death benefits through annuity contracts to those employees who elected to participate in the ORP. The VDCP is a defined contribution pension plan. The SUNY ORP is the administrator of the VDCP.

Prior to March 16, 2012, a limited number of employees, most notably employees of SUNY and CUNY Senior Colleges, had the option of enrolling in this plan. Legislation signed into law on March 16, 2012, made the existing VDCP available to all eligible State employees who choose the plan as their retirement selection. The VDCP is available to unrepresented employees of New York State public employers who were hired on or after July 1, 2013 and who earn \$75,000 or more on an annual basis. The VDCP includes a 366-day vesting period, after which a participant has full and immediate vesting in all retirement benefits provided by the annuities purchased through the employee and employer contributions. The employer and employee contributions are not deposited into accounts until the completion of the 366-day vesting period. Until that time, the funds are held in escrow by the Office of the State Comptroller. A participant who does not complete the vesting period is entitled to a refund of contributions, plus interest, upon request. The VDCP is the employee's personal retirement account, and is supported by employer and employee contributions plus any applicable earnings. A participant's income in retirement will be determined by the account balance. The employee has the opportunity for higher or lower retirement income based on his or her investment decisions and the performance of the investment options selected by the employee. The retirement income benefit will depend on several factors including salary, duration of contributions, investment earnings and age at retirement. Income is not guaranteed.

Contribution rates are established by legislation passed by the State. Currently, the employer contribution of 8 percent of compensable salary is made to participants' accounts while enrolled in this plan. For the first three years of membership, the employee contribution rate is based on the reported annual wage. After the first three years of membership, the employee contribution will be based on annual pensionable salary from two years prior. Legislation signed into law on March 16, 2012 established the contribution rates. Employee contributions increase in a progressive fashion based on salary:

<u>Annual Wage</u>	<u>Employee Contribution Rate</u>
\$45,000 or less .....	3.00 %
\$45,000 to \$55,000 .....	3.50 %
\$55,000 to \$75,000 .....	4.50 %
\$75,000 to \$100,000 .....	5.75 %
More than \$100,000.....	6.00 %

Employer and employee contributions for governmental activities to the VDCP were \$4.7 million and \$3.5 million, respectively, for March 31, 2021.

**Other SUNY-Related Pension Plans**

**New York State Teachers' Retirement System**

SUNY participates in the New York State Teachers' Retirement System (TRS). TRS was created and exists pursuant to Article 11 of the New York State Education Law. TRS is a cost-sharing, multiple-employer, defined-benefit public plan separately administered by a ten-member board to provide pension and ancillary benefits to teachers employed by participating employers in the State of New York, excluding New York City. The System issues a publicly available financial report that includes financial statements, expanded disclosures, and required supplementary information for the System. The report may be obtained at [www.nystrs.org](http://www.nystrs.org).

**Plan Benefits**

Plan benefits for TRS are similar to those for ERS. Benefits vary based on the date of membership, years of credited service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments.

The RSSL has established distinct classes of membership. The System uses a Tier concept within TRS to distinguish these groups, as follows:

- Tier 1..... Members who last joined prior to July 1, 1973 are covered by the provisions of Article 11 of the Education Law.
- Tier 2..... Members who last joined on or after July 1, 1973, and prior to July 27, 1976 are covered by the provisions of Article 11 of the Education Law and Article 11 of the RSSL.
- Tier 3..... Members who last joined on or after July 27, 1976 and prior to September 1, 1983 are covered by the provisions of Article 14 and Article 15 of the RSSL.
- Tier 4..... Members who last joined on or after September 1, 1983 and prior to January 1, 2010 are covered by the provisions of Article 15 of the RSSL.
- Tier 5..... Members who joined on or after January 1, 2010 and prior to April 1, 2012 are covered by the provisions of Article 15 of the RSSL.
- Tier 6..... Members who joined on or after April 1, 2012 are covered by the provisions of Article 15 of the RSSL.

Tier 1 members are generally eligible, beginning at age 55, for a service retirement allowance of approximately 2 percent of final average salary per year of credited service. Tiers 2 through 5 are eligible for the same benefit, but with the following limitations: (1) Tier 2 through 4 members receive an unreduced benefit for retirement at age 62 or retirement at ages 55 through 61 with 30 years of service, or a reduced benefit for retirement at ages 55 through 61 with less than 30 years of service; and (2) Tier 5 members receive an unreduced benefit for retirement at age 62 or retirement at ages 57 through 61 with 30 years of service, or a reduced benefit for retirement at ages 55 and 56 regardless of service credit, or ages 57 through 61 with less than 30 years of service. Tier 6 members are eligible for a service retirement allowance of 1.75 percent of final average salary per year of credited service for the first 20 years of service plus 2 percent of final average salary per year for years of service in excess of 20 years. Tier 6 members receive an unreduced benefit for retirement at age 63, and receive a reduced benefit at ages 55 through 62 regardless of service credit. Plan benefits vest after five years of credited service for members of Tiers 1 through 4 who joined prior to January 1, 2010. For members of Tiers 5 and 6, benefits generally vest after 10 years of service. Obligations of employers and employees to contribute, and related benefits, are governed by the RSSL and the Education Law and may only be amended by the Legislature with the Governor's approval.

Permanent cost-of-living adjustment (COLA) benefits for both current and future retired members are provided in Section 532-a of the Education Law. This benefit will be paid commencing September of each year to retired members who have attained age 62 and have been retired for five years or who have attained age 55 and have been retired for 10 years. Disability retirees must have been retired for five years, regardless of age, to be eligible. The annual COLA percentage is equal to 50 percent of the increase in the consumer price index, not to exceed 3 percent nor be lower than 1 percent. It is applied to the first \$18,000 of the annual benefit.

## **Contributions**

Tier 3 and Tier 4 members who have less than 10 years of service or membership are required by law to contribute 3 percent of salary to the System. Tier 5 members are required by law to contribute 3.5 percent of salary throughout their active membership. Tier 6 members are required by law to contribute between 3 percent and 6 percent of salary throughout their active membership, in accordance with a schedule based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or less than 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5 percent per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

Employers are required to contribute at an actuarially determined rate adopted annually by the Retirement Board, pursuant to Article 11 of the New York State Education Law. The actuarially determined contribution rate applicable to 2019-20 salaries was 8.86 percent. For the fiscal year ended June 30, 2020, SUNY employer contributions were \$15.4 million.

## **Net Pension Liability (Asset) and Pension-Related Amounts**

SUNY's proportionate share of the collective TRS net pension asset reported at June 30, 2020 of \$22.6 million was measured at June 30, 2019. SUNY's proportionate share of the collective TRS net pension asset was based on the ratio of the SUNY employer contribution to the total TRS employer contributions for the year ended June 30, 2019. SUNY's proportionate share of the collective TRS net pension asset was 0.87 percent measured at June 30, 2019.

For purposes of determining net pension liability (asset) and other pension-related amounts, information about the fiduciary net position of TRS and additions to and deductions from the TRS fiduciary net position have been determined on the same basis reported by the System. Plan benefits are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

For the year ended June 30, 2020, SUNY recognized pension expense of \$26.5 million related to TRS. At June 30, 2020, SUNY reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources (amounts in millions):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience .....	\$ 15	\$ 2
Net difference between projected and actual investment earnings on pension plan investments .....	-	18
Changes in proportion and differences between employer contributions and proportionate share of contributions .....	-	6
Changes in assumptions .....	43	10
Employer contributions subsequent to measurement date .....	14	-
<b>Total .....</b>	<b>\$ 72</b>	<b>\$ 36</b>

The employer contributions of \$13.5 million subsequent to the measurement date will be recognized as an increase of net pension asset in the year ended June 30, 2021. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows (amounts in millions):

<u>Fiscal Year</u>	
2021 .....	\$ 9
2022 .....	(1)
2023 .....	9
2024 .....	6
2025 .....	-
Thereafter .....	(1)
<b>Total .....</b>	<b>\$ 22</b>

### Actuarial Assumptions

The net pension asset for the June 30, 2019 measurement date was determined by using an actuarial valuation as of June 30, 2018, with update procedures used to roll forward the net pension liability to June 30, 2019. The actuarial valuation used the following actuarial assumptions:

Inflation.....	2.2 percent
Investment rate of return, including inflation .....	7.1 percent compounded annually, net of investment expenses
Cost-of-living adjustments.....	1.3 percent compounded annually

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvement based on Society of Actuaries Scale MP-2018. Rates of projected salary increases differ based on service. They have been calculated based on recent TRS member experience and range from 1.9 percent to 4.7 percent.

### Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standards of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations* (ASOP No. 27), which provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in TRS’s target asset allocation as of the valuation date of June 30, 2019 are as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return*</b>
Domestic equities .....	33 %	6.3 %
International equities .....	16 %	7.8 %
Global equities.....	4 %	7.2 %
Real estate.....	11 %	4.6 %
Private equities .....	8 %	9.9 %
Domestic fixed income securities.....	16 %	1.3 %
Global fixed income securities .....	2 %	0.9 %
Private debt .....	1 %	6.5 %
Real estate debt.....	7 %	2.9 %
High-yield fixed income securities.....	1 %	3.6 %
Cash equivalents .....	1 %	0.3 %
<b>Total.....</b>	<b>100 %</b>	

\*Real rates of return are net of long-term inflation assumption of 2.2 percent.

### Discount Rate

The discount rate used to measure the total pension asset was 7.10 percent at June 30, 2019 and 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability (asset) of SUNY, calculated using the discount rate of 7.10 percent as well as what SUNY's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.10 percent) and 1 percentage point higher (8.10 percent) than the current year rate (amounts in millions):

	<b>1% Decrease (6.10%)</b>	<b>Current Assumption (7.10%)</b>	<b>1% Increase (8.10%)</b>
Net pension liability (asset) .....	\$ 101.9	\$ (22.6)	\$ (127.0)

### Upstate Medical University Plan for Former Employees of Community General Hospital

SUNY administers a single-employer defined-benefit plan, the Upstate Medical University Retirement Plan for Former Employees of Community General Hospital (CGH) (Upstate Plan). This plan provides for retirement benefits for former employees of CGH, and can be amended subject to applicable collective bargaining and employment agreements. For those who opted out of this plan, benefit accruals were frozen. No new participants can enter this plan. SUNY established a Pension Oversight Committee (Committee) which has the primary fiduciary responsibility for oversight of the Upstate Plan. The Committee is permitted to invest plan assets pursuant to various provisions of State law, including the RSSL.

The Upstate Plan provides retirement, disability, termination and death benefits to plan participants and their beneficiaries. Pension benefits are generally based on the highest five-year average compensation of the final ten years of employment, and years of credited service as outlined in the plan. Covered employees with five or more years of service are entitled to a pension benefit beginning at normal retirement age (65). Participants become fully vested after five years of service. Participants with less than five years of service are not vested. The funding policy is to contribute enough to the Upstate Plan to satisfy the annual required contribution. Employer contributions for 2020 were \$2.4 million. Employees do not contribute to the plan. At January 1, 2020, membership of the Upstate Plan totaled 1,306 members, comprising 335 active members, 180 inactive vested members, and 791 retirees and beneficiaries currently receiving benefits.

The Upstate Plan issues a stand-alone financial report on a calendar year basis that includes disclosure about the elements of the plan's basic financial statements. These financial statements are prepared on the accrual basis of accounting in accordance with GAAP, with investments reported at fair value and benefits recognized when due and payable in accordance with the terms of the Upstate Plan. The Upstate Plan's fiduciary net position for purposes of determining net pension liability has been determined on



the same basis used by the Upstate Plan. The pension plan financial statements may be requested at [FOIL@upstate.edu](mailto:FOIL@upstate.edu).

**Net Pension Liability and Other Pension-Related Amounts**

SUNY recognized a net pension asset related to the Upstate Plan of \$2 million as of June 30, 2020, based on the net pension liability as reported by the plan in their financial statements as of December 31, 2019, as follows (amounts in millions):

Total pension liability .....	\$	105
Plan fiduciary net position .....		107
<b>Net pension asset .....</b>	<b>\$</b>	<b><u>2</u></b>

Pension expense for the year was \$0.5 million. At June 30, 2020, SUNY reported deferred outflows of resources and deferred inflows of resources related to the Upstate Plan from the following sources (amounts in millions):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience .....	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments .....	-	9
Changes in assumptions .....	-	-
Employer contributions subsequent to measurement date .....	1	-
<b>Total .....</b>	<b>\$ <u>1</u></b>	<b>\$ <u>9</u></b>

The employer contributions of \$0.5 million made subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2021. Remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to the Upstate Plan will be recognized in pension expense as follows (amounts in millions):

<b>Fiscal Year</b>	
2021 .....	\$ (3)
2022 .....	(2)
2023 .....	(1)
2024 .....	(3)
<b>Total .....</b>	<b>\$ <u>(9)</u></b>

**Actuarial Assumptions**

The total pension liability at June 30, 2020 was determined by using an actuarial valuation as of January 1, 2020. The actuarial assumptions included an inflation factor of 3 percent, projected salary increases

of 3.5 percent and an investment rate of return of 6.5 percent. Mortality rates were based on the sex-distinct Pri-2012 Mortality Tables with mortality improvements projected using Scale MP-2019 on a fully generational basis.

### Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined in accordance with ASOP No. 27, which provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to the expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major class as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the Upstate Plan's target asset allocation as of December 31, 2019 is as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
U.S. equities .....	50 %	4.90 %
Non-U.S. equities .....	15 %	4.75 %
Fixed income .....	30 %	1.50 %
Alternatives (Real assets) .....	5 %	4.00 %
<b>Total</b> .....	<b>100 %</b>	

### Discount Rate

The discount rate used to measure the net pension liability measured at January 1, 2020 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from members will be made at statutorily required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the net pension liability calculated using the discount rate of 6.5 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current rate (amounts in millions):

	<b>1% Decrease (5.5%)</b>	<b>Current Assumption (6.5%)</b>	<b>1% Increase (7.5%)</b>
Net pension liability (asset) .....	\$ 8.5	\$ (2.0)	\$ (11.1)

### Optional Retirement Program

SUNY employees may also participate in an Optional Retirement Program (ORP) under IRS Section 401(a), which is a multiple-employer, defined contribution plan administered by separate vendors –

TIAA, Fidelity, AIG, and VOYA. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such, there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976 and have less than 10 years of service or membership are required to contribute 3 percent of their salary. Those joining on or after April 1, 2012 are required to contribute between 3 percent and 6 percent, dependent upon their salary, for their entire working career. Employer contributions range from 8 percent to 15 percent depending upon when the employee was hired. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP. For the year ended June 30, 2020, SUNY recognized a pension expense of \$220.3 million for the ORP.

### **The Research Foundation**

The Research Foundation for SUNY is a separate, private, nonprofit educational corporation that administers the majority of SUNY's sponsored programs. These programs are for the exclusive benefit of SUNY. The Research Foundation maintains a separate noncontributory plan through TIAA for substantially all nonstudent employees. Contributions are based on a percentage of earnings and range from 7 percent to 15 percent, depending on date of hire. Employees become fully vested after completing one year of service. Contributions are allocated to individual employee accounts. The Research Foundation pension contributions, which represents pension expense, were \$29.0 million for the year ended June 30, 2020, which is 100 percent of the required contribution.

### **CUNY Senior Colleges' Pension Plans**

#### **NYCERS and NYCTRS**

CUNY Senior Colleges participate in the New York City Employees' Retirement System (NYCERS) and the Teachers' Retirement System of the City of New York Qualified Pension Plan (NYCTRS). NYCERS and NYCTRS are cost-sharing, multiple-employer, defined benefit plans administered by the City of New York. NYCERS and NYCTRS provide retirement benefits, as well as death and disability benefits.

NYCERS and NYCTRS provide benefits to members who are in different Tiers. A member's Tier is determined by the date of membership. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of five years of service. Annual pension benefits are calculated as a percentage of final average salary multiplied by the number of years of service, and change with the number of years of membership within the plan. Benefits for members can be amended under the RSSL.

Contribution requirements of the active employees and the participating New York City agencies are established and may be amended by the NYCERS and NYCTRS Boards. Employees' contributions are determined by their Tier and number of years of service. They may range between zero and 9.1 percent of their annual pay. Statutorily required contributions to NYCERS and NYCTRS are actuarially determined in accordance with State statutes and City laws and are funded by the employer within the appropriate fiscal year. CUNY made its contractually required contributions to both NYCERS and

NYCTRS for the year ended June 30, 2020 in the amounts of \$46.2 million and \$95.8 million, respectively.

Each of these retirement plans issue publicly available financial reports that include financial statements and required supplementary information. Please refer to [www.nycers.org](http://www.nycers.org) and [www.trsnyc.org](http://www.trsnyc.org) for additional information about NYCERS and NYCTRS, respectively.

### Net Pension Liability and Other Pension-Related Amounts

At June 30, 2020, CUNY reported liabilities of \$261.5 million and \$421.7 million for NYCERS and NYCTRS, respectively, for its proportionate share of each plan's net pension liability, measured as of June 30, 2020. CUNY's proportion of the respective net pension liability at June 30, 2020 was based on CUNY's actual contributions to NYCERS and NYCTRS relative to the total contributions of participating employers for each plan for fiscal year 2020, which was 1.2 percent and 2.7 percent for NYCERS and NYCTRS, respectively.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net positions of NYCERS and NYCTRS and additions to and deductions from NYCERS' and NYCTRS' respective fiduciary net positions have been determined on the same basis as they are reported by NYCERS and NYCTRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CUNY's annual pension expense for NYCERS and NYCTRS for the fiscal year ended June 30, 2020 was approximately \$37.7 million and \$59.8 million, respectively. The following presents a summary of the deferred outflows of resources and deferred inflows of resources at June 30, 2020 (amounts in millions):

	NYCERS		NYCTRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience .....	\$ 26	\$ 12	\$ 12	\$ 61
Net difference between projected and actual investment earnings on pension plan investments .....	13	-	-	87
Changes in proportion and differences between employer contributions and proportionate share of contributions .....	-	-	4	(7)
Changes in assumptions .....	-	7	-	16
<b>Total .....</b>	<b>\$ 39</b>	<b>\$ 19</b>	<b>\$ 16</b>	<b>\$ 157</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (amounts in millions):

Fiscal Year	NYCERS	NYCTRS
2021 .....	\$ (4)	\$ (65)
2022 .....	5	(41)
2023 .....	9	(28)
2024 .....	7	(4)
2025 .....	3	(1)
Thereafter .....	-	(2)
<b>Total .....</b>	<b>\$ 20</b>	<b>\$ (141)</b>

**Actuarial Assumptions**

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 and rolled forward to CUNY’s measurement date of June 30, 2020 for both NYCERS and NYCTRS. The total pension liability in the June 30, 2019 actuarial valuation for both NYCERS and NYCTRS was determined using the following actuarial assumptions:

Inflation.....	2.5 percent
Salary increases .....	Generally 3 percent per year plus increases for merit and promotion
Investment rate of return .....	7 percent net of investment expenses; actual return for variable funds
Cost-of-living adjustments.....	1.5 percent and 2.5 percent for various Tiers

Mortality rates and methods used in determination of the total pension liability for both NYCERS and NYCTRS were adopted by the New York City Retirement System (NYCRS) Boards of Trustees during fiscal year 2020. Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially funded NYCRS plans are conducted every two years.

Mortality tables for service and disability pensioners were developed from an experience study of NYCERS and NYCTRS. The mortality tables for beneficiaries were developed from an experience review.

### Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class for both NYCERS and NYCTRS are summarized in the following tables:

<b>NYCERS</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
U.S. public market equities .....	27 %	7.6 %
Developed public market equities .....	12 %	7.7 %
Emerging public market equities .....	5 %	10.6 %
Public markets fixed income .....	30.5 %	3.1 %
Private market equities .....	8 %	11.2 %
Private real estate .....	7.5 %	7 %
Infrastructure .....	4 %	6.8 %
Opportunistic fixed income .....	6 %	6.5 %
<b>Total</b> .....	<b>100 %</b>	

<b>NYCTRS</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
U.S. public market equities .....	25 %	5.7 %
International public market equities .....	10 %	7.5 %
Emerging public market equities .....	9.5 %	10.2 %
Public fixed income .....	32.5 %	1.6 %
Private market equities .....	7 %	10.6 %
Private real estate .....	7 %	6.7 %
Infrastructure .....	4 %	5.1 %
Opportunistic fixed income .....	5 %	6.3 %
<b>Total</b> .....	<b>100 %</b>	

### Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2020 for both NYCERS and NYCTRS was 7 percent. The projection of cash flow used to determine the discount rate assumed that employee contributions will be made at the rates applicable to the current Tier for each member and that the employer contributions will be made based on rates determined by the New York City Office of the Actuary. Based on those assumptions, the respective fiduciary net positions of NYCERS and NYCTRS were projected to be available to make all projected future benefit payments of current active and non-

active NYCERS and NYCTRS members. Therefore, the long-term expected rate of return on NYCERS and NYCTRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents CUNY’s proportionate share of the net pension liabilities calculated using the discount rate of 7 percent, as well as what CUNY’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6 percent) or 1 percentage point higher (8 percent) than the current rate (amounts in millions):

	<b>1% Decrease (6%)</b>	<b>Current Assumption (7%)</b>	<b>1% Increase (8%)</b>
NYCERS.....	\$ 390.9	\$ 261.5	\$ 152.2
NYCTRS.....	\$ 651.1	\$ 421.7	\$ 229.6

**TIAA**

CUNY also provides defined contribution pension plans for its employees through the Teachers’ Insurance and Annuity Association (TIAA). TIAA provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program.

TIAA is a privately operated, multi-employer defined contribution retirement plan. The obligations of employers and employees to contribute to TIAA and of employees to receive benefits from TIAA are governed by the New York State Education Law and applicable New York City laws.

Employer and employee contribution requirements to TIAA are determined by the RSSL. Participating employees in Tiers 1 through 4 no longer need to contribute. Participating employees in Tier 5 with less than 10 years of service contribute 3 percent of salary on an after-tax basis. Employer contributions range from 12 percent to 15 percent for Tiers 1 through 4, depending upon the employee’s compensation, and 10 percent to 13 percent of salary for Tier 5, depending upon the employee’s years of service. Employee contributions for fiscal year 2020 amounted to approximately \$79.3 million. The employer contributions recognized as pension expense for the year ended June 30, 2020 were \$94.2 million.

**NOTE 13 - Other Postemployment Benefits (OPEB)****Governmental Activities**

The New York State Health Insurance Program (NYSHIP) was established by the State Legislature in 1957 to provide health insurance to New York State employees, retirees and their eligible dependents. Public authorities, public benefit corporations, and other quasi-public entities that choose to participate in NYSHIP are participating employers (PEs). Local government units that choose to participate in NYSHIP are called participating agencies (PAs). At present, there are 448 New York State agencies, 97 PEs, and 802 PAs in NYSHIP. NYSHIP currently covers approximately 608 thousand employees and retirees. Eligible covered dependents bring the total number of covered individuals to approximately 1.2 million. SUNY participates in NYSHIP; CUNY participates in NYSHIP to a limited extent, which is unrelated to OPEB. Of the State's 43 discretely presented component units, which are considered PEs, a majority participate in NYSHIP. NYSHIP does not issue a stand-alone financial report, but NYSHIP's activities are included within the State's financial statements, reported in the general fund and accounted for on the modified accrual basis of accounting. NYSHIP is classified as a single-employer, defined benefit plan offered by the State to PEs and PAs for their employees. Information related to investment valuations is presented in Note 2.

<b>Enrollment</b>	<b>State<sup>(1)</sup></b>	<b>PEs</b>	<b>PAs</b>	<b>Total</b>
Current active participants <sup>(2)</sup> .....	174,527	36,196	100,978	311,701
Vestee participants .....	277	113	175	565
COBRA participants .....	649	595	317	1,561
Other inactive participants <sup>(3)</sup> .....	170,533	22,075	102,411	295,019
<b>Total participants.....</b>	<b>345,986</b>	<b>58,979</b>	<b>203,881</b>	<b>608,846</b>

<sup>(1)</sup> Includes State, ERS and SUNY participants.

<sup>(2)</sup> Excludes active employees (7,599 State and 252 Roswell Park PE employees) who have opted out of NYSHIP in return for a biweekly reimbursement - for State employees, equal to \$1,000 and \$3,000 annually for opting out of individual-only coverage and family coverage, respectively.

<sup>(3)</sup> Includes retirees, dependent survivors, long-term disability enrollees, extended benefit enrollees, young adult program enrollees and preferred list enrollees.

During the fiscal year ended March 31, 2021, NYSHIP provided health insurance coverage through: the Empire Plan, an indemnity health insurance plan with managed care components; seven Health Maintenance Organizations (HMOs); and the Student Employee Health Plan (SEHP). Generally, these plans include hospital, medical, mental health and substance abuse benefits, and prescription drug benefits.

The benefit design of the Empire Plan is the result of collective bargaining between the State and the various unions representing its employees. Therefore, the benefit design is subject to periodic change. Benefits are administratively extended to nonrepresented State employees, employees of PAs and PEs, and retirees. Each participating employer in the plan is required to disclose additional information with regard to funding policy, the employer's annual costs for other postemployment benefits (OPEB) and contributions made, the funded status and funding progress of the employer's individual plan, and the actuarial methods and assumptions used.



Substantially all of the State’s employees may become eligible for postemployment benefits if they reach retirement age while working for the State. The costs of providing postemployment benefits are shared between the State and the retired employee.

**Contributions**

The authority under which the obligations of the plan members, employers and other contributing entities to contribute to the plan are established or may be amended can be found in Article XI, Section 167 of the Civil Service Law. Contributions are determined in accordance with Civil Service Law – Article XI, Sections 165, 165-a and 167, which assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute. The costs of administering the plan are charged as part of the health insurance premium to all payors under the authority of Section 163.2 of Civil Service Law. A retiree is generally required to pay on a monthly basis either 12 percent or 16 percent of the health insurance premium for enrollee coverage, or either 27 percent or 31 percent of the health care insurance premium for dependent coverage, which is reduced by the amount of sick leave credits available at the time of retirement, factored by the employee’s retirement age. Required employer contribution rates, depending upon enrollee or dependent coverage, are presented in the following table:

**Employer Contributions (as Percentages of Premium Rates)**

<u>Enrollee Group</u>	<u>Enrollee Coverage</u>	<u>Dependent Coverage</u>
Active Graduate Student Employees Union (GSEU) .....	88 %	73 %
Active (Union and Management-Confidential [MC]) – Below Grade 10 .....	88 %	73 %
Active (Union and MC) – Grade 10 and above .....	84 %	69 %
Preferred list .....	90 %	75 %
Retired before January 1, 1983 .....	100 %	75 %
Retired on/after January 1, 1983 but before January 1, 2012 .....	88 %	73 %
Retired on/after January 1, 2012 - Below Grade 10 .....	88 %	73 %
Retired on/after January 1, 2012 - Grade 10 and above.....	84 %	69 %
Amended dependent survivors <sup>(1)</sup> .....	75 %	75 %
Full share dependent survivors/long-term disability.....	- %	- %
Dependent survivors .....	90 %	75 %
Attica dependent survivors.....	100 %	100 %
Vestees .....	- %	- %
COBRA.....	- %	- %
Young Adult Option enrollees .....	- %	- %
Participating employers and participating agencies <sup>(2)</sup> .....	50 %	35 %

<sup>(1)</sup> State contribution for enrollee and dependent coverage is 75 percent of dependent coverage.

<sup>(2)</sup> Values reported are minimum employer share. Employers can pay greater percentages of premiums for their retirees.

The State reimburses Medicare eligible enrollees 100 percent of the cost of the monthly Medicare Part B premium. However, the funding of the cost of the Medicare reimbursements is not the sole responsibility of the employer. A Medicare Part B component has been incorporated into the NYSHIP

Premium Rates. It is just one component of the NYSHIP premiums in which the above listed employer contribution percentages are applicable. The premium generated from the Medicare Part B NYSHIP rate component is utilized to make the Medicare Part B reimbursement payments to Medicare Primary NYSHIP enrollees.

**Funding Policy**

The contribution requirements of NYSHIP members and the State are established and may be amended by the State Legislature. The State has not funded a qualified trust or its equivalent as defined in GASBS 75 and is not required to fund the plan other than the pay-as-you-go amount necessary to provide current benefits to retirees. For the fiscal year ended March 31, 2021, the State paid \$1.8 billion on behalf of the plan.

<u>Health care Participants <sup>(2)</sup></u>	<u>State<sup>(1)</sup></u>	<u>SUNY</u>
Active Employees .....	134,709	48,556
Inactive participants entitled to but not yet receiving benefits .....	181	94
Retirees and beneficiaries receiving benefit payments .....	<u>135,434</u>	<u>27,880</u>
<b>Total Participants .....</b>	<b><u>270,324</u></b>	<b><u>76,530</u></b>

<sup>(1)</sup> Includes State, ERS and Lottery participants.

<sup>(2)</sup> As of the April 1, 2019 actuarial valuation.

**Actuarial Methods and Assumptions**

The State recognized a total OPEB liability of \$60.3 billion for fiscal year ended March 31, 2021. The total OPEB liability as of March 31, 2021 was measured as of March 31, 2020 and was determined using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total OPEB liability to March 2020. The total OPEB liability was calculated using the Entry Age Normal cost method. The actuarial valuations included the following actuarial assumptions:

<u>Assumptions</u>	<u>March 31, 2020</u>
Inflation .....	2.50 %
Discount Rate .....	2.84 %

The discount rate is based on the Bond Buyer 20-year General Obligation Municipal Bond Index rate at March 31, 2020.

The salary increase rate varies by system. The salary increase rates for ERS vary by years of service, starting at 8 percent and decreasing to 3 percent after 18 years of service. The salary increase rates for PFRS vary by years of service, starting at 27 percent and decreasing to 3.3 percent after 18 years of service. The salary increase rates for TRS vary by duration, starting at 10 percent and decreasing to 1.76 percent after 38 years.

Health care trend rates were split to reflect separate trends for pre-65 and post-65 claims. The pre-65 trend assumption begins at 5.75 percent and decreases to 4.50 percent long-term trend rate for all health

care benefits after seven years. The trend assumption for post-65 begins at 5.00 percent and decreases to a 4.50 percent long-term trend rate for all health care benefits after six years. The drug assumption begins at 8.00 percent and decreases to a 4.50 percent long-term trend rate after six years. Additionally, a trend starting at 8.00 percent and decreasing to 4.50 percent after six years has been assumed for the employer group waiver plan benefits.

Mortality rates used in the valuation assume different pre-retirement and post-retirement mortality assumptions based on the experience under the New York State and Local Retirement System and the New York State Teacher’s Retirement System. In order to reflect future mortality improvement, the mortality is projected generationally using the Society of Actuaries MP-2019 projection scale for NY State (excluding SUNY and NYSIF) and NYSIF Plans and the MP-2018 projection scale for all remaining plans.

These actuarial methods and assumptions are used for the State, ERS, SUNY, and Lottery.

In accordance with GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the actuarial valuation of OPEB also includes the value of sick leave that will be converted to reduce the retiree’s share of health insurance premiums.

**Annual OPEB Cost and Net OPEB Obligation**

**Governmental Activities**

The State’s changes in total OPEB liability as of March 31, 2021 are as follows (amounts in millions):

Total OPEB Liability, Beginning Balance .....	\$	51,139
Service cost.....		1,570
Interest .....		1,965
Difference between expected and actual experience.....		387
Changes in assumptions .....		6,946
Changes in proportion and differences between employer contributions and proportionate share of contributions.....		4
Benefit payments .....		(1,727)
Net changes .....		9,145
<b>Total OPEB Liability, Ending Balance .....</b>	<b>\$</b>	<b>60,284</b>

Changes in assumptions and other inputs include a change in the discount rate from 3.79 percent in fiscal year 2020 to 2.84 percent in fiscal year 2021. The medical trend assumption was updated based on current anticipation of future costs, and projected claim costs were updated based on the recent claims experience for the Preferred Provider Organization (PPO) plan and premium rates for the Health Maintenance Organization (HMO) plan. The excise tax impact has been removed as a result of the SECURE Act. There were no other significant changes in assumptions that will have an effect on the total OPEB liability as of March 31, 2021.

*Sensitivity of total OPEB liability to changes in discount rate.* The following presents the total OPEB liability of the State as of March 31, 2021 using the current year's discount rate, as well as what the total OPEB liability would be if it were calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease (1.84%)</b>	<b>Current Rate (2.84%)</b>	<b>1% Increase (3.84%)</b>
Total OPEB Liability as of March 31, 2021 .....	\$ 71,963	\$ 60,284	\$ 51,191

*Sensitivity of total OPEB liability to changes in health care cost trend rates.* The following presents the total OPEB liability of the State as of March 31, 2021 using the current year's health care cost trend rate, as well as what the total OPEB liability would be if it were calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability as of March 31, 2021 .....	\$ 50,124	\$ 60,284	\$ 73,716

The State recognized \$3.7 billion in expenses related to OPEB at March 31, 2021. As of March 31, 2021, the State reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (amounts in millions):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience .....	\$ 538	\$ 2,125
Changes in assumptions.....	5,681	1,234
Employer contributions made subsequent to the measurement date.....	1,800	-
<b>Total .....</b>	<b>\$ 8,019</b>	<b>\$ 3,359</b>

The amount of deferred outflows of resources resulting from employer contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended March 31, 2022. The net of deferred outflows and inflows of resources related to OPEB as of measurement date will be recognized in future OPEB expense for the fiscal years ending March 31 as follows (amounts in millions):

<u>Fiscal Year:</u>		
2022.....	\$	213
2023.....		213
2024.....		565
2025.....		1,214
Thereafter.....		655
<b>Total .....</b>	<b>\$</b>	<b><u>2,860</u></b>

**Business-Type Activities**

Lottery recognized a total OPEB liability of \$75 million and expenses related to OPEB of \$2 million as of March 31, 2021. As of March 31, 2021, Lottery reported deferred outflows of resources of \$10 million and deferred inflows of resources of \$4 million. The \$10 million reported as deferred outflows of resources related to OPEB resulted from differences between expected and actual experience, changes in assumptions, and from Lottery’s contributions made subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ended March 31, 2022. \$8 million reported as deferred outflows and \$4 million reported as deferred inflows of resources related to OPEB as of the measurement date will be recognized in future OPEB expense over the next five years.

SUNY changes in the total OPEB liability as of June 30, 2020 were as follows (amounts in millions):

Total OPEB Liability, Beginning Balance .....	\$	12,781
Service cost.....		503
Interest .....		497
Difference between expected and actual experience .....		(74)
Changes in assumptions.....		2,184
Benefit payments .....		(370)
Net changes.....		<u>2,740</u>
<b>Total OPEB Liability, Ending Balance.....</b>	<b>\$</b>	<b><u>15,521</u></b>

Changes in assumptions and other inputs include a change in the discount rate from 3.79 percent in fiscal year 2019 to 2.84 percent in fiscal year 2020. The medical trend and excise tax assumptions were updated based on current anticipation of future costs, and projected claim costs were updated based on the recent claims experience for the Preferred Provider Organization (PPO) plans and premium rates for the Health Maintenance Organization (HMO) plans.

*Sensitivity of total OPEB liability to changes in discount rate.* The following presents the total OPEB liability of SUNY as of June 30, 2020 using the current year's discount rate, as well as what the total OPEB liability would be if it were calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease (1.84%)</b>	<b>Current Rate (2.84%)</b>	<b>1% Increase (3.84%)</b>
Total OPEB Liability as of June 30, 2020.....	<u>\$ 18,717</u>	<u>\$ 15,521</u>	<u>\$ 13,067</u>

*Sensitivity of total OPEB liability to changes in health care cost trend rates.* The following presents the total OPEB liability of SUNY as of June 30, 2020 using the current year's health care cost trend rates, as well as what the total OPEB liability would be if it were calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability as of June 30, 2020.....	<u>\$ 12,849</u>	<u>\$ 15,521</u>	<u>\$ 19,062</u>

SUNY recognized \$926 million in expenses related to OPEB at June 30, 2020. As of June 30, 2020, SUNY reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (amounts in millions):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience .....	\$ 119	\$ 759
Change in assumptions .....	1,861	925
Employer contributions subsequent to the measurement date.....	96	-
<b>Total .....</b>	<b><u>\$ 2,076</u></b>	<b><u>\$ 1,684</u></b>

The amount of deferred outflows of resources resulting from employer contributions made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense for the fiscal years ending June 30 as follows (amounts in millions):

<u>Fiscal Year:</u>		
2021 .....	\$	(74)
2022 .....		(73)
2023 .....		(72)
2024 .....		60
2025 .....		220
Thereafter.....		<u>235</u>
<b>Total .....</b>	<b>\$</b>	<b><u>296</u></b>

SUNY Research Foundation, a blended component unit of SUNY, sponsors a separate single employer defined benefits post-retirement plan that covers substantially all nonstudent employees. The plan provides post-retirement medical benefits and is contributory for employees hired after 1985. The SUNY Research Foundation had a net OPEB liability of \$10 million, deferred outflows of resources of \$25 million and deferred inflows of resources of \$50 million as of June 30, 2020.

CUNY retirees receive retiree health care benefits through the New York City Health Benefits Program, which is a single-employer defined benefit health care plan. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASBS 75. The plan covers individuals who were originally employed by CUNY Senior Colleges and who receive pensions from one of the following three pension plans within the New York City Retirement System (NYCRS): New York City Employees’ Retirement System (NYCERS); New York City Teachers’ Retirement System (NYCTRS); and New York City Board of Education Retirement System (BERS). The program also covers individuals under alternate retirement arrangements. The most significant alternate arrangement is under TIAA rather than through NYCRS. New York City pays for the coverage (Basic Coverage and Welfare Fund contributions) for retirees in NYCRS and TIAA who retired from community colleges.

Employees covered by benefit terms, as of the June 30, 2019 actuarial valuation date:

**Health care Participants**

Active Employees .....	14,991
Inactive participants entitled to but not yet receiving benefits .....	3,399
Retirees and beneficiaries receiving benefit payments .....	<u>6,068</u>
<b>Total Participants .....</b>	<b><u>24,458</u></b>

### Actuarial Methods and Assumptions

CUNY recognized a total OPEB liability of \$2 billion for fiscal year ended June 30, 2020. The total OPEB liability was measured as of June 30, 2020 using an actuarial valuation as of June 30, 2019 rolled forward to a total OPEB liability as of June 30, 2020. The actuarial valuations included the following actuarial assumptions:

- Inflation: 2.50% per annum. Additionally, the Further Consolidate Appropriations Act, which was signed in December 2019, repealed several ACA taxes, including the Cadillac tax. The repeal of the Cadillac tax resulted in a \$18.7 million decrease in the CUNY liability as of the actuarial valuation date.
- Actuarial cost method: Entry Age Normal, level percent of pay.
- The discount rate used to measure liabilities was updated to reflect the S&P Municipal Bond 20-Year High Grade Index yield of 2.66 percent as of June 30, 2020 as per New York City Office of Actuary.
- The salary increase rates varies by experience and varies from 10.91 percent decreasing to 2.38 percent for those at age 75.
- Health care cost trend rates were split into three categories: pre-Medicare plan rates trended from 7.0 percent to 5.75 percent from 2020 to 2025 and beyond; medical post-Medicare rates trended from 5.0 percent to 4.7 percent from 2020 to 2025 and beyond; and welfare fund contributions used a health care trend rate of 3.5 percent.
- Mortality rates used in the CUNY valuation assume different pre-retirement and post-retirement mortality. Fiscal Year 2020 pre-retirement and post-retirement mortality is based on the experience under NYCTRS. In order to reflect future mortality improvement, the mortality is projected generationally using the Society of Actuaries scale MP-2018.

CUNY's changes in the total OPEB liability as of June 30, 2020 were as follows (amounts in millions):

Total OPEB Liability, Beginning Balance .....	\$ 1,978
Service cost .....	108
Interest .....	58
Difference between expected and actual experience .....	(178)
Changes in assumptions .....	41
Benefit payments .....	<u>(36)</u>
Net changes .....	<u>(7)</u>
<b>Total OPEB Liability, Ending Balance.....</b>	<b><u>\$ 1,971</u></b>

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.



*Sensitivity of total OPEB liability to changes in discount rate.* The following presents the total OPEB liability of CUNY as of June 30, 2020 using the current year's discount rate, as well as what the total OPEB liability would be if it were calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease (1.66%)</b>	<b>Current Rate (2.66%)</b>	<b>1% Increase (3.66%)</b>
Total OPEB Liability as of June 30, 2020.....	\$ 2,338	\$ 1,971	\$ 1,682

*Sensitivity of total OPEB liability to changes in health care cost trend rates.* The following presents the total OPEB liability of CUNY as of June 30, 2020 using the current year's health care cost trend rates, as well as what the total OPEB liability would be if calculated using rates that are 1 percentage point higher and 1 percentage point lower than the current year's rate (amounts in millions):

	<b>1% Decrease</b>	<b>Current Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability as of June 30, 2020.....	\$ 1,590	\$ 1,971	\$ 2,497

CUNY recognized \$183.9 million in expenses related to OPEB at June 30, 2020. As of June 30, 2020, CUNY reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (amounts in millions):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience .....	\$ 274	\$ 161
Change in assumptions .....	64	145
<b>Total</b> .....	<b>\$ 338</b>	<b>\$ 306</b>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense for the fiscal years ending June 30 as follows (amounts in millions):

<u><b>Fiscal Year:</b></u>		
2021 .....	\$	8
2022 .....		8
2023 .....		8
2024 .....		8
2025 .....		7
Thereafter .....		(7)
<b>Total</b> .....	<b>\$</b>	<b>32</b>

CUNY Research Foundation, a blended component unit of the CUNY Senior Colleges, provides postemployment benefits, including salary continuance, to certain employees. The cost of these benefits is accrued over the employees' years of service. CUNY Research Foundation also provides certain health care benefits to retired employees (including eligible dependents): hired prior to July 1, 2012 who have a combination of age and years of service equal to 70 with a minimum age of 55 and at least 10 years of continuous service, hired on or after July 1, 2012 who have a minimum age of 62 and at least 10 years of continuous service. CUNY Research Foundation accounts for post-retirement benefits provided to retirees on an accrual basis during the period of their employment.

As of June 30, 2020, CUNY Research Foundation's post-retirement plan consisted of (amounts in millions):

Benefit obligations .....	\$	(165)
Fair value of plan assets .....		168
<b>Funding status .....</b>	<b>\$</b>	<b><u>3</u></b>

### Fiduciary Activities

The New York State and Local Retirement System (System) recognized a total OPEB liability of \$275 million and expenses related to OPEB of \$17 million (net total expense of \$35 million including adjustments related to prior year) as of March 31, 2021. As of March 31, 2021, the System reported deferred outflows of resources of \$37 million and deferred inflows of resources of \$15 million. The \$37 million reported as deferred outflows of resources related to OPEB resulted from differences between expected and actual experience, changes in assumptions, and from the System's contributions made subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the year ended March 31, 2022. \$28 million reported as deferred outflows and the \$15 million reported as deferred inflows of resources related to OPEB as of the measurement date will be recognized in future OPEB expense over the next five years.

***NOTE 14 - Discretely Presented Component Units - Public Benefit Corporations***

Discretely presented component units - public benefit corporations (Corporations), as defined in Note 1, are legally separate entities that are not operating departments of the State. The Corporations are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Corporations are established for the benefit of the State’s citizenry for a variety of purposes such as economic development, financing, and public transportation. They are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

Corporations are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain Corporations for operating and other expenses. Financial assistance in the form of appropriated loans, contributed capital or operating subsidies for certain Corporations, principally the Metropolitan Transportation Authority, the Roswell Park Cancer Institute, and the Urban Development Corporation, was provided in the fiscal year ended March 31, 2021, and such assistance is expected to be required in future years. Accordingly, the fiscal condition of the State is related to the fiscal stability of the Corporations.

Thirty-six of 43 entities are discretely presented component units of the State because the Governor, with the approval of the State Senate, appoints the voting majority of the boards of directors of these corporations, and the State is able to impose its will on the corporations and/or has a financial benefit or burden relationship with the corporations. The Governor does not have substantive appointment authority over the board of directors of the Rochester-Genesee Regional Transportation Authority. However, it is a discretely presented component unit because it is fiscally dependent upon, and has a financial benefit or burden relationship with the State. Health Research, Inc., Metropolitan Transportation Authority, Research Foundation for Mental Hygiene, Inc., State University of New York Foundations and Auxiliary Corporations, and City University of New York–Senior College Supporting Organizations are included as component units of the State because the nature and significance of their relationships with the State are such that it would be misleading to exclude them.

The amounts presented in the accompanying basic financial statements for the Corporations include the following entities for the fiscal years indicated:

<b><u>Entities Audited by KPMG LLP:</u></b>	<b><u>Fiscal Year-End</u></b>
Dormitory Authority of the State of New York .....	March 31, 2021*
Long Island Power Authority .....	December 31, 2020*
New York Power Authority .....	December 31, 2020*
New York Racing Association, Inc. ....	December 31, 2020*
New York State Energy Research and Development Authority .....	March 31, 2021*
New York State Environmental Facilities Corporation .....	March 31, 2021*
New York State Higher Education Services Corporation .....	March 31, 2021*
State University of New York Foundations and Auxiliary Corporations .....	June 30, 2020**

**Entities Audited by Other Auditors:**

<b>Entities Audited by Other Auditors:</b>	<b>Fiscal Year-End</b>
Aggregate Trust Fund.....	December 31, 2020
Agriculture and New York State Horse Breeding Development Fund Corporation .....	December 31, 2020*
Albany Convention Center Authority .....	December 31, 2020*
Capital District Transportation Authority .....	March 31, 2021*
Central New York Regional Transportation Authority .....	March 31, 2021*
City University of New York – Senior College Supporting Organizations.....	June 30, 2020
Greenway Conservancy for the Hudson River Valley, Inc .....	March 31, 2021
Health Research, Inc.....	March 31, 2021*
Homeless Housing and Assistance Corporation .....	March 31, 2021*
Housing Trust Fund Corporation .....	March 31, 2021*
Hudson River-Black River Regulating District.....	June 30, 2020*
Hugh L. Carey Battery Park City Authority.....	October 31, 2020*
Metropolitan Transportation Authority (MTA) .....	December 31, 2020*
Metro-North Commuter Railroad Company .....	December 31, 2020
The Long Island Rail Road Company.....	December 31, 2020
Triborough Bridge and Tunnel Authority .....	December 31, 2020
New York City Transit Authority .....	December 31, 2020
Staten Island Rapid Transit Operating Authority.....	December 31, 2020
MTA Capital Construction Company .....	December 31, 2020
MTA Bus Company .....	December 31, 2020
First Mutual Transportation Assurance Company .....	December 31, 2020
Municipal Bond Bank Agency .....	October 31, 2020*
Natural Heritage Trust.....	March 31, 2021*
Governor Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation .....	March 31, 2021*
New York Convention Center Operating Corporation.....	March 31, 2021*
New York Job Development Authority.....	March 31, 2021*
New York State Affordable Housing Corporation.....	March 31, 2021*
New York State Bridge Authority.....	December 31, 2020*
New York State Health Foundation .....	December 31, 2020
New York State Housing Finance Agency.....	October 31, 2020*
New York State Olympic Regional Development Authority.....	March 31, 2021*
New York State Thoroughbred Breeding and Development Fund Corporation .....	December 31, 2020*
New York State Thruway Authority .....	December 31, 2020*
Niagara Frontier Transportation Authority .....	March 31, 2021*
Ogdensburg Bridge and Port Authority .....	March 31, 2021*
Port of Oswego Authority .....	March 31, 2021*
Research Foundation for Mental Hygiene, Inc .....	March 31, 2021*
Rochester-Genesee Regional Transportation Authority.....	March 31, 2021*
Roosevelt Island Operating Corporation .....	March 31, 2021*
Roswell Park Cancer Institute .....	March 31, 2021*
State Insurance Fund .....	December 31, 2020
State of New York Mortgage Agency (SONYMA).....	October 31, 2020*

Urban Development Corporation ..... March 31, 2021\*

\* Audit conducted in accordance with *Government Auditing Standards* as promulgated by the Comptroller General of the United States.

\*\* KPMG LLP audited 34 percent of the total assets and 14 percent of the total revenues of the State University of New York Foundations and Auxiliary Corporations. The remaining balances were audited by other auditors.

### Financial Information

Substantially all of the financial data for the Corporations was derived from audited annual financial statements and summarized into the combining statement format in the basic financial statements. Ten of the 43 discrete entities presented comprise 94 percent of the combined assets and 77 percent of the combined program revenues of the Corporations (before eliminations). The remaining portion of this note contains a brief description of the operations of the ten major discretely presented component units. A presentation of their accounts is included in the Combining Statement of Net Position and the Combining Statement of Activities. Additional information about each of the Corporations can be obtained by contacting the Corporations directly and requesting a copy of their annual financial reports, or by visiting their websites.

Certain Corporations issue revenue bonds for independent third-party entities to provide funding for the projects of those third parties. These bonds are considered conduit debt and are secured by payments made by third-party entities and in some cases certain other pledged funds. These bonds do not constitute a debt or pledge of the faith and credit of the Corporations or the State. DASNY, the New York State Housing Finance Agency (HFA), the Environmental Facilities Corporation (EFC) and the New York State Energy Research and Development Authority (NYSERDA) and the New York Job Development Authority (JDA) have issued conduit debt and have elected different, but permissible, methods of accounting for it under GAAP. DASNY has elected to report conduit debt and related assets on its Statement of Net Position. At March 31, 2021, the liability DASNY reported for such debt was approximately \$22.2 billion. HFA reports conduit debt and related assets on its Statement of Net Position. At October 31, 2020, the liability HFA reported for such debt was approximately \$13 billion. At March 31, 2021, EFC's Statement of Net Position did not include \$105 million in bonds it issued for certain private companies. NYSERDA has issued conduit debt for participating gas and electric utility companies and other private purpose users, the principal of which totaled approximately \$1.5 billion at March 31, 2021, which is not included on NYSERDA's Statement of Net Position. Local Development Corporations that are blended component units of JDA have issued conduit debt which is not included on JDA's combined Statement of Net Position. At March 31, 2021, the principal on these bonds totaled approximately \$14.5 billion.

### **Power Authority**

The New York Power Authority (NYPA) was created in 1931 to help provide a continuous adequate supply of dependable electric power and energy to the people of the State. NYPA generates, transmits, and sells electric power and energy principally at wholesale to various customers, including private and municipal utilities. Three of NYPA's largest facilities are the Niagara Power Project at Lewiston, the Blenheim-Gilboa Pumped Storage Power Project at Blenheim and Gilboa, and the St. Lawrence-Franklin D. Roosevelt Power Project at Massena. These hydroelectric facilities have a net dependable capability of producing 2,675,000, 1,166,100 and 833,000 kilowatts, respectively.

NYPA has an outstanding receivable of approximately \$129 million as of December 31, 2020, representing loaned reserves to the State treasury. In February 2021, NYPA received a \$43 million installment payment, which resulted in a remaining balance of \$86 million. The State has recorded a corresponding liability in its financial statements.

In accordance with legislation enacted on April 4, 2016, the New York State Canal Corporation (NYSCC), formerly a subsidiary of the New York State Thruway Authority, became a subsidiary of NYPA, effective January 1, 2017. The NYSCC exists primarily to operate, improve, maintain, repair and promote the New York State Canal System. Columns headed "New York Power Authority" reflect the operations of NYPA and the NYSCC.

The individual financial statements of NYPA are available on the web at [www.nypa.gov](http://www.nypa.gov).

### **Housing Finance Agency**

Housing Finance Agency (HFA) was created as a public benefit corporation in 1960 under Article III of the Private Housing Finance Law. HFA is empowered to finance or contract for the financing of the construction, acquisition, or refinancing of loans for: low-to-moderate income housing; municipal health facilities; non-profit health care facilities; and community-related facilities; and to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs. HFA, through its Capital Grant Low Rent Assistance Program, rents housing to low and middle income persons and families. HFA also participates in Federal housing assistance programs which provide interest reduction and rental assistance subsidies to eligible projects and tenants. HFA administers the State's Housing Project Repair and Infrastructure Trust Fund Programs.

To finance low income housing, HFA raises funds through the issuance of municipal securities and the making of mortgage loans to eligible borrowers. HFA is authorized to issue bonds in the amount of approximately \$29.28 billion to finance housing projects, and approximately \$6.5 billion in Service Contract Obligation Revenue Bonds, Service Contract Revenue Bonds and Personal Income Tax Revenue Bonds. Total bond indebtedness reported as of October 31, 2020 is approximately \$17 billion.

Certain external events can disrupt HFA's ability to conduct its business. One such event is the COVID-19 Pandemic. During 2020, Governor Andrew Cuomo signed legislation addressing mortgage forbearance, residential and commercial evictions and foreclosures related to the COVID-19 pandemic. To provide guidance on assisting borrowers struggling to make their mortgage payments, HFA has issued bulletins to its servicers. Additional information can be found in HFA's financial statements.

Individual financial statements can be obtained by contacting HFA at [www.nyshcr.org](http://www.nyshcr.org).

## Thruway Authority

The New York State Thruway Authority (NYSTA) was created as a public benefit corporation by the State Legislature in 1950 with powers to construct, operate and maintain a Thruway system. NYSTA is responsible for a 570-mile system of highways crossing New York State, the longest toll highway system in the United States. NYSTA's 426-mile Thruway mainline connects New York City and Buffalo, the State's two largest cities. Other thruway sections provide for connections with Connecticut, Massachusetts, Pennsylvania, New Jersey, and to highways that lead to the Midwest and Canada.

In 1991, the Legislature empowered NYSTA to issue Local Highway and Bridge Service Contract (LHB) Bonds to provide funds to municipalities throughout the State for qualifying capital expenditures under State programs. In 1993, the Legislature authorized NYSTA to issue Highway and Bridge Trust Fund (HBTF) Bonds to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's multi-year Highway and Bridge Capital Program. In 2001, the Legislature authorized NYSTA to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge and multi-modal capital project expenditures under established State programs.

The financial position of and activities relating to the special bond programs (LHB, HBTF and PIT) are reported within the funds of the State, rather than under the NYSTA, because these special bond programs are not separate legal entities but are considered funds of the State.

The State developed the Thruway Stabilization Program in 2015 for the payment of costs related to the Governor Mario M. Cuomo Bridge, bridge-related transportation improvements and other Thruway capital projects. In 2016, the State approved an additional \$700 million for the program, bringing the State's total commitment to \$1.985 billion. Through December 31, 2020, all available program funds have been received. The State has contributed a total of \$1.985 billion to NYSTA for this program, consisting of \$1.2 billion for the Governor Mario M. Cuomo Bridge, \$752.8 million for other Thruway capital projects and \$32.2 million for working capital needs.

Individual financial statements can be obtained by contacting NYSTA at [www.thruway.ny.gov](http://www.thruway.ny.gov).



## **Metropolitan Transportation Authority**

The Metropolitan Transportation Authority (MTA) was created in 1965 to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York City metropolitan area. The accounts presented as the MTA are the combined accounts of its headquarters and eight affiliates and subsidiaries. The MTA operates the largest transit and commuter rail transportation system in North America and one of the largest in the world. The MTA is dependent upon the State for a portion of its revenues. During the MTA fiscal year ended December 31, 2020, the MTA reported \$4.7 billion in payments from the State. A portion of that aid was in payments from the State's Mass Transportation Operating Assistance Fund, a Special Revenue Fund, which derives a major portion of its receipts from taxes imposed in the Metropolitan Transportation District for this purpose. A significant portion of that aid came from the Metropolitan Commuter Transportation Mobility Tax enacted in 2009, which is a tax imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Transportation District. Since 2002, the State has provided funding to pay the debt service on State Service Contract bonds issued by the MTA for its capital projects. At December 31, 2020, there are no outstanding MTA State Service Contract bonds.

Capital assets acquired prior to April 1982 for the New York City Transit Authority (NYCTA) were funded primarily by New York City through capital grants. New York City has title to a substantial portion of such assets, which are not included among the assets reported under MTA. In certain instances, title to MTA Bridges and Tunnels' real property may revert to New York City in the event the MTA determines it is unnecessary for corporate purposes. The federal government has a contingent equity interest in assets acquired by the MTA with federal funds, and upon disposal of such assets, the federal government may have a right to its share of the proceeds from the sale.

During 2020, the COVID-19 pandemic caused a significant decline in ridership, resulting in a material impact on MTA's operations, financial position, and cash flows. MTA secured funding of approximately \$4 billion of operating assistance under the Coronavirus Aid, Relief and Economic Security Act through the Federal Transit Administration's funding formula. Funding will be provided at a 100 percent Federal share, with no required local match, and is available to support operating, capital and other expenses generally eligible under those programs to prevent, prepare for, and respond to the COVID-19 pandemic.

MTA's financial statements can be found at [www.mta.info](http://www.mta.info).

## **Dormitory Authority**

The Dormitory Authority of the State of New York (DASNY) is a public benefit corporation established in 1944. DASNY's purpose is to finance, design, construct, purchase, reconstruct and/or rehabilitate buildings (projects) for use by public and private educational, healthcare, and other not-for-profit institutions (institutions) located within the State, certain State agencies, local school districts, and cities and counties with respect to certain court and municipal facilities.

DASNY's outstanding bonds and notes of \$59 billion consist mainly of debt issued for New York State agency projects (\$21.4 billion), SUNY projects (\$12.4 billion), independent institutions (\$11.9 billion), health care facilities (\$4.3 billion) and CUNY projects (\$5 billion). The remaining debt was issued for



projects for municipal facilities.

The financial statements of DASNY can be obtained at [www.dasny.org](http://www.dasny.org).

### **Long Island Power Authority**

The Long Island Power Authority (LIPA) was established in 1985 as a corporate municipal instrumentality of the State. On May 28, 1998, the LIPA Acquisition Corporation, a wholly owned subsidiary of LIPA, was merged with and into the Long Island Lighting Company (LILCO) pursuant to an Agreement and Plan of Merger dated as of June 26, 1997. LIPA financed the cost of the merger and the refinancing of certain of LILCO's outstanding debt through the issuance of \$6.7 billion aggregate principal amount of Electric System General Revenue Bonds and Electric System Subordinated Revenue Bonds. In addition, LIPA assumed responsibility for \$1.2 billion of LILCO's General and Refunding Bonds, which were defeased immediately upon the closing of the merger. The excess of the acquisition costs over the fair value of net position acquired (\$3.5 billion) has been reported as an "intangible asset," which is being amortized through 2026.

Chapter 173 of the Laws of 2013 established the Utility Debt Securitization Authority (UDSA) for the sole purpose of retiring certain outstanding indebtedness of LIPA through the issuance of restructuring bonds by UDSA. In accordance with GASBS No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, UDSA is considered a blended component unit of LIPA. On March 30, 2015, the Securitization Law was amended to allow for a total issuance of up to \$4.5 billion of UDSA restructuring bonds, inclusive of the \$2 billion of restructuring bonds issued in December 2013. Between October 15, 2015 and December 31, 2017 the remaining restructuring bonds were issued, exhausting the statutory authority allowed under the Securitization Law.

LIPA, as owner of the transmission and distribution (T&D) system located in Nassau, Suffolk and a small portion of Queens counties, is responsible for supplying electricity to customers in the service area. Under a contract starting January 1, 2014, responsibility for major operational and policy-making services for the T&D system effectively shifted from LIPA to PSEG Long Island LLC for a period of twelve years.

Financial statements can be obtained by contacting LIPA at [www.lipower.org](http://www.lipower.org).

### **Urban Development Corporation**

The New York State Urban Development Corporation (UDC) was established by legislative act in 1968 as a corporate governmental agency of the State. UDC conducts business as Empire State Development. UDC is engaged in various activities for the State, three of which are: promoting economic development and job creation; financing special projects throughout the State with revenue bonds; and marketing the State as a great place to do business and as a vacation destination.

UDC is the State's primary agent for economic development and works in partnership with the public and private sectors to create an environment that spurs innovation and economic development while enhancing the State's competitive advantage as the world capital for many industries, ranging from finance and media to technology and agriculture.

UDC continues its efforts to foster economic development through the State. Its mission is to promote a vigorous and growing State economy, encourage business investment and job creation, and support diverse, prosperous local economies across the State through efficient use of loans, grants, tax credits, real estate development, marketing and other forms of assistance. Financial assistance is provided primarily through State appropriated funds received by the UDC and State supported bonds issued by UDC which are disbursed to projects.

UDC continues to administer and manage a robust marketing program to help strengthen the State economy. The program has multiple components, which are broadly focused on two areas: (1) increasing the State's tourism through consumer and trade programs that heighten the visibility of New York's tourism attractions as vacation destinations; and (2) attracting companies looking to expand, move or begin their operations in New York. UDC is also the administrative agency for the New York State Film Tax Credit Program, which is designed to increase the film production and post-production industry presence in and overall economic benefits to the State.

The financial statements of the UDC are available at *www.esd.ny.gov*.

### **State Insurance Fund**

The State Insurance Fund (SIF) was created in 1914 and comprises the Workers' Compensation Fund and the Disability Benefits Fund and is primarily engaged in providing workers' compensation and disability benefit insurance for employers in the State of New York.

During previous fiscal years, the SIF transferred approximately \$1.3 billion to the State's General Fund and Other Governmental Funds. The statutes authorizing these transfers required that the State appropriate amounts annually for the potential repayment of the transfers. Such repayment is required only to maintain the solvency, as defined, of the Workers' Compensation Fund. The entire receivable and equity related to these transfers were eliminated from the presentation of the SIF. Further, after recognizing the total OPEB liability noted below, the resulting fund balance is approximately \$7 billion.

The SIF's financial statements are prepared in conformity with the accounting practices prescribed by the New York State Department of Financial Services, which is a comprehensive basis of accounting other than the accounting principles generally accepted in the United States of America. The State has adjusted SIF's financial statements to recognize a total OPEB liability of \$871 million in accordance with GASB Statement No. 75 for its respective proportionate share in the State's total OPEB liability.

A complete list of departures from GAAP is disclosed in the SIF's financial statements, which may be obtained from *ww3.nysif.com*.

## State of New York Mortgage Agency

The State of New York Mortgage Agency (SONYMA) was established in 1970 and makes mortgages available to first-time and other qualifying home buyers through its Low Interest Rate Program and other specialized home ownership programs. To accomplish this purpose, SONYMA issues tax-exempt and taxable mortgage revenue bonds for direct issuance of forward commitments for new mortgage loans through participating financial institutions. SONYMA also provides mortgage insurance for qualifying real property loans through its Mortgage Insurance Fund. By statute, all costs of providing mortgage insurance are recovered from a State mortgage recording tax surcharge, which is a dedicated tax revenue stream received directly by SONYMA. In April 2009, SONYMA's statutory authority to purchase education loans was updated and expanded in order to permit the Agency to work with the New York State Higher Education Services Corporation in developing a new program to offer education loans to eligible students attending colleges and universities in New York State. In 2016, legislation was adopted authorizing the creation of the New York State Community Restoration Fund, a program to assist homeowners affected by the national mortgage crisis. The fund is held by SONYMA and managed by a newly-created subsidiary of SONYMA called the SONYMA Community Restoration Fund. The agency is a partner in a joint venture with New Jersey Community Capital, and currently owns approximately 570 defaulted mortgage loans.

Certain external events can disrupt SONYMA's ability to conduct its business. One such event is the COVID-19 Pandemic. During 2020, Governor Andrew Cuomo signed legislation addressing mortgage forbearance, residential evictions, foreclosures, credit discrimination and negative credit reporting related to the COVID-19 pandemic. To provide guidance on assisting borrowers struggling to make their mortgage payments, SONYMA has issued bulletins to its servicers. Additional information can be found in SONYMA's financial statements

Financial statements can be obtained by contacting SONYMA at [www.nyshcr.org](http://www.nyshcr.org).

## Environmental Facilities Corporation

The New York State Environmental Facilities Corporation (EFC) is a public benefit corporation, formed in 1970 pursuant to the New York State Environmental Facilities Corporation Act. The mission of EFC is to assist communities throughout New York State to undertake critical water quality infrastructure projects by providing access to low cost capital, grants, and expert technical assistance. A primary goal is to ensure that these projects remain affordable while safeguarding essential water resources. EFC supports this mission by consistently using an innovative approach to developing and advancing new financing strategies to maximize the funding that can be made available to our clients, aiding compliance with Federal and State requirements, and promoting green infrastructure practices. EFC assesses and collects fees charged to clients for various services. EFC is governed by a board of directors, which consists of seven members.

The Corporation is empowered by State law to: administer the Clean Water and Drinking Water State Revolving Funds (SRFs), established by the State as set forth in the EFC Act pursuant to the federal Water Quality Act of 1987 and the federal Safe Drinking Water Act Amendments of 1996; finance, through the issuance of special obligation revenue bonds under its Industrial Finance Program, water management, solid waste disposal, sewage treatment and pollution control projects undertaken by or on behalf of private entities; and to provide technical advice and assistance to private entities, state agencies and local government units on sewage treatment and collection, pollution control, recycling, hazardous

waste abatement, solid waste disposal, and other related subjects. Total bond indebtedness reported as of March 31, 2021 is approximately \$5.7 billion, and total bonds receivable is approximately \$6.6 billion.

The complete audited financial statements and related notes as well as additional information regarding EFC can be obtained by visiting EFC at [www.efc.ny.gov](http://www.efc.ny.gov).

**Eliminations**

Eliminations are made primarily to avoid duplicate reporting. As explained in Note 7, the State services a significant portion of the bonds and notes payable of certain Corporations.

### ***NOTE 15 - Joint Ventures***

A joint venture is an entity that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. The only material joint venture in which the State has an interest is the Port Authority of New York and New Jersey (Port Authority).

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. The Port Authority is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering around New York Harbor.

The Governor of each state appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective state senate. Governors have from time to time exercised their statutory power to veto the actions of the commissioners from their states.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Port Authority policy, appoint an Executive Director to implement it, and appoint a General Counsel to act as legal advisor to the Board and to the Executive Director.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit. The Port Authority does not have the power to pledge the credit of either state or any municipality, or the authority to levy taxes or assessments.

The liabilities of the Port Authority include \$25.1 billion of consolidated bonds. Consolidated bonds and notes are equally and ratably secured by a pledge of the net revenues of all existing facilities and any additional facilities, which may be financed in whole or in part through the medium of consolidated bonds and notes.

The Port Authority's Comprehensive Annual Financial Report is available from the Port Authority website at [www.panynj.gov](http://www.panynj.gov).

Consolidated financial statements of the Port Authority for the fiscal year ended December 31, 2020 disclosed the following (amounts in millions):

<b>Financial Position</b>	
Total assets.....	\$ 48,687
Total deferred outflows of resources .....	776
Total liabilities .....	(32,977)
Total deferred inflows of resources .....	(578)
<b>Net position .....</b>	<b><u>\$ 15,908</u></b>
<b>Operating Results</b>	
Operating revenues .....	\$ 4,334
Operating expenses .....	(3,263)
Depreciation and amortization.....	(1,566)
Net revenue (expense) related to insurance recoverables .....	4
<b>Income from operations .....</b>	<b><u>(491)</u></b>
Passenger facility charges.....	76
Financial income (expense), net .....	(865)
Contribution in aid of construction and grants ...	721
<b>Increase in net position.....</b>	<b><u>\$ (559)</u></b>
<b>Changes in Net Position</b>	
Balance at January 1, 2020 .....	\$ 16,467
Increase in net position .....	(559)
<b>Balance at December 31, 2020 .....</b>	<b><u>\$ 15,908</u></b>

**NOTE 16 - Subsequent Events****Financing Arrangements Issued**

The Statement of Net Position presents bonds and other financing arrangements and collateralized borrowings outstanding as of the statement date of March 31, 2021 (except for business-type activities related to the SUNY and CUNY Enterprise Funds, which are reported as of June 30, 2020). Subsequent to those dates, the following bonds and other financing arrangements were issued (amounts in millions):

**Bonds and Other Financing Arrangements Issued  
Subsequent to Date of the Statement of Net Position**

Issuer	Purpose	Date	Series	Amount
Dormitory Authority .....	CUNY Senior Colleges	10/15/2020	Personal Income Tax, Series 2020A	\$ 220
Dormitory Authority .....	SUNY Educational Facilities	10/15/2020	Personal Income Tax, Series 2020A	\$ 267
Dormitory Authority .....	CUNY Senior Colleges, Refunding	10/15/2020	Personal Income Tax, Series 2020A	\$ 51
Dormitory Authority .....	CUNY Senior Colleges	10/15/2020	Personal Income Tax, Series 2020B	\$ 3
Dormitory Authority .....	SUNY Educational Facilities	10/15/2020	Personal Income Tax, Series 2020B	\$ 12
Dormitory Authority .....	CUNY Senior Colleges, Refunding	10/15/2020	Personal Income Tax, Series 2020B	\$ 9
Dormitory Authority .....	SUNY Grant Program	3/25/2021	Personal Income Tax, Series 2021A	\$ 14
Dormitory Authority .....	CUNY Senior Colleges, Refunding	3/25/2021	Personal Income Tax, Series 2021A	\$ 219
Dormitory Authority .....	SUNY Educational Facilities, Refunding	3/25/2021	Personal Income Tax, Series 2021A	\$ 502
Dormitory Authority .....	SUNY Grant Program	3/25/2021	Personal Income Tax, Series 2021B	\$ 2
Dormitory Authority .....	General Purposes	6/21/2021	Personal Income Tax, Series 2021C	\$ 1,826
Dormitory Authority .....	General Purposes	6/21/2021	Personal Income Tax, Series 2021D	\$ 32

**Collateralized Borrowings  
Subsequent to Date of the Statement of Net Position**

Issuer	Purpose	Date	Series	Amount
Dormitory Authority .....	SUNY Dormitory Facilities	7/22/2020	Revenue Bonds, Series 2020A	\$ 328

**Labor Settlement Agreements**

On July 27, 2021, a union settlement agreement was ratified resulting in a liability to the State for approximately \$500 million.

**State Support for SUNY/CUNY**

State funds support a significant portion of SUNY and CUNY operations. In the FY 2022 Enacted Budget Financial Plan, which includes projections up to FY 2025, the State provides more than \$1 billion annually for SUNY campus operations through a General Fund transfer and more than \$2 billion to fully support fringe benefit costs of SUNY employees at State-operated campuses. The State is also projected to pay \$1.3 billion in FY 2022 for debt service on bond financed capital projects at SUNY and CUNY.

The State also recognizes the increasing cost related to OPEB. The contribution requirements of NYSHIP members and the State are established and may be amended by the Legislature. The State is not required to provide funding above the PAYGO (paying the costs as they become due) amount necessary to provide current benefits to retirees. The State continues to fund these costs, along with all other employee health care expenses, on a PAYGO basis.



*Required  
Supplementary  
Information  
(unaudited)*

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STATE OF NEW YORK

**Budgetary Basis - Financial Plan and Actual  
Combined Schedule of Cash Receipts and Disbursements  
Major Funds - General Fund and Federal Special Revenue Fund**

For the Year Ended March 31, 2021  
(Amounts in millions) (Unaudited)

	General				Federal Special Revenue			
	Financial Plan Amounts		Actual	Variance with Final Budget	Financial Plan Amounts		Actual	Variance with Final Budget
	Original	Final	(Budgetary Basis)		Original	Final	(Budgetary Basis)	
<b>RECEIPTS:</b>								
Taxes.....	\$ 37,005	\$ 38,833	\$ 40,675	\$ 1,842	\$ -	\$ -	\$ -	\$ -
Miscellaneous.....	6,373	6,913	7,515	602	230	182	182	(38)
Federal grants.....	-	-	-	-	70,600	81,863	76,138	(5,725)
<b>Total receipts.....</b>	<b>43,378</b>	<b>45,746</b>	<b>48,190</b>	<b>2,444</b>	<b>70,830</b>	<b>82,083</b>	<b>76,320</b>	<b>(5,763)</b>
<b>DISBURSEMENTS:</b>								
Local assistance grants (1) .....	46,400	52,011	48,981	3,030	60,785	70,245	64,444	5,801
State operations (1).....	11,655	10,615	10,105	510	2,115	4,730	4,162	568
General State charges (1).....	7,249	6,084	7,031	(947)	350	1,473	1,342	131
Debt Service.....	-	-	-	-	133	144	102	42
Capital projects.....	-	-	-	-	-	3	-	3
<b>Total disbursements.....</b>	<b>65,304</b>	<b>68,710</b>	<b>66,117</b>	<b>2,593</b>	<b>63,383</b>	<b>76,595</b>	<b>70,050</b>	<b>6,545</b>
<b>Excess (deficiency) of receipts over disbursements.</b>	<b>(21,926)</b>	<b>(22,964)</b>	<b>(17,927)</b>	<b>5,037</b>	<b>7,447</b>	<b>5,488</b>	<b>6,270</b>	<b>782</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers from other funds.....	27,564	27,294	26,122	(1,172)	-	-	-	-
Transfers to other funds.....	(7,865)	(6,037)	(7,978)	(1,941)	(2,054)	(2,177)	(2,221)	(44)
<b>Net other financing sources (uses).....</b>	<b>19,699</b>	<b>21,257</b>	<b>18,144</b>	<b>(3,113)</b>	<b>(2,054)</b>	<b>(2,177)</b>	<b>(2,221)</b>	<b>(44)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>\$ (2,227)</b>	<b>\$ (1,707)</b>	<b>\$ 217</b>	<b>\$ 1,924</b>	<b>\$ 5,393</b>	<b>\$ 3,311</b>	<b>\$ 4,049</b>	<b>\$ 738</b>

(1) Spending authority has not been exceeded by \$947 million in the General Fund. The Final Financial Plan (published approximately six weeks before fiscal year-end) does not reflect an increase in spending authority approved for local assistance grants, state operation and general state charges through March 31, 2021.

See notes to required supplementary information.

See independent auditors' report.

## NOTES TO BUDGETARY BASIS REPORTING (unaudited)

### Budgetary Basis Reporting

The State Constitution requires the Governor to submit annually to the Legislature an Executive Budget, which contains plans for all expenditures and disbursements for the ensuing fiscal year, as well as all monies and revenues estimated to be available. Bills containing all recommended appropriations or reappropriations and any proposed legislation necessary to provide monies and revenues sufficient to meet such proposed expenditures and disbursements accompany the Executive Budget. Reappropriations are commonly used for federally funded programs and capital projects, where the funding amount is intended to support activities that may span several fiscal years. Budgets are prepared for all funds. Included in the proposed appropriation bills is a provision for spending authority for unanticipated revenues or unforeseen emergencies in accordance with statutory requirements. The Executive Budget also includes a cash basis financial plan that must be in balance, i.e., disbursements must not exceed available receipts.

The Legislature enacts appropriation bills and revenue measures containing those parts of the Executive Budget it has approved or modified. The Legislature may also enact supplemental appropriation or special appropriation bills after it completes action on the Executive Budget. Further, when the Legislature convenes in January, it may enact deficiency appropriations to meet actual or anticipated obligations not foreseen when the annual budget and any supplemental budgets were enacted and for which the costs would exceed available spending authorizations. The Legislature might add to a previously authorized appropriation anticipated to be inadequate, or provide a new appropriation to finance an existing or anticipated liability for which no appropriation exists. A deficiency appropriation usually applies to the fiscal year during which it is made. Pursuant to State law, once the Legislature has completed action on the appropriation and revenue bills and they are approved by the Governor, the cash basis and the GAAP basis financial plans must be revised by the Governor to reflect the impact resulting from changes in appropriations and revenue bills. The cash basis financial plan, which serves as the basis for the administration of the State's finances during the fiscal year, provides a summary of projected receipts, disbursements and fiscal year-end balances. Such plans are updated quarterly throughout the fiscal year by the Governor, and include a comparison of the actual year-to-date results with the latest revised plans, providing an explanation of any major deviations and any significant changes to the financial plans. Projected disbursements are based on agency staffing levels, program caseloads, levels of service needs, formulas contained in State and federal law, inflation and other factors. All projections account for the timing of payments, since not all the amounts appropriated in the Enacted Budget are disbursed in the same fiscal year.

The Statewide Financial System includes controls over expenditures to ensure that the maximum spending authority is not exceeded during the life of the appropriation. Expenditures are controlled at the major account level within each program or project of each State agency in accordance with the underlying appropriation purpose. Encumbrances are not considered a disbursement in the financial plan or an expenditure and expense in the basic financial statements. Generally, appropriations are available for liabilities incurred during the fiscal year. Following the end of the fiscal year, a "lapse period" is provided to liquidate prior year liabilities. Unless reappropriated, most appropriations for State operations cease on June 30<sup>th</sup> and local assistance, debt service, capital projects and federal fund appropriations cease on September 15<sup>th</sup> following the end of the fiscal year. Disbursements made during the lapse period from prior year appropriations are included, together with disbursements from new year appropriations, in the subsequent fiscal year's financial plan. Many appropriations enacted are not

intended to be used, although they are required by law. These types of appropriations will generally cause total appropriation authorizations to exceed cash basis financial plan disbursement amounts. Actual disbursements for certain spending categories may exceed financial plan estimates (as reported in the Budgetary Basis – Financial Plan and Actual – Combined Schedule of Cash Receipts and Disbursements) but do not exceed total enacted appropriations authority. Most capital projects, federal funds and many State operations appropriations are reappropriated each year by the Legislature and therefore the life of such appropriations may be many years. If the budget is not enacted by April 1<sup>st</sup>, the Legislature enacts special emergency appropriations to continue government functions, as was last done in April 2010.

The following presents a reconciliation of the budgetary cash basis operating results as shown in the preceding Budgetary Basis – Financial Plan and Actual Combined Schedule of Cash Receipts and Disbursements (Schedule) with the GAAP-basis operating results reported in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Statement) (amounts in millions):

	<u>General</u>	<u>Federal Special Revenue</u>
Receipts and other financing sources over/(under) disbursements and other financing uses per Schedule .....	\$ 217	\$ 4,049
Entity differences:		
Receipts and other financing sources over/(under) disbursements and other financing uses for funds and accounts not included in the cash basis financial plan .....	3,411	(485)
Perspective differences:		
Receipts and other financing sources over/(under) disbursements and other financing uses for funds treated as Special Revenue Funds in the financial plan and as part of the General Fund for GAAP reporting .....	219	-
Receipts and other financing sources over/(under) disbursements and other financing uses for funds treated as Fiduciary Funds in the financial plan and as part of the General Fund for GAAP reporting .....	6,115	-
Temporary interfund cash loans .....	(118)	(292)
Basis of accounting differences:		
Revenue accrual adjustments .....	(1,327)	(4,489)
Expenditure accrual adjustments .....	83	1,216
<b>Net Change in Fund Balances .....</b>	<b><u>\$ 8,600</u></b>	<b><u>\$ (1)</u></b>

The entity differences relate to the inclusion of certain funds considered to be Proprietary Funds for purposes of the cash basis financial plan. Perspective differences relate to variations in the presentation of the cash basis financial plan fund structure versus GAAP fund structure. A perspective difference for temporary interfund loans occurs when a fund temporarily overdraws its share of the pooled investment funds. These temporary loans are covered by the General Fund's share of the pool. A perspective difference relating to the Charter School Stimulus and Miscellaneous Special Revenue Accounts occurs because these funds are included in the Special Revenue Funds cash basis financial plan while the GAAP basis presentation includes them in the General Fund. A perspective difference exists between certain Fiduciary Funds in the cash basis financial plan, which are presented in the General Fund on a GAAP basis.

## Infrastructure Assets Using the Modified Approach (unaudited)

In accordance with GAAP, the State has adopted an alternative method for recording depreciation expense for the State's network of roads and bridges maintained by the Department of Transportation (DOT). Under this method, referred to as the modified approach, the State will not report depreciation expense for roads and bridges, but will capitalize all costs that add to the capacity and efficiency of State-owned roads and bridges. Generally, all maintenance and preservation costs will be expensed and not capitalized.

In order to adopt the modified approach, the State is required to meet the following criteria:

1. Maintain an asset management system that includes a current inventory of eligible infrastructure assets.
2. Conduct condition assessments of eligible assets and summarize the results using a measurement scale.
3. Estimate each year the annual amount necessary to maintain and preserve the eligible assets at the condition level established and disclosed by the State.
4. Document that the assets are being preserved approximately at, or above, the established condition level.

### Roads

The DOT maintains the Pavement Management System (PMS), which supports a construction program that preserves the State's investment in its roads. The PMS contains locational, operational and historical condition data. The PMS is used to determine the appropriate program for improving the condition of the roads and to determine future funding levels necessary to meet condition goals. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens.

The State annually conducts an assessment of the pavement condition of the State's road network. Trained technicians rate the condition of the pavement based on surface condition and dominant distress (e.g., cracking, faulting) using a scale of 1 (very poor) to 10 (excellent) based on the prevalence of a surface-related pavement distress. A pavement condition rating (PCR) is assigned to each surface section. The State currently has 42,742 lane miles of roads.

It is the State's intention to maintain the roads at an average PCR between 6.7 and 7.2.

### Bridges

The DOT maintains the Bridge Management System (BMS), which supports a construction program that preserves the State's investment in its bridges. The BMS is used in planning construction programs and estimating construction costs. The overall goal is for the State to provide a management system for the State's infrastructure assets in order to provide long-term benefits to the State's citizens. The State has 7,912 bridges in the inventory, of which 7,700 are highway bridges. The remainder include railroad and pedestrian structures.

The State conducts biennial inspections of all bridges in the State. During each general inspection, various components or elements of each bridge span are rated by the inspector as to the extent of deterioration, as well as the component's ability to function structurally relative to when it was newly designed and constructed. The State previously used a numerical inspection condition rating (CR) scale ranging from 1 (minimum) to 7 (maximum). Bridges with CR greater than 5.8 are in good condition, and generally require preventive and corrective maintenance actions such as bridge washing, deck sealing and bearing lubrication. Bridges with CR between 4.9 (inclusive) and 5.8 (inclusive) are in fair-protective condition, and generally require relatively minor preventive and corrective maintenance actions, such as bearing repairs, joint repairs, zone and spot painting and girder end repairs. Bridges with CR between 4.4 (inclusive) and 4.9 are in fair-corrective condition, and generally require moderate preventive and corrective maintenance actions, such as bearing replacement, deck replacement, and major substructure repairs. Bridges with CR less than 4.4 are considered to be in poor condition, and generally require major rehabilitation or replacement.

Through 2015, using this rating scale, it was the State's intention to maintain the bridges at an average condition rating level between 5.3 and 5.6.

In 2016, the State transitioned to the AASHTO element-based rating system that utilizes a 1 (good) through 4 (severe) scale as mandated by the Federal Highway Administration (FHWA). The bridge goal is based on the percentage of Structurally Deficient (SD) bridges as defined by FHWA. The SD calculations are based on the National Bridge Inventory (NBI) inspection data that has been collected by the DOT for more than 15 years and reported to FHWA on an annual basis. Using this new criteria to identify Structurally Deficient bridges, it is the State's intention to maintain the share of bridges classified as SD at or below 15 percent of the State highway bridge population.

**Pavement and Bridge Assessment Summary  
as of December 31:**

<b>Year</b>	<b>Pavement -- Average Surface Rating</b>	<b>Bridges -- Average Condition Rating</b>	<b>Percentage of Highway Bridges Assessed Structurally Deficient</b>
2020 .....	6.95	N/A	7.3
2019 .....	6.86	N/A	7.3
2018 .....	6.88	N/A	7.1
2017 .....	6.91	N/A	7.9
2016 .....	6.93	N/A	7.9
2015 .....	6.92	5.30	N/A
2014 .....	6.99	5.32	N/A
2013 .....	6.99	5.34	N/A
2012 .....	6.98	5.34	N/A
2011 .....	6.87	5.35	N/A
2010 .....	6.92	5.37	N/A

## Comparison of Estimated-to-Actual Maintenance and Preservation Costs

Preservation of the roads and bridges is accomplished through various construction programs which are tracked by the PMS and the BMS. The following presents the State's estimate of costs necessary to preserve and maintain the network of roads and bridges at, or above, the established condition level, compared to the actual costs incurred for the past five fiscal years ending March 31 (amounts in millions):

<b>Maintenance and Preservation Costs</b>					
<u>Year</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Roads:</b>					
Estimated .....	\$ 1,173	\$ 1,625	\$ 1,254	\$ 1,279	\$ 936
Actual .....	1,250	1,126	1,133	1,134	1,106
<b>Bridges:</b>					
Estimated .....	1,461	769	1,187	925	534
Actual .....	237	229	293	256	305
<b>Total roads and bridges:</b>					
Estimated .....	2,634	2,394	2,441	2,204	1,470
Actual .....	1,487	1,355	1,426	1,390	1,411

See independent auditors' report.

The increase in estimates is a reflection of the increased letting program over the last few years. Any significant increase in actual costs may take several years to be realized and reported. In addition, the calculation of Preservation/Maintenance Estimates may include needs that were addressed via capitalizable work rather than preservation/maintenance actuals.

## Other Postemployment Benefits (unaudited)

### Schedule of Changes in Total OPEB Liability and Related Ratios

#### New York State

#### Fiscal Years Ended March 31

(Amounts in millions)

	2021	2020	2019
<b>Total OPEB liability:</b>			
Service cost.....	\$ 1,570	\$ 1,579	\$ 1,682
Interest .....	1,965	2,000	2,100
Difference between expected and actual experience.....	387	349	(4,608)
Changes in assumptions.....	6,946	(1,780)	(227)
Changes in proportion and differences between employer contributions and proportionate share of contributions.....	4	(223)	-
Benefit payments .....	(1,727)	(1,672)	(1,567)
<b>Net change in total OPEB liability .....</b>	<b>9,145</b>	<b>253</b>	<b>(2,620)</b>
<b>Total OPEB liability, beginning .....</b>	<b>51,139</b>	<b>50,886</b>	<b>53,506</b>
<b>Total OPEB liability, ending.....</b>	<b>\$ 60,284</b>	<b>\$ 51,139</b>	<b>\$ 50,886</b>
Covered employee payroll.....	\$ 9,198	\$ 9,046	\$ 8,806
Total OPEB liability as a percentage of covered employee payroll.....	655.4 %	565.3 %	577.9 %
Changes in assumptions: Discount rate, at measurement date.....	2.84 %	3.79 %	3.89 %

See independent auditors' report.

Changes in benefit terms: There were no significant legislative changes in benefits for the March 31, 2020 actuarial valuations.

Changes in assumptions: The discount rate was updated as detailed in the table above. The medical trend assumptions were updated based on current anticipation of future costs and projected claim costs were updated based on the recent claims experience for the PPO plans and premium rates for the HMO plans. The excise tax assumptions were updated in 2019 and 2020 based on anticipation of future costs; the excise tax impact has been removed in 2021 as a result of the SECURE Act.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.



## Schedule of Changes in Total OPEB Liability and Related Ratios

SUNY\*

Fiscal Years Ended June 30

(Amounts in millions)

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability:</b>				
Service cost.....	\$ 503	\$ 503	\$ 531	\$ 590
Interest .....	497	500	516	469
Difference between expected and actual experience .....	(74)	138	(1,151)	-
Changes in assumptions.....	2,184	(509)	(55)	(1,195)
Benefit payments .....	(370)	(356)	(330)	(302)
<b>Net change in total OPEB liability .....</b>	<b>2,740</b>	<b>276</b>	<b>(489)</b>	<b>(438)</b>
<b>Total OPEB liability, beginning .....</b>	<b>12,781</b>	<b>12,505</b>	<b>12,994</b>	<b>13,432</b>
<b>Total OPEB liability, ending.....</b>	<b>\$ 15,521</b>	<b>\$ 12,781</b>	<b>\$ 12,505</b>	<b>\$ 12,994</b>
Covered employee payroll.....	\$ 3,435	\$ 3,362	\$ 3,329	\$ 3,200
Total OPEB liability as a percentage of covered employee payroll .....	451.9 %	380.2 %	375.6 %	406.0 %
Changes in assumptions: Discount rate, at measurement date .....	2.84 %	3.79 %	3.89 %	3.86 %

See independent auditors' report.

Changes in assumptions: The discount rate was changed as detailed in the table above. The medical trend and excise tax assumptions were updated based on current anticipation of future costs and projected claim costs were updated based on the recent claims experience for the PPO plans and premium rates for the HMO plans.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

\*Amounts presented are for SUNY only and do not include SUNY Research Foundation.

## Schedule of Changes in Total OPEB Liability and Related Ratios

### CUNY Senior Colleges

### Fiscal Years Ended June 30

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability:</b>			
Service cost.....	\$ 108	\$ 126	\$ 107
Interest.....	58	53	50
Difference between expected and actual experience.....	(178)	354	(4)
Changes in assumptions .....	41	(187)	40
Benefit payments.....	(36)	(35)	(32)
<b>Net change in total OPEB liability.....</b>	<b>(7)</b>	<b>311</b>	<b>161</b>
<b>Total OPEB liability, beginning.....</b>	<b>1,978</b>	<b>1,667</b>	<b>1,506</b>
<b>Total OPEB liability, ending .....</b>	<b>\$ 1,971</b>	<b>\$ 1,978</b>	<b>\$ 1,667</b>
Covered employee payroll.....	\$ 1,218	\$ 1,169	\$ 1,151
Total OPEB liability as a percentage of covered employee payroll.....	161.73 %	169.1 %	144.8 %
Changes in assumptions: Discount rate, at measurement date .....	2.66 %	2.79 %	2.98 %

See independent auditors' report.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The discount rate used to determine the total OPEB liability was updated as detailed in the table above.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Pension Plans (unaudited)**

**Schedule of Proportionate Share of the Net Pension Liability for the New York State and Local Employees' Retirement System**

**Fiscal Years Ended March 31**

(Amounts in millions)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
State's proportion of the net pension liability.....	45.5 %	45.8 %	45.4 %	45.8 %	45.1 %
State's proportionate share of the net pension liability .....	\$ 12,052	\$ 3,243	\$ 1,465	\$ 4,297	\$ 7,217
Covered payroll.....	\$ 12,115	\$ 11,684	\$ 11,511	\$ 11,112	\$ 10,188
State's proportionate share of the net pension liability as a percentage of covered payroll	99.5 %	27.8 %	12.7 %	38.7 %	70.8 %
Plan's fiduciary net position as a percentage of the total pension liability.....	86.4 %	96.3 %	98.2 %	94.7 %	90.7 %
	<u>2016</u>				
State's proportion of the net pension liability.....	44.5 %				
State's proportionate share of the net pension liability .....	\$ 1,501				
Covered payroll.....	\$ 10,236				
State's proportionate share of the net pension liability as a percentage of covered payroll .	14.7 %				
Plan's fiduciary net position as a percentage of the total pension liability.....	98.0 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Schedule of Proportionate Share of the Net Pension Liability for the New York State  
and Local Police and Fire Retirement System  
Fiscal Years Ended March 31**

(Amounts in millions)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
State's proportion of the net pension liability .....	21.1 %	21.4 %	20.8 %	21.1 %	19.1 %
State's proportionate share of the net pension liability .....	\$ 1,127	\$ 359	\$ 210	\$ 437	\$ 566
Covered payroll .....	\$ 859	\$ 775	\$ 777	\$ 695	\$ 615
State's proportionate share of the net pension liability as a percentage of covered payroll .....	131.2 %	46.2 %	27.0 %	62.9 %	92.1 %
Plan's fiduciary net position as a percentage of the total pension liability .....	84.9 %	95.1 %	96.9 %	93.5 %	90.2 %
	<u>2016</u>				
State's proportion of the net pension liability .....	19.0 %				
State's proportionate share of the net pension liability .....	\$ 52				
Covered payroll .....	\$ 620				
State's proportionate share of the net pension liability as a percentage of covered payroll .....	8.5 %				
Plan's fiduciary net position as a percentage of the total pension liability .....	99.0 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

## Schedule of Employer Contributions for the New York State and Local Employees' Retirement System \*

### Fiscal Years Ended March 31

(Amounts in millions)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually determined contribution .....	\$ 1,692	\$ 1,596	\$ 1,603	\$ 1,636	\$ 1,585
Contributions in relation to the contractually determined contribution .....	<u>1,692</u>	<u>1,596</u>	<u>1,603</u>	<u>1,636</u>	<u>1,585</u>
Contribution deficiency .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll .....	\$ 11,931	\$ 12,115	\$ 11,684	\$ 11,511	\$ 11,112
Contributions as a percentage of covered payroll.....	14.2 %	13.2 %	13.7 %	14.2 %	14.2 %
	<u>2016</u>				
Contractually determined contribution .....	\$ 1,816				
Contributions in relation to the contractually determined contribution .....	<u>1,478</u>				
Contribution deficiency .....	<u>\$ 338</u>				
Covered payroll .....	\$ 10,188				
Contributions as a percentage of covered payroll.....	14.5 %				

\* *Inclusive of SUNY and Lottery.*

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Schedule of Employer Contributions for the New York State and Local Police and Fire Retirement System \***  
**Fiscal Years Ended March 31**

(Amounts in millions)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually determined contribution .....	\$ 178	\$ 164	\$ 168	\$ 166	\$ 152
Contributions in relation to the contractually determined contribution .....	178	164	168	166	152
Contribution deficiency .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll.....	\$ 813	\$ 859	\$ 775	\$ 777	\$ 695
Contributions as a percentage of payroll.....	21.9 %	19.1 %	21.7 %	21.4 %	21.9 %
	<b><u>2016</u></b>				
Contractually determined contribution .....	\$ 142				
Contributions in relation to the contractually determined contribution .....	124				
Contribution deficiency .....	<u>\$ 18</u>				
Covered payroll.....	\$ 615				
Contributions as a percentage of covered payroll .....	20.2 %				

\* Inclusive of SUNY and Lottery.

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

## Other SUNY-Related Pension Plans

### New York State Teachers' Retirement System (TRS)

#### Schedule of the Proportionate Share of the TRS Net Pension Liability (Asset) Fiscal Years Ended June 30 (Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
SUNY's proportion of the net pension liability (asset) .....	0.9 %	0.8 %	0.8 %	0.8 %	0.7 %
SUNY's proportionate share of the net pension liability (asset) .....	\$ (22.6)	\$ (14.7)	\$ (6.1)	\$ 8.7	\$ (77.2)
Covered payroll.....	\$ 159.8	\$ 146.0	\$ 144.6	\$ 141.9	\$ 145.2
SUNY's proportionate share of the net pension liability (asset) as a percentage of covered payroll .....	(13.7 %)	(10.1 %)	(4.2 %)	6.1 %	(53.2 %)
Plan's fiduciary net position as a percentage of the total pension liability .....	102.2 %	101.5 %	100.7 %	99.0 %	110.5 %
	<b><u>2015</u></b>				
SUNY's proportion of the net pension liability (asset) .....	0.7 %				
SUNY's proportionate share of the net pension liability (asset) .....	\$ (79.6)				
Covered payroll.....	\$ 140.7				
SUNY's proportionate share of the net pension liability (asset) as a percentage of covered payroll .....	(56.6 %)				
Plan's fiduciary net position as a percentage of the total pension liability .....	111.5 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

## Schedule of Employer Contributions for the TRS Plan Fiscal Years Ended June 30

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution.....	\$ 15.4	\$ 12.9	\$ 15.0	\$ 16.7	\$ 19.6
Contributions in relation to the actuarial determined contribution .....	<u>15.4</u>	<u>12.9</u>	<u>15.0</u>	<u>16.7</u>	<u>19.6</u>
Contribution deficiency.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll.....	\$ 166.6	\$ 159.8	\$ 146.0	\$ 144.6	\$ 141.9
Contributions as a percentage of covered payroll .....	9.2 %	8.1 %	10.3 %	11.5 %	13.8 %
	<u>2015</u>				
Actuarially determined contribution.....	\$ 17.2				
Contributions in relation to the actuarial determined contribution .....	<u>17.2</u>				
Contribution deficiency.....	<u>\$ -</u>				
Covered payroll.....	\$ 145.2				
Contributions as a percentage of covered payroll .....	11.8 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.



**Upstate Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Fiscal Years Ended June 30**  
**(Amounts in millions)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability:					
Service cost.....	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.8
Interest .....	6.6	6.7	6.6	6.6	6.5
Changes of assumptions.....	(0.4)	(0.3)	(0.6)	(1.4)	-
Difference between expected and actual experience.....	1.0	0.6	1.8	0.3	1.0
Benefit payments .....	(9.6)	(5.8)	(9.2)	(4.9)	(7.0)
<b>Net change in total pension liability .....</b>	<b>(1.9)</b>	<b>1.8</b>	<b>(0.8)</b>	<b>1.3</b>	<b>1.3</b>
<b>Total pension liability, beginning .....</b>	<b>106.9</b>	<b>105.1</b>	<b>105.9</b>	<b>104.6</b>	<b>103.3</b>
<b>Total pension liability, ending (a).....</b>	<b>105.0</b>	<b>106.9</b>	<b>105.1</b>	<b>105.9</b>	<b>104.6</b>
Plan fiduciary net position:					
Employer contributions .....	2.4	1.1	2.0	2.8	2.0
Net investment income (loss)	20.8	(5.1)	15.6	7.4	(0.7)
Benefit payments .....	(9.6)	(5.8)	(9.2)	(4.9)	(7.0)
Administrative expenses.....	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)
<b>Net change in fiduciary net position .....</b>	<b>13.4</b>	<b>(10.0)</b>	<b>8.2</b>	<b>5.2</b>	<b>(5.9)</b>
<b>Fiduciary net position, beginning .....</b>	<b>93.6</b>	<b>103.6</b>	<b>95.4</b>	<b>90.2</b>	<b>96.1</b>
<b>Fiduciary net position, ending (b).....</b>	<b>107.0</b>	<b>93.6</b>	<b>103.6</b>	<b>95.4</b>	<b>90.2</b>
<b>Net pension liability, ending (a)-(b).....</b>	<b>\$ (2.0)</b>	<b>\$ 13.3</b>	<b>\$ 1.5</b>	<b>\$ 10.5</b>	<b>\$ 14.4</b>
Ratio of fiduciary net position to total pension liability .....	101.9 %	87.6 %	98.6 %	90.1 %	86.3 %
Covered payroll .....	\$ 23.3	\$ 24.3	\$ 25.5	\$ 27.3	\$ 29.9
Net pension liability as a percentage of covered payroll.....	(8.8 %)	54.7 %	5.7 %	38.4 %	48.0 %

**Upstate Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (cont'd)**  
**Fiscal Years Ended June 30**  
(Amounts in millions)

	<u>2015</u>
Total pension liability:	
Service cost .....	\$ 0.9
Interest.....	6.0
Changes of assumptions .....	5.8
Difference between expected and actual experience .....	0.4
Benefit payments.....	(3.8)
<b>Net change in total pension liability.....</b>	<b>9.3</b>
<b>Total pension liability, beginning.....</b>	<b>94.0</b>
<b>Total pension liability, ending (a) .....</b>	<b>103.3</b>
Plan fiduciary net position:	
Employer contributions .....	3.5
Net investment income (loss)	5.9
Benefit payments.....	(3.8)
Administrative expenses .....	(0.1)
<b>Net change in fiduciary net position.....</b>	<b>5.5</b>
<b>Fiduciary net position, beginning.....</b>	<b>90.6</b>
<b>Fiduciary net position, ending (b) .....</b>	<b>96.1</b>
<b>Net pension liability, ending (a)-(b) .....</b>	<b>\$ 7.2</b>
Ratio of fiduciary net position to total pension liability.....	93.0 %
Covered payroll.....	\$ 33.6
Net pension liability as a percentage of covered payroll .....	21.3 %

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Upstate Plan**  
**Schedule of Employer Contributions**  
**Fiscal Years Ended December 31**  
**(Amounts in millions)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution.....	\$ 2.4	\$ 1.1	\$ 2.0	\$ 2.6	\$ 1.9
Contributions in relation to the actuarially determined contribution.....	2.4	1.1	2.0	2.8	2.0
Contribution excess .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0.2</u>	<u>\$ 0.1</u>
Covered payroll.....	\$ 23.3	\$ 24.2	\$ 25.5	\$ 27.3	\$ 29.9
Contribution as a percentage of covered payroll .....	10.5 %	4.7 %	7.9 %	10.2 %	6.8 %
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
Actuarially determined contribution.....	\$ 1.5	\$ 2.6	\$ 3.0	\$ 1.2	
Contributions in relation to the actuarially determined contribution.....	3.5	2.6	3.0	1.2	
Contribution excess .....	<u>\$ 2.0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll.....	\$ 33.6	\$ 36.0	\$ 16.0*	\$ 21.9*	
Contribution as a percentage of covered payroll** .....	9.0 %	7.1 %	18.6 %	5.4 %	

\* 2012 covered period from January 1, 2011 through July 6, 2011, and 2011 covered period from July 7, 2011 through December 31, 2011.

\*\* Covered payroll represents pensionable payroll at the end of each Plan year. It is not practicable to obtain covered payroll amounts at the end of each fiscal year.

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Changes in assumptions**

The actuarial assumptions for the mortality basis used for the January 1, 2020 actuarial valuation were changed from the RP-2014 mortality tables, by gender, with fully generational improvements using Scale MP-2018 to Pri-2012 mortality tables for employees and healthy annuitants with mortality improvements projected using Scale MP-2019 on a fully generational basis.

**Methods and assumptions used in calculations of actuarially determined contributions**

The January 1, 2020 actuarial valuation determines the employer rates for contributions payable in 2020. The following actuarial methods and assumptions were used:

Investment rate of return.....	6.5 percent
Amortization method .....	Level dollar, 20 year closed
Remaining amortization period .....	12.5 years
Asset valuation method.....	Market value
Inflation.....	3 percent
Compensation .....	3.5 percent increases, limited to a maximum of \$280,000
Termination.....	1992 Vaughn Select and Ultimate Table

See independent auditors' report.

## CUNY Senior College Plans

### Schedule of Proportionate Share of the Net Pension Liabilities for the New York City Employees' Retirement System (NYCERS)

**Fiscal Years Ended June 30**

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
CUNY's proportion of the net pension liability .....	1.2 %	1.2 %	1.3 %	1.2 %	1.3 %
CUNY's proportionate share of the net pension liability .....	\$ 261.5	\$ 227.1	\$ 234.0	\$ 242.3	\$ 303.0
Covered payroll .....	\$ 268.8	\$ 263.7	\$ 238.4	\$ 223.0	\$ 217.1
CUNY's proportionate share of the net pension liability as a percentage of the covered payroll .....	97.3 %	86.1 %	98.2 %	108.7 %	139.6 %
Plan fiduciary net position as a percentage of the total pension liability .....	76.9 %	73.8 %	78.8 %	74.8 %	69.6 %
	<u>2015</u>				
CUNY's proportion of the net pension liability .....	1.2 %				
CUNY's proportionate share of the net pension liability .....	\$ 247.1				
Covered payroll .....	\$ 214.2				
CUNY's proportionate share of the net pension liability as a percentage of the covered payroll .....	115.4 %				
Plan fiduciary net position as a percentage of the total pension liability .....	73.1 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Schedule of Proportionate Share of the Net Pension Liabilities for the New York City Teachers' Retirement System (NYCTRS)**  
**Fiscal Years Ended June 30**

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
CUNY's proportion of the net pension liability .....	2.7 %	2.6 %	2.6 %	2.2 %	2.8 %
CUNY's proportionate share of the net pension liability .....	\$ 421.7	\$ 394.7	\$ 491.2	\$ 505.2	\$ 732.9
Covered payroll .....	\$ 282.9	\$ 250.0	\$ 211.3	\$ 179.8	\$ 189.8
CUNY's proportionate share of the net pension liability as a percentage of the covered payroll .....	149.1 %	157.9 %	232.4 %	281.0 %	386.2 %
Plan fiduciary net position as a percentage of the total pension liability .....	79.0 %	74.5 %	74.5 %	68.3 %	62.3 %
	<u>2015</u>				
CUNY's proportion of the net pension liability .....	2.5 %				
CUNY's proportionate share of the net pension liability .....	\$ 528.0				
Covered payroll .....	\$ 175.0				
CUNY's proportionate share of the net pension liability as a percentage of the covered payroll .....	301.7 %				
Plan fiduciary net position as a percentage of the total pension liability .....	68.0 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

**Schedule of Employer Contributions for NYCERS  
Fiscal Years Ended June 30**

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution.....	\$ 46.2	\$ 45.3	\$ 44.8	\$ 38.8	\$ 42.0
Contributions in relation to the contractually required contribution.....	46.2	45.3	44.8	38.8	42.0
Contribution deficiency .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll.....	\$ 268.8	\$ 263.7	\$ 238.4	\$ 223.0	\$ 217.1
Contributions as a percentage of covered payroll.....	17.2 %	17.2 %	18.8 %	17.4 %	19.3 %
	<b><u>2015</u></b>				
Contractually required contribution.....	\$ 38.6				
Contributions in relation to the contractually required contribution.....	38.6				
Contribution deficiency .....	<u>\$ -</u>				
Covered payroll.....	\$ 214.2				
Contributions as a percentage of covered payroll.....	18.0 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

## Schedule of Employer Contributions for NYCTRS Fiscal Years Ended June 30

(Amounts in millions)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution .....	\$ 95.9	\$ 95.0	\$ 102.1	\$ 84.6	\$ 102.9
Contributions in relation to the contractually required contribution .....	95.9	95.0	102.1	84.6	102.9
Contribution deficiency .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll .....	\$ 282.9	\$ 250.0	\$ 211.3	\$ 179.8	\$ 189.8
Contributions as a percentage of covered payroll .....	33.9 %	38.0 %	48.3 %	47.0 %	54.2 %
	<u>2015</u>				
Contractually required contribution .....	\$ 84.5				
Contributions in relation to the contractually required contribution .....	84.5				
Contribution deficiency .....	<u>\$ -</u>				
Covered payroll .....	\$ 175.0				
Contributions as a percentage of covered payroll .....	48.3 %				

See independent auditors' report.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.



*Other  
Supplementary  
Information*

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STATE OF NEW YORK

Combining Schedule of  
Balance Sheet Accounts  
General Fund

March 31, 2021  
(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day	Refund Reserve
<b>ASSETS:</b>						
Cash and investments.....	\$ 109	\$ 3	\$ 1,258	\$ 29	\$ 1,218	\$ 6,635
Receivables, net of allowance for uncollectibles:						
Taxes.....	-	10,674	-	-	-	-
Other.....	918	96	-	4	-	-
Due from other funds.....	501	7,364	-	-	-	-
Other assets.....	151	93	-	-	-	-
<b>Total assets.....</b>	<b>\$ 1,679</b>	<b>\$ 18,230</b>	<b>\$ 1,258</b>	<b>\$ 33</b>	<b>\$ 1,218</b>	<b>\$ 6,635</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ -	\$ 6,295	\$ -	\$ -	\$ -	\$ -
Accounts payable.....	-	202	-	-	-	-
Accrued liabilities.....	3,713	1,609	-	-	-	-
Payable to local governments.....	3,523	-	-	1	-	-
Due to other funds.....	568	2,309	-	-	-	-
Pension contributions payable.....	-	42	-	-	-	-
Unearned revenues.....	-	48	-	-	-	-
<b>Total liabilities.....</b>	<b>7,804</b>	<b>10,505</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b> .....	55	736	-	3	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	-	-	-	-	-	-
Committed.....	-	-	-	-	1,218	6,635
Assigned.....	53	4,418	-	29	-	-
Unassigned.....	(6,233)	2,571	1,258	-	-	-
<b>Total fund balances (deficits).....</b>	<b>(6,180)</b>	<b>6,989</b>	<b>1,258</b>	<b>29</b>	<b>1,218</b>	<b>6,635</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 1,679</b>	<b>\$ 18,230</b>	<b>\$ 1,258</b>	<b>\$ 33</b>	<b>\$ 1,218</b>	<b>\$ 6,635</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of  
Balance Sheet Accounts (cont'd)  
General Fund

March 31, 2021  
(Amounts in millions)

	Abandoned Property	Miscellaneous Special	MMIS	Employee Withholding	Health Insurance Program	Workers' Compensation
<b>ASSETS:</b>						
Cash and investments.....	\$ 669	\$ 1,696	\$ 657	\$ 234	\$ 1,203	\$ 4,255
Receivables, net of allowance for uncollectibles:						
Taxes.....	-	-	-	-	-	-
Other.....	242	182	137	-	338	-
Due from other funds.....	2,093	23	94	42	-	-
Other assets.....	-	6	-	-	57	-
<b>Total assets.....</b>	<b>\$ 3,004</b>	<b>\$ 1,907</b>	<b>\$ 888</b>	<b>\$ 276</b>	<b>\$ 1,598</b>	<b>\$ 4,255</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable.....	-	26	-	60	233	-
Accrued liabilities.....	-	49	137	216	431	-
Payable to local governments.....	-	32	-	-	773	-
Due to other funds.....	-	52	84	-	-	-
Pension contributions payable.....	-	-	-	-	-	-
Unearned revenues.....	-	94	-	-	-	-
<b>Total liabilities.....</b>	<b>-</b>	<b>\$ 253</b>	<b>\$ 221</b>	<b>\$ 276</b>	<b>\$ 1,437</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b> .....	-	27	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	-	-	667	-	-	4,255
Committed.....	-	-	-	-	161	-
Assigned.....	-	1,627	-	-	-	-
Unassigned.....	3,004	-	-	-	-	-
<b>Total fund balances (deficits).....</b>	<b>\$ 3,004</b>	<b>\$ 1,627</b>	<b>\$ 667</b>	<b>\$ -</b>	<b>\$ 161</b>	<b>\$ 4,255</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 3,004</b>	<b>\$ 1,907</b>	<b>\$ 888</b>	<b>\$ 276</b>	<b>\$ 1,598</b>	<b>\$ 4,255</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of  
Balance Sheet Accounts (cont'd)  
General Fund

March 31, 2021  
(Amounts in millions)

	Sole Custody	Miscellaneous	Eliminations	Total
<b>ASSETS:</b>				
Cash and investments.....	\$ 491	\$ 653	\$ -	\$ 19,110
Receivables, net of allowance for uncollectibles:				
Taxes.....	-	-	-	10,674
Other.....	-	150	-	2,067
Due from other funds.....	-	27	(2,749)	7,395
Other assets.....	-	48	-	355
<b>Total assets.....</b>	<b>\$ 491</b>	<b>\$ 878</b>	<b>\$ (2,749)</b>	<b>\$ 39,601</b>
<b>LIABILITIES:</b>				
Tax refunds payable.....	\$ -	\$ -	\$ -	\$ 6,295
Accounts payable.....	-	47	-	568
Accrued liabilities.....	-	29	-	6,184
Payable to local governments.....	7	36	-	4,372
Due to other funds.....	-	538	(2,749)	802
Pension contributions payable.....	-	-	-	42
Unearned revenues.....	-	-	-	142
<b>Total liabilities.....</b>	<b>7</b>	<b>650</b>	<b>(2,749)</b>	<b>18,405</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>-</b>	<b>37</b>	<b>-</b>	<b>858</b>
<b>FUND BALANCES (DEFICITS):</b>				
Restricted.....	-	-	-	4,922
Committed.....	-	47	-	8,061
Assigned.....	484	744	-	7,355
Unassigned.....	-	(600)	-	-
<b>Total fund balances (deficits).....</b>	<b>484</b>	<b>191</b>	<b>-</b>	<b>20,338</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 491</b>	<b>\$ 878</b>	<b>\$ (2,749)</b>	<b>\$ 39,601</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts General Fund

Year Ended March 31, 2021  
(Amounts in millions)

	Local Assistance	State Purposes	Tax Stabilization Reserve	Community Projects	Rainy Day	Refund Reserve
<b>REVENUES:</b>						
Taxes:						
Personal income.....	\$ -	\$ 26,540	\$ -	\$ -	\$ -	\$ -
Consumption and use.....	-	6,970	-	-	-	-
Business.....	-	7,186	-	-	-	-
Other.....	-	1,642	-	-	-	-
Miscellaneous.....	309	2,066	-	-	-	-
<b>Total revenues.....</b>	<b>309</b>	<b>44,404</b>	-	-	-	-
<b>EXPENDITURES:</b>						
Local assistance grants:						
Education.....	26,269	-	-	-	-	-
Public health.....	17,603	-	-	-	-	-
Public welfare.....	2,745	-	-	-	-	-
Public safety.....	144	-	-	-	-	-
Transportation.....	110	-	-	-	-	-
Environment and recreation.....	13	-	-	-	-	-
Support and regulate business.....	96	-	-	-	-	-
General government.....	1,097	-	-	1	-	-
State operations:						
Personal service.....	-	6,777	-	-	-	-
Non-personal service.....	-	2,294	-	-	-	-
Pension contributions.....	-	2,552	-	-	-	-
Other fringe benefits.....	-	1,776	-	-	-	-
<b>Total expenditures.....</b>	<b>48,077</b>	<b>13,399</b>	-	<b>1</b>	-	-
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(47,768)</b>	<b>31,005</b>	-	<b>(1)</b>	-	-
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds.....	50,950	43,264	-	-	-	6,635
Transfers to other funds.....	(3,976)	(66,401)	-	-	-	(6,418)
Premiums on bonds issued.....	-	118	-	-	-	-
<b>Net other financing sources (uses).....</b>	<b>46,974</b>	<b>(23,019)</b>	-	-	-	<b>217</b>
<b>Net change in fund balances.....</b>	<b>(794)</b>	<b>7,986</b>	-	<b>(1)</b>	-	<b>217</b>
<b>Fund balances (deficits) at April 1, 2020, as restated.....</b>	<b>(5,386)</b>	<b>(997)</b>	<b>1,258</b>	<b>30</b>	<b>1,218</b>	<b>6,418</b>
<b>Fund balances (deficits) at March 31, 2021.....</b>	<b>\$ (6,180)</b>	<b>\$ 6,989</b>	<b>\$ 1,258</b>	<b>\$ 29</b>	<b>\$ 1,218</b>	<b>\$ 6,635</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts (cont'd) General Fund

Year Ended March 31, 2021  
(Amounts in millions)

	Abandoned Property	Miscellaneous Special	MMIS Escrow	Employee Withholding	Health Insurance Program	Workers' Compensation	Sole Custody
<b>REVENUES:</b>							
Taxes:							
Personal income.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consumption and use.....	-	-	-	-	-	-	-
Business.....	-	-	-	-	-	-	-
Other.....	-	-	-	-	-	-	-
Miscellaneous.....	272	2,555	75,339	5,713	11,666	614	3,181
<b>Total revenues.....</b>	<b>272</b>	<b>2,555</b>	<b>75,339</b>	<b>5,713</b>	<b>11,666</b>	<b>614</b>	<b>3,181</b>
<b>EXPENDITURES:</b>							
Local assistance grants:							
Education.....	-	7	-	-	-	-	-
Public health.....	-	853	909	-	-	-	-
Public welfare.....	-	-	-	-	-	-	-
Public safety.....	-	71	-	-	-	-	-
Transportation.....	-	-	-	-	-	-	-
Environment and recreation.....	-	5	-	-	-	-	-
Support and regulate business.....	-	48	-	-	-	-	-
General government.....	-	40	403	-	-	-	-
State operations:							
Personal service.....	-	680	-	-	-	-	-
Non-personal service.....	371	435	73,421	4,597	6,633	313	2,991
Pension contributions.....	-	3	-	48	-	-	-
Other fringe benefits.....	-	328	-	1,061	4,922	14	-
<b>Total expenditures.....</b>	<b>371</b>	<b>2,470</b>	<b>74,733</b>	<b>5,706</b>	<b>11,555</b>	<b>327</b>	<b>2,991</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(99)</b>	<b>85</b>	<b>606</b>	<b>7</b>	<b>111</b>	<b>287</b>	<b>190</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers from other funds.....	-	240	122	-	-	-	-
Transfers to other funds.....	-	(163)	(116)	(7)	-	-	-
Premiums on bonds issued.....	-	-	-	-	-	-	-
<b>Net other financing sources (uses).....</b>	<b>-</b>	<b>77</b>	<b>6</b>	<b>(7)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances.....</b>	<b>(99)</b>	<b>162</b>	<b>612</b>	<b>-</b>	<b>111</b>	<b>287</b>	<b>190</b>
<b>Fund balances (deficits) at April 1, 2020, as restated.....</b>	<b>3,103</b>	<b>1,465</b>	<b>55</b>	<b>-</b>	<b>50</b>	<b>3,968</b>	<b>294</b>
<b>Fund balances (deficits) at March 31, 2021.....</b>	<b>\$ 3,004</b>	<b>\$ 1,627</b>	<b>\$ 667</b>	<b>\$ -</b>	<b>\$ 161</b>	<b>\$ 4,255</b>	<b>\$ 484</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit) Accounts (cont'd)  
General Fund

Year Ended March 31, 2021  
(Amounts in millions)

	Miscellaneous	Eliminations	Total
<b>REVENUES:</b>			
Taxes:			
Personal income.....	\$ -	\$ -	\$ 26,540
Consumption and use.....	249	-	7,219
Business.....	-	-	7,186
Other.....	-	-	1,642
Miscellaneous.....	6,131	(82,312)	25,534
<b>Total revenues.....</b>	<b>6,380</b>	<b>(82,312)</b>	<b>68,121</b>
<b>EXPENDITURES:</b>			
Local assistance grants:			
Education.....	-	-	26,276
Public health.....	4,086	(294)	23,157
Public welfare.....	19	-	2,764
Public safety.....	-	-	215
Transportation.....	-	-	110
Environment and recreation.....	-	-	18
Support and regulate business.....	-	-	144
General government.....	75	-	1,616
State operations:			
Personal service.....	137	-	7,594
Non-personal service.....	2,082	(76,885)	16,252
Pension contributions.....	-	-	2,603
Other fringe benefits.....	161	(5,133)	3,129
<b>Total expenditures.....</b>	<b>6,560</b>	<b>(82,312)</b>	<b>83,878</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(180)</b>	<b>-</b>	<b>(15,757)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers from other funds.....	147	(65,305)	36,053
Transfers to other funds.....	(38)	65,305	(11,814)
Premiums on bonds issued.....	-	-	118
<b>Net other financing sources (uses).....</b>	<b>109</b>	<b>-</b>	<b>24,357</b>
<b>Net change in fund balances.....</b>	<b>(71)</b>	<b>-</b>	<b>8,600</b>
<b>Fund balances (deficits) at April 1, 2020, as restated.....</b>	<b>262</b>	<b>-</b>	<b>11,738</b>
<b>Fund balances (deficits) at March 31, 2021.....</b>	<b>\$ 191</b>	<b>\$ -</b>	<b>\$ 20,338</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of  
Balance Sheet Accounts  
Federal Special Revenue Fund

March 31, 2021

(Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal Operating Grants	Unemployment Insurance Administration	Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Eliminations	Total
<b>ASSETS:</b>									
Cash and investments.....	\$ -	\$ 4,086	\$ -	\$ 1,706	\$ 98	\$ -	\$ -	\$ -	\$ 5,890
Receivables, net of allowance for uncollectibles:									
Due from Federal government.....	213	7,261	733	1,539	92	1	14	-	9,853
Other.....	5	743	-	-	35	-	-	-	783
Due from other funds.....	2	71	-	-	12	-	5	(8)	82
Other assets.....	1	-	-	187	-	-	-	-	188
<b>Total assets.....</b>	<b>\$ 221</b>	<b>\$ 12,161</b>	<b>\$ 733</b>	<b>\$ 3,432</b>	<b>\$ 237</b>	<b>\$ 1</b>	<b>\$ 19</b>	<b>\$ (8)</b>	<b>\$ 16,796</b>
<b>LIABILITIES:</b>									
Accounts payable.....	\$ 15	\$ 27	\$ 1	\$ 1	\$ 10	\$ -	\$ 1	\$ -	\$ 55
Accrued liabilities.....	1	4,447	615	4	62	-	6	-	5,135
Payable to local governments.....	163	2,020	93	1,203	-	-	-	-	3,479
Due to other funds.....	41	726	24	1	12	1	12	(8)	809
Unearned revenues.....	1	4,517	-	2,223	-	-	-	-	6,741
<b>Total liabilities.....</b>	<b>221</b>	<b>11,737</b>	<b>733</b>	<b>3,432</b>	<b>84</b>	<b>1</b>	<b>19</b>	<b>(8)</b>	<b>16,219</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>									
.....	-	424	-	-	153	-	-	-	577
<b>FUND BALANCES:</b>									
Restricted.....	-	-	-	-	-	-	-	-	-
<b>Total fund balances .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances .....</b>	<b>\$ 221</b>	<b>\$ 12,161</b>	<b>\$ 733</b>	<b>\$ 3,432</b>	<b>\$ 237</b>	<b>\$ 1</b>	<b>\$ 19</b>	<b>\$ (8)</b>	<b>\$ 16,796</b>

See independent auditors' report.



STATE OF NEW YORK

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance Accounts Federal Special Revenue Fund

Year Ended March 31, 2021 (Amounts in millions)

	Federal USDA-FNS	Federal DHHS	Federal Education	Federal Operating Grants	Unemployment Insurance Administration	Unemployment Insurance Occupational Training	Federal Employment and Training Grants	Total
<b>REVENUES:</b>								
Federal grants.....	\$ 9,618	\$ 55,485	\$ 2,637	\$ 10,509	\$ 668	\$ 1	\$ 143	\$ 79,061
Miscellaneous.....	-	6	-	6	82	-	-	94
<b>Total revenues.....</b>	<b>9,618</b>	<b>55,491</b>	<b>2,637</b>	<b>10,515</b>	<b>750</b>	<b>1</b>	<b>143</b>	<b>79,155</b>
<b>EXPENDITURES:</b>								
Local assistance grants:								
Education.....	1,061	-	2,379	1	-	-	-	3,441
Public health.....	401	48,624	7	5	-	-	-	49,037
Public welfare.....	7,980	3,757	-	73	2	1	127	11,940
Public safety.....	-	-	-	2,060	-	-	-	2,060
Transportation.....	1	-	-	63	-	-	-	64
Environment and recreation.....	-	-	-	1	-	-	-	1
Support and regulate business.....	-	-	-	7	-	-	-	7
General government.....	52	72	-	4,102	-	-	-	4,226
State operations:								
Personal service.....	32	219	93	2,259	224	-	5	2,832
Non-personal service.....	63	619	59	510	385	-	7	1,643
Pension contributions.....	5	24	11	251	30	-	1	322
Other fringe benefits.....	14	89	36	1,019	93	-	2	1,253
Debt service, including payments on financing arrangements.....	-	-	-	144	-	-	-	144
<b>Total expenditures.....</b>	<b>9,609</b>	<b>53,404</b>	<b>2,585</b>	<b>10,495</b>	<b>734</b>	<b>1</b>	<b>142</b>	<b>76,970</b>
<b>Excess of revenues over expenditures.....</b>	<b>9</b>	<b>2,087</b>	<b>52</b>	<b>20</b>	<b>16</b>	<b>-</b>	<b>1</b>	<b>2,185</b>
<b>OTHER FINANCING USES:</b>								
Transfers from other funds.....	-	-	-	-	-	-	-	-
Transfers to other funds.....	(10)	(2,087)	(52)	(20)	(16)	-	(1)	(2,186)
<b>Other financing uses.....</b>	<b>(10)</b>	<b>(2,087)</b>	<b>(52)</b>	<b>(20)</b>	<b>(16)</b>	<b>-</b>	<b>(1)</b>	<b>(2,186)</b>
<b>Net change in fund balances.....</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
<b>Fund balances at April 1, 2020.....</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Fund balances at March 31, 2021.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

See independent auditors' report.

## STATE OF NEW YORK

**Schedule of Cash Receipts and Disbursements**  
**Budgetary Basis - Financial Plan and Actual**  
**General Debt Service Fund**

Year Ended March 31, 2021

(Amounts in millions)

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance</u>
<b>RECEIPTS:</b>			
Taxes.....	\$ 29,812	\$ 30,802	\$ 990
Federal grants.....	74	74	-
<b>Total receipts.....</b>	<b><u>29,886</u></b>	<b><u>30,876</u></b>	<b><u>990</u></b>
<b>DISBURSEMENTS:</b>			
State operations.....	39	58	(19)
Debt service.....	11,770	13,078	(1,308)
<b>Total disbursements.....</b>	<b><u>11,809</u></b>	<b><u>13,136</u></b>	<b><u>(1,327)</u></b>
<b>Excess of receipts over disbursements.....</b>	<b><u>18,077</u></b>	<b><u>17,740</u></b>	<b><u>(337)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers from other funds.....	2,122	2,116	(6)
Transfers to other funds.....	(20,198)	(19,856)	342
<b>Net other financing sources (uses).....</b>	<b><u>(18,076)</u></b>	<b><u>(17,740)</u></b>	<b><u>336</u></b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b><u>\$ 1</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (1)</u></b>

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## STATE OF NEW YORK

**Combining Balance Sheet**  
**Other Governmental Funds**
**March 31, 2021**

(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Total
<b>ASSETS:</b>				
Cash and investments.....	\$ 6,147	\$ 220	\$ 5,329	\$ 11,696
Receivables, net of allowance for uncollectibles:				
Taxes.....	1,028	582	62	1,672
Due from Federal government.....	-	-	580	580
Other.....	1,501	90	168	1,759
Due from other funds.....	471	256	636	1,363
Other assets.....	-	1	94	95
<b>Total assets.....</b>	<b>\$ 9,147</b>	<b>\$ 1,149</b>	<b>\$ 6,869</b>	<b>\$ 17,165</b>
<b>LIABILITIES:</b>				
Tax refunds payable.....	\$ 786	\$ 87	\$ 24	\$ 897
Accounts payable.....	3	7	183	193
Accrued liabilities.....	31	18	188	237
Payable to local governments.....	177	-	133	310
Due to other funds.....	98	452	1,685	2,235
Unearned revenues.....	-	2	-	2
<b>Total liabilities.....</b>	<b>1,095</b>	<b>566</b>	<b>2,213</b>	<b>3,874</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>334</b>	<b>48</b>	<b>28</b>	<b>410</b>
<b>FUND BALANCES:</b>				
Restricted.....	838	124	145	1,107
Committed.....	2,799	410	5,519	8,728
Assigned.....	4,170	1	18	4,189
Unassigned.....	(89)	-	(1,054)	(1,143)
<b>Total fund balances.....</b>	<b>7,718</b>	<b>535</b>	<b>4,628</b>	<b>12,881</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 9,147</b>	<b>\$ 1,149</b>	<b>\$ 6,869</b>	<b>\$ 17,165</b>

See independent auditors' report.

## STATE OF NEW YORK

**Combining Statement of Revenues,  
Expenditures and Changes in Fund Balances  
Other Governmental Funds**

Year Ended March 31, 2021  
(Amounts in millions)

	Special Revenue	Debt Service	Capital Projects	Total
<b>REVENUES:</b>				
Taxes:				
Personal income .....	\$ 2,268	\$ -	\$ -	\$ 2,268
Consumption and use .....	1,793	3,723	526	6,042
Business .....	2,200	-	538	2,738
Other .....	1,811	880	119	2,810
Federal grants .....	-	-	1,886	1,886
Public health/patient fees .....	4,977	446	-	5,423
Tobacco settlement .....	478	-	-	478
Miscellaneous .....	2,783	47	2,008	4,838
<b>Total revenues .....</b>	<b>16,310</b>	<b>5,096</b>	<b>5,077</b>	<b>26,483</b>
<b>EXPENDITURES:</b>				
Local assistance grants:				
Education .....	5,695	-	169	5,864
Public health .....	5,654	-	494	6,148
Public welfare .....	4	-	1,042	1,046
Public safety .....	141	-	49	190
Transportation .....	5,616	-	3,392	9,008
Environment and recreation .....	-	-	228	228
Support and regulate business .....	-	-	1,097	1,097
General government .....	137	-	602	739
State operations:				
Personal service .....	201	-	-	201
Non-personal service .....	1,644	21	-	1,665
Pension contributions .....	31	-	-	31
Other fringe benefits .....	72	-	-	72
Capital construction .....	-	-	5,952	5,952
Debt service, including payments on financing arrangements .....	-	389	-	389
<b>Total expenditures .....</b>	<b>19,195</b>	<b>410</b>	<b>13,025</b>	<b>32,630</b>
<b>Excess (deficiency) of revenues over expenditures .....</b>	<b>(2,885)</b>	<b>4,686</b>	<b>(7,948)</b>	<b>(6,147)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds .....	4,289	1,429	5,100	10,818
Transfers to other funds .....	(936)	(6,332)	(2,492)	(9,760)
General obligation bonds issued .....	-	-	180	180
Financing arrangements issued .....	-	-	8,029	8,029
Refunding debt issued .....	-	80	-	80
Premiums/discounts on bonds issued .....	-	8	1,317	1,325
<b>Net other financing sources (uses) .....</b>	<b>3,353</b>	<b>(4,815)</b>	<b>12,134</b>	<b>10,672</b>
<b>Net change in fund balances .....</b>	<b>468</b>	<b>(129)</b>	<b>4,186</b>	<b>4,525</b>
<b>Fund balances at April 1, 2020, as restated .....</b>	<b>7,250</b>	<b>664</b>	<b>442</b>	<b>8,356</b>
<b>Fund balances at March 31, 2021 .....</b>	<b>\$ 7,718</b>	<b>\$ 535</b>	<b>\$ 4,628</b>	<b>\$ 12,881</b>

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STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
Budgetary Basis - Financial Plan and Actual  
Other Governmental Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Special Revenue			Debt Service			Capital Projects		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>									
Taxes.....	\$ 5,451	\$ 5,576	\$ 125	\$ 4,068	\$ 4,147	\$ 79	\$ 1,182	\$ 1,176	\$ (6)
Miscellaneous.....	15,701	17,192	1,491	374	401	27	8,499	5,481	(3,018)
Federal grants.....	(23)	(13)	10	-	-	-	2,182	1,954	(228)
<b>Total receipts.....</b>	<b>21,129</b>	<b>22,755</b>	<b>1,626</b>	<b>4,442</b>	<b>4,548</b>	<b>106</b>	<b>11,863</b>	<b>8,611</b>	<b>(3,252)</b>
<b>DISBURSEMENTS:</b>									
Local assistance grants (1).....	14,661	16,106	(1,445)	-	-	-	5,407	5,241	166
State operations (1).....	7,418	7,840	(422)	5	4	1	-	-	-
General State charges.....	1,062	886	176	-	-	-	-	-	-
Debt service.....	-	-	-	121	118	3	-	-	-
Capital projects.....	-	-	-	-	-	-	8,542	7,090	1,452
<b>Total disbursements.....</b>	<b>23,141</b>	<b>24,832</b>	<b>(1,691)</b>	<b>126</b>	<b>122</b>	<b>4</b>	<b>13,949</b>	<b>12,331</b>	<b>1,618</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>(2,012)</b>	<b>(2,077)</b>	<b>(65)</b>	<b>4,316</b>	<b>4,426</b>	<b>110</b>	<b>(2,086)</b>	<b>(3,720)</b>	<b>(1,634)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Bond and note proceeds, net.....	-	-	-	-	-	-	365	203	(162)
Transfers from other funds.....	2,744	3,685	941	1,488	1,453	(35)	3,363	4,855	1,492
Transfers to other funds.....	(1,245)	(1,104)	141	(5,810)	(5,877)	(67)	(1,495)	(1,447)	48
<b>Net other financing sources (uses).....</b>	<b>1,499</b>	<b>2,582</b>	<b>1,083</b>	<b>(4,322)</b>	<b>(4,424)</b>	<b>(102)</b>	<b>2,233</b>	<b>3,611</b>	<b>1,378</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>(513)</b>	<b>505</b>	<b>1,018</b>	<b>(6)</b>	<b>2</b>	<b>8</b>	<b>147</b>	<b>(109)</b>	<b>(256)</b>

(1) Spending authority has not been exceeded in any category. The Final Financial Plan (published approximately six weeks before fiscal year-end) does not reflect an increase in approved spending authority.

See independent auditors' report.

STATE OF NEW YORK

Combining Balance Sheet  
Other Governmental Funds - Special Revenue Funds

March 31, 2021

(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	Healthcare Transformation	Conservation	Environmental Protection and Spill Compensation
<b>ASSETS:</b>						
Cash and investments.....	\$ 26	\$ 408	\$ 103	\$ 255	\$ 105	\$ 12
Receivables, net of allowance for uncollectibles:						
Taxes.....	732	45	15	-	-	-
Other.....	-	810	-	199	-	86
Due from other funds.....	-	12	15	-	-	-
<b>Total assets.....</b>	<b>\$ 758</b>	<b>\$ 1,275</b>	<b>\$ 133</b>	<b>\$ 454</b>	<b>\$ 105</b>	<b>\$ 98</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ 310	\$ 2	\$ 11	\$ -	\$ -	\$ -
Accounts payable.....	-	2	1	-	-	-
Accrued liabilities.....	1	2	-	-	1	1
Payable to local governments.....	47	44	-	-	-	-
Due to other funds.....	-	7	-	-	-	-
<b>Total liabilities.....</b>	<b>\$ 358</b>	<b>\$ 57</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>68</b>	<b>-</b>	<b>77</b>
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	-	-	-	386	-	20
Committed.....	377	1,218	121	-	104	-
Assigned.....	-	-	-	-	-	-
Unassigned.....	-	-	-	-	-	-
<b>Total fund balances.....</b>	<b>\$ 377</b>	<b>\$ 1,218</b>	<b>\$ 121</b>	<b>\$ 386</b>	<b>\$ 104</b>	<b>\$ 20</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 758</b>	<b>\$ 1,275</b>	<b>\$ 133</b>	<b>\$ 454</b>	<b>\$ 105</b>	<b>\$ 98</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Balance Sheet (cont'd)  
Other Governmental Funds - Special Revenue Funds

March 31, 2021

(Amounts in millions)

	Mass Transportation Operating Assistance	MTA Financial Assistance Fund	Miscellaneous	Total
<b>ASSETS:</b>				
Cash and investments.....	\$ 284	\$ 345	\$ 4,609	\$ 6,147
Receivables, net of allowance for uncollectibles:				
Taxes.....	109	126	1	1,028
Other.....	-	18	388	1,501
Due from other funds.....	-	-	444	471
<b>Total assets.....</b>	<b>\$ 393</b>	<b>\$ 489</b>	<b>\$ 5,442</b>	<b>\$ 9,147</b>
<b>LIABILITIES:</b>				
Tax refunds payable.....	\$ 228	\$ 235	\$ -	\$ 786
Accounts payable.....	-	-	-	3
Accrued liabilities.....	-	14	12	31
Payable to local governments.....	-	-	86	177
Due to other funds.....	-	-	91	98
<b>Total liabilities.....</b>	<b>228</b>	<b>249</b>	<b>189</b>	<b>1,095</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>334</b>
<b>FUND BALANCES (DEFICITS):</b>				
Restricted.....	-	240	192	838
Committed.....	165	-	814	2,799
Assigned.....	-	-	4,170	4,170
Unassigned.....	-	-	(89)	(89)
<b>Total fund balances.....</b>	<b>165</b>	<b>240</b>	<b>5,087</b>	<b>7,718</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 393</b>	<b>\$ 489</b>	<b>\$ 5,442</b>	<b>\$ 9,147</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) Other Governmental Funds - Special Revenue Funds

Year Ended March 31, 2021  
(Amounts in millions)

	School Tax Relief (STAR)	Health Care Reform Act Resources	Dedicated Mass Transportation Trust	Healthcare Transformation	Conservation	Environmental Protection and Spill Compensation
<b>REVENUES:</b>						
Taxes:						
Personal income.....	\$ 2,268	\$ -	\$ -	\$ -	\$ -	\$ -
Consumption and use.....	-	726	92	-	-	-
Business.....	-	-	311	-	-	-
Other.....	-	-	-	-	-	-
Public health/patient fees.....	-	4,977	-	-	-	-
Tobacco settlement.....	-	478	-	-	-	-
Miscellaneous.....	-	1	135	220	52	37
<b>Total revenues.....</b>	<b>2,268</b>	<b>6,182</b>	<b>538</b>	<b>220</b>	<b>52</b>	<b>37</b>
<b>EXPENDITURES:</b>						
Local assistance grants:						
Education.....	2,028	-	-	-	-	-
Public health.....	-	5,649	-	-	-	-
Public welfare.....	-	-	-	-	-	-
Public safety.....	-	-	576	-	-	-
Transportation.....	-	-	-	-	-	-
General government.....	-	-	-	-	-	-
State operations:						
Personal service.....	-	11	-	-	18	12
Non-personal service.....	-	52	-	-	5	1
Pension contributions.....	-	2	-	-	3	2
Other fringe benefits.....	-	5	-	-	8	5
<b>Total expenditures.....</b>	<b>2,028</b>	<b>5,719</b>	<b>576</b>	<b>-</b>	<b>34</b>	<b>20</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>240</b>	<b>463</b>	<b>(38)</b>	<b>220</b>	<b>18</b>	<b>17</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds.....	-	-	64	-	2	-
Transfers to other funds.....	-	(466)	-	(200)	(2)	(32)
<b>Net other financing sources (uses).....</b>	<b>-</b>	<b>(466)</b>	<b>64</b>	<b>(200)</b>	<b>-</b>	<b>(32)</b>
<b>Net change in fund balances.....</b>	<b>240</b>	<b>(3)</b>	<b>26</b>	<b>20</b>	<b>18</b>	<b>(15)</b>
<b>Fund balances (deficits) at April 1, 2020, as restated.....</b>	<b>137</b>	<b>1,221</b>	<b>95</b>	<b>366</b>	<b>86</b>	<b>35</b>
<b>Fund balances (deficits) at March 31, 2021.....</b>	<b>\$ 377</b>	<b>\$ 1,218</b>	<b>\$ 121</b>	<b>\$ 386</b>	<b>\$ 104</b>	<b>\$ 20</b>

See independent auditors' report.



STATE OF NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (cont'd)  
Other Governmental Funds - Special Revenue Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Mass Transportation Operating Assistance	MTA Financial Assistance Fund	Miscellaneous	Eliminations	Total
<b>REVENUES:</b>					
Taxes:					
Personal income.....	\$ -	\$ -	\$ -	\$ -	\$ 2,268
Consumption and use.....	913	53	9	-	1,793
Business.....	1,889	-	-	-	2,200
Other.....	-	1,811	-	-	1,811
Public health/patient fees.....	-	-	-	-	4,977
Tobacco settlement.....	-	-	-	-	478
Miscellaneous.....	12	325	2,071	(70)	2,783
<b>Total revenues.....</b>	<b>2,814</b>	<b>2,189</b>	<b>2,080</b>	<b>(70)</b>	<b>16,310</b>
<b>EXPENDITURES:</b>					
Local assistance grants:					
Education.....	-	-	3,667	-	5,895
Public health.....	-	-	5	-	5,654
Public welfare.....	-	-	4	-	4
Public safety.....	-	-	141	-	141
Transportation.....	2,516	2,523	1	-	5,616
General government.....	-	-	137	-	137
State operations:					
Personal service.....	2	-	158	-	201
Non-personal service.....	-	-	1,656	(70)	1,644
Pension contributions.....	-	-	24	-	31
Other fringe benefits.....	1	-	53	-	72
<b>Total expenditures.....</b>	<b>2,519</b>	<b>2,523</b>	<b>5,846</b>	<b>(70)</b>	<b>19,195</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>295</b>	<b>(334)</b>	<b>(3,766)</b>	<b>-</b>	<b>(2,885)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds.....	28	394	3,807	(6)	4,289
Transfers to other funds.....	-	-	(242)	6	(936)
<b>Net other financing sources (uses).....</b>	<b>28</b>	<b>394</b>	<b>3,565</b>	<b>-</b>	<b>3,353</b>
<b>Net change in fund balances.....</b>	<b>323</b>	<b>60</b>	<b>(201)</b>	<b>-</b>	<b>468</b>
<b>Fund balances (deficits) at April 1, 2020, as restated.....</b>	<b>(158)</b>	<b>180</b>	<b>5,288</b>	<b>-</b>	<b>7,250</b>
<b>Fund balances (deficits) at March 31, 2021.....</b>	<b>\$ 165</b>	<b>\$ 240</b>	<b>\$ 5,087</b>	<b>\$ -</b>	<b>\$ 7,718</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
Budgetary Basis - Financial Plan and Actual  
Other Governmental Funds - Special Revenue Funds

Year Ended March 31, 2021  
(Amounts in millions)

	School Tax Relief			Mass Transportation Operating Assistance			State Special Revenue Account		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>									
Taxes.....	2,030	2,027	(3)	2,276	2,415	139	-	-	-
Miscellaneous.....	-	-	-	18	14	(4)	1,290	2,755	1,465
Federal grants.....	-	-	-	-	-	-	-	7	7
<b>Total receipts.....</b>	<b>2,030</b>	<b>2,027</b>	<b>(3)</b>	<b>2,294</b>	<b>2,429</b>	<b>135</b>	<b>1,290</b>	<b>2,762</b>	<b>1,472</b>
<b>DISBURSEMENTS:</b>									
Local assistance grants (1).....	2,030	2,027	3	2,584	2,583	1	112	1,017	(905)
State operations (1).....	-	-	-	4	3	1	791	1,433	(642)
General State charges.....	-	-	-	2	2	-	406	351	55
Debt Service.....	-	-	-	-	-	-	-	-	-
Capital projects.....	-	-	-	-	-	-	-	-	-
<b>Total disbursements.....</b>	<b>2,030</b>	<b>2,027</b>	<b>3</b>	<b>2,590</b>	<b>2,588</b>	<b>2</b>	<b>1,309</b>	<b>2,801</b>	<b>(1,492)</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(296)</b>	<b>(159)</b>	<b>137</b>	<b>(19)</b>	<b>(39)</b>	<b>(20)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers from other funds.....	-	-	-	37	29	(8)	618	431	(187)
Transfers to other funds.....	-	-	-	(89)	(1)	88	(618)	(167)	451
<b>Net other financing sources (uses).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52)</b>	<b>28</b>	<b>80</b>	<b>-</b>	<b>264</b>	<b>264</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (348)</b>	<b>\$ (131)</b>	<b>\$ 217</b>	<b>\$ (19)</b>	<b>\$ 225</b>	<b>\$ 244</b>

(1) Spending authority has not been exceeded in any category. The Final Financial Plan (published approximately six weeks before fiscal year-end) does not reflect an increase in approved spending authority.  
See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
Budgetary Basis - Financial Plan and Actual (cont'd)  
Other Governmental Funds - Special Revenue Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Other			Eliminations			Total		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>									
Taxes.....	\$ 1,145	\$ 1,134	\$(11)	\$ -	\$ -	\$ 5,451	\$ 5,576	\$ 125	
Miscellaneous.....	14,393	14,423	30	-	-	15,701	17,192	1,491	
Federal grants.....	(23)	(20)	3	-	-	(23)	(13)	10	
<b>Total receipts.....</b>	<b>15,515</b>	<b>15,537</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>21,129</b>	<b>22,755</b>	<b>1,626</b>	
<b>DISBURSEMENTS:</b>									
Local assistance grants (1).....	9,935	10,479	(544)	-	-	14,661	16,106	(1,445)	
State operations (1).....	6,623	6,404	219	-	-	7,418	7,840	(422)	
General State charges.....	654	533	121	-	-	1,062	886	176	
Debt Service.....	1	-	1	-	-	1	-	1	
<b>Total disbursements.....</b>	<b>17,212</b>	<b>17,416</b>	<b>(204)</b>	<b>-</b>	<b>-</b>	<b>23,141</b>	<b>24,832</b>	<b>(1,691)</b>	
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>(1,697)</b>	<b>(1,879)</b>	<b>(182)</b>	<b>-</b>	<b>-</b>	<b>(2,012)</b>	<b>(2,077)</b>	<b>(65)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers from other funds.....	2,573	3,456	883	(484)	(231)	2,744	3,685	941	
Transfers to other funds.....	(1,022)	(1,167)	(145)	484	231	(1,245)	(1,104)	141	
<b>Net other financing sources (uses).....</b>	<b>1,551</b>	<b>2,290</b>	<b>739</b>	<b>-</b>	<b>-</b>	<b>1,499</b>	<b>2,582</b>	<b>1,083</b>	
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>(146)</b>	<b>411</b>	<b>557</b>	<b>-</b>	<b>-</b>	<b>(513)</b>	<b>505</b>	<b>1,018</b>	

(1) Spending authority has not been exceeded in any category. The Final Financial Plan (published approximately six weeks before fiscal year-end) does not reflect an increase in approved spending authority.  
See independent auditors' report.

STATE OF NEW YORK

Combining Balance Sheet  
Other Governmental Funds - Debt Service Funds

March 31, 2021  
(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/Clean Air	Local Government Assistance Tax	Total
<b>ASSETS:</b>						
Cash and investments.....	\$ 52	\$ -	\$ 70	\$ 1	\$ 97	\$ 220
Receivables, net of allowance for uncollectibles:						
Taxes.....	-	-	-	49	533	582
Other.....	59	2	29	-	-	90
Due from other funds.....	253	-	3	-	-	256
Other Assets		1				1
<b>Total assets.....</b>	<b>\$ 364</b>	<b>\$ 3</b>	<b>\$ 102</b>	<b>\$ 50</b>	<b>\$ 630</b>	<b>\$ 1,149</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ -	\$ -	\$ -	\$ -	\$ 87	\$ 87
Accounts payable.....	-	-	7	-	-	7
Accrued liabilities.....	-	-	18	-	-	18
Due to other funds.....	-	-	-	50	402	452
Unearned revenues.....	-	2	-	-	-	2
<b>Total liabilities.....</b>	<b>-</b>	<b>2</b>	<b>25</b>	<b>50</b>	<b>489</b>	<b>566</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>48</b>
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	8	1	23	-	92	124
Committed.....	353	-	54	-	3	410
Assigned.....	-	-	-	-	1	1
<b>Total fund balances.....</b>	<b>361</b>	<b>1</b>	<b>77</b>	<b>-</b>	<b>96</b>	<b>535</b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b>\$ 364</b>	<b>\$ 3</b>	<b>\$ 102</b>	<b>\$ 50</b>	<b>\$ 630</b>	<b>\$ 1,149</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Other Governmental Funds - Debt Service Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Mental Health Services	State Housing Debt	Department of Health Income	Clean Water/Clean Air	Local Government Assistance Tax	Total
<b>REVENUES:</b>						
Taxes:						
Consumption and use.....	\$ -	\$ -	\$ -	\$ -	\$ 3,723	\$ 3,723
Other.....	-	-	-	880	-	880
Patient fees.....	323	-	123	-	-	446
Miscellaneous.....	44	3	-	-	-	47
<b>Total revenues.....</b>	<b>367</b>	<b>3</b>	<b>123</b>	<b>880</b>	<b>3,723</b>	<b>5,096</b>
<b>EXPENDITURES:</b>						
Non-personal service.....	18	-	3	-	-	21
Debt service, including payments on financing arrangements.....	191	3	25	-	170	389
<b>Total expenditures.....</b>	<b>209</b>	<b>3</b>	<b>28</b>	<b>-</b>	<b>170</b>	<b>410</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>158</b>	<b>-</b>	<b>95</b>	<b>880</b>	<b>3,553</b>	<b>4,686</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds.....	1,408	-	21	-	-	1,429
Transfers to other funds.....	(1,695)	-	(115)	(880)	(3,642)	(6,332)
Refunding debt issued.....	80	-	-	-	-	80
Premiums on bonds issued.....	8	-	-	-	-	8
<b>Net other financing sources (uses).....</b>	<b>(199)</b>	<b>-</b>	<b>(94)</b>	<b>(880)</b>	<b>(3,642)</b>	<b>(4,815)</b>
<b>Net change in fund balances.....</b>	<b>(41)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(89)</b>	<b>(129)</b>
<b>Fund balances at April 1, 2020.....</b>	<b>402</b>	<b>1</b>	<b>76</b>	<b>-</b>	<b>185</b>	<b>664</b>
<b>Fund balances at March 31, 2021.....</b>	<b>\$ 361</b>	<b>\$ 1</b>	<b>\$ 77</b>	<b>\$ -</b>	<b>\$ 96</b>	<b>\$ 535</b>

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STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
 Budgetary Basis - Financial Plan and Actual  
 Other Governmental Funds - Debt Service Funds

Year Ended March 31, 2021  
 (Amounts in millions)

	Mental Health Services			Clean Water/Clean Air			Local Government Assistance Tax		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>									
Taxes.....	\$ -	\$ -	\$ -	\$ 779	\$ 830	\$ 51	\$ 3,289	\$ 3,317	\$ 28
Miscellaneous.....	226	269	43	-	-	-	1	-	(1)
<b>Total receipts.....</b>	<b>226</b>	<b>269</b>	<b>43</b>	<b>779</b>	<b>830</b>	<b>51</b>	<b>3,290</b>	<b>3,317</b>	<b>27</b>
<b>DISBURSEMENTS:</b>									
State operations.....	1	1	-	-	-	-	2	-	2
Debt service.....	10	8	2	-	-	-	82	79	3
<b>Total disbursements.....</b>	<b>11</b>	<b>9</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>79</b>	<b>5</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>215</b>	<b>260</b>	<b>45</b>	<b>779</b>	<b>830</b>	<b>51</b>	<b>3,206</b>	<b>3,238</b>	<b>32</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Transfers from other funds.....	1,457	1,429	(28)	-	-	-	-	-	-
Transfers to other funds.....	(1,672)	(1,695)	(23)	(779)	(830)	(51)	(3,206)	(3,238)	(32)
<b>Net other financing sources (uses).....</b>	<b>(215)</b>	<b>(266)</b>	<b>(51)</b>	<b>(779)</b>	<b>(830)</b>	<b>(51)</b>	<b>(3,206)</b>	<b>(3,238)</b>	<b>(32)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>\$ -</b>	<b>\$ (6)</b>	<b>\$ (6)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
 Budgetary Basis - Financial Plan and Actual (cont'd)  
 Other Governmental Funds - Debt Service Funds

Year Ended March 31, 2021  
 (Amounts in millions)

	Financial Plan		Actual		Variance		Financial Plan		Actual		Variance	
			Other						Total			
<b>RECEIPTS:</b>												
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,068	\$ 4,147	\$ 79			
Miscellaneous.....	147	132	(15)			374	401	27				
<b>Total receipts.....</b>	<b>147</b>	<b>132</b>	<b>(15)</b>			<b>4,442</b>	<b>4,548</b>	<b>106</b>				
<b>DISBURSEMENTS:</b>												
State operations.....	2	3	(1)			5	4	1				
Debt service.....	29	31	(2)			121	118	3				
<b>Total disbursements.....</b>	<b>31</b>	<b>34</b>	<b>(3)</b>			<b>126</b>	<b>122</b>	<b>4</b>				
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>116</b>	<b>98</b>	<b>(18)</b>			<b>4,316</b>	<b>4,426</b>	<b>110</b>				
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers from other funds.....	31	24	(7)			1,488	1,453	(35)				
Transfers to other funds.....	(153)	(114)	39			(5,810)	(5,877)	(67)				
<b>Net other financing sources (uses).....</b>	<b>(122)</b>	<b>(90)</b>	<b>32</b>			<b>(4,322)</b>	<b>(4,424)</b>	<b>(102)</b>				
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>(6)</b>	<b>8</b>	<b>14</b>			<b>(6)</b>	<b>2</b>	<b>8</b>				

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STATE OF NEW YORK

Combining Balance Sheet  
Other Governmental Funds - Capital Projects Funds

March 31, 2021

(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Dedicated Infrastructure Investment	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond
<b>ASSETS:</b>						
Cash and investments.....	\$ 4,920	\$ 18	\$ 87	\$ 97	\$ 1	\$ 17
Receivables, net of allowance for uncollectibles:						
Taxes.....	-	62	-	-	-	-
Due from Federal government.....	-	-	-	-	-	-
Other.....	112	19	1	18	-	-
Due from other funds.....	484	83	-	-	-	-
Other assets.....	91	2	-	-	-	-
<b>Total assets.....</b>	<b>\$ 5,607</b>	<b>\$ 184</b>	<b>\$ 88</b>	<b>\$ 115</b>	<b>\$ 1</b>	<b>\$ 17</b>
<b>LIABILITIES:</b>						
Tax refunds payable.....	\$ -	\$ 24	\$ -	\$ -	\$ -	\$ -
Accounts payable.....	111	6	-	-	-	-
Accrued liabilities.....	134	28	-	-	-	-
Payable to local governments.....	72	-	1	14	-	-
Due to other funds.....	112	2	1	-	-	-
<b>Total liabilities.....</b>	<b>429</b>	<b>60</b>	<b>2</b>	<b>14</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>						
Restricted.....	107	-	-	-	1	17
Committed.....	5,069	123	86	92	-	-
Assigned.....	-	-	-	-	-	-
Unassigned.....	-	-	-	-	-	-
<b>Total fund balances (deficits).....</b>	<b>5,176</b>	<b>123</b>	<b>86</b>	<b>92</b>	<b>1</b>	<b>17</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 5,607</b>	<b>\$ 184</b>	<b>\$ 88</b>	<b>\$ 115</b>	<b>\$ 1</b>	<b>\$ 17</b>

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STATE OF NEW YORK

Combining Balance Sheet (cont'd)  
Other Governmental Funds - Capital Projects Funds

March 31, 2021

(Amounts in millions)

	Environmental Quality Bond	Hazardous Waste Remedial	Federal Capital Projects	Clean Water/ Clean Air Bond	Housing Program
<b>ASSETS:</b>					
Cash and investments.....	\$ 6	\$ -	\$ -	\$ 1	\$ -
Receivables, net of allowance for uncollectibles:					
Taxes.....	-	-	-	-	-
Due from Federal government.....	-	-	580	-	-
Other.....	-	18	-	-	-
Due from other funds.....	-	-	69	-	-
Other assets.....	-	-	-	-	-
<b>Total assets.....</b>	<b>\$ 6</b>	<b>\$ 18</b>	<b>\$ 649</b>	<b>\$ 1</b>	<b>\$ -</b>
<b>LIABILITIES:</b>					
Tax refunds payable.....	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable.....	-	-	10	-	-
Accrued liabilities.....	-	5	15	-	-
Payable to local governments.....	-	-	43	-	-
Due to other funds.....	-	71	581	-	377
<b>Total liabilities.....</b>	<b>-</b>	<b>76</b>	<b>649</b>	<b>-</b>	<b>377</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS):</b>					
Restricted.....	6	-	-	1	-
Committed.....	-	-	-	-	-
Assigned.....	-	-	-	-	-
Unassigned.....	-	(74)	-	-	(377)
<b>Total fund balances (deficits).....</b>	<b>6</b>	<b>(74)</b>	<b>-</b>	<b>1</b>	<b>(377)</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 6</b>	<b>\$ 18</b>	<b>\$ 649</b>	<b>\$ 1</b>	<b>\$ -</b>

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STATE OF NEW YORK

Combining Balance Sheet (cont'd)  
Other Governmental Funds - Capital Projects Funds

March 31, 2021

(Amounts in millions)

	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Total
<b>ASSETS:</b>					
Cash and investments.....	\$ -	\$ -	\$ 182	\$ -	\$ 5,329
Receivables, net of allowance for uncollectibles:					
Taxes.....	-	-	-	-	62
Due from Federal government.....	-	-	-	-	580
Other.....	-	-	-	-	168
Due from other funds.....	-	-	1	(1)	636
Other assets.....	1	-	-	-	94
<b>Total assets.....</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 183</b>	<b>\$ (1)</b>	<b>\$ 6,869</b>
<b>LIABILITIES:</b>					
Tax refunds payable.....	\$ -	\$ -	\$ -	\$ -	24
Accounts payable.....	7	38	11	-	183
Accrued liabilities.....	-	3	3	-	188
Payable to local governments.....	1	-	2	-	133
Due to other funds.....	245	176	121	(1)	1,685
<b>Total liabilities.....</b>	<b>253</b>	<b>217</b>	<b>137</b>	<b>(1)</b>	<b>2,213</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>FUND BALANCES (DEFICITS):</b>					
Restricted.....	-	-	13	-	145
Committed.....	-	-	149	-	5,519
Assigned.....	-	-	18	-	18
Unassigned.....	(252)	(217)	(134)	-	(1,054)
<b>Total fund balances (deficits).....</b>	<b>(252)</b>	<b>(217)</b>	<b>46</b>	<b>-</b>	<b>4,628</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits).....</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 183</b>	<b>\$ (1)</b>	<b>\$ 6,869</b>

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STATE OF NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
(Amounts in millions)

	State Capital Projects	Dedicated Highway and Bridge Trust	Environmental Protection	Dedicated Infrastructure Investment	Environmental Quality Protection Bond	Rebuild and Renew New York Transportation Bond
<b>REVENUES:</b>						
Taxes:						
Consumption and use.....	\$ -	\$ 526	\$ -	\$ -	\$ -	\$ -
Business.....	-	538	-	-	-	-
Other.....	-	-	119	-	-	-
Federal grants.....	-	4	-	-	-	-
Miscellaneous.....	751	654	62	10	-	-
<b>Total revenues.....</b>	<b>751</b>	<b>1,722</b>	<b>181</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Local assistance grants:						
Education.....	169	-	-	-	-	-
Public health.....	442	-	-	-	-	-
Public welfare.....	-	-	-	9	-	-
Public safety.....	48	-	-	-	-	-
Transportation.....	2,879	23	-	-	-	-
Environment and recreation.....	125	-	92	-	-	-
Support and regulate business.....	949	-	-	147	-	-
General government.....	333	-	-	267	-	-
Capital construction.....	1,915	1,920	118	65	-	-
<b>Total expenditures.....</b>	<b>6,860</b>	<b>1,943</b>	<b>210</b>	<b>488</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(6,109)</b>	<b>(221)</b>	<b>(29)</b>	<b>(478)</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds.....	3,792	1,290	30	513	-	-
Transfers to other funds.....	(1,229)	(1,427)	-	-	-	(7)
General obligation bonds issued.....	-	-	-	-	-	7
Financing arrangements issued.....	6,519	410	15	-	-	-
Premiums/discounts on bonds issued.....	1,117	45	2	-	-	-
<b>Net other financing sources (uses).....</b>	<b>10,199</b>	<b>318</b>	<b>47</b>	<b>513</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances.....</b>	<b>4,090</b>	<b>97</b>	<b>18</b>	<b>35</b>	<b>-</b>	<b>-</b>
<b>Fund balances at April 1, 2020.....</b>	<b>1,086</b>	<b>26</b>	<b>68</b>	<b>57</b>	<b>1</b>	<b>17</b>
<b>Fund balances at March 31, 2021.....</b>	<b>\$ 5,176</b>	<b>\$ 123</b>	<b>\$ 86</b>	<b>\$ 92</b>	<b>\$ 1</b>	<b>\$ 17</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) (cont'd)  
Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Environmental Quality Bond	Hazardous Waste Remedial	Federal Capital Projects	Clean Water/Clean Air Bond	Housing Program
<b>REVENUES:</b>					
Taxes:					
Consumption and use.....	\$ -	\$ -	\$ -	\$ -	\$ -
Business.....	-	-	-	-	-
Other.....	-	-	-	-	-
Federal grants.....	-	-	1,882	-	-
Miscellaneous.....	-	32	1	-	431
<b>Total revenues.....</b>	<b>-</b>	<b>32</b>	<b>1,883</b>	<b>-</b>	<b>431</b>
<b>EXPENDITURES:</b>					
Local assistance grants:					
Education.....	-	-	-	-	-
Public health.....	-	-	4	-	-
Public welfare.....	-	-	-	-	596
Public safety.....	-	-	1	-	-
Transportation.....	-	-	490	-	-
Environment and recreation.....	-	4	7	-	-
Support and regulate business.....	-	-	-	-	-
General government.....	-	-	-	-	-
Capital construction.....	-	81	1,049	-	-
<b>Total expenditures.....</b>	<b>-</b>	<b>85</b>	<b>1,551</b>	<b>-</b>	<b>596</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>-</b>	<b>(53)</b>	<b>332</b>	<b>-</b>	<b>(165)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds.....	-	11	-	-	4
Transfers to other funds.....	(7)	(19)	(332)	(4)	-
General obligation bonds issued.....	6	-	-	4	-
Financing arrangements issued.....	-	57	-	-	-
Premiums/discounts on bonds issued.....	1	13	-	-	-
<b>Net other financing sources (uses).....</b>	<b>-</b>	<b>62</b>	<b>(332)</b>	<b>-</b>	<b>4</b>
<b>Net change in fund balances.....</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>(161)</b>
<b>Fund balances at April 1, 2020.....</b>	<b>6</b>	<b>(83)</b>	<b>-</b>	<b>1</b>	<b>(216)</b>
<b>Fund balances at March 31, 2021.....</b>	<b>6</b>	<b>(74)</b>	<b>\$ -</b>	<b>1</b>	<b>\$ (377)</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Statement of  
Revenues, Expenditures and Changes in  
Fund Balances (Deficits) (cont'd)  
Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Mental Hygiene Facilities Capital Improvement	Correctional Facilities Capital Improvement	Miscellaneous	Eliminations	Total
<b>REVENUES:</b>					
Taxes:					
Consumption and use.....	\$ -	\$ -	\$ -	\$ -	\$ 526
Business.....	-	-	-	-	538
Other.....	-	-	-	-	119
Federal grants.....	-	-	-	-	1,886
Miscellaneous.....	17	-	50	-	2,008
<b>Total revenues.....</b>	<b>17</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>5,077</b>
<b>EXPENDITURES:</b>					
Local assistance grants:					
Education.....	-	-	-	-	169
Public health.....	48	-	-	-	494
Public welfare.....	-	-	437	-	1,042
Public safety.....	-	-	-	-	49
Transportation.....	-	-	-	-	3,392
Environment and recreation.....	-	-	-	-	228
Support and regulate business.....	-	-	1	-	1,097
General government.....	-	-	2	-	602
Capital construction.....	238	306	260	-	5,952
<b>Total expenditures.....</b>	<b>286</b>	<b>306</b>	<b>700</b>	<b>-</b>	<b>13,025</b>
<b>Excess (deficiency) of revenues over expenditures.....</b>	<b>(269)</b>	<b>(306)</b>	<b>(650)</b>	<b>-</b>	<b>(7,948)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers from other funds.....	5	103	80	(728)	5,100
Transfers to other funds.....	-	-	(195)	728	(2,492)
General obligation bonds issued.....	-	-	163	-	180
Financing arrangements issued.....	157	290	581	-	8,029
Premiums/discounts on bonds issued.....	11	67	61	-	1,317
<b>Net other financing sources (uses).....</b>	<b>173</b>	<b>460</b>	<b>690</b>	<b>-</b>	<b>12,134</b>
<b>Net change in fund balances.....</b>	<b>(96)</b>	<b>154</b>	<b>40</b>	<b>-</b>	<b>4,186</b>
<b>Fund balances at April 1, 2020.....</b>	<b>(156)</b>	<b>(371)</b>	<b>6</b>	<b>-</b>	<b>442</b>
<b>Fund balances at March 31, 2021.....</b>	<b>\$ (252)</b>	<b>\$ (217)</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>\$ 4,628</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
 Budgetary Basis - Financial Plan and Actual  
 Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
 (Amounts in millions)

	State Capital Projects			Dedicated Highway and Bridge Trust		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>						
Taxes.....	\$ -	\$ -	\$ -	1,062	\$ 1,057	\$ (5)
Miscellaneous.....	4,498	2,773	(1,725)	1,335	1,296	(39)
Federal grants.....	-	-	-	5	4	(1)
<b>Total receipts.....</b>	<b>4,498</b>	<b>2,773</b>	<b>(1,725)</b>	<b>2,402</b>	<b>2,357</b>	<b>(45)</b>
<b>DISBURSEMENTS:</b>						
Local assistance grants (1).....	3,503	3,517	(14)	60	9	51
Capital projects.....	3,405	2,775	630	1,986	2,020	(34)
<b>Total disbursements.....</b>	<b>6,908</b>	<b>6,292</b>	<b>616</b>	<b>2,046</b>	<b>2,029</b>	<b>17</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>(2,410)</b>	<b>(3,519)</b>	<b>(1,109)</b>	<b>356</b>	<b>328</b>	<b>(28)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Bond and note proceeds, net.....	-	-	-	-	-	-
Transfers from other funds.....	2,417	3,525	1,108	1,114	1,118	4
Transfers to other funds.....	(7)	(6)	1	(1,470)	(1,427)	43
<b>Net other financing sources (uses).....</b>	<b>2,410</b>	<b>3,519</b>	<b>1,109</b>	<b>(356)</b>	<b>(309)</b>	<b>47</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19</b>	<b>\$ 19</b>

(1) Spending authority has not been exceeded in any category. The Final Financial Plan (published approximately six weeks before fiscal year-end) does not reflect an increase in approved spending authority. See independent auditors' report.

STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
Budgetary Basis - Financial Plan and Actual (cont'd)  
Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
(Amounts in millions)

	Federal Capital Projects			Hazardous Waste Remedial		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>						
Taxes.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous.....	-	1	1	103	102	(1)
Federal grants.....	2,177	1,950	(227)	-	-	-
<b>Total receipts.....</b>	<b>2,177</b>	<b>1,951</b>	<b>(226)</b>	<b>103</b>	<b>102</b>	<b>(1)</b>
<b>DISBURSEMENTS:</b>						
Local assistance grants (1).....	706	539	167	-	4	(4)
Capital projects.....	1,062	1,097	(35)	98	81	17
<b>Total disbursements.....</b>	<b>1,768</b>	<b>1,636</b>	<b>132</b>	<b>98</b>	<b>85</b>	<b>13</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>409</b>	<b>315</b>	<b>(94)</b>	<b>5</b>	<b>17</b>	<b>12</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Bond and note proceeds, net.....	-	-	-	-	-	-
Transfers from other funds.....	-	-	-	9	11	2
Transfers to other funds.....	(402)	(333)	69	(25)	(19)	6
<b>Net other financing sources (uses).....</b>	<b>(402)</b>	<b>(333)</b>	<b>69</b>	<b>(16)</b>	<b>(8)</b>	<b>8</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>7</b>	<b>(18)</b>	<b>(25)</b>	<b>(11)</b>	<b>9</b>	<b>20</b>

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STATE OF NEW YORK

Combining Schedule of Cash Receipts and Disbursements  
 Budgetary Basis - Financial Plan and Actual (cont'd)  
 Other Governmental Funds - Capital Projects Funds

Year Ended March 31, 2021  
 (Amounts in millions)

	Other			Eliminations			Total		
	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance	Financial Plan	Actual	Variance
<b>RECEIPTS:</b>									
Taxes.....	\$ 120	\$ 119	\$ (1)	\$ -	\$ -	\$ -	\$ 1,182	\$ 1,176	\$ (6)
Miscellaneous.....	2,563	1,309	(1,254)	-	-	-	8,499	5,481	(3,018)
Federal grants.....	-	-	-	-	-	-	2,182	1,954	(228)
<b>Total receipts.....</b>	<b>2,683</b>	<b>1,428</b>	<b>(1,255)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,863</b>	<b>8,611</b>	<b>(3,252)</b>
<b>DISBURSEMENTS:</b>									
Local assistance grants (1).....	1,138	1,172	(34)	-	-	-	5,407	5,241	166
Capital projects.....	1,991	1,117	874	-	-	-	8,542	7,090	1,452
<b>Total disbursements.....</b>	<b>3,129</b>	<b>2,289</b>	<b>840</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,949</b>	<b>12,331</b>	<b>1,618</b>
<b>Excess (deficiency) of receipts over disbursements.....</b>	<b>(446)</b>	<b>(861)</b>	<b>(415)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,086)</b>	<b>(3,720)</b>	<b>(1,634)</b>
<b>OTHER FINANCING SOURCES (USES):</b>									
Bond and note proceeds, net.....	365	203	(162)	-	-	-	365	203	(162)
Transfers from other funds.....	602	533	(69)	(779)	(332)	(332)	3,363	4,855	1,492
Transfers to other funds.....	(370)	6	376	779	332	332	(1,495)	(1,447)	48
<b>Net other financing sources (uses).....</b>	<b>597</b>	<b>742</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,233</b>	<b>3,611</b>	<b>1,378</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses.....</b>	<b>151</b>	<b>(119)</b>	<b>(270)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(109)</b>	<b>(256)</b>

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STATE OF NEW YORK

Combining Statement of Fiduciary Net Position  
Private Purpose Trusts

March 31, 2021

(Amounts in millions)

**ASSETS:**

Cash and investments.....  
Receivables, net of allowance for uncollectibles.....  
**Total assets**.....

	Agriculture Producers' Security	Milk Producers' Security	Tuition Savings Program	NY ABLE Savings Program	Total
	\$ 3	\$ 11	\$ 40,713	\$ 13	\$ 40,740
	-	-	127	-	127
	<b>3</b>	<b>11</b>	<b>40,840</b>	<b>13</b>	<b>40,867</b>

**LIABILITIES:**

Accrued liabilities.....  
**Total liabilities**.....

	-	-	139	-	139
	-	-	<b>139</b>	-	<b>139</b>

**NET POSITION:**

Restricted for:  
Other specified purposes.....  
**Total net position**.....

	3	11	40,701	13	40,728
	<b>3</b>	<b>11</b>	<b>40,701</b>	<b>13</b>	<b>40,728</b>

See independent auditors' report.

STATE OF NEW YORK

Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trusts

Year Ended March 31, 2021  
(Amounts in millions)

	Agriculture Producers' Security	Milk Producers' Security	Tuition Savings Program	NY ABLE Savings Program	Total
<b>Additions:</b>					
Investment income.....	\$ -	\$ -	\$ 48	-	\$ 48
Dividend income.....	-	-	816	-	816
Net increase (decrease) in the fair value of investments.....	-	-	3,785	1	3,786
<b>Total investment and other losses.....</b>	-	-	<b>4,649</b>	<b>1</b>	<b>4,650</b>
Less:					
Investment expenses.....	-	-	(65)	-	(65)
<b>Net investment and other losses.....</b>	-	-	<b>4,584</b>	<b>1</b>	<b>4,585</b>
Contributions:					
College savings.....	-	-	3,745	-	3,745
NY ABLE savings.....	-	-	-	7	7
<b>Total contributions.....</b>	-	-	<b>3,745</b>	<b>7</b>	<b>3,752</b>
<b>Total additions.....</b>	-	-	<b>8,329</b>	<b>8</b>	<b>8,337</b>
<b>Deductions:</b>					
College aid redemptions.....	-	-	2,309	-	2,309
NY ABLE savings.....	-	-	-	2	2
<b>Total deductions.....</b>	-	-	<b>2,309</b>	<b>2</b>	<b>2,311</b>
<b>Net increase (decrease).....</b>	-	-	<b>6,020</b>	<b>6</b>	<b>6,026</b>
<b>Net position restricted at April 1, 2020, as restated.....</b>	<b>3</b>	<b>11</b>	<b>34,681</b>	<b>7</b>	<b>34,702</b>
<b>Net position restricted at March 31, 2021.....</b>	<b>\$ 3</b>	<b>\$ 11</b>	<b>\$ 40,701</b>	<b>\$ 13</b>	<b>\$ 40,728</b>

See independent auditors' report.

## STATE OF NEW YORK

**Combining Statement of Fiduciary Net Position  
Custodial Funds**

**March 31, 2021**  
(Amounts in millions)

	<u>Sole Custody</u>	<u>Miscellaneous</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and investments.....	\$ 1,620	\$ 73	\$ 1,693
Receivables, net of allowance for uncollectibles.....	5	-	5
<b>Total assets.....</b>	<b><u>\$ 1,625</u></b>	<b><u>\$ 73</u></b>	<b><u>\$ 1,698</u></b>
<b>LIABILITIES:</b>			
Accounts payable.....	\$ -	\$ 3	\$ 3
Payable to local governments.....	1,405	-	1,405
<b>Total liabilities.....</b>	<b><u>\$ 1,405</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 1,408</u></b>
<b>NET POSITION:</b>			
Restricted for individuals, organizations, and other governments....	220	70	290
<b>Total net position.....</b>	<b><u>\$ 220</u></b>	<b><u>\$ 70</u></b>	<b><u>\$ 290</u></b>

See independent auditors' report.

## STATE OF NEW YORK

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds**
**Year Ended March 31, 2021**

(Amounts in millions)

	<u>Sole Custody</u>	<u>Miscellaneous</u>	<u>Total</u>
<b>Additions:</b>			
Collection of sales tax for other governments.....	\$ 16,594	\$ -	16,594
Collection of real estate tax for other governments.....	3,927	-	3,927
Miscellaneous.....	456	13	469
<b>Total additions.....</b>	<b>20,977</b>	<b>13</b>	<b>20,990</b>
<b>Deductions:</b>			
Payments of sales tax to other governments.....	16,594	-	16,594
Payments of obligations on behalf of other governments...	3,927	-	3,927
Payments to beneficiaries.....	224	-	224
Other expenses.....	245	17	262
<b>Total deductions.....</b>	<b>20,990</b>	<b>17</b>	<b>21,007</b>
<b>Net increase (decrease).....</b>	<b>(13)</b>	<b>(4)</b>	<b>(17)</b>
<b>Net position at April 1, 2020, as restated.....</b>	<b>233</b>	<b>74</b>	<b>307</b>
<b>Net position at March 31, 2021.....</b>	<b>\$ 220</b>	<b>\$ 70</b>	<b>\$ 290</b>

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STATE OF NEW YORK

Combining Statement of Net Position  
Discretely Presented Non-Major Component Units

March 31, 2021  
(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Agency	NYS Energy Research & Development Authority	NYS Higher Education Services Corporation	Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations and Auxiliary Corporations	CUNY Supporting Organizations	Miscellaneous	Total
<b>ASSETS:</b>												
Cash and investments.....	\$ 669	\$ 473	\$ 546	\$ 1	\$ 888	\$ 136	\$ 178	\$ 813	\$ 3,104	\$ 975	\$ 1,538	\$ 9,321
Receivables, net of allowances for uncollectibles.....	-	1	6	181	792	-	-	-	-	-	22	1,002
Loans, leases, and notes.....	118	30	1	3	83	12	88	159	292	68	186	1,040
Other.....	19	2	7	-	15	-	7	31	107	35	67	290
Other assets.....	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets:												
Construction in progress.....	-	-	-	-	-	-	110	12	4	-	88	214
Land, buildings and equipment, net of depreciation.....	1	-	530	-	13	-	527	311	540	149	1,208	3,279
Intangible assets.....	-	-	-	-	-	-	-	6	-	-	-	6
<b>Total assets.....</b>	<b>807</b>	<b>506</b>	<b>1,090</b>	<b>185</b>	<b>1,791</b>	<b>148</b>	<b>910</b>	<b>1,332</b>	<b>4,047</b>	<b>1,227</b>	<b>3,124</b>	<b>15,167</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>												
Pension activities.....	-	8	6	-	21	6	30	129	-	-	61	261
Other postemployment benefits activities.....	-	3	3	-	10	28	85	84	-	-	173	386
Derivative activities.....	-	-	16	-	-	-	-	-	-	-	-	16
Deferred loss on refunding.....	-	-	87	4	-	-	-	-	-	4	-	95
<b>Total deferred outflows of resources.....</b>	<b>-</b>	<b>11</b>	<b>112</b>	<b>4</b>	<b>31</b>	<b>34</b>	<b>115</b>	<b>213</b>	<b>-</b>	<b>4</b>	<b>234</b>	<b>758</b>
<b>LIABILITIES:</b>												
Accounts payable.....	101	-	4	-	10	-	-	-	-	-	55	180
Accrued liabilities.....	27	51	253	4	185	-	38	223	422	32	502	1,737
Unearned revenues.....	-	7	61	-	3	-	-	-	19	3	98	191
Notes payable.....	-	-	-	-	-	-	-	-	-	8	14	22
Bonds payable.....	-	-	30	49	9	-	16	17	57	2	9	189
Current portion of other long-term liabilities.....	-	-	-	-	5	-	15	-	-	-	18	38
Due in more than one year:												
Accrued liabilities.....	-	-	29	-	-	-	-	-	-	-	47	76
Net pension liability.....	-	12	-	-	28	8	53	174	-	-	83	358
Other postemployment benefits.....	-	11	38	-	1	212	547	534	-	-	895	2,238
Pollution remediation.....	-	-	-	-	-	-	-	-	-	-	1	1
Unearned revenues.....	49	-	213	-	-	-	-	-	-	-	3	265
Notes payable.....	-	-	-	-	-	-	-	-	-	13	9	22
Bonds payable.....	-	-	958	137	109	-	123	70	330	127	68	1,922
Other long-term liabilities.....	19	-	-	-	34	-	67	35	-	1	43	199
Derivative instruments.....	-	-	89	-	-	-	-	-	-	-	-	89
<b>Total liabilities.....</b>	<b>196</b>	<b>81</b>	<b>1,675</b>	<b>190</b>	<b>384</b>	<b>230</b>	<b>859</b>	<b>1,053</b>	<b>828</b>	<b>186</b>	<b>1,845</b>	<b>7,527</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>												
Pension activities.....	-	1	-	-	1	-	2	10	-	-	48	62
Derivative activities.....	-	4	7	-	10	12	105	145	-	-	104	387
Other.....	-	-	-	-	-	-	-	-	-	-	7	7
<b>Total deferred inflows of resources.....</b>	<b>-</b>	<b>5</b>	<b>7</b>	<b>-</b>	<b>11</b>	<b>12</b>	<b>107</b>	<b>155</b>	<b>-</b>	<b>-</b>	<b>159</b>	<b>456</b>
<b>NET POSITION:</b>												
Net investment in capital assets.....	-	-	15	-	13	-	480	246	233	(2)	1,164	2,149
Restricted for:												
Debt service.....	-	-	51	-	-	-	-	-	-	-	20	71
Higher education, research and patient care.....	-	-	-	-	-	(60)	-	164	2,273	909	6	3,771
Environmental projects and energy programs.....	479	-	-	-	1,409	-	-	-	-	-	54	1,463
Economic development, housing and transportation.....	-	327	2	-	-	-	85	-	-	-	204	618
Insurance and administrative requirements.....	-	-	-	-	-	-	-	-	-	-	13	13
Unrestricted (deficit).....	132	104	(548)	(1)	5	(60)	(506)	(73)	713	138	(107)	(143)
<b>Total net position.....</b>	<b>\$ 611</b>	<b>\$ 431</b>	<b>\$ (480)</b>	<b>\$ (1)</b>	<b>\$ 1,427</b>	<b>\$ (60)</b>	<b>\$ 59</b>	<b>\$ 337</b>	<b>\$ 3,219</b>	<b>\$ 1,045</b>	<b>\$ 1,354</b>	<b>\$ 7,942</b>

See independent auditors' report.

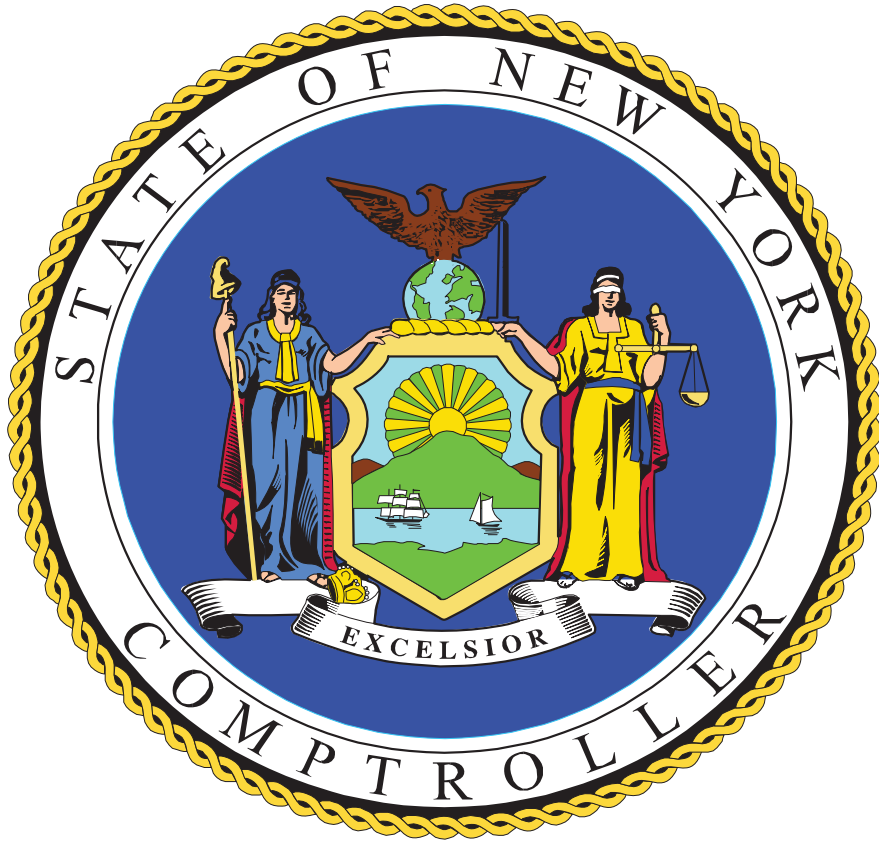
STATE OF NEW YORK

Combining Statement of Activities  
Discretely Presented Non-Major Component Units

Year Ended March 31, 2021  
(Amounts in millions)

	Health Research Incorporated	Housing Trust Fund Corporation	Hugh L. Carey Battery Park City Authority	Municipal Bond Agency	NYS Energy Research & Development Authority	NYS Higher Education Services Corporation	Niagara Frontier Transportation Authority	Roswell Park Cancer Institute Corporation	SUNY Foundations and Auxiliary Organizations	CUNY Supporting Organizations	Miscellaneous	Total
<b>EXPENSES:</b>												
Program operations.....	\$ 1,133	\$ 2,720	\$ 277	\$ -	\$ 1,203	\$ 279	\$ 216	\$ 919	\$ 671	\$ 206	\$ 1,308	\$ 8,932
Interest on long-term debt.....	-	-	24	12	4	-	-	2	-	-	3	45
Other interest.....	-	-	-	-	-	-	4	-	-	6	-	10
Depreciation and amortization.....	-	-	11	-	3	-	51	38	-	4	101	208
Other expenses.....	46	45	-	7	13	3	-	20	150	3	-	287
<b>Total expenses.....</b>	<b>1,179</b>	<b>2,765</b>	<b>312</b>	<b>19</b>	<b>1,223</b>	<b>282</b>	<b>271</b>	<b>979</b>	<b>821</b>	<b>219</b>	<b>1,412</b>	<b>9,482</b>
<b>PROGRAM REVENUES:</b>												
Charges for services.....	1	-	348	12	55	260	44	816	574	49	509	2,668
Operating grants and contributions.....	1,142	2,773	-	-	80	-	55	40	242	6	597	4,935
Capital grants and contributions.....	-	-	-	-	-	-	45	33	-	-	149	227
<b>Total program revenues.....</b>	<b>1,143</b>	<b>2,773</b>	<b>348</b>	<b>12</b>	<b>135</b>	<b>260</b>	<b>144</b>	<b>889</b>	<b>816</b>	<b>55</b>	<b>1,255</b>	<b>7,830</b>
<b>Net program revenue (expenses).....</b>	<b>(36)</b>	<b>8</b>	<b>36</b>	<b>(7)</b>	<b>(1,088)</b>	<b>(22)</b>	<b>(127)</b>	<b>(90)</b>	<b>(5)</b>	<b>(164)</b>	<b>(157)</b>	<b>(1,652)</b>
<b>GENERAL REVENUES:</b>												
Non-State grants and contributions not restricted to specific programs.....	9	-	-	1	-	2	150	-	-	66	178	406
Investment earnings:												
Restricted.....	-	-	-	-	-	-	-	-	49	-	20	69
Unrestricted.....	21	2	-	-	-	-	-	-	20	15	45	103
Miscellaneous.....	-	10	-	6	1,436	-	22	120	9	82	46	1,731
<b>Total general revenues.....</b>	<b>30</b>	<b>12</b>	<b>-</b>	<b>7</b>	<b>1,436</b>	<b>2</b>	<b>172</b>	<b>120</b>	<b>78</b>	<b>163</b>	<b>289</b>	<b>2,309</b>
<b>Change in net position.....</b>	<b>(6)</b>	<b>20</b>	<b>36</b>	<b>-</b>	<b>348</b>	<b>(20)</b>	<b>45</b>	<b>30</b>	<b>73</b>	<b>(1)</b>	<b>132</b>	<b>657</b>
<b>Net position - beginning of year, as restated.....</b>	<b>617</b>	<b>411</b>	<b>(516)</b>	<b>(1)</b>	<b>1,079</b>	<b>(40)</b>	<b>14</b>	<b>307</b>	<b>3,146</b>	<b>1,046</b>	<b>1,222</b>	<b>7,285</b>
<b>Net position - end of year.....</b>	<b>\$ 611</b>	<b>\$ 431</b>	<b>\$ (480)</b>	<b>\$ (1)</b>	<b>\$ 1,427</b>	<b>\$ (60)</b>	<b>\$ 59</b>	<b>\$ 337</b>	<b>\$ 3,219</b>	<b>\$ 1,045</b>	<b>\$ 1,354</b>	<b>\$ 7,942</b>

See independent auditors' report.







## **Office of the New York State Comptroller**

**Thomas P. DiNapoli, State Comptroller**

### **Office of Operations – Division of Payroll, Accounting and Revenue Services**

**Terri B. Crowley, Executive Deputy Comptroller**

**David J. Hasso, CPA, CGFM, CGMA, Deputy Comptroller**

**Sharon M. Buck, Assistant Comptroller**

### **Bureau of Financial Reporting and Oil Spill Remediation**

**Deborah J. Hilson, Director**

**Maria Guzman, CPA, Assistant Director**

#### **GAAP Reporting**

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**Renée Bult, Principal Accountant**

**Kara Deiana, CPA, CGFM, Supervising Accountant**

**Donna Greenberg, CPA, CGFM, Supervising Accountant**

**Karen Kellogg, Supervising Accountant**

**Kate Duell, Associate Accountant**

**Bo Jiang, CGFM, Associate Accountant**

**Vincenzo Lollino, Associate Accountant**

**Kelly Nadeau, Associate Accountant**

**Erkki Oman, Associate Accountant**

**Peter Salony, CPA, Associate Accountant**

**Cara Jo Vettovali, Associate Accountant**

**Paula Walker, Associate Accountant**

**Christine Wemette, Associate Accountant**

**Kelly Anderson, Senior Accountant**

**Andrew Groff, Senior Accountant**

**Corey Nicklas, Senior Accountant**

**Charonda Parker, Senior Accountant**

**Brian Walsh, CPA, Senior Accountant**

#### **Cash Reporting**

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**Stephen Raptoulis, CPA, Supervising Accountant**

**Jonathan Golden, CPA, Associate Accountant**

**Laura Hennessey, CGFM, Associate Accountant**

**Sandra Trzcinski, CGAP, CGFM, Associate Accountant**

**Khushbu Chechani, Senior Accountant**

**Laurie Ferlazzo, CPA, Senior Accountant**

**Thomas Hickey, Senior Accountant**

**Stacey Myrie, Accountant Aide**

**Jennifer Spencer, Program Aide**



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Albany, NY 12207-2974

**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

The Audit Committee  
New York State Legislature:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New York (the State) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated July 29, 2021. Our report includes a reference to other auditors who audited the financial statements of the New York Lottery enterprise fund, the City University of New York (CUNY) enterprise fund, New York Local Government Assistance Corporation, the Tuition Savings Program, and certain of the discretely presented component units identified in Note 14 to the basic financial statements, as described in our report on the State's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the New York Lottery enterprise fund and of certain discretely presented component units identified in Note 14 of the basic financial statements were not audited in accordance with *Government Auditing Standards*.

*Internal Control Over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2021-001 to be a material weakness. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2021-002 and 2021-003 to be significant deficiencies.



### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### *State of New York's Responses to the Findings*

The State's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The State's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*KPMG LLP*

Albany, New York  
July 29, 2021

## Schedule of Findings and Responses

### 2021-001

**Finding:** Insufficient consideration of subsequent activity by the Department of Labor in determining the accrual calculations of the Unemployment Insurance Benefit Fund

**Severity of Control Deficiency:** Material Weakness

#### *Background*

New York State's Department of Labor operates the Unemployment Insurance Benefit Fund which accounts for unemployment contributions from employers that are utilized for the payment of unemployment compensation benefits. In preparation of the basic financial statements, management is required to make a number of accruals relating to the Unemployment Insurance Benefit Fund and the reported amounts of contribution receivables, benefit overpayments receivable, benefits due claimants, accrued liabilities, amounts due from Federal government, contribution revenue, federal grant nonoperating revenue, and benefits paid to claimants at the date of the basic financial statements.

As a result of the COVID-19 pandemic, the federal government issued several programs to provide COVID-19 unemployment benefits for people whose jobs have been affected by the coronavirus pandemic. Programs were issued under the Families First Coronavirus Response Act (FFCRA), the Coronavirus Aids Relief and Economic Security (CARES) Act, and the American Rescue Plan Act of 2021 (ARPA). Under these programs unemployment benefits were eligible to be provided under the Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC) program for up to 57 weeks. Other programs included Extended Benefits, and the Pandemic Emergency Unemployment Compensation (PEUC) program.

Further, under the CARES Act, the federal government will pay 50 percent of the reimbursable unemployment benefits from March 31, 2020 through December 31, 2020 for those non-profit employers that use the "reimbursement method" for paying unemployment benefits (these non-profit employers opted to pay the cost of any unemployment compensation in exchange for not paying unemployment insurance premiums). The CARES Act allows states flexibility in collecting the remaining 50 percent.

Additionally, in an Order by the Commissioner of the Department of Labor dated January 14, 2021, as allowed under the authority under Executive Order 202.45, as extended, the employer account of an employer liability for contributions under Article 18 of the Labor Law shall not be charged for the duration of the claim for benefits paid to a claimant during the COVID-19 pandemic. The provisions of the Order apply to 100% of benefits attributable to employers liable for contributions and to 50% of benefits attributable to employers liable for payments in lieu of contributions. During the fiscal year ended March 31, 2021, the State of New York had various local governments, state agencies, and nonprofit entities who were under the reimbursement method for unemployment claims.

#### *Observations*

As part of the preparation of the Unemployment Insurance Benefit Fund financial statements, the following matters were not considered in determination of the accrual activity of the fund as of the date of the basic financial statements:

- Management did not recognize the need to reverse revenue and the corresponding receivables attributed to the reimbursement of non-profit employers (\$1.1 billion) that had been 50 percent federally reimbursed and 50 percent relieved by the State's Order. Further, amounts paid and collected by these employers prior to implementation of the Order were not recognized as a liability per the financial statements as of the date of the basic financial statements, March 31, 2021. As of the date of the balance sheet, receivables for state agencies, local government, and nonprofit entities under the reimbursement method were overstated by \$616 million and overpayments due to these employers were understated by \$213 million. Additionally,

## Schedule of Findings and Responses

management did not recognize the \$525 million in federal grant revenue attributed to the 50% federal reimbursement as of March 31, 2021. These adjustments had been corrected within the basic financial statements.

- Management only included activity through April 30, 2021 relating to benefits paid to claimants for stat weeks prior to the date of the basic financial statements (March 31, 2021) and did not consider activity subsequent to April 30, 2021. Activity from May 1st through July 27<sup>th</sup> approximated \$515 million in incremental payments relating to stat weeks prior to March 31, 2021 were not recorded in the fund financial statements. Further, estimated benefits paid to claimants for stat weeks prior to the date of the funds financial statements to be claimed and paid subsequent to July 28, 2021 were not estimated by management. These adjustments had been corrected within the basic financial statements.
- Management considered only current cash receipts during the current fiscal year for determining the benefit overpayment receivables without considering their historical collection trends resulting in a potential overstatement of the receivable of approximately \$70 million as of the date of the basic financial statements. This adjustment has not been corrected within the basic financial statements.
- Management did not retain detail supporting documentation for account balances recorded. Management within DOL financial reporting solely relied upon a point in time high level reports with only the total balances. The UI system cannot reproduce point in time detail reports to provide supporting evidence over local government receivables, disbursements related to unemployment federal programs (e.g., PUA), and employer overpayments – non-profit liabilities recorded as of the date of the funds financial statements.

### *Risk*

The State's contribution revenue, receivables, accrued liabilities, due from Federal government and due to Federal government for the Unemployment Insurance Benefit Fund activity was not properly reported in its fund financial statements which mislead users of the State's basic financial statements.

### *Recommendations*

The State should consider all available information available as of the date of the basic financial statements and subsequent to the date of the basic financial statements to ensure that the activity recorded within the basic financial statements is reflective of the conditions as of period end. Subsequent payment activity should be reviewed to determine if liabilities existed as of the date of the basic financial statements and recorded as necessary. Further, any changes to the unemployment program should be considered in determining contribution revenue and corresponding receivables from employers or if there is a need to reverse activity to properly reflect the current state of the fund as of the date of the basic financial statements.

### *Management Response – DOL*

During the unprecedented social and economic worldwide downturn due to the coronavirus pandemic, New York State Department of Labor's (NYSDOL) Unemployment Insurance (UI) system was pushed to its limits in accounting for all the changes and additions due to the federal and state response to the pandemic. NYSDOL's number one goal is to provide benefits to ailing New Yorkers without delay. We are proud that we were able to put \$95 billion into the hands of our customers to date since March 2020, which is an increase of 4424% in benefits disbursed. All resources normally used for all other facets of NYSDOL operations were pulled in to assist with paying of UI benefits to those in need during the past year and a half. Non-UI NYSDOL operations are only now starting to get back to normal.

We acknowledge that one of the many federally funded programs (the Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations) was improperly accounted for from a revenue standpoint. We relied on our existing system to produce program and financial data and on previously accepted

## Schedule of Findings and Responses

methodologies to account for the new programs. Delays in updates to financial reporting are inevitable when the UI program, which typically has activity in the \$2 billion range, was required to, without notice, jump into the \$70 billion range in under one year. It was not until the end of June 2021 that NYSDOL was able to accurately gather data through March 31, 2021, while other system updates and reporting are still being worked on. Facing deadlines set for the end of June for NYSDOL to provide financials to the New York State Office of Comptroller left NYSDOL no time to develop strategies to account for the new programs.

In the observation section, it is stated that NYSDOL management did not recognize as a liability the amounts due to reimbursable employers. It should be noted that NYSDOL did recognize a \$274 million liability for amounts due to such employers.

In addition, recognizing that as a result of the adjusting entries there were shifts in categories of receivables, liabilities, revenues, and expenditures, the net change to fund balance was 0.50%, the net change in operating revenues was 0.74% and the net change in operating expenditures was 0.68%. Therefore, the risk concern is immaterial.

Analyzing our methods and approach we can ensure the following:

- While the current system cannot produce point in time detail for financial reporting purposes, we are confident that improved financial reporting will be realized with our new modernized UI system which is currently under development. Until such time when we can go-live with the new system, NYSDOL will continue to work with Information Technology resources to ensure proper financial reporting.
- Reviewing the methodology changes needed to account for the new funding streams, NYSDOL can ensure these updates will be implemented going forward.

In closing, NYSDOL management would like to note that in an unprecedented time period such as this, additional time to have reviewed and prepared the financial statements would have allowed for a more complete review.

## Schedule of Findings and Responses

### 2021-002

**Finding:** Insufficient level of communication between the Department of Health and Bureau of Financial Reporting regarding the year-end Medicaid accrual calculations

**Severity of Control Deficiency:** Significant Deficiency

#### *Background*

New York State's Medicaid program is responsible for providing health insurance to millions of New York residents who would not otherwise have coverage due to low-income or high need for medical services. In the preparation of the basic financial statements, management is required to make a number of accruals relating to the Medicaid program and the reported amounts of accrued liabilities, due from Federal government, payable to local governments, deferred inflows of resources, Federal grant revenue and public health expenditures and the disclosure of contingent assets and liabilities at the date of the basic financial statements.

The Medicaid program is generally funded 50% by the Federal government and 50% by the State government and Localities. Therefore, costs are recognized in the Federal Special Revenue and the General Fund for Medicaid estimates along with the government-wide financial statements.

#### *Observations*

During management financial statement close process for the fiscal year ended March 31, 2021, management identified the following issue resulting in the noted impact to the prior year ended March 31, 2020 Medicaid estimates reported in the federal special revenue fund versus the general fund resulting in an overstatement of governmental activities net position

- Federal Medical Assistance Program (FMAP) Liability – FMAP liability properly included 2017, 2018, 2019 and 2020 outstanding liability, however, management erroneously recognized the related 2017, 2018, 2019 and 2020 expenditures within the federal special revenue fund and related Due from Federal government and revenue when it was a liability that should have been recorded in the general fund as the State had already requested federal reimbursement and received the related cash resulting in this liability being a general fund liability. This resulted in a prior year overstatement of public health revenue and related expenditures of \$615M over the 4 year period in the federal special revenue fund and an understatement of general fund and governmental activities net position as of March 31, 2020.

This occurred as the result of a breakdown in communication between individuals within the Department of Health (DOH) responsible for transactions of the program and individuals at OSC's Bureau of Financial Reporting & Oil Spill Remediation (BFROSR) responsible for recording accruals in the funds. As BFROSR management has limited insight into the cash draws of the Medicaid program, they rely on the experience and understanding of DOH management to provide the information needed to record the accruals of the Medicaid programs in the appropriate funds as of the State's fiscal year end.

#### *Risk*

The State's accrued liabilities, due from Federal government, payable to local governments, deferred inflows of resources, Federal grant revenue and public health expenditures activity were not properly reported in its fund financial statements in the prior years which mislead users of the financial statements.

#### *Recommendations*

The State should have a higher precision in their review and communication at both the agency and BFROSR. The Department of Health (DOH) must improve their understanding of program accruals used in preparation of the annual financial statements, communicate program changes that may impact reporting as they occur and

## Schedule of Findings and Responses

ensure understanding of the accruals entries they confirm to BFROSR. Similarly, when BFROSR is reviewing the information provided by DOH and preparing the accrual calculations, they should continue to communicate and confirm with DOH their understanding of the program and the information provided takes accrual accounting into consideration.

### *Management Response – DOH*

Higher precision in review and communication is the reason why it was discovered that the subject historical liabilities should have been recorded in the general fund. DOH responds in full to supply OSC with all the information they request to prepare accrual calculations and entries for financial statements. We often receive follow up questions and participate in further discussion with OSC related to how they record entries. We appreciate the open lines of communication and opportunity to learn more about the work OSC performs with the information we supply. We look forward to and will continue supplying OSC with the information they request and engage in follow up discussions for any further needed context or background information to better inform the recording of accrued liabilities.

### *Management Response – OSC*

OSC's Bureau of Financial Reporting & Oil Spill Remediation (BFROSR), as the responsible party for the State's financial statements, will continue to support the Department of Health in their efforts to understand program accruals used in the preparation of the State's financial statements in an effort to mitigate the risk of misstatement in the future. BFROSR will continue to work closely with DOH to confirm our understanding of any program changes and confirm data provided takes into account accrual accounting.



## Schedule of Findings and Responses

### 2021-003

**Finding:** Insufficient level of precision in the State's review of the Postemployment Benefits Other Than Pensions Actuarial Valuation Report

**Severity of Control Deficiency:** Significant Deficiency

#### *Background*

The New York State Health Insurance Program (NYSHIP) was established by the State Legislature in 1957 to provide health insurance to New York State employees, retirees and their eligible dependents. NYSHIP is classified as a single-employer, defined benefit plan offered by the State of New York (the State) to participating employers and participating agencies for their employees. The State relies upon a third-party contractor, Aon, to perform the actuarial valuation on behalf of NYSHIP in accordance with Government Accounting Standards Board Statement 75 (GASB 75). In determination of the Other Postemployment Benefits (OPEB) total liability certain actuarial assumptions and methods are used in the valuation. While Aon provides guidance with respect to these assumptions, the State ultimately selects the economic and demographic assumptions and prescribes them for use for purposes of compliance with GASB 75. Examples of such assumptions include the discount rate, health care cost trend, mortality and inflation, to name a few.

The State recognizes the OPEB liability in the governmental activities for the fiscal year ended March 31, 2021 with a measurement date of March 31, 2020 using an actuarial valuation as of April 1, 2019. As part of the April 1, 2019 valuation and measurement date as of March 31, 2020, the State utilized demographic actuarial assumptions (mortality, retirement, withdrawal, etc.) based on experience studies of the New York State and Local Retirement System (NYSLRS) and New York State Teachers' Retirement System performed in 2015, and covering the periods April 1, 2010 through March 31, 2015 and July 1, 2009 through June 30, 2015, respectively. These experience studies are generally performed every five (5) years. In addition to demographic assumptions based on the experience of NYSLRS and NYSTRS, the State utilized a mortality improvement assumption, scale MP-2019, which was published by the Society of Actuaries in October 2019.

However, as of April 1, 2020, an OPEB actuarial valuation was completed with updated assumptions that were not reflected within the March 31, 2020 measurement date. Specifically, as part of the new valuation, the State updated its demographic assumptions (other than mortality) to incorporate the results of the updated NYSLRS experience study published in August 2020, and updated its mortality assumption to the Pub-2010 Tables published by the Society of Actuaries. The State also did not consider the MP-2020 mortality improvement scale, which was available as of October 2020, reflects actual mortality improvement data through calendar year 2018, and which is known as of the State's March 31, 2021 fiscal year end.

GASB 75, paragraph 147 states that "if update procedures are used [*i.e., if the liability is rolled forward to the measurement date from a prior valuation date*] and significant changes occur between the actuarial valuation date and the measurement date, professional judgment should be used to determine the extent of procedures needed to roll forward the measurement from the actuarial valuation to the measurement date, and consideration should be given to whether a new actuarial valuation is needed." The impact of the assumption changes that were adopted as of April 1, 2020 (effectively the same date as the March 31, 2020 measurement date) should have been included in the consideration of whether a new valuation, based on the updated assumptions, was needed.

Management did not consider events subsequent to the measurement date and communicate to Aon to update the assumptions to be consistent with information available at the time of the measurement date or to ensure the use of the most recent mortality improvement scale were utilized and known prior to the end of the State's fiscal year.

## Schedule of Findings and Responses

### *Observations*

During the fiscal year ended March 31, 2021 audit, we identified an overstatement of the Total OPEB liability by approximately \$1.5 billion in the government-wide financial statements as a result of the changes in assumptions utilized in the April 1, 2020 valuation not being reflected in the March 31, 2020 measurement date as well as the projection scale utilized in the valuation not being updated to reflect the most recently published scale which contains information about conditions that existed at the measurement date and became known prior to issuance of the financial statements.

This finding is the result of a breakdown in review of actuarial assumptions used during the rollforward period by the Department of Civil Service and Office of the State Comptroller (OSC) to ensure those assumption utilized in the subsequent actuarial valuation are consistent with those assumptions utilized as of the measurement date and communicating those assumption changes to Aon for incorporation in their valuation.

### *Risk*

Failure to appropriately review the assumptions utilized in the subsequent actuarial valuation report as well as known changes to assumptions subsequent to the measurement date through the State's fiscal year end could result in inaccurate measurement and reporting of the total OPEB liability in the State's basic financial statements.

### *Recommendations*

The State should have a higher precision in their review of the assumptions used in the rollforward to the measurement date from the initial actuarial valuation report, changes in assumptions to subsequent actuarial valuations reports, as well as any new information that changes assumptions (e.g., mortality improvement scale) subsequent to the measurement date and through the State's fiscal year end and communicate any changes to the relevant assumptions to Aon to incorporate in their reporting of the NYSHIP Total OPEB liability as of the State's fiscal year end.

### *Management Response – Department of Civil Service*

In July 2020, KPMG released a finding of "Insufficient Level of Precision in the State's Review of the Postemployment Benefits Other Than Pensions" for the results of the 2018 Actuarial Valuation Report that was used in the State's 2019-2020 financial statements. Historically, the Department of Civil Service has aimed to keep the assumptions for the Other Post Employment Benefit (OPEB) plan consistent with the State Pension systems where appropriate. In response to the July 2020 finding, the Department moved to consistently use the most recently available assumptions as of the measurement date for the OPEB plan and requested an updated 2019 Actuarial Valuation Report using the MP 2019 mortality improvement scale. In addition, the Department of Civil Service took a more active role in the review of the 2020 Actuarial Valuation Report that will be used for the State's 2021-2022 financial statements, ensuring that the assumptions used for the March 31, 2021 measurement date were the most currently available as of the measurement date. In aggregate, the updated assumptions decreased total expenses by \$2.2 billion between fiscal years 2021 and 2022 and reduced the OPEB liability by over \$10 billion. The Department was unaware of the provisions of GASB 75 that required an assessment on whether these updated assumptions should be used to create a new 2019 Actuarial Valuation Report for the State's 2020-2021 financial statements. Based on these latest findings, going forward, Aon will inform the Department of any updates to assumptions that are released after the measurement date, including the mortality improvement scale which is released each October by the Society of Actuaries. All revised OPEB liability estimates generated by Aon from revised assumptions will be shared with OSC for possible revision to the State's financial statements. In addition, as part of the review process for new Valuation Reports, the Department will have Aon provide the impact of newly applied assumptions to the prior year Valuation Report so that an updated OPEB liability can be made available to OSC prior to its June 30th deadline for amassing data for its financial reports.

## **Schedule of Findings and Responses**

### *Management Response – OSC*

OSC will continue to educate Civil Service on the provisions of GASB 75 and work with them to help ensure that any updates to assumptions released after the measurement date are evaluated for impact and pertinent information is received from Civil Service timely. This will provide OSC with sufficient time to analyze the need for an adjustment in the financial statements.



**STATE OF NEW YORK**

Independent Auditors' Report as Required by Title 2 U.S. Code of Federal  
Regulations Part 200, *Uniform Administrative Requirements, Cost  
Principles, and Audit Requirements for Federal Awards*

Year Ended March 31, 2021



KPMG LLP  
515 Broadway  
Albany, NY 12207-2974

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

The Governor  
State of New York

***Report on Compliance for Each Major Federal Program***

We have audited the State of New York's (the State) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major federal programs for the year ended March 31, 2021. The State's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the State's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our unmodified and modified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the State's compliance.



*Basis for Qualified Opinions*

As described in the accompanying schedule of findings and questioned costs, the State did not comply with requirements related to the following:

<b>Finding #</b>	<b>CFDA/ALN #</b>	<b>Program (or cluster) name</b>	<b>Compliance requirement</b>
2021-005	17.225	Unemployment Insurance	Allowability
2021-009	93.558	TANF Cluster	Reporting
	93.568	Low-Income Home Energy Assistance	
2021-011	93.568	Low-Income Home Energy Assistance	Reporting
2021-012	93.658	Foster Care-Title IV-E	Subrecipient Monitoring; Special Tests and Provisions
2021-013	93.667	Social Services Block Grant	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for the State to comply with the requirements applicable to that program.

*Qualified Opinions*

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinions* paragraph, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs listed in the table in the *Basis for Qualified Opinions* paragraph above for the year ended March 31, 2021.

*Unmodified Opinion on Each of the Other Major Federal Programs*

In our opinion, the State complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended March 31, 2021.

*Other Matters*

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-007, 2021-010, 2021-014, 2021-015, 2021-016, 2021-017, 2021-018, and 2021-019. Our opinion on each major federal program is not modified with respect to these matters.

The State's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

**Report on Internal Control Over Compliance**

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered State's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance,



but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-005, 2021-008, 2021-009, 2021-011, 2021-012, and 2021-013 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-004, 2021-006, 2021-007, 2021-010, 2021-015, 2021-016, 2021-017, 2021-018, and 2021-019 to be significant deficiencies.

The State's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The State is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The State's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated July 29, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the State's Lottery enterprise fund, the City University of New York (CUNY) enterprise fund, the New York Local Government Assistance Corporation, the Tuition Savings Program, and certain of the discretely presented component units as identified in Note 14 to the basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and



reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KPMG LLP

Albany, New York  
June 16, 2022



**STATE OF NEW YORK**  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2021

Federal CFDA/ALN Number	Federal Agency/Grantor/ Pass Through Grantor Program or Cluster Title	Pass Through Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
10.025	Plant and Animal Disease, Pest Control, and Animal Care		\$ —	3,998,892
10.156	Federal-State Marketing Improvement Program		—	21,734
10.163	Market Protection and Promotion		—	1,324,901
10.170	Specialty Crop Block Grant Program - Farm Bill		—	649,743
10.171	Organic Certification Cost Share Programs		—	284,102
10.207	Animal Health and Disease Research		—	30,019
10.435	State Mediation Grants		—	354,020
10.542	COVID-19 - Pandemic EBT Food Benefits		—	1,051,290,453 *
<i>SNAP Cluster:</i>				
10.551	Supplemental Nutrition Assistance Program		—	4,826,848,606
10.551	COVID-19 - Supplemental Nutrition Assistance Program		—	1,535,692,067
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		—	—
	<i>Total SNAP Cluster</i>		<u>343,555,144</u>	<u>396,965,957</u>
			<u>343,555,144</u>	<u>6,759,506,630</u>
<i>Child Nutrition Cluster:</i>				
10.555	National School Lunch Program		752,001,152	753,346,257
10.555	COVID-19 - National School Lunch Program		353,013,872	353,013,872
10.559	Summer Food Service Program for Children		145,841	145,841
	<i>Total Child Nutrition Cluster</i>		<u>1,105,160,865</u>	<u>1,106,505,970</u>
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children		396,789,044	335,798,819
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children		30,715,441	32,181,991
	<i>Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children</i>		<u>427,504,485</u>	<u>367,980,810</u>
10.558	Child and Adult Care Food Program		65,690,319	68,938,494
10.558	COVID-19 - Child and Adult Care Food Program		51,608,934	51,608,934
	<i>Total Child and Adult Care Food Program</i>		<u>117,299,253</u>	<u>120,547,428</u>
10.560	State Administrative Expenses for Child Nutrition		—	17,076,371
<i>Food Distribution Cluster:</i>				
10.565	Commodity Supplemental Food Program		10,760,652	11,876,044
10.568	Emergency Food Assistance Program (Administrative Costs)		7,370,535	7,460,967
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)		16,046,577	16,046,577
10.569	Emergency Food Assistance Program (Food Commodities)		117,656,865	117,656,865
	<i>Total Food Distribution Cluster</i>		<u>151,834,629</u>	<u>153,040,453</u>
10.572	WIC Farmers' Market Nutrition Program (FMNP)		—	2,248,802
10.576	Senior Farmers Market Nutrition Program		—	1,691,681
10.578	WIC Grants To States (WGS)		—	990,283
10.579	Child Nutrition Discretionary Grants Limited Availability		805,499	805,499
10.582	Fresh Fruit and Vegetable Program		3,469,669	3,469,669
10.664	Cooperative Forestry Assistance		—	2,273,514
10.676	Forest Legacy Program		—	43,513
10.680	Forest Health Protection		—	287,586
10.698	State & Private Forestry Cooperative Fire Assistance		—	558,753
10.912	Environmental Quality Incentives Program		—	3
<b><u>U.S. Department of Commerce</u></b>				
11.407	Interjurisdictional Fisheries Act of 1986		—	14,789
11.419	Coastal Zone Management Administration Awards		—	2,949,266
11.420	Coastal Zone Management Estuarine Research Reserves		—	663,069
11.454	Unallied Management Projects		—	93,974
11.474	Atlantic Coastal Fisheries Cooperative Management Act		—	139,207
11.549	State and Local Implementation Grant Program		—	(18,021)
11.611	Manufacturing Extension Partnership		—	6,881,638
11.611	COVID-19 - Manufacturing Extension Partnership		343,386	343,386
	<i>Total Manufacturing Extension Partnership</i>		<u>343,386</u>	<u>7,225,024</u>
<b><u>U.S. Department of Defense</u></b>				
12.101	Beach Erosion Control Projects		20,700,000	20,700,000
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services		—	186,997
12.400	Military Construction, National Guard		3,746,744	3,760,544
12.401			—	—
12.401	National Guard Military Operations and Maintenance (O&M) Projects		25,118,796	82,442,543
12.401	COVID-19 - National Guard Military Operations and Maintenance (O&M) Projects		2,500,000	2,500,000
	<i>Total National Guard Military Operations and Maintenance (O&amp;M) Projects</i>		<u>27,618,796</u>	<u>84,942,543</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Section 8 Project-Based Cluster:</i>				
14.195	Section 8 Housing Assistance Payments Program		—	1,698,366,101
	<i>Total Section 8 Project-Based Cluster</i>		<u>—</u>	<u>1,698,366,101</u> *

**STATE OF NEW YORK**  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2021

Federal CFDA/ALN Number	Federal Agency/Grantor/ Pass Through Grantor Program or Cluster Title	Pass Through Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Housing and Urban Development (continued)</u></b>				
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		\$ 55,848,696	63,867,415
14.231	Emergency Solutions Grant Program		—	5,212,501
14.231	COVID-19 - Emergency Solutions Grant Program		—	1,113,039
	<i>Total Emergency Solutions Grant Program</i>		—	6,325,540
14.239	Home Investment Partnerships Program		16,564,726	257,158,749
14.241	Housing Opportunities for Persons with AIDS		—	2,968,456
14.241	COVID-19 - Housing Opportunities for Persons with AIDS		—	50,821
	<i>Total Housing Opportunities for Persons with AIDS</i>		—	3,019,277
<i>CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster:</i>				
14.269	Hurricane Sandy Community Development Block Grant			
	Disaster Recovery Grants (CDBG-DR)		49,090,969	278,026,090
14.272	National Disaster Resilience Competition		2,862,341	14,759,551
	<i>Total CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster</i>		51,953,310	292,785,641
14.401	Fair Housing Assistance Program State and Local		—	1,675,266
<i>Housing Voucher Cluster:</i>				
14.871	Section 8 Housing Choice Vouchers		—	521,220,718
14.871	COVID-19 - Section 8 Housing Choice Vouchers		—	31,721,053
14.879	Mainstream Vouchers		—	1,491,857
14.879	COVID-19 Mainstream Vouchers		—	33,931
	<i>Total Housing Voucher Cluster</i>		—	554,467,559
14.896	Family Self-Sufficiency Program		—	1,136,674
<b><u>U.S. Department of the Interior</u></b>				
15.026	Indian Adult Education		—	11,822
15.114	Indian Education Higher Education Grant		—	2,510
15.424	Marine Minerals Activities			
	Pass Through from Dept. of the Interior Bureau of Ocean Energy	MOU-U10000897	—	8,596
	<i>Total Marine Minerals Activities</i>		—	8,596
<i>Fish and Wildlife Cluster:</i>				
15.605	Sport Fish Restoration		—	7,102,581
15.611	Wildlife Restoration and Basic Hunter Education		—	17,585,237
	<i>Total Fish and Wildlife Cluster</i>		—	24,687,818
15.608	Fish and Wildlife Management Assistance		—	30,729
15.615	Cooperative Endangered Species Conservation Fund		—	4,262
15.622	Sportfishing and Boating Safety Act		—	21,019
15.634	State Wildlife Grants		—	2,150,001
15.662	Great Lakes Restoration		—	222,294
15.667	Highlands Conservation		—	1,584,500
15.808	U.S. Geological Survey Research and Data Collection		—	53,084
15.810	National Cooperative Geologic Mapping		—	154,562
15.817	National Geospatial Program: Building The National Map		—	176,032
15.904	Historic Preservation Fund Grants-In-Aid		—	1,486,191
15.916	Outdoor Recreation Acquisition, Development and Planning		—	7,226,987
15.925	National Maritime Heritage Grants		—	75,002
15.926	American Battlefield Protection		—	30,265
15.928	Battlefield Land Acquisition Grants		—	150,268
15.957	Emergency Supplemental Historic Preservation Fund		—	2,412,620
<b><u>U.S. Department of Justice</u></b>				
16.017	Sexual Assault Services Formula Program		—	656,021
16.021	Justice Systems Response to Families		—	236,623
16.029	Office on Violence Against Women Special Projects		—	4,485
16.540	Juvenile Justice and Delinquency Prevention		—	1,448,433
16.543	Missing Children's Assistance		—	201,396
16.550	State Justice Statistics Program for Statistical Analysis Centers		—	48,811
16.554	National Criminal History Improvement Program (NCHIP)		—	366,456
16.575	Crime Victim Assistance		95,144,631	102,051,369
16.576	Crime Victim Compensation		3,480,523	3,841,605
16.578	Public Benefit Conveyance Program		2,579,379	2,714,023
16.582	Crime Victim Assistance/Discretionary Grants		—	399,372
16.585	Drug Court Discretionary Grant Program		—	1,537,758
16.588	Violence Against Women Formula Grants		—	6,557,578
16.589	Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program		—	114,744
16.590	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program		—	232,424
16.593	Residential Substance Abuse Treatment for State Prisoners		—	536,324
16.710	Public Safety Partnership and Community Policing Grants		—	2,253
16.734	Special Data Collections and Statistical Studies		—	1,261,974
16.738	Edward Byrne Memorial Justice Assistance Grant Program		—	3,153,839

**STATE OF NEW YORK**  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2021

Federal CFDA/ALN Number	Federal Agency/Grantor/ Pass Through Grantor Program or Cluster Title	Pass Through Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Justice (continued)</b>				
16.741	DNA Backlog Reduction Program		\$ —	714,973
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program		—	997,097
16.745	Criminal and Juvenile Justice and Mental Health Collaboration Program		—	400,165
16.751	Edward Byrne Memorial Competitive Grant Program		—	26,089
16.812	Second Chance Act Reentry Initiative		—	21,035
16.813	NICS Act Record Improvement Program		—	2,981,443
16.816	John R. Justice Prosecutors and Defenders Incentive Act		(69,648)	(67,845)
16.835	Body Worn Camera Policy and Implementation		—	816,556
16.838	Comprehensive Opioid, Stimulant, and Substance Abuse Program		—	188,973
16.922	Equitable Sharing Program		—	3,048,530
<b>U.S. Department of Labor</b>				
17.002	Labor Force Statistics		—	2,472,724
17.002	COVID-19 - Labor Force Statistics		—	2,437
	<i>Total Labor Force Statistics</i>		—	2,475,161
17.005	Compensation and Working Conditions		—	422,997
	<i>Employment Service Cluster:</i>			
17.207	Employment Service/Wagner-Peyser Funded Activities		666,505	12,876,777
17.207	COVID-19 - Employment Service/Wagner-Peyser Funded Activities		—	6,850
17.801	Jobs for Veterans State Grants		—	4,159,582
17.801	COVID-19 - Jobs for Veterans State Grants		—	3,632
	<i>Total Employment Service Cluster</i>		666,505	17,046,841
17.225	Unemployment Insurance		—	14,918,767,574
17.225	COVID-19 - Unemployment Insurance		—	57,425,202,046
17.225	Unemployment Insurance		—	(364,590)
	<i>Total Unemployment Insurance</i>		—	72,343,605,030 *
17.235	Senior Community Service Employment Program		6,641,654	6,907,106
17.245	Trade Adjustment Assistance		2,070,270	3,739,854
17.245	COVID-19 - Trade Adjustment Assistance		—	701
	<i>Total Trade Adjustment Assistance</i>		2,070,270	3,740,555
	<i>WIOA Cluster:</i>			
17.258	WIOA Adult Program		49,099,986	47,750,756
	Pass-Through from Allegany County Employment & Training One-Stop Center	16-6002554	—	3,000
	<i>Sub-total WIOA Adult Program</i>		49,099,986	47,753,756
17.259	WIOA Youth Activities		46,916,072	51,555,185
17.259	COVID-19 - WIOA Youth Activities		—	6,361
17.278	WIOA Dislocated Worker Formula Grants		26,754,416	39,741,596
	<i>Total WIOA Cluster</i>		122,770,474	139,056,898
17.271	Work Opportunity Tax Credit Program (WOTC)		—	136,254
17.273	Temporary Labor Certification for Foreign Workers		—	1,400,000
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants		3,520,030	3,520,030
17.277	COVID -19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants		42,555	2,042,555
	<i>Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants</i>		3,562,585	5,562,585
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants Pass-Through from:			
	Allegany County Employment & Training One Stop Center	16-6002554	—	17,809
	Broome Tioga Workforce	15-6000449	—	9,330
	Niagara County Employment & Training Division	16-6002564	—	7,669
	Buffalo & Erie County Workforce Development Consortium, Inc.	16-1585625	—	9,840
	<i>Total TAACCT Grant Program</i>		—	44,648
17.285	Apprenticeship USA Grants		—	1,115,144
17.285	COVID-19 - Apprenticeship USA Grants		—	632
	<i>Total Apprenticeship USA Grants</i>		—	1,115,776
17.286	Hurricanes and Wildfires of 2017 Supplemental- National Dislocated Worker Grants		—	10,410
17.503	Occupational Safety and Health State Program		—	3,752,776
17.503	COVID-19 - Occupational Safety and Health State Program		—	60,605
	<i>Total Occupational Safety and Health State Program</i>		—	3,813,381
17.504	Consultation Agreements		—	1,793,662
17.504	COVID-19 - Consultation Agreements		—	14,750
	<i>Total Consultation Agreements</i>		—	1,808,412
17.600	Mine Health and Safety Grants		—	142,059
17.805	Homeless Veterans' Reintegration Program		—	29,895

**STATE OF NEW YORK**  
Schedule of Expenditures of Federal Awards  
Year ended March 31, 2021

Federal CFDA/ALN Number	Federal Agency/Grantor/ Pass Through Grantor Program or Cluster Title	Pass Through Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b><u>U.S. Department of Transportation</u></b>				
20.106	Airport Improvement Program		\$ 767,297	767,297
<i>Highway Planning and Construction Cluster:</i>				
20.205	Highway Planning and Construction		537,208,161	1,912,399,954
20.219	Recreational Trails Program		—	2,219,568
	<i>Total Highway Planning and Construction Cluster</i>		<u>537,208,161</u>	<u>1,914,619,522</u> *
20.218	Motor Carrier Safety Assistance		—	10,757,258
20.232	Commercial Driver's License Program Implementation Grant		—	2,529,878
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements		—	1,692,663
20.301	Railroad Safety		416,848	416,848
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants		6,427,246	6,428,785
20.319	High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants -ARRA		—	20,669
	<i>Total High-Speed Rail Corridors &amp; Intercity Passenger Rail Service Capital Assistance Grants</i>		<u>6,427,246</u>	<u>6,449,454</u>
20.321	Railroad Safety Technology Grants		11,955,248	11,955,248
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research		3,522,584	4,821,044
20.509	Formula Grants for Rural Areas and Tribal Transit Program		16,662,043	17,896,689
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program		6,856,282	6,856,282
	<i>Total Formula Grants for Rural Areas and Tribal Transit Program</i>		<u>23,518,325</u>	<u>24,752,971</u>
<i>Transit Services Programs Cluster:</i>				
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities		9,828,763	10,341,637
	<i>Total Transit Services Programs Cluster</i>		<u>9,828,763</u>	<u>10,341,637</u>
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program		—	1,608,138
<i>Highway Safety Cluster:</i>				
20.600	State and Community Highway Safety		—	25,986,535
20.600	COVID-19 - State and Community Highway Safety		—	13,083
	<i>Total Highway Safety Cluster</i>		<u>—</u>	<u>25,999,618</u>
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements		—	230,292
20.700	Pipeline Safety Program State Base Grant		—	2,790,463
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants		37,347	395,830
20.721	PHMSA Pipeline Safety Program One Call Grant		—	50,634
<b><u>U.S. Department of Treasury</u></b>				
21.016	Equitable Sharing		—	1,114,552
21.016	COVID-19 - Equitable Sharing		—	171,929
	<i>Total Equitable Sharing</i>		<u>—</u>	<u>1,286,481</u>
21.019	COVID-19 - Coronavirus Relief Fund		—	3,852,766,664
<b><u>U.S. Appalachian Regional Commission</u></b>				
23.011	Appalachian Research, Technical Assistance, and Demonstration Projects		—	218,096
<b><u>U.S. Equal Employment Opportunity Commission</u></b>				
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964		—	2,948,180
<b><u>Federal Communications Commission</u></b>				
32.006	COVID-19 Telehealth Program		—	373,731
<b><u>National Aeronautics and Space Administration</u></b>				
43.001	Science		—	5,987
<b><u>National Endowment for the Arts</u></b>				
45.025	Promotion of the Arts Partnership Agreements		—	678,930
45.025	COVID-19 - Promotion of the Arts Partnership Agreements		535,100	585,100
	<i>Total Promotion of the Arts Partnership Agreements</i>		<u>535,100</u>	<u>1,264,030</u>
<b><u>Institute of Museum and Library Services</u></b>				
45.310	Grants to States		—	8,165,548
45.310	COVID-19 - Grants to States		—	122,403
	<i>Total Grants to States</i>		<u>—</u>	<u>8,287,951</u>
<b><u>Small Business Administration</u></b>				
59.061	State Trade Expansion		—	184,631
<b><u>Department of Veterans Affairs</u></b>				
64.010	Veterans Nursing Home Care		—	34,540,829
64.028	Post-9/11 Veterans Educational Assistance		—	11,589,977
64.032	Montgomery GI Bill Selected Reserve; Reserve Educational Assistance Program		—	44,409

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<b><u>Department of Veterans Affairs (continued)</u></b>				
64.116	Vocational Rehabilitation for Disabled Veterans		\$ —	1,664,433
64.124	All-Volunteer Force Educational Assistance		—	4,371,494
<b><u>U.S. Environmental Protection Agency</u></b>				
66.001	Air Pollution Control Program Support		—	9,156,453
66.032	State Indoor Radon Grants		—	190,129
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act		—	1,536,989
66.204	Multipurpose Grants to States and Tribes		—	194,552
66.432	State Public Water System Supervision		—	4,514,057
66.437	Long Island Sound Program		—	6,950
66.454	Water Quality Management Planning		—	1,340,892
<i>Clean Water State Revolving Fund Cluster:</i>				
66.458	Capitalization Grants for Clean Water State Revolving Funds		5,957,112	6,666,667
66.482	Disaster Relief Appropriations Act (DRAA) Hurricane Sandy Capitalization Grants For Clean Water State Revolving Funds		4,399,769	4,399,768
<i>Total Clean Water State Revolving Fund Cluster</i>			10,356,881	11,066,435
66.466	Chesapeake Bay Program		—	2,125,829
<i>Drinking Water State Revolving Fund Cluster:</i>				
66.468	Capitalization Grants for Drinking Water State Revolving Funds		3,924,777	6,376,532
<i>Total Drinking Water State Revolving Fund Cluster</i>			3,924,777	6,376,532
66.469	Great Lakes Program		—	2,778,227
66.472	Beach Monitoring and Notification Program Implementation Grants		—	173,614
66.481	Lake Champlain Basin Program		—	623,127
66.605	Performance Partnership Grants		—	12,033,285
66.700	Consolidated Pesticide Enforcement Cooperative Agreements		—	60,538
66.701	Toxic Substances Compliance Monitoring Cooperative Agreements		—	52,238
66.708	Pollution Prevention Grants Program		—	7,070
66.801	Hazardous Waste Management State Program Support		—	5,583,018
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements		—	402,312
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program		—	599,152
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program		—	2,003,320
66.817	State and Tribal Response Program Grants		—	383,939
<b><u>U.S. Department of Energy</u></b>				
81.041	State Energy Program		—	3,066,625
81.042	Weatherization Assistance for Low-Income Persons		16,956,020	18,207,796
81.087	Renewable Energy Research and Development		—	883,194
81.119	State Energy Program Special Projects		—	103,437
81.121	Nuclear Energy Research, Development and Demonstration		—	29,173
81.138	State Heating Oil and Propane Program		—	23,875
<b><u>U.S. Department of Education</u></b>				
84.002	Adult Education - Basic Grants to States		31,100,139	35,369,919
84.010	Title I Grants to Local Educational Agencies		926,612,019	938,423,276
84.011	Migrant Education State Grant Program		4,149,958	5,907,313
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		—	2,191,671
<i>Special Education Cluster (IDEA):</i>				
84.027	Special Education Grants to States		439,222,968	525,755,335
84.173	Special Education Preschool Grants		15,849,550	20,188,117
<i>Total Special Education Cluster (IDEA)</i>			455,072,518	545,943,452
84.048	Career and Technical Education -- Basic Grants to States		37,723,362	42,613,729
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States		—	132,354,702
84.144	Migrant Education Coordination Program		—	54,489
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind		—	1,883,019
84.181	Special Education-Grants for Infants and Families		8,034,186	28,771,695
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)		—	337,300
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities		—	1,222,169
84.196	Education for Homeless Children and Youth		4,177,988	5,766,045
84.282	Charter Schools		10,126,668	11,507,758
84.287	Twenty-First Century Community Learning Centers		51,521,770	55,174,370
84.334	Gaining Early Awareness and Readiness for Undergraduate Programs Pass through from Higher Education Services Corporation	P378A140035	—	1,502,386
84.358	Rural Education		1,467,388	1,472,751

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<b><u>U.S. Department of Education (continued)</u></b>				
84.365	English Language Acquisition State Grants		\$ 29,059,383	32,099,023
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)		116,631,406	125,563,584
84.369	Grants for State Assessments and Related Activities		—	11,018,203
84.377	School Improvement Grants		168,427	168,427
84.419	Preschool Development Grants		—	538,243
84.420	Performance Partnership Pilots for Disconnected Youth		76,843	76,843
84.424	Student Support and Academic Enrichment Program		45,926,222	50,670,163
<i>Education Stabilization Fund</i>				
84.425B	COVID-19 - Education Stabilization Fund - Discretionary Grants: Rethink K-12 Education Models Grants		—	56,390
84.425C	COVID-19 - Education Stabilization Fund - Governor's Emergency Education Relief (GEER)		27,286,091	27,286,091
84.425D	COVID-19 - Education Stabilization Fund - Elementary and Secondary School Emergency Relief (ESSER)		169,939,138	170,832,474
84.425E	COVID-19 - Education Stabilization Fund -Higher Education Emergency Relief (HEERF) - Student Aid Portion		—	89,192,948
84.425F	COVID-19 - Education Stabilization Fund - (HEERF) Institutional Portion		—	88,951,604
84.425M	COVID-19 - Education Stabilization Fund - Strengthening Institutions Program (SIP)		—	5,103,844
<i>Total Education Stabilization Fund</i>			197,225,229	381,423,351 *
84.938	Disaster Recovery Assistance for Education		269,550	269,550
<b><u>National Archives and Records Administration</u></b>				
89.003	National Historical Publications and Records Grants		—	52,921
<b><u>U.S. Elections Assistance Commission</u></b>				
90.401	Help America Vote Act Requirements Payments		—	3,502,402
90.404	2018 HAVA Election Security Grants		—	5,404,852
90.404	COVID-19 – 2018 HAVA Election Security Grants		20,125,796	20,125,796
<i>Total 2018 HAVA Election Security Grants</i>			20,125,796	25,530,648
<b><u>U.S Northern Border Regional Commission</u></b>				
90.601	Northern Border Regional Development		—	39,006
<b><u>U.S. Department of Health and Human Services</u></b>				
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation		—	159,033
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals		951,510	951,510
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services		1,227,357	1,248,155
<i>Aging Cluster:</i>				
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		19,640,354	20,597,485
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		529,747	529,747
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services		37,454,367	40,580,991
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services		13,577,128	13,577,128
93.053	Nutrition Services Incentive Program		16,584,128	16,584,128
<i>Total Aging Cluster</i>			87,785,724	91,869,479
93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		282,225	328,801
93.048	COVID-19 - Special Programs for the Aging, Title IV, and Title II, Discretionary Projects		72,374	72,374
<i>Total Special Programs for the Aging, Title IV, and Title II, Discretionary Projects</i>			354,599	401,175
93.052	National Family Caregiver Support, Title III, Part E		11,304,999	11,569,442
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E		276,592	276,592
<i>Total National Family Caregiver Support, Title III, Part E</i>			11,581,591	11,846,034
93.071	Medicare Enrollment Assistance Program		734,471	1,026,659
93.072	Lifespan Respite Care Program		61,133	83,312
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements		—	1,250,642
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance Guardianship Assistance		—	200,000
93.090	Affordable Care Act (ACA) Personal Responsibility Education Program		9,304,477	9,328,859
93.092			2,285,289	2,426,891
93.103	Food and Drug Administration Research		—	2,023,471

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<b>U.S. Department of Health and Human Services (continued)</b>				
93.110	Maternal and Child Health Federal Consolidated Programs		\$ —	273,575
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs		—	1,302,220
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		—	217,733
93.150	Projects for Assistance in Transition from Homelessness (PATH)		4,770,637	4,770,637
93.165	Grants to States for Loan Repayment		477,454	477,454
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program		2,826,550	2,947,191
93.240	State Capacity Building		—	3,789
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance		907,925	5,732,129
93.268	Immunization Cooperative Agreements		2,696,438	129,952,295
93.268	COVID-19 - Immunization Cooperative Agreements		—	28,101
	<i>Total Immunization Cooperative Agreements</i>		<u>2,696,438</u>	<u>129,980,396</u> *
93.288	National Health Service Corps Scholarship Program		—	67,251
93.303	Nurse Corps Scholarship		—	17,144
93.324	State Health Insurance Assistance Program		1,719,814	2,382,245
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs		—	445,825
93.369	ACL Independent Living State Grants		—	1,015,351
93.378	Integrated Care for Kids Model		2,002,150	2,231,311
93.378	COVID-19 - Integrated Care for Kids Model		3,740	3,740
	<i>Total Integrated Care for Kids Model</i>		<u>2,005,890</u>	<u>2,235,051</u>
93.394	Cancer Detection and Diagnosis Research		—	400,306
93.434	Every Student Succeeds Act/Preschool Development Grants		—	9,909,635
93.461	COVID-19 – Testing for the Uninsured		—	1,736,921
93.464	ACL Assistive Technology		—	888,137
93.556	MaryLee Allen Promoting Safe and Stable Families Program		16,735,132	17,806,151
<i>TANF Cluster:</i>				
93.558	Temporary Assistance for Needy Families		1,760,693,965	1,773,641,865
	<i>Total TANF Cluster</i>		<u>1,760,693,965</u>	<u>1,773,641,865</u> *
93.563	Child Support Enforcement		85,982,227	216,137,757
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs		5,925,788	14,373,297
93.568	Low-Income Home Energy Assistance		84,715,511	352,814,739
93.568	COVID-19 - Low-Income Home Energy Assistance		629,779	629,779
	<i>Total Low-Income Home Energy Assistance</i>		<u>85,345,290</u>	<u>353,444,518</u> *
93.569	Community Services Block Grant		61,420,222	63,916,821
93.569	COVID-19 - Community Services Block Grant		10,654,077	10,993,365
	<i>Total Community Services Block Grant</i>		<u>72,074,299</u>	<u>74,910,186</u>
<i>CCDF Cluster:</i>				
93.575	Child Care and Development Block Grant		397,805,263	498,834,020
93.575	COVID-19 - Child Care and Development Block Grant		—	58,655,984
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund		107,450,221	107,450,221
	<i>Total CCDF Cluster</i>		<u>505,255,484</u>	<u>664,940,225</u>
93.576	Refugee and Entrant Assistance Discretionary Grants		—	174,972
93.586	State Court Improvement Program		—	956,038
93.586	COVID-19 - State Court Improvement Program		44,592	44,592
	<i>Total State Court Improvement Program</i>		<u>44,592</u>	<u>1,000,630</u>
93.590	Community-Based Child Abuse Prevention Grants		1,376,676	1,661,226
93.597	Grants to States for Access and Visitation Programs		—	366,736
93.599	Chafee Education and Training Vouchers Program (ETV)		2,639,726	2,639,726
	Pass-Through from Human Services Administration for Children and Families	—	—	2,693
	<i>Total Chafee Education and Training Vouchers Program (ETV)</i>		<u>2,639,726</u>	<u>2,642,419</u>
<i>Head State Cluster</i>				
93.600	Head Start		—	211,633
	<i>Total Head Start Cluster</i>		<u>—</u>	<u>211,633</u>
93.603	Adoption and Legal Guardianship Incentive Payments		—	1,727,493
93.603	COVID-19 - Adoption and Legal Guardianship Incentive Payments		—	100,966
	<i>Total Adoption and Legal Guardianship Incentive Payments</i>		<u>—</u>	<u>1,828,459</u>
93.630	Developmental Disabilities Basic Support and Advocacy Grants		—	3,999,177
93.640	Basic Health Program (Affordable Care Act)		—	4,537,835,331
93.643	Children's Justice Grants to States		440,735	741,087
93.644	Adult Medicaid Quality: Improving Maternal and Infant Health Outcomes in Medicaid and CHIP		—	169,601
93.645	Stephanie Tubbs Jones Child Welfare Services Program		12,019,571	12,019,574
93.645	COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program		1,777,998	1,777,998
	<i>Total Stephanie Tubbs Jones Child Welfare Services Program</i>		<u>13,797,569</u>	<u>13,797,572</u>

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<b><u>U.S. Department of Health and Human Services (continued)</u></b>				
93.658	Foster Care Title IV-E		\$ 253,928,734	273,402,404 *
93.659	Adoption Assistance		187,538,636	189,855,089
93.667	Social Services Block Grant		292,685,590	295,241,810 *
93.669	Child Abuse and Neglect State Grants		—	2,119,519
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		3,491,925	6,705,194
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services		1,034,400	1,034,400
	<i>Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</i>		<u>4,526,325</u>	<u>7,739,594</u>
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood		17,936,854	17,936,854
	Pass Through from CARE - Department of Social Services/Little Flower Children and Family Services of NY	—	—	3,795
	<i>Total John H. Chafee Foster Care Program for Successful Transition to Adulthood</i>		<u>17,936,854</u>	<u>17,940,649</u>
93.734	Empowering Older Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs – financed by Prevention and Public Health Funds (PPHF)		155,992	290,918
93.767	Children's Health Insurance Program		—	1,350,908,215
93.767	COVID-19 - Children's Health Insurance Program		124,202	124,202
	<i>Total Children's Health Insurance Program</i>		<u>124,202</u>	<u>1,351,032,417</u>
<i>Medicaid Cluster:</i>				
93.775	State Medicaid Fraud Control Units		—	35,341,543
93.775	COVID-19 - State Medicaid Fraud Control Units		—	73,437
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		—	20,156,779
93.778	Medical Assistance Program		425,669,048	46,023,555,298
93.778	COVID-19 - Medical Assistance Program		—	55,749
93.778	Medical Assistance Program		—	140,325
	<i>Total Medicaid Cluster</i>		<u>425,669,048</u>	<u>46,079,323,131</u> *
93.791	Money Follows the Person Rebalancing Demonstration		—	7,433,134
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities		—	204,354
93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders		—	36,589
93.870	Maternal, Infant and Early Childhood Home Visiting Grant		7,959,046	8,777,676
93.889	National Bioterrorism Hospital Preparedness Program		—	786,299
93.958	Block Grants for Community Mental Health Services		47,294,330	47,294,330
93.959	Block Grants for Prevention and Treatment of Substance Abuse		114,315,025	122,513,411
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants		752,518	1,934,621
93.991	Preventive Health and Health Services Block Grant		1,045,310	9,851,554
93.994	Maternal and Child Health Services Block Grant to the States		19,193,788	37,079,326
<b><u>Corporation for National and Community Service</u></b>				
94.003	State Commissions		—	490,254
94.006	AmeriCorps		8,019,778	8,273,937
94.009	Training and Technical Assistance		1,600	39,872
<i>Foster Grandparent/Senior Companion Cluster:</i>				
94.016	Senior Companion Program		—	266,971
	<i>Total Foster Grandparent/Senior Companion Cluster</i>		<u>—</u>	<u>266,971</u>
94.021	Volunteer Generation Fund		321,470	321,470
<b><u>U.S. Social Security Administration</u></b>				
<i>Disability Insurance/SSI Cluster:</i>				
96.001	Social Security Disability Insurance		—	157,428,684
	<i>Total Disability Insurance/SSI Cluster</i>		<u>—</u>	<u>157,428,684</u>
<b><u>U.S. Department of Homeland Security</u></b>				
97.008	Non-Profit Security Program		7,490,870	7,490,870
97.012	Boating Safety Financial Assistance		—	1,830,826
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)		—	424,439
97.029	Flood Mitigation Assistance		125,053	125,053
97.032	COVID-19 - Crisis Counseling		1,315,111	1,315,111
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)		793,532,197	819,084,382
97.036	COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)		—	—
	<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>		<u>831,366,933</u>	<u>831,366,933</u>
	<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>		<u>1,624,899,130</u>	<u>1,650,451,315</u>
97.039	Hazard Mitigation Grant		30,913,479	32,527,533
97.041	National Dam Safety Program		—	245,382
97.042	Emergency Management Performance Grants		6,857,158	14,636,546
97.042	COVID-19 - Emergency Management Performance Grants		556,080	556,080
	<i>Total Emergency Management Performance Grants</i>		<u>7,413,238</u>	<u>15,192,626</u>



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<b>U.S. Department of Homeland Security (continued)</b>				
97.045	Cooperating Technical Partners		\$ —	139,488
97.047	BRIC: Building Resilient Infrastructure and Communities		1,297,095	1,297,095
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs		—	4,118,862,808 *
97.056	Port Security Grant Program		—	192,065
97.067	Homeland Security Grant Program		189,833,219	217,916,918 *
97.133	Preparing for Emerging Threats and Hazards		426,511	462,877
<b>Other Clusters</b>				
<i>Student Financial Assistance Cluster:</i>				
<i>U.S. Department of Education</i>				
84.007	Federal Supplemental Educational Opportunity Grants		—	6,310,747
84.033	Federal Work-Study Program		—	10,387,386
84.038	Federal Perkins Loan Program_Federal Capital Contributions		—	82,031,136
84.063	Federal Pell Grant Program		—	303,074,691
84.268	Federal Direct Student Loans		—	990,232,724
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		—	3,202,160
	<i>Total U.S. Department of Education</i>		<u>—</u>	<u>1,395,238,844</u>
<i>U.S. Department of Health and Human Services</i>				
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students		—	13,857,927
93.364	Nursing Student Loans		—	8,058,699
93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds		—	612,720
	<i>Total U.S. Department of Health and Human Services</i>		<u>—</u>	<u>22,529,346</u>
	<i>Total Student Financial Assistance Cluster</i>		<u>—</u>	<u>1,417,768,190</u> *
<i>Research and Development Cluster:</i>				
16.593	Residential Substance Abuse Treatment for State Prisoners		—	28,750
16.812	Second Chance Act Reentry Initiative		—	11,125
17.805	Homeless Veterans' Reintegration Program		—	4,273
20.205	Highway Planning and Construction		—	4,167,991
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth		—	128,707
93.563	Child Support Enforcement		602,429	602,429
	<i>Total Research and Development Cluster</i>		<u>602,429</u>	<u>4,943,275</u>
	<b>Total Expenditures of Federal Awards</b>		<b>\$ <u>11,053,961,747</u></b>	<b><u>157,819,601,307</u></b>

\*Represents Major Program  
See accompanying notes to the Schedule of Expenditures of Federal Awards.

## STATE OF NEW YORK

### Notes to the Schedule of Expenditures of Federal Awards

Year ended March 31, 2021

#### (1) Summary of Significant Accounting Policies

##### (a) Reporting Entity

For purposes of complying with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the State of New York (State) is defined in a manner consistent with the entity defined in the State of New York Comprehensive Annual Financial Report as of and for the year ended March 31, 2021. The following entities, however, are excluded:

- i. New York State and Local Retirement System, State Lottery, and the City University of New York Fund;
- ii. Research Foundation of the State University of New York;
- iii. All public benefit corporations, as defined in the Comprehensive Annual Financial Report (note 14), except for the following four public benefit corporations which are included:
  1. Dormitory Authority of the State of New York,
  2. New York State Energy Research and Development Authority,
  3. Hugh L. Carey Battery Park City Authority, and
  4. Housing Trust Fund Corporation.

Each of the excluded entities are subject to separate audits in compliance with the Uniform Guidance, as applicable.

##### (b) Basis of Presentation

The Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the State under programs of the federal government for the year ended March 31, 2021. The information in this Schedule is presented in accordance with the Uniform Guidance. The Schedule presents only a selected portion of the operations of the State; therefore, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the State.

##### (c) Basis of Accounting

Expenditures reported on the Schedule are generally reported on the cash basis of accounting, as reported by the Statewide Financial System (SFS). The expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or limited as to reimbursement. The negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The SFS provides primary information from which the basic financial statements are prepared.

##### (d) Matching Costs

Matching costs, the non-Federal share of certain program costs, are not included in the Schedule except for the State's share of unemployment insurance (see Note 4).

**STATE OF NEW YORK**

Notes to the Schedule of Expenditures of Federal Awards

Year ended March 31, 2021

**(2) Relationship to Federal Financial Reports**

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the Schedule, which is prepared on the basis explained in Note 1(c).

**(3) Indirect Cost Rate**

The State does not utilize the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**(4) Unemployment Insurance**

State unemployment tax revenues and other payments must be deposited into the Unemployment Trust Fund in the U.S. Treasury. Use of these funds is restricted to pay benefits under the federally approved State unemployment law. State unemployment insurance funds as well as federal funds are used to pay benefits under the Unemployment Insurance program (CFDA/ALN No. 17.225). The amount reported in the Schedule for the Unemployment Insurance program included \$14.6 billion in State-funded expenditures deposited into the Unemployment Trust Fund in the U.S. Treasury.

**(5) Loan and Loan Guarantee Programs**

**(a) Federal Student Loan and Loan Guarantee Programs**

The federal student loan programs listed below are administered by the State through the State University of New York (SUNY), and balances and transactions related to these programs are included in the State's Comprehensive Annual Financial Report. Loans made during the year are included as federal expenditures presented in the Schedule. Loans outstanding at March 31, 2021 amounted to \$96 million, net of allowance for doubtful accounts. The following table displays activity for federal student loans outstanding at March 31, 2021:

CFDA/ ALN Number	Program Title	Beginning Balance	Additions	Deletions	Ending Balance
84.038	Federal Perkins Loan Program - federal capital contributions	\$ 82,031,136	—	6,088,000	\$ 75,943,136
93.342	Health professions student loans including primary care loans/loans for disadvantaged students	\$ 11,992,543	1,865,384	412,864	\$ 13,445,063
93.364	Nursing student loans	\$ 6,841,598	1,217,101	1,259,473	\$ 6,799,226

SUNY participates in the Federal Direct Student Loans program (CFDA/ALN No. 84.268), which provides federal loans directly to students rather than through private lending institutions. SUNY is responsible only for the origination of the loan (i.e., determining student eligibility and disbursing loan proceeds to the borrower). The Direct Loan Servicer is then responsible for overall servicing and collection of the loan. During the year ended March 31, 2021, SUNY processed approximately \$990 million of new loans under the Federal Direct Student Loans program, which are included in the Schedule. The program is administered by the Federal government; therefore, new loans made during the year are reported in the Schedule, whereas the outstanding loan balances are not.

**STATE OF NEW YORK**

Notes to the Schedule of Expenditures of Federal Awards

Year ended March 31, 2021

**(b) Home Investment Partnerships Program**

The State administers the Home Investment Partnerships (HOME) Program (CFDA/ALN No. 14.239) through the Housing Trust Fund Corporation. A portion of the HOME Program payments are in the form of low interest loans made to not-for-profit and for-profit organizations to construct multi-family apartment buildings. Loans outstanding at March 31, 2021 amounted to \$239 million. The following table displays activity for the HOME Program loans outstanding at March 31, 2021:

CFDA/ ALN Number	Program Title	Beginning Balance	Additions	Deletions	Ending Balance
14.239	Home investment partnerships program	\$ 239,075,965	762,196	644,102	\$ 239,194,059

**(c) Hurricane Sandy Community Development Block Grant Disaster Recovery Grants and Community Development Block Grant National Disaster Resilience Grants**

The State administers the Hurricane Sandy Community Development Block Grant Disaster Recovery (CDBG-DR) Grants program (CFDA/ALN No. 14.269) and Community Development Block Grant National Disaster Resilience Grants program (CFDA/ALN No. 14.272) through the Governor's Office of Storm Recovery. A portion of the program payments are in the form of loans. Loans outstanding as of March 31, 2021 amounted to approximately \$115 million. The following table displays activity for these grant program at March 31, 2021:

CFDA/ ALN Number	Program Title	Beginning Balance	Additions	Deletions	Ending Balance
14.269	Hurricane Sandy CDBG-DR Community development block grant national disaster resilience	\$ 99,689,736	9,706,951	—	\$ 109,396,687
14.272	competition grants	\$ 5,500,000	—	—	\$ 5,500,000

**STATE OF NEW YORK**

Notes to the Schedule of Expenditures of Federal Awards

Year ended March 31, 2021

**(6) Non-Cash Awards**

The State is the recipient of federal award programs that do not result in cash receipts or disbursements and are therefore not recorded in the State's fund financial statements. Non-cash amounts of awards received by the State are included in the Schedule as follows:

<b>CFDA/ ALN Number</b>	<b>Program Title</b>	<b>Non-cash awards subrecipient</b>	<b>Non-cash awards total</b>
10.542	COVID-19 – Pandemic EBT Food Benefits	\$ —	\$ 1,051,290,453
10.551	Supplemental Nutrition Assistance Program	—	4,826,848,606
10.551	COVID-19 – Supplemental Nutrition Assistance Program	—	1,535,692,067
10.555	National School Lunch Program	71,504,943	71,504,943
10.558	Child and Adult Care Food Program	609,879	609,879
10.559	Summer Food Service Program for Children	145,841	145,841
10.565	Commodity Supplemental Food Program	9,055,575	9,055,575
10.569	Emergency Food Assistance Program	117,656,865	117,656,865
16.578	Public Benefit Conveyance Program	2,579,379	2,714,023
93.268	Immunization Cooperative Agreements	—	116,316,537
	<b>Total</b>	<b>\$ 201,552,482</b>	<b>\$ 7,731,834,789</b>

**(7) Donated Personal Protective Equipment (PPE) (Unaudited)**

Pursuant to OMB Memorandum M-20-20, the State received PPE from federal agencies for the year ended March 31, 2021. The estimated fair market value of the PPE at the time of receipt was approximately \$8.3 million.

**(8) Litigation**

The State is a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings, and other alleged violations of State and Federal laws.

Included in the State's outstanding litigation are a number of cases challenging the legality or the adequacy of a variety of significant social welfare programs, primarily involving the State's Medicaid and mental health programs. Adverse judgments in these matters generally could result in injunctive relief coupled with prospective changes in patient care that could require substantial increased financing of the litigated programs in the future.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

**(1) Summary of Auditors' Results**

- a. Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- b. Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
  - Material weaknesses: **Yes**
  - Significant deficiencies: **Yes**
- c. Noncompliance material to the financial statements: **No**
- d. Internal control deficiencies over major programs disclosed by the audit:
  - Material weaknesses: **Yes**
  - Significant deficiencies: **Yes**
- e. Type of report issued on compliance for major programs: **Unmodified except for:**  
*Qualified Opinion*
  - Unemployment Insurance (17.225)
  - TANF Cluster (93.556)
  - Low-Income Home Energy Assistance (93.568)
  - Foster Care – Title IV-E (93.658)
  - Social Services Block Grant (93.667)
- f. Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **Yes**
- g. Major programs:
  - COVID-19 Pandemic EBT Food Benefits – (10.542)
  - Section 8 Project-Based Cluster – (14.195)
  - Home Investment Partnerships Program – (14.239)
  - Unemployment Insurance – (17.225)
  - Highway Planning and Construction Cluster – (20.205 and 20.219)
  - Education Stabilization Fund – (84.425)
  - Student Financial Assistance Cluster – (84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.342, 93.364, and 93.925)

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

- Immunization Cooperative Agreements – (93.268)
- TANF Cluster – (93.558)
- Child Support Enforcement – (93.563)
- Low-Income Home Energy Assistance – (93.568)
- Foster Care – Title IV-E – (93.658)
- Social Services Block Grant – (93.667)
- Medicaid Cluster – (93.775, 93.777, and 93.778)
- COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households – Other Needs – (97.050)
- Homeland Security Grant Program – (97.067)

h. Dollar threshold used to distinguish between Type A and Type B programs: **\$236,729,402**

i. Auditee qualified as a low-risk auditee: **No**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

The State has a material weakness in internal control over financial reporting due to insufficient consideration of subsequent activity in determining the accrual calculations of the Unemployment Insurance Benefit Fund. The State has significant deficiencies in internal control over financial reporting relating to (1) incorrect recognition of Medicaid accruals as federal special revenue when the amounts had already been reimbursed and the corresponding liabilities should have been recognized in the general fund and (2) a deficiency in management's level of review of key actuarial assumptions utilized during the roll forward period within with the Postemployment Benefits Other than Pensions Actuarial Valuation report.

Refer to the separately issued report dated July 29, 2021 for specific details regarding these findings.

**(3) Findings and Questioned Costs Relating to Federal Awards**

See pages 20 to 62.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

**Federal Agency:** United States Department of Labor

**Federal Program:** Unemployment Insurance (17.225)

**Federal Award Numbers:** MI-32539-18-75-A-36; MI-34016-19-75-A-36; MI-35505-20-75-A-36; UI-27922-15-55-A-36; UI-32616-19-55-A-36; UI-32857-19-60-A-36; UI-34075-20-55-A-36; UI-34512-20-60-A-36; UI-34732-20-55-A-36; UI-35665-21-55-A-36

**Federal Award Years:** 2018, 2019, 2020, and 2021

**State Agency:** Department of Labor

**Reference:** 2021-004

**Criteria**

Under Section 303(j)(1) of the Social Security Act (SSA), the State agency charged with the administration of the State law shall establish and utilize a system of profiling all new claimants for regular compensation that-

- (A) identifies which claimants will be likely to exhaust regular compensation and will need job search assistance services to make a successful transition to new employment;
- (B) refers claimants identified pursuant to subparagraph (A) to reemployment services, such as job search assistance services, available under any State or Federal law;
- (C) collects follow-up information relating to the services received by such claimants and the employment outcomes for such claimants subsequent to receiving such services and utilizes such information in making identifications pursuant to subparagraph (A); and
- (D) meets such other requirements as the Secretary of Labor determines are appropriate.

Under Section 306 of the SSA, grants are awarded under this section for a fiscal year to eligible States to conduct a program of reemployment services and eligibility assessments for individuals referred to reemployment services as described in section 303(j) for weeks in such fiscal year for which such individuals receive unemployment compensation. The purposes of this section are to accomplish the following goals:

- (1) To improve employment outcomes of individuals that receive unemployment compensation and to reduce the average duration of receipt of such compensation through employment.
- (2) To strengthen program integrity and reduce improper payments of unemployment compensation by States through the detection and prevention of such payments to individuals who are not eligible for such compensation.
- (3) To promote alignment with the broader vision of the Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.) of increased program integration and service delivery for job seekers, including claimants for unemployment compensation.
- (4) To establish reemployment services and eligibility assessments as an entry point for individuals receiving unemployment compensation into other workforce system partner programs.



**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

Under the Unemployment Insurance Program Letter No. 07-19 section 7, since Reemployment Services and Eligibility Assessments (RESEA) incorporates Worker Profiling Reemployment Service (WPRS) profiling models to select claimants and provide participants with access to reemployment services, the Department of Labor determined that any state operating RESEA on a statewide basis met the requirements of WPRS and was not subject to separate WPRS reporting requirements and oversight. States providing RESEA on a less than statewide basis are required to continue WPRS in any area(s) not served by RESEA. Lastly, Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards section 303(a) states, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

The Department of Labor (the Department) utilizes the One Stop Operating System (OSOS) and Re-Employment Operating System (REOS) to record and track claimants serviced under the RESEA program. Due to the global COVID-19 pandemic, all services were conducted virtually and monitored via the OSOS/REOS system. For 1 of 60 samples, the Department was unable to provide support to verify that the state notice to claimant includes the RESEA’s eligibility condition, requirements, benefits, and clear warnings regarding the consequences of failing to complete required elements and reasonable scheduling accommodations and that Unemployment Insurance (UI) staff received feedback that the claimant reported as directed and participated in the required RESEA activities.

***Cause***

The condition results from the REOS system clearing previous claimant history due to a new claim. As a result, the Department was unable to provide support for the RESEA services previously provided to the claimant.

***Possible Asserted Effect***

Failure to perform sufficient internal controls to ensure documentation is maintained to support the Department’s RESEA services may result in the State’s program being noncompliant with Federal statutes, regulations and the terms and conditions of the awards.

***Questioned Costs***

Cannot be determined

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

***Recommendation***

We recommend the Department enhance its process to ensure documentation is maintained to support the Department's RESEA services.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

**STATE OF NEW YORK**

Schedule of Findings and Questioned Costs

Year ended March 31, 2021

**Federal Agency:** United States Department of Labor

**Federal Program:** Unemployment Insurance (17.225)

**Federal Award Numbers:** MI-32539-18-75-A-36, MI-34016-19-75-A-36, MI-35505-20-75-A-36, UI-27922-15-55-A-36, UI-32616-19-55-A-36, UI-32857-19-60-A-36, UI-34075-20-55-A-36, UI-34512-20-60-A-36, UI-34732-20-55-A-36, and UI-35665-21-55-A-36

**Federal Award Years:** 2018, 2019, 2020, and 2021

**State Agency:** Department of Labor

**Reference:** 2021-005

**Criteria**

Under Section 904 of the Social Security Act, Unemployment Trust Fund, established in the Treasury of the United States a trust fund to be known as the "Unemployment Trust Fund" (Fund). The Secretary of the Treasury is authorized and directed to receive and hold in the Fund all moneys deposited therein by a State agency from a State unemployment fund, or by the Railroad Retirement Board to the credit of the railroad unemployment insurance account or the railroad unemployment insurance administration fund, or otherwise deposited in or credited to the Fund or any account therein. Such deposit may be made directly with the Secretary of the Treasury, with any depository designated by him for such purpose, or with any Federal Reserve Bank. Under section (e), the fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency.

Under Article 18 of New York State law, Title 7 Section 590, rights to benefits states that benefits shall not be paid for more than one hundred and four effective days in any benefit year, except as provided in section six hundred one and subdivision two of section five hundred ninety-nine of this chapter.

Lastly, Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, section 303(a) states, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

For 2 of 60 regular Unemployment Compensation (UC) claimants selected, the claimant received regular UC payments for greater than 104 days drawn from the Unemployment Trust Fund.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

***Cause***

The condition results from Unemployment Insurance (UI) system and the Department of Labor (the Department) failing to identify and restrict payment to the claimants that reached the maximum limit of days allowed for regular UC benefits. The Department does not have a manual control to identify the claimants as being coded to the incorrect benefit.

***Possible Asserted Effect***

Failure to ensure the claimant does not receive benefits in excess of the maximum allowable may result in claimants receiving beneficiary payments in excess of the maximum allowable amounts.

***Questioned Costs***

\$12,185 (total overpayments in excess of maximum regular unemployment compensation paid to two selected beneficiaries)

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend the Department enhance its process and controls to ensure claimants that have exhausted benefits such as regular UC are not allowed to receive benefits in excess of the maximum allowable days for the program.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

## STATE OF NEW YORK

### Schedule of Findings and Questioned Costs

Year ended March 31, 2021

**Federal Agency:** United States Department of Labor  
United States Department of Homeland Security

**Federal Program:** Unemployment Insurance (17.225)  
COVID-19 – Presidential Declared Disaster Assistance to Individuals and Households – Other Needs (97.050)

**Federal Award Numbers:** MI-32539-18-75-A-36, MI-34016-19-75-A-36, MI-35505-20-75-A-36, UI-27922-15-55-A-36, UI-32616-19-55-A-36, UI-32857-19-60-A-36, UI-34075-20-55-A-36, UI-34512-20-60-A-36, UI-34732-20-55-A-36, and UI-35665-21-55-A-36  
FEMA-DR-4480-NY

**Federal Award Years:** 2018, 2019, 2020, and 2021

**State Agency:** Department of Labor

**Reference:** 2021-006

#### Criteria

Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements*, section 200.519(b) states the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with section 200.502. While not required, the auditee may choose to provide information requested by HHS awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in section 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in section 200.414.

Additionally, 2 CFR 200.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

During the audit, we identified the following improper classification of the amount of expenditures passed through to subrecipients on the draft State of New York Schedule of Expenditures of Federal Awards (SEFA).

***Unemployment Insurance***

The Department of Labor (the Department) inappropriately classified \$71,742,557,000 of benefits paid to claimants expenditures, incurred during the fiscal year end March 31, 2021, as passed-through expenditures on the State’s draft SEFA. As a result, the State reported passed-through expenditures on the draft SEFA as \$71,742,557,000 as of March 31, 2021, instead of the actual passed-through expenditures of \$0.

***Presidential Declared Disaster Assistance to Individuals and Households – Other Needs (Lost Wages Assistance)***

The Department inappropriately classified \$4,100,692,000 of benefits paid to claimants expenditures, incurred during the fiscal year end March 31, 2021, as passed-through expenditures on the State’s draft SEFA. As a result, the State reported passed-through expenditures on the draft SEFA as \$4,100,692,000 as of March 31, 2021, instead of the actual passed-through expenditures of \$0.

***Cause***

The Office of the State Comptroller (OSC) annually sends out NYS Federal Single Audit Packages which includes details of current year federal expenditures from the Statewide Financial System (SFS) as well as questionnaires which allow the agencies to indicate required changes for amounts expended, such as benefits paid to claimants.

The Department obtained the full NYS Federal Single Audit Package, however, during the Department’s annual review of the NYS Federal Single Audit Package, local grants and public assistance expenditures were identified as passed-through expenditures. However, these expenditures related to benefits paid to claimants which are not considered subrecipients. While amounts reported as total expenditures is properly stated, the amounts paid to claimants do not represent amounts passed through to subrecipients and was not identified and reduced in preparation of the draft SEFA. As a result, the amounts reported as passed-through to subrecipients on the draft SEFA were overstated.

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

***Possible Asserted Effect***

Failure to appropriately ensure the completeness and accuracy of the expenditure amounts passed-through to subrecipients may result in inaccurate reporting to United States Department of Labor and United States Department of Homeland Security and may inhibit its ability to effectively monitor and evaluate the State's performance relative to the Unemployment Insurance and Presidential Declared Disaster Assistance to Individuals and Households federal programs.

***Questioned Costs***

None

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend the State enhance its SEFA compilation process to include the ability for the State agencies, in their reporting to the Office of the State's Comptroller (OSC), to indicate for all expenditures, including noncash assistance, and amounts that are considered passed-through to subrecipients to allow for proper compilation and presentation of the SEFA. Additionally, State agencies should ensure during its review that amounts passed-through to subrecipients that are returned back from its subrecipients, are not included as amounts passed-through to subrecipients. Lastly, State agencies should ensure it reviews all expenditures recorded during the period under audit to ensure amounts provided to subrecipients as defined by 2 CFR 200.331, are properly recorded as amounts passed-through to subrecipients on the SEFA.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

**STATE OF NEW YORK**

Schedule of Findings and Questioned Costs

Year ended March 31, 2021

**Federal Agency:** United States Department of Transportation  
**Federal Program:** Highway Planning and Construction Cluster (20.205 and 20.219)  
**Federal Award Numbers:** N4510.853, N4510.844, N4510.831, N4510.819  
**Federal Award Years:** 2021  
**State Agency:** Department of Transportation  
**Reference:** 2021-007

**Criteria**

Title 23 U.S. Code of Federal Regulations Part 637 (23 CFR 637), *Construction Inspection and Approval*, Section 637.205 states that each State Transportation Department (STD) shall develop a quality assurance program which will assure that the materials and workmanship incorporated into each Federal-aid highway construction project on the National Highway System (NHS) are in conformity with the requirements of the approved plans and specifications, including approved changes. The program must meet the criteria in 23 CFR 637.207 and be approved by the FHWA.

Additionally, 32 CFR 637.207(a) states each STD's quality assurance program shall provide for an acceptance program and an independent assurance (IA) program consisting of the following:

1. Acceptance program
  - i. Each STD's acceptance program shall consist of the following:
    - A. Frequency guide schedules for verification sampling and testing which will give general guidance to personnel responsible for the program and allow adaptation to specific project conditions and needs.
    - B. Identification of the specific location in the construction or production operation at which verification sampling and testing is to be accomplished.
    - C. Identification of the specific attributes to be inspected which reflect the quality of the finished product.
  - ii. Quality control sampling and testing results may be used as part of the acceptance decision provided that:
    - A. The sampling and testing has been performed by qualified laboratories and qualified sampling and testing personnel.
    - B. The quality of the material has been validated by the verification sampling and testing. The verification testing shall be performed on samples that are taken independently of the quality control samples.
    - C. The quality control sampling and testing is evaluated by an IA program.



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- iii. If the results from the quality control sampling and testing are used in the acceptance program, the STD shall establish a dispute resolution system. The dispute resolution system shall address the resolution of discrepancies occurring between the verification sampling and testing and the quality control sampling and testing. The dispute resolution system may be administered entirely within the STD.
    - iv. In the case of a design-build project on the National Highway System, warranties may be used where appropriate.
  2. The IA program shall evaluate the qualified sampling and testing personnel and the testing equipment. The program shall cover sampling procedures, testing procedures, and testing equipment. Each IA program shall include a schedule of frequency for IA evaluation. The schedule may be established based on either a project basis or a system basis. The frequency can be based on either a unit of production or on a unit of time.
    - i. The testing equipment shall be evaluated by using one or more of the following: Calibration checks, split samples, or proficiency samples.
    - ii. Testing personnel shall be evaluated by observations and split samples or proficiency samples.
    - iii. A prompt comparison and documentation shall be made of test results obtained by the tester being evaluated and the IA tester. The STD shall develop guidelines including tolerance limits for the comparison of test results.
    - iv. If the STD uses the system approach to the IA program, the STD shall provide an annual report to the FHWA summarizing the results of the IA program.

Lastly, Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* Section 200.303(a) states the non-federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### **Condition**

The New York State Department of Transportation (the Department) administers a Quality Assurance (QA) Program as noted in the regulations above. For 2 of the 40 QA reviews selected for testwork, we noted the QA review results were outside of the minimum and maximum test range and approved by the EIC without supporting documentation or notes evidencing the reasons why they were accepted while outside the range as per the State’s Federally approved QA Program.

#### **Cause**

The condition found is due to the Department not having documentation maintained in accordance with their internal control policies and procedures to support QA test results being accepted by EICs that are outside the specified ranges for the sample, particularly when an abnormal test result is noted.

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**Possible Asserted Effect**

Failure to ensure samples tested are appropriate documented when they fall outside the established ranges of the State's Federally approved QA Program may result in noncompliance with Federal statutes, regulations, and the terms and conditions of federal awards.

**Questioned Costs**

Cannot be determined

**Statistical Sampling**

The sample was not intended to be, and was not, a statistically valid sample.

**Recommendation**

We recommend the Department enhance its policies and procedures to ensure appropriate documentation is maintained to support abnormal test results that fall outside of the established QA program ranges to ensure compliance with the State's Federally approved QA Program.

**Views of Responsible Officials**

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services  
**Federal Program:** Temporary Assistance for Needy Families Cluster (93.558)  
**Federal Award Numbers:** 1701NYTANF, 1801NYTANF, 1901NYTANF, 2001NYTANF, 2001NYTA3  
2101NYTANF, 2101NYTAN3, and G1601NYTANF  
**Federal Award Years:** 2016, 2017, 2018, 2019, 2020, and 2021  
**State Agency:** Office of Temporary and Disability Assistance  
**Reference:** 2021-008

***Criteria***

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, section 342(b)(1) states the non-Federal entity must submit performance reports at the interval required by the HHS awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes.

Additionally, Title 45 U.S. Code of Federal Regulations Part 265 (45 CFR 265), Data Collection and Reporting Requirements, section 265.3(a) requires that (1) each State must collect on a monthly basis, and file on a quarterly basis, the data specified in the TANF Data Report and the TANF Financial Report; and (2) Each State that claims MOE expenditures for a separate State program(s) must collect on a monthly basis, and file on a quarterly basis, the data specified in the SSP-MOE Data Report.

Lastly, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

For the year ended March 31, 2021, the Office of Temporary and Disability Assistance (the Office) completed and submitted the required quarterly TANF Data Reports which included ACF-199 and ACF-209. As part of the submission, the State is required to provide complete and accurate information for various data elements, which include:

ACF 209, SSP-MOE Data Report (OMB No. 0970-0338)

Section One – Family Level Data  
Item 9 – Type of Family for Work Participation  
Item 15 – Receives Subsidized Child Care

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Section One – Person-Level Data  
Item 28 – Date of Birth  
Item 34 – Relationship to Head-of-Household  
Item 41 – Work-Eligible Individual Indicator  
Item 42 – Work Participation Status

Section One – Adult Work Participation Activities  
Items 43 – 55 – Work Participation Activities  
Item 56 – Number of Deemed Core Hours for Overall Rate  
Item 57 – Number of Deemed Core Hours for the Two-Parent Rate

ACF-199, TANF Data Report (OMB No. 0970-0338)

Section One – Family Level Data  
Item 12 – Type of Family for Work Participation  
Item 17 – Receives Subsidized Child Care  
Item 28 – Is the TANF family exempt from the Federal time limit provisions

Section One – Person-Level Data  
Item 30 – Family Affiliation Code  
Item 32 – Date of Birth  
Item 38 – Relationship to Head-of-Household  
Item 39 – Parents with a Minor Child  
Item 44 – Number of months countable toward the Federal time limit  
Item 48 – Work-Eligible Individual Indicator  
Item 49 – Work Participation Status

Section One – Adult Work Participation Activities  
Items 50 – 62 – Work Participation Activities  
Item 63 – Number of Deemed Core Hours for Overall Rate  
Item 64 – Number of Deemed Core Hours for the Two-Parent Rate

The Office compiles the data utilized for these performance reports from its systems, which data is sourced, input, and updated by local district subrecipients based on its performance of activities. While the Office does perform monitoring reviews of several activities of the local district subrecipients, the monitoring reviews do not include procedures designed at a precision level that would allow the State to assess the completeness and accuracy of information being reported as part of the TANF data reports noted above. Specifically, the Office does not have procedures to ensure the codes entered into the system by its local district subrecipients are accurate, appropriate, and representative of the underlying source documentation.

For 100 of 100 samples provided, we were able to validate there were no discrepancies of the key data elements from the original source documentation provided by the subrecipients of the Office to test compliance with the federal reporting requirements.

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***Cause***

The condition is due to the precision level of management's internal controls over reporting and subrecipient monitoring activities. The Office prepares the quarterly TANF Data reports by solely relying upon the completeness and accuracy of the case information input by the subrecipients into the State's systems. Specifically, the Office's subrecipient monitoring procedures do not include a review of all the underlying ACF-199 and ACF-209 data elements input into the systems.

***Possible Asserted Effect***

Incomplete monitoring procedures may not provide adequate assurance for data compiled through the Office's information technology systems, for the TANF ACF-199 and ACF-209 Federal reports.

***Questioned Costs***

None

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Repeat Finding***

A similar finding was included in the 2020 Single Audit Report as finding number 2020-009 on pages 38–40.

***Recommendation***

We recommend the Office enhance its existing policies and procedures to ensure its reporting or monitoring controls include verifying the data input by the subrecipients which the Office relies upon for compiling the ACF-199 and ACF-209 reports.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services

**Federal Program:** Temporary Assistance for Needy Families Cluster (93.558)  
Low-Income Home Energy Assistance (93.568)

**Federal Award Numbers:** 1701NYTANF, 1801NYTANF, 1901NYTANF, 2001NYTANF, 2001NYTA3  
2101NYTANF, 2101NYTAN3, and G1601NYTANF  
  
1801NYLIEA, 1802NYLIE4, 1901NYLIEA, 1902NYLIE4, 2001NYLIEA,  
2002NYLIE4, 2001NYE5C3, and 2103NYLIEA

**Federal Award Years:** 2016, 2017, 2018, 2019, 2020, and 2021

**State Agency:** Office of Temporary and Disability Assistance

**Reference:** 2021-009

**Criteria**

Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA) (Pub. L. No. 109-282) (Transparency Act) that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements who make first tier subawards of \$25,000 or more are required to register in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS) and report subaward data through FSRS.

Aspects of the Transparency Act, as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (Pub. L. No. 111-252), that relate to subaward reporting (1) under grants and cooperative agreements were implemented in OMB in 2 CFR Part 170 and (2) under contracts, by the regulatory agencies responsible for the Federal Acquisition Regulation (FAR at 5 FR 39414 et seq., July 8, 2010). The requirements pertain to recipients (i.e., direct recipients) of grants or cooperative agreements who make first tier subawards and contractors (i.e., prime contractors) that award first-tier subcontracts.

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for HHS Awards*, section 75.2 defines Subaward as an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Further, 45 CFR 75.2 defines Subrecipient as a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

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Additionally, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

For the year ended March 31, 2021, the Office of Temporary and Disability Assistance (the Office) reported only the administration portion of expenditures that passed through to the subrecipients (local districts) for program’s operation as their Temporary Assistance for Needy Families Cluster FFATA reporting. Further as there were no administrative expenditures for the Low-Income Home Energy Program the Office did not complete FFATA reportings. The Office excluded reporting of amounts that were passed-through to the local districts required by the local districts as categorized as beneficiary payments for individuals the local districts determined as eligible under both programs, which the Office passed-through as subrecipient payments to the local districts.

***Cause***

The condition is due to the fact that the Office did not report all amounts passed-through to its subrecipients (local districts) as the Office does not believe these amounts represent subrecipient payments that require reporting under the FFATA federal regulations.

***Possible Asserted Effect***

Failure to submit all expenditures passed-through to subrecipients under subawards as defined by 45 CFR 75.2 in the Office’s FFATA reporting could result in the Office reporting inaccurate and incomplete amounts to the Federal government.

***Questioned Costs***

None

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend the Office revise its policies to ensure that all amounts passed-through to subrecipients under subawards as defined in 45 CFR 75.2 are reported in accordance with the FFATA federal regulations.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services

**Federal Program:** Child Support Enforcement (93.563)

**Federal Award Numbers:** 1804NYCEST, 1901NYCEST, 1904NYCSES, 2001NYCEST, 2001NYCSES, and 2101NYCSES

**Federal Award Years:** 2018, 2019, 2020, and 2021

**State Agency:** Office of Temporary and Disability Assistance

**Reference:** 2021-010

***Criteria***

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, section 75.306(b) requires for all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under subpart E of 45 CFR 75;
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the HHS awarding agency; and
- (7) Conform to other provisions of this part, as applicable.

Additionally, 45 CFR 75.32(d) states all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward issued for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.



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Further, 45 CFR 75.203(c) requires the non-Federal entity to evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms of the Federal awards. The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal award (45 CF 75.400(b)). Each state must expend and account for the federal award in accordance with state laws and procedures for expending the state's own funds. Such monitoring activities should ensure that the expended funds were for allowable costs in accordance with federal regulations.

Also, 45 CFR 75.352(e) states, depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters;
- (2) Performing on-site reviews of the subrecipient's program operations; and
- (3) Arranging for agreed-upon procedures engagements as described in 45 CFR 75.425.

Lastly, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

The Office of Temporary and Disability Assistance (the Office) enters into grant agreements with local districts to provide programmatic services for the Child Support Enforcement program. The local districts pay 100% of costs incurred under the grant for each program and periodically submits a request for reimbursement to the State of New York for services rendered. The Office reimburses the local districts for only the federal share of the costs incurred and the related match (or the State of New York's share of costs incurred) is provided for by the local district. During the fiscal year ended March 31, 2021, the Office relied upon the local districts' match rate of 34% to ensure the State met their matching requirements of the Child Support Enforcement federal program. During our testwork over the Office's matching and subrecipient monitoring process, we noted that the Office does not have a process or internal controls in place to monitor the local districts' recipient's source of funds utilized to meet matching requirements of the federal program awards to ensure that the source of funds utilized is allowable under federal regulations.

**Cause**

The condition is due to a lack of policies and procedures to ensure that funds utilized by the local districts for cost sharing or matching purposes are in accordance with 45 CFR 75.306(b) The Office's subrecipient monitoring procedures implemented in November 2020 does not include a review of the local funds utilized for cost sharing or matching purposes.

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***Possible Asserted Effect***

Failure to review the sources of the funds utilized for the local district match could result in the use of inappropriate funds being utilized for cost sharing or matching of expenditures and noncompliance with the program laws, regulations, and terms and conditions of Federal awards.

***Questioned Costs***

Cannot be determined

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Repeat Finding***

A similar finding was included in the 2020 Single Audit Report as finding number 2020-010 on pages 41–42.

***Recommendation***

We recommend the Office and the State work to develop and implement policies and procedures over subrecipient monitoring which include monitoring procedures over the local districts. These policies and procedures should incorporate reviewing the source of the local district's cost sharing or match to determine that the source is appropriate and in accordance with 45 CFR 75.306(b).

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services

**Federal Program:** Low-Income Home Energy Assistance (93.568)

**Federal Award Numbers:** 1801NYLIEA, 1802NYLIE4, 1901NYLIEA, 1902NYLIE4, 2001NYLIEA, 2002NYLIE4, 2001NYE5C3, and 2103NYLIEA

**Federal Award Years:** 2018, 2019, 2020, and 2021

**State Agency:** Office of Temporary and Disability Assistance

**Reference:** 2021-011

**Criteria**

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 342(b)(1) states the non-Federal entity must submit performance reports at the interval required by the HHS awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes.

Additionally, 45 CFR 75.361, requires financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the HHS awarding agency or pass-through entity in the case of a subrecipient.

Lastly, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

For the year ended March 31, 2021, the Office of Temporary and Disability Assistance (the Office) completed and submitted the required annual LIHEAP Performance Data Form. As part of the submission, the State is required to provide complete and accurate information for various data elements related to performance metrics, mostly related to home energy burden targeting and reduction, as well as the continuity of home energy service.

Annually, as part of the preparation of the annual reporting, the Office requests necessary data from its third-party vendors who provide services to beneficiaries. The Office uploads these vendor reports into the State of New York’s Welfare Management System (WMS). Based on information from these vendor reports as well as information maintained within WMS, specifically fuel type information, outputs are taken from WMS calculations which management utilizes to complete the annual reporting. While the Office was able to provide the 38 underlying vendor reports utilized for the annual reporting period ended September 30, 2020, the Office was

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unable to provide documentation supporting the information utilized from WMS, which calculated certain key data elements. Additionally, the Office, does not have controls in place to ensure the accuracy of the WMS system calculations and subsequent to reporting was unable to recalculate the annual report key data elements.

***Cause***

The condition is due to the Office preparing the LIHEAP Performance Data Form report by solely relying upon the completeness and accuracy of the information compiled by WMS. The Office's existing internal controls over the LIHEAP Performance Data Form are higher level and do not provide complete and accuracy information for various data elements.

Further, management policies and procedures do not provide a sufficient level of detail to support the amounts reported within the September 30, 2020 LIHEAP Performance Data Form.

***Possible Asserted Effect***

Failure to ensure that data provided through WMS in compiling the LIHEAP Performance Data Form report is complete and accurate could result in the Office reporting inaccurate and incomplete amounts to the Federal government.

***Questioned Costs***

None

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Repeat Finding***

A similar finding was included in the 2020 Single Audit Report as finding number 2020-011 on pages 43–44.

***Recommendation***

We recommend the Office enhance its policies and procedures to ensure its controls and procedures over the LIHEAP Performance Data Form reporting include reviewing and maintaining the underlying detail utilized in compiling the LIHEAP Performance Data Form.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services

**Federal Program:** Foster Care – Title IV-E (93.658)

**Federal Award Numbers:** 1601NYFOST, 1701NYFOST, 1801NYFOST, 1901NYFOST, 2001NYFOST, and 2101NYFOST

**Federal Award Years:** 2016, 2017, 2018, 2019, 2020, and 2021

**State Agency:** Office of Children and Family Services

**Reference:** 2021-012

**Criteria**

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards, Section 75.303(c)* requires the non-Federal entity to evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms of the Federal awards. The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal award (45 CFR 75.400(b)). Each state must expend and account for the federal award in accordance with state laws and procedures for expending the state's own funds. Such monitoring activities should ensure that federal funds expended for foster care maintenance payments on behalf of eligible children are in accordance with the Title IV-E agency's foster care maintenance payment schedule in accordance with Title 45 U.S. Code of Federal Regulations Part 1356 (45 CFR 1356), *Requirements Applicable of Title IV-E*, section 1356.21.

Further, Title IV-E agencies establish rates for maintenance payments (e.g. payments to foster parents, childcare institutions or directly to youth). Payment rates may be established for Title IV-E administrative expenditures (e.g. payments to child placement agencies or other contractors, which may be either subrecipients or vendors) and for other services. Payment rates must provide for property allocation of costs between Foster Care maintenance payments, administrative expenditures, and other services in conformance with cost principles. The Title IV-E agency's plan approved by ACF must provide for periodic review of payment rates for Foster Care maintenance payments at reasonable, specific, time-limited periods established by the Title IV-E agency to assure the rate's continuing appropriateness for the administration of the Title IV-E program (42 USC 671(a)(11); 45 CFR Section 1356.21(m)(1); 45 CFR Section 1356.60(a)(1) and (c)).

Lastly, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

During the fiscal year ended March 31, 2021, the Office of Children and Family Services (the Office) passed through \$253,928,734 under the Title IV-E Foster Care federal program (CFDA No. 93.658), to local districts (or subrecipients) to provide programmatic services under the Foster Care program. As part of the funding arrangement, the local districts are responsible for determining participant eligibility for services and

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establishing financial assistance rates to be paid on behalf of eligible participants. Based upon the level and type of services that local district determines the participant is eligible for, the local district will determine the appropriate amount of benefits that the participant is eligible to receive. These services are paid for directly by the local district offices and subsequently requests for reimbursement from the Office for Foster Care services provided.

During our testwork over the subrecipient monitoring process, we noted that as part of the Office's subrecipient monitoring procedures that monitoring reviews over the district offices were performed based upon the Office's annual risk assessment process. The Office's monitoring review focused on the local district's eligibility determination process. These reviews consisted of a selection of participants from each district monitored and reviewing their case files to ensure it contained documentation to support an eligibility determination and that the provider that the participant was placed with was properly licensed. However, the Office's subrecipient monitoring reviews did not include procedures to review the amount paid on behalf of the participant was allowable. Specifically, the Office did not perform monitoring procedures to ensure that the local district had correctly coded participants within the Office's Benefits Issuance and Control System (BICS), which triggers the value of the services to be paid on behalf of the participant to ensure that it was applied to the participant to support that the cost reimbursement to the district office was allowable and accurate, nor did it include a review to ensure that the district office had periodically reviewed their established service rates.

**Cause**

The condition found was primarily due to the fact that the Office has not yet finalized their policies and procedures that will be implemented to specifically review the rates that are utilized by the district office. The Office has begun to take steps to develop these procedures by selecting a sample of district offices to obtain an understanding of how the rate assignment process works for a sample of district offices. The next step in the process is to select a sample of case records to examine the rate and the processes that lead to the determination of the rate that was applied however, this process has not yet been finalized as of the period ending March 31, 2021 due to delays in being able to obtain the required data from the district offices due to the COVID pandemic.

**Possible Asserted Effect**

Insufficient procedures to perform subrecipient monitoring activities in accordance with 45 CFR 75.352(d) and 45 CFR 75.352(e) could result in the Office not being to timely identify subrecipient's noncompliance with federal statutes, regulations, and the terms and conditions of the subaward and it prevent the Office's ability to timely seek corrective action from the subrecipient.

**Statistical Sampling**

The sample was not intended to be, and was not, a statistically valid sample.

**Repeat Finding**

Was included in the 2020 Single Audit Report as finding number 2020-012 on pages 45-47.

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***Questioned Costs***

Cannot be determined

***Recommendation***

We recommend the Office continue to review its subrecipient monitoring procedures to ensure adequate procedures are performed over subrecipients in accordance with 45 CFR 75.352(d) and 45 CFR 75.352(e). The Office should continue to develop written policies and procedures to help ensure that it is able to identify the federal statutes, regulations, and terms and conditions it must comply with and implement measures whereby it can evaluate and monitor its compliance and to take prompt action when instances of noncompliance are identified and to take appropriate measures. This would include ensuring that monitoring activities are performed at a precision level that would detect and identify errors in the coding of children that could result in unallowable costs being reimbursed to subrecipients and ensuring that rates are periodically reviewed at the district office level.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services  
**Federal Program:** Social Services Block Grant (93.667)  
**Federal Award Numbers:** 2001NYSOSR, 1901NYTANF, and 2001NYTANF  
**Federal Award Years:** 2019 and 2020  
**State Agency:** Office of Children and Family Services  
**Reference:** 2021-013

**Criteria**

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 75.32(d) states all pass-through entities must monitor the activities of the subrecipient as necessary to ensure that the subaward issued for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that subaward performance goals are achieved.

Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and performance reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

Additionally, 45 CFR 75.203(c) requires the non-Federal entity to evaluate and monitor the non-Federal entity's compliance with statutes, regulations and the terms of the Federal awards. The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal award (45 CF 75.400(b)). Each state must expend and account for the federal award in accordance with state laws and procedures for expending the state's own funds. Such monitoring activities should ensure that the expended funds were for allowable costs in accordance with federal regulations.

Further, 45 CFR 75.352(e) states, depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters;
- (2) Performing on-site reviews of the subrecipient's program operations; and
- (3) Arranging for agreed-upon procedures engagements as described in 45 CFR 75.425.



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Lastly, 45 CFR 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

***Condition***

During the fiscal year ended March 31, 2021, the Office of Children and Family Services (the Office) passed through \$292,685,590 under the Social Services Block Grant (SSBG) federal program, to local districts (or subrecipients) to provide programmatic services under the SSBG program. As part of the funding arrangement, the local districts are responsible for the administration of the federal program, including ensuring that costs incurred under the federal program are in compliance with federal regulations.

During the fiscal year ended March 31, 2021, while the Office performed its annual risk assessment process over its subrecipients, the Office had not yet fully implemented its system of internal controls or policies and procedures related to its subrecipient monitoring activities over the local districts to ensure the federal funds spent by the local districts were spent in compliance with federal statutes, regulations, the terms and conditions of the subaward and that subaward performance goals were achieved. This would include ensuring that costs incurred by the local district were for allowable services. However, the Office had not yet fully implemented its new monitoring procedures to review the amount paid on behalf of the participant was allowable.

***Cause***

The condition found was primarily due to the Office currently being in the process of finalizing its formal policy concerning subrecipient monitoring activities to be performed for the SSBG program. The Office has completed its analysis of its current subrecipient monitoring activities performed by the budget, finance, and program units of the Office and has identified gaps within this process. The Office has developed a policy to address these gaps and while the policy has been finalized, no monitoring procedures were performed during the year ended March 31, 2021.

***Possible Asserted Effect***

The lack of executed monitoring procedures over subawards provided to subrecipients could result in the use of federal funding provided under the federal award not being in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Repeat Finding***

A similar finding was included in the 2020 Single Audit Report as finding number 2020-014 on pages 50–52.

***Questioned Costs***

None

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***Recommendation***

We recommend the Office continue to enhance its subrecipient monitoring policies, procedures and internal control to help ensure the Office is monitoring subrecipients in accordance with 45 CFR 75.352(d) and 45 CFR 75.352(e). The Office should work towards the implementation of their monitoring procedures outlined within their policies and procedures to ensure that it is able to identify the Federal statutes, regulations and terms and conditions it must comply with and implement measures whereby it can evaluate and monitor its compliance and to take prompt action when instances of noncompliance are identified and to take reasonable measures. Such monitoring activities should be performed at a precision level that would detect and identify errors in the coding of services and related expenditures that could result in unallowable costs being reimbursed to the subrecipients.

***View of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services  
**Federal Program:** Immunization Cooperative Agreements (93.268)  
**Federal Award Numbers:** NH231IP922625  
**Federal Award Years:** 2020 and 2021  
**State Agency:** New York State Department of Health  
**Reference:** 2021-014

**Criteria**

Title 42 U.S. Code section 1396s (42 USC 1396s), *Program for distribution of pediatric vaccines*, states the effective control and accountability must be maintained for all vaccine under the Vaccines for Children (VFC) program. Vaccine must be adequately safeguarded and used solely for authorized purposes. This includes administration only to VFC program – eligible children, as defined in 42 USC 1396s (b)(2)(A)(i) through (A)(iv), as follows:

The term “federally vaccine-eligible child” means any of the following children:

- (i) A Medicaid-eligible child.
- (ii) A child who is not insured.
- (iii) A child who (I) is administered a qualified pediatric vaccine by a federally qualified health center (as defined in section 1396d(l)(2)(B) of this title) or a rural health clinic (as defined in section 1396d(l)(1) of this title), and (II) is not insured with respect to the vaccine.
- (iv) A child who is an Indian (as defined in subsection (h)(3) of this section).

And, regardless of the child’s parent’s ability to pay (42 USC 1396s (c)(2)(C)(iii)) as follows:

The provider will not deny administration of a qualified pediatric vaccine to a vaccine-eligible child due to the inability of the child’s parent to pay an administration fee.

A record of vaccine administered shall be made in each person’s permanent medical record (or in a permanent office log or file to which a legal representative shall have access upon request) (42 USC 300aa-25), which includes:

(a) General rule

Each health care provider who administers a vaccine set forth in the Vaccine Injury Table to any person shall record, or ensure that there is recorded, in such person’s permanent medical record (or in a permanent office log or file to which a legal representative shall have access upon request) with respect to each such vaccine—

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- (1) the date of administration of the vaccine,
- (2) the vaccine manufacturer and lot number of the vaccine,
- (3) the name and address and, if appropriate, the title of the health care provider administering the vaccine, and
- (4) any other identifying information on the vaccine required pursuant to regulations promulgated by the Secretary.

***Condition***

The New York State Department of Health (the Department) Immunization Program has approximately 1,600 Vaccines for Children (VFC) enrolled providers who administer publicly purchased vaccines to eligible children within the State of New York.

In accordance with the State's Plan, all VFC providers receive an initial visit within 30 days of the Department's application review and approval to participate in the vaccine program. After the initial visit, all VFC providers are visited every other year, on a rolling basis. The Department's Bureau of Immunization is responsible for tracking the site visits to ensure that the Department is in compliance with the State's policy of performing site visits once every two years to all VFC providers

The Department's VFC provider site visit tracking spreadsheet indicated that 660 providers (approximately 42% of the total providers) did not have site visits performed by the Department within the State Plan's two-year requirement (April 1, 2019 to March 31, 2021).

The Department's VFC provider site visit tracking spreadsheet indicated that 604 providers had site visits performed by the Department within the State Plan's two-year requirement (April 1, 2019 to March 31, 2021). Of the 604 providers that had site visits, we selected 60 site visits for compliance testing and there were no findings.

***Cause***

The condition found was due to a variety of factors, primarily due to the COVID-19 pandemic as staff were reassigned to assist with priority pandemic response activities. Additionally, the Department struggled with scheduling VFC provider visits due to provider availability and/or VFC provider short notice cancellations. The Department also has experience staffing shortages resulting from turnover and retirement.

***Possible Asserted Effect***

Failure to perform the site visits in accordance with the State Plan may result in VFC providers having inadequately safeguarded vaccine inventories and vaccines being used for unauthorized purposes as defined by the laws, regulations, and terms and conditions of the federal award. Additionally, VFC administrators may not have included the record of vaccine in the individuals permanent medical recorded as required by 42 USC 300aa-25.

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***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Questioned Costs***

None

***Recommendation***

We recommend that the Department work to ensure site visits are performed at all VFC providers every two years to ensure that the providers have effective controls over the maintenance of vaccines and that records of vaccinations administered by the program are available.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Health and Human Services  
**Federal Program:** Medicaid Cluster (93.775, 93.777, and 93.778)  
**Federal Award Numbers:** 2105NY5MAP, 2005NY5MAP, and 1905NY5MAP  
**Federal Award Years:** 2019, 2020, and 2021  
**State Agency:** Department of Health  
**Reference:** 2021-015

**Criteria**

Title 42 U.S. Code of Federal Regulations Section 1903(r) (42 U.S.C. 1396b) states in order to receive payments under subsection (a) for use of automated data systems in administration of the State plan under this title, a State must, in addition to meeting the requirements of paragraph (3), have in operation mechanized claims processing and information retrieval systems that meet the requirements of this subsection and that the Secretary has found—

(A) are adequate to provide efficient, economical, and effective administration of such State plan;

(B) are compatible with the claims processing and information retrieval systems used in the administration of title XVIII, and for this purpose—

(i) have a uniform identification coding system for providers, other payees, and beneficiaries under this title or title XVIII;

(ii) provide liaison between States and carriers and intermediaries with agreements under title XVIII to facilitate timely exchange of appropriate data;

(iii) provide for exchange of data between the States and the Secretary with respect to persons sanctioned under this title or title XVIII; and

(iv)[152] effective for claims filed on or after October 1, 2010, incorporate compatible methodologies of the National Correct Coding Initiative administered by the Secretary (or any successor initiative to promote correct coding and to control improper coding leading to inappropriate payment) and such other methodologies of that Initiative (or such other national correct coding methodologies) as the Secretary identifies in accordance with paragraph (4);

Paragraph (4) states for purposes of paragraph (1)(B)(iv), the Secretary shall do the following:

(A) Not later than September 1, 2010:

(i) Identify those methodologies of the National Correct Coding Initiative administered by the Secretary (or any successor initiative to promote correct coding and to control improper coding leading to inappropriate payment) which are compatible to claims filed under this title.

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(ii) Identify those methodologies of such Initiative (or such other national correct coding methodologies) that should be incorporated into claims filed under this title with respect to items or services for which States provide medical assistance under this title and no national correct coding methodologies have been established under such Initiative with respect to title XVIII.

(iii) Notify States of—

(B) Not later than March 1, 2011, submit a report to Congress that includes the notice to States under clause (iii) of subparagraph (A) and an analysis supporting the identification of the methodologies made under clauses (i) and (ii) of subparagraph (A).

2 CFR PART 200, APPENDIX XI OMB Compliance supplement also states the NCCI Medicaid Policy Manual and the NCCI Medicaid Technical Guidance Manual contain additional requirements for implementation of the NCCI methodologies.

Section 7.1.1 Confidentiality Agreements Requirements for Contracted Parties of the NCCI Technical Guidance Manual states a state Medicaid agency may share these quarterly state Medicaid NCCI edit files which are posted on the MII on the RISSNET portal with the contracted fiscal agent that processes its fee-for service claims or with any of its contracted Medicaid managed-care entities that is using the Medicaid NCCI methodologies in its processing of claims or encounter data, if appropriate confidentiality agreements are in place. The state Medicaid agency, its fiscal agent, and its managed-care entities may also share those files at that time with any contractor or subcontractor (including, but not limited to, COTS software vendors) which is assisting with the implementation of the state's Medicaid NCCI program in the processing of claims or encounter data, only when appropriate confidentiality agreements are in place. The state Medicaid agency need not have a direct contract with such vendors.

Additionally, section 7.1.2 Confidentiality Agreements Requirements for Contracted Parties of the NCCI Technical Guidance Manual states at a minimum, the following elements must be included in the confidentiality agreements for any contracted party using the Medicaid NCCI files posted on the MII:

- Disclosure shall be limited to only those responsible for the implementation of the quarterly state Medicaid NCCI edit files. Disclosure shall not be made prior to the start of the new calendar quarter.
- After the start of the new calendar quarter, a Contracted Party may disclose only non-confidential information contained in the Medicaid NCCI edit files that is also available to the general public found on the Medicaid NCCI webpage.
- The Contracted Party agrees to use any non-public information from the quarterly state Medicaid NCCI edit files only for any business purposes directly related to the implementation of the Medicaid NCCI methodologies in the particular state.
- New, revised, or deleted Medicaid NCCI edits shall not be published or otherwise shared with individuals, medical societies, or any other entities unless it is a Contracted Party prior to the posting of the Medicaid NCCI edits on the Medicaid NCCI webpage.
- Implementation of New, revised, or deleted Medicaid NCCI edits shall not occur prior to the first day of the calendar quarter.

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- Only a state Medicaid agency has the discretion to release additional information for selected individual edits or limited ranges of edits from the files posted on the MII.
- State Medicaid agencies must impose penalties, up to and including loss of contract, for violations of any confidentiality agreement relating to use of the MII edit files.

Title 45 U.S. Code of Federal Regulations Part 75 (45 CFR 75), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards*, section 75.303(a) states the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### **Condition**

The Department of Health (the Department) did not have a confidentiality agreement in place as required by the NCCI Technical Guidance manual, sections 7.1.1 and 7.1.2. During the audit, the Department researched internally with a number of staff, including subject matter experts from the Bureau of Security and Privacy and the Project Management Office, and concluded they did not have controls in place to ensure they meet this requirement. Management noted CMS did not share a copy of its NCCI Confidentiality Agreement and the Department did not implement a NCCI Confidentiality Agreement.

#### **Cause**

The condition found is due to the lack internal controls to ensure the Department complies the NCCI Technical Guidance manual, sections 7.1.1 and 7.1.2. requirements and had an NCCI Confidentiality Agreement in place as of March 31, 2021 the State’s fiscal year end.

#### **Possible Asserted Effect**

Failure to implement the required NCCI Confidentiality Agreement may result in the NCCI edit information being available to non-contracted individuals, medical societies, or any other entities and the State being non-compliant with CMS’s NCCI requirements.

#### **Questioned Costs**

None

#### **Statistical Sampling**

The sample was not intended to be, and was not, a statistically valid sample.



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***Recommendation***

We recommend that the Department implement internal controls to ensure a NCCI Confidentiality Agreement is in place and updated as needed to be compliant with CMS NCCI Technical Guidance manual, sections 7.1.1 and 7.1.2.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Education

**Federal Program:** Student Financial Assistance Cluster (84.007, 84.033, 84.038, 84.063,84.268, 84.379, 93.342, 93.364, and 93.925)

**Federal Award Numbers:** P268K215114

**Federal Award Years:** 2021

**State Agency:** State University of New York

**Reference:** 2021-016

**Criteria**

Title 34 U.S. Code of Federal Regulations Part 668 (34 CFR 668), *Student Assistance General Provisions*, section 668.165(2) states except in the case of a post-withdrawal disbursement made in accordance with § 668.22(a)(5), if an institution credits a student ledger account with Direct Loan, Federal Perkins Loan, or TEACH Grant program funds, the institution must notify the student or parent of:

- i. The anticipated date and amount of the disbursement;
- ii. The student's or parent's right to cancel all or a portion of that loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement and have the loan proceeds or TEACH Grant proceeds returned to the Secretary; and
- iii. The procedures and time by which the student or parent must notify the institution that he or she wishes to cancel the loan, loan disbursement, TEACH Grant, or TEACH Grant disbursement

Further, 2 CFR 200.303(a) states the non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

During the year ended March 31, 2021 for 1 of 7 campuses selected for testwork, for all 38 Pell and Federal Direct Loan disbursements selected for testing at one Campus, the Campus was unable to provide documentation to support it had provided notification of the disbursement to the student accounts timely and that such notification contained the required communications. Additionally, the Campus did not maintain a system of internal control to ensure proper notification was made.

**Cause**

The condition found is due to the Campus not maintaining their records of disbursement notification nor did they have a policy or procedure of internal control in place to ensure proper disbursement notifications were made in accordance with the Department of Education's requirements 34 CRF 668.

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***Possible Asserted Effect***

Failure to properly maintain records of notification disbursements could result in further noncompliance with Federal statutes, regulations, and the terms and condition of the federal award.

***Questioned Costs***

Cannot be determined

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend the Campus enhance its policies and procedures to ensure proper records of disbursement notification are maintained and ensure a system of internal control is in place to ensure accurate timely notification.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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Year ended March 31, 2021

**Federal Agency:** United States Department of Education

**Federal Program:** Student Financial Assistance Cluster (84.007, 84.033, 84.038, 84.063,84.268, 84.379, 93.342, 93.364, and 93.925)

**Federal Award Numbers:** P063P203112

**Federal Award Years:** 2021

**State Agency:** State University of New York

**Reference:** 2021-017

**Criteria**

In Accordance with the Federal Register, *2020-2021 Award Year Deadline Dates for Reports and Other Records Associated With the Free Application for Federal Student Aid (FAFSA), the Federal Supplemental Educational Opportunity Grant (FSEOG) Program, the Federal Work-Study (FWS) Programs, the Federal Pell Grant (Pell Grant) Program, the William D. Ford Federal Direct Loan (Direct Loan) Program, the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program, and the Iraq and Afghanistan Service Grant Program*, in institution must submit Pell Grant, Iraq and Afghanistan Service Grant, Direct Loan, and TEACH Grant disbursement records to Common Origination and Disbursement (COD), no later than 15 days after making the disbursement or becoming aware of the need to adjust a previously reported disbursement.

Further, 2 CFR 200.303(a) states the non-Federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

During the year ended March 31, 2021 for 2 of 7 campuses selected for testwork, for 13 of 19 Pell disbursements selected for testing at Campus one, and for 2 of 20 disbursements selected for testing at Campus two, the Campus did not report the students Pell disbursements to COD within the required 15 days. Additionally, the Campus did not maintain a system of internal controls to ensure proper reporting to COD was made in accordance with the United States Department of Education regulations

**Cause**

For Campus one, the condition found is due to the Campus not having a control in place to ensure proper timely reporting was performed. For Campus two, the condition found was largely due to the strains placed on Campus personnel and difficulties with a few of their inbound and outbound files due to the COVID-19 pandemic.

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***Possible Asserted Effect***

Failure to properly maintain records of COD reporting could result in further noncompliance with Federal statutes, regulations, and the terms and condition of the federal award.

***Questioned Costs***

Cannot be determined

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend the Campus enhance its policies and procedures to ensure timely reporting of disbursements to COD are made and to ensure an internal control process is in place to ensure compliance with the Federal register.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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<b>Federal Agency:</b>	United States Department of Education
<b>Federal Program:</b>	COVID-19–Education Stabilization Fund (HEERF) – Institutional Portion (84.425F)
<b>Federal Award Numbers:</b>	P425F203269 (Brockport), P425F201263 (Stony Brook), P425F201436 (Albany), P425F201243 (Binghamton)
<b>Federal Award Years:</b>	2020
<b>State Agency:</b>	State University of New York
<b>Reference:</b>	2021-018

#### **Criteria**

A quarterly institutional portion reporting form must be conspicuously posted on each institution's primary website on the same page the reports on the institutions activities as to the emergency federal aid grants to students made with funds from the institutions allocation under Section 18004(a)(1) of the CARES Act (student aid portion) are posted. A new, separate form must be posted covering each quarterly reporting period (September 30, December 31, March 31, June 30), concluding after either (1) posting the quarterly report ending September 30, 2022, or (2) when an institution has expended and liquidated all (a)(1) Institutional Portion, (a)(2), and (a)(3) funds and checks the "final report" box. Institutions of Higher Education (IHEs) must post this quarterly report form no later than 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10) apart from the first report, which is due October 30, 2020.

Lastly, Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, section 303(a) states, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

#### **Condition**

Through the documentation obtained for the 11 quarterly institutional reports tested, our testwork noted the following:

- The September 30, 2020 quarterly report for University of Albany was deemed to be posted to the institutional's website past the due date.
- The September 30, 2020 quarterly reports for Stony Brook University and SUNY Brockport had inadequate documentation to support that the report was reviewed by an appropriate individual at the institution prior to it being posted on the institution's website.
- The September 30, 2020 quarterly reports for Stony Brook University and Binghamton University had inadequate documentation to support that an appropriate individual at the institution had verified that the report was accurately and timely posted to the institution's website.

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***Cause***

The condition results from a combination of the fact that this relates to a new federal program with requirements that were continuously evolving during the period under audit. In addition, many of the campuses were short-staffed during the period under audit making complying with these short deadlines a challenge.

***Possible Asserted Effect***

Failure to implement sufficient internal controls to ensure the accuracy and timely filing of these quarterly reports in accordance with federal regulations resulted in the State's program being noncompliant with federal statutes, regulations and the terms and conditions of the federal awards.

***Questioned Costs***

None

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend that the institutions perform the following to enhance its process and controls to ensure, where applicable, the following:

- 1) Adequate support is maintained to document that the reports are prepared and reviewed by an appropriate individual at the institution prior to posting the information to the institution's website
- 2) Ensure appropriate segregation of duties between the preparer and reviewer of such reports.
- 3) Ensure the process allows for reports to be posted timely.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**Federal Agency:** United States Department of Education

**Federal Program:** COVID-19–Education Stabilization Fund (HEERF) – Student Aid Portion (84.425E)

**Federal Award Numbers:** P425E203061 (Stony Brook), P425E202291 (Albany), P425E201713 (Empire State), P425E202536 (Oswego), P425E200860 (Binghamton)

**Federal Award Years:** 2020

**State Agency:** State University of New York

**Reference:** 2021-019

***Criteria***

Beginning May 6, 2020, ED required institutions that received a HEERF 18004(a)(1) student aid portion award to publicly post certain information on their website no later than 30 days after award and update the information every 45 days thereafter (by posting a new report). On August 31, 2020, ED revised the announcement by decreasing the frequency of reporting after the initial 30-day reporting period from every 45 days thereafter to every calendar quarter. Grantees posting a 45-day report on or after August 31, 2020 should instead post a report every calendar quarter, with the first quarter report due by October 10, 2020, and covering the period from their late 45-day report through the end of the calendar quarter on September 30, 2020.

The critical information that was required to be posted on the institution's website included:

- 1) An acknowledgement that the institution signed and returned to the Department the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds received under Section 18004(a)(1) of the CARES Act to provide Emergency Financial Aid Grants to students.
- 2) The total amount of funds that the institution will receive or has received from the Department pursuant to the institution's Certification and Agreement for Emergency Financial Aid Grants to Students.
- 3) The total amount of Emergency Financial Aid Grants distributed to students under Section 18004(a)(1) of the CARES Act as of the date of submission.
- 4) The estimated total number of students at the institution eligible to participate in programs under Section 484 in Title IV of the Higher Education Act of 1965 and thus eligible to receive Emergency Financial Aid Grants to students under Section 18004(a)(1) of the CARES Act.
- 5) The total number of students who have received an Emergency Financial Aid Grant under Section 18004(a)(1) of the CARES Act.
- 6) The method(s) used by the institution to determine which students receive Emergency Financial Aid Grants and how much they would receive under Section 18004(a)(1) of the CARES Act.
- 7) Any instructions, directions, or guidance provided by the institution to students concerning the Emergency Financial Aid Grants.



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Lastly, Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, section 303(a) states, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition**

Through the documentation obtained for the 17 student aid portion reports selected and tested, we noted the following:

- The September 30, 2020 reports for Binghamton University and SUNY Oswego were deemed to be posted to the institutional’s website past the due date.
- The September 30, 2020 for SUNY Oswego and 30-day report for Binghamton University did not report amount of Emergency Financial Aid Grants distributed to students accurately.
- The September 30, 2020 reports for University of Albany, Binghamton University, SUNY Empire State College, and SUNY Oswego did not report the number of students who received Emergency Financial Aid Grants accurately. In addition, Binghamton University did not report the correct number of students who received a grant for their 30-day report posted on June 17, 2020.
- The 30-day report, September 30, 2020, and December 31, 2020 reports for Stony Brook University, as well as the December 31, 2020 report for Binghamton University, had inadequate documentation to support that the report was reviewed by an appropriate individual at the institution prior to it be posted on the institution’s website.
- The 30-day report, September 30, 2020, and December 31, 2020 reports for both Stony Brook University and Binghamton University had inadequate documentation to support that an appropriate individual at the institution had verified that the report was accurately and timely posted to the institution’s website.

**Cause**

The condition results from a combination of the fact that this relates to a new federal program with requirements that were continuously evolving during the period under audit. In addition, many of the campuses were short-staffed during the period under audit making complying with these short deadlines a challenge.

**Possible Asserted Effect**

Failure to implement sufficient internal controls to ensure the accuracy and timely filing of these quarterly reports in accordance with federal regulations resulted in the State’s program being noncompliant with federal statutes, regulations and the terms and conditions of the federal awards.

**Questioned Costs**

None

**STATE OF NEW YORK**  
Schedule of Findings and Questioned Costs  
Year ended March 31, 2021

***Statistical Sampling***

The sample was not intended to be, and was not, a statistically valid sample.

***Recommendation***

We recommend that the institutions perform the following to enhance its process and controls to ensure, where applicable, the following:

- 1) Adequate support is maintained to document that the reports are prepared and reviewed by an appropriate individual at the institution prior to posting the information to the institution's website
- 2) Ensure appropriate segregation of duties between the preparer and reviewer of such reports.
- 3) Ensure the process allows for reports to be posted timely.

***Views of Responsible Officials***

Recommendation accepted. Reference the corrective action plan for further details.

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**STATE OF NEW YORK**

**PRIOR YEAR FINDING  
SUMMARY**

FOR THE YEAR ENDED MARCH 31, 2021

**Kathy Hochul, Governor**

**Robert F. Mujica Jr., Budget Director**

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Status of State Prior Fiscal Year Single Audit Findings  
For the State Fiscal Year Ended March 31, 2021

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*Compiled in May 2022 by the New York State Division of the Budget*

*Pursuant to Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), Uniform Administrative*

*Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Reference	Agency	Program	CFDA	Finding Compliance Area	Updated Agency Status	Contact Person
2016-011	OCFS	Promoting Safe and Stable Families, STJ Child Welfare Program	93.556, 93.645	AB	Corrected	Bonnie Hahn
2018-022	SUNY	Student Financial Aid Cluster	518.320.1533	N	Corrected	Nancy Quay
2018-028	DOH	Basic Health Program (Affordable Care Act)	93.64	ABE	Partially Corrected	Lori Conway
2019-010	OTDA	State Administrative Matching Grants for SNAP	10.561	M	Partially Corrected	Thomas Cooper
2019-016	OCFS	Adoption Assistance	93.659	M	Partially Corrected	Bonnie Hahn
2019-032	DOH	Maternal and Child Health Services Block Grant Child and Adult Care Food Program	93.994 10.558	M	Partially Corrected	Lori Conway
2019-038	HTFC	Community Development Block Grant State's Program and NonEntitlement Grants in Hawaii	14.228	AM	Partially Corrected	Ronald Dickens
2020-003	DOH, DEC, OGS	Child Nutrition Cluster Food Distribution Cluster Capitalization Grants for Clean Water State Revolving Funds	10.553, 10.555, 10.556, and 10.559 10.559, 10.565, 10.568, and 10.569 66.458	P	Corrected	Lori Conway (DOH) Nancy Lussier (DEC) Nicole DiPierro (OGS)
2020-004	SED	Child Nutrition Cluster	10.553, 10.555, 10.556 and 10.559	A	Corrected	Heidi Nark
2020-005	SED	Adult Education – Basic Grants to States	84.002	M	Corrected	Heidi Nark
2020 -006	SED	Adult Education – Basic Grants to States	84.002)	G	Corrected	Heidi Nark
2020-007	SED	Special Education Cluster (IDEA)	84.027 and 84.173	M	Corrected	Heidi Nark
2020-008	OFA	Aging Cluster	93.044, 93.045, and 93.053	G	Corrected	Kevin Haggerty
2020-009	OTDA	Temporary Assistance for Needy Families	93.558	L	Partially Corrected See Current Year Finding 2021-008	Thomas Cooper
2020-010	OTDA	Child Support Enforcement	93.563	GM	Partially Corrected See Current Year Finding 2021-010	Thomas Cooper
2020-011	OTDA	Low-Income Home Energy Assistance	93.568	L	Partially Corrected See Current Year Finding 2021-011	Thomas Cooper
2020-012	OCFS	Foster Care Block Grant	93.658	MN	Partially Corrected See Current Year Finding 2021-012	Bonnie Hahn
2020-013	OCFS	Foster Care – Title IV-E	93.658	L	Corrected	Bonnie Hahn
2020-014	OCFS	Social Services Block Grant	93.667	M	Partially Corrected See Current Year Finding 2021-013	Bonnie Hahn
2020-015	DOH	2005NY5MAP, 1905NY5MAP, 1805NY5MAP, 1705NY5MAP, 51605NY5MAP, 1905NYINCT and 2005NYINCT	93.775, 93.777, 93.778	AB	Corrected	Lori Conway
2020-016	DOH	2005NY5MAP, 1905NY5MAP, 1805NY5MAP, 1705NY5MAP, 51605NY5MAP, 1905NYINCT and 2005NYINCT	93.775, 93.777, 93.778	AB	Corrected	Lori Conway
2020-017	DOT	Hazard Mitigation Grant	97.039	A	Corrected	Kevin Kissane



## Division of the Budget

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Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period	SFY ended March 31, 2016
State Agency:	Office of Children and Family Services
Single Audit Contact:	Bonnie Hahn
Title:	External Audit Liaison
Telephone:	518-486-1034
E-mail Address:	Bonnie.hahn@ocfs.ny.gov
Prior-Year Audit Report Page Reference:	49
Prior-Year Finding Number:	2016-011

#### Status Report on Prior-Year Finding:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: Implemented

#### Full Status Report:

OCFS continues to review the requirements of the Title IV-B federal grants, Promoting Safe and Stable Families and Stephanie Tubbs Jones Child Welfare Program. OCFS intends to hold internal discussions to identify possible monitoring activities which will bring OCFS into compliance with federal requirements cited in this finding. Processes and procedures which may be created or modified will be documented and retained.

In December 2019 Stephanie Tubbs and Safe and Stable families were made part of the annual risk assessment. As county claims audits are conducted a review of Stephanie Tubbs and Safe and Stable expenses are included in the audit program. The risk assessment is completed and as counties are selected for audit a sample of Stephanie Tubbs and Safe and Stable families funding will be included. An analysis of the counties is underway so a county can be selected.



## Division of the Budget

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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period:	SFY ended March 31st, 2018
State Agency:	SUNY
Single Audit Contact:	Nancy Quay
Title:	Assoc University Auditor
Telephone:	518- 320-1457
E-mail Address:	nancy.quay@suny.edu
Prior-Year Audit Report Page Reference:	pp 70-71
Prior-Year Finding Number:	2018-022

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: Completed

#### Full Status Report:

Stony Brook Procedures enhanced to include review of Degree Verify error reports from The National Student Clearinghouse (NSC). Fully implemented remedy and addressed prior errors.

Empire Implementation of NSC add on service ("Graduated" and "Degree Verify") and procedures to timely identify and report status changes for graduation reporting. Fully implemented remedy.

Brockport Implemented automated review and identification of graduates and work with NSC to assist in the establishment of a related timely communication of clearing house submissions through the National Students Loan Data System (NSLDS). Fully implemented remedy.



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2018

State Agency: Department of Health

Single Audit Contact: Lori Conway

Title: Associate Accountant

Telephone: 518-473-7080

E-mail Address: lori.conway@health.ny.gov

Prior-Year Audit Report Page Reference:

Prior-Year Finding Number: 2018-028

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: 7/31/2022

#### Full Status Report:

Prospective correction has been implemented. Retroactive correction of \$154.8 million was credited to the Trust Fund via SFS Journal Entry #4339102 on 3/30/2020. Internal MMIS systems correction pending which will align historical MMIS records with JE value(or adjust slightly). As the \$154.8 million was a higher end estimate, it is likely that the final reconciliation will result in a slight reduction of this credit.



## Division of the Budget

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Governor

**ROBERT F. MUJICA JR.**

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Deputy Director

### 2019-20 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2019  
State Agency: Office of Temporary and Disability Assistance  
Single Audit Contact: Annah Geiger  
Title: Director, Internal Audit  
Telephone: 518-473-8179  
E-mail Address: Annah.Geiger@otda.ny.gov  
Prior-Year Audit Report Page Reference: 33-35  
Prior-Year Finding Number: 2019-010

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: 06/30/2022

#### Full Status Report:

NYS's Division of Budget (DOB) identified that OTDA and other state agencies had subrecipient monitoring recommendations cited in the Single State Audit. DOB established a Statewide Subrecipient Monitoring Workgroup. This Workgroup has developed a subrecipient monitoring policy that will be followed statewide by all pass-through agencies. This policy is currently in the draft stages and is expected to be issued by DOB at the end of October 2020.

The DOB subrecipient guidance will give OTDA and the other pass-through agencies consistent guidelines to follow and ensure the proper monitoring of subrecipients.





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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period	SFY ended March 31, 2019
State Agency:	Office of Children and Family Services
Single Audit Contact:	Bonnie Hahn
Title:	External Audit Liaison
Telephone:	518-486-1034
E-mail Address:	Bonnie.hahn@ocfs.ny.gov
Prior-Year Audit Report Page Reference:	288
Prior-Year Finding Number:	2019-016

#### Status Report on Prior-Year Finding:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: March 31, 2024

#### Full Status Report:

The Office of Children and Family Services is in the process of revising the Maximum State Aid Rate (MSAR) tables and, once finalized, will be requiring Local Districts to pay at these rates. This change will require districts to review the Level of Difficulty (LOD) assigned to individual children and revise the rates assigned to them based on the new rate schedule.

Since the LOD and the MSAR rate associated with an adopted child is initially established during the time that the child is in foster care, this change will provide the districts with the opportunity to review and revise the LOD and MSAR rate in place.

OCFS has established a two-year timeframe to allow districts to phase in the use of the rates and OCFS will provide technical assistance as needed.



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2019  
State Agency: Department of Health  
Single Audit Contact: Lori Conway  
Title: Associate Accountant  
Telephone: 518-473-7080  
E-mail Address: lori.conway@health.ny.gov  
Prior-Year Audit Report Page Reference:

Prior-Year Finding Number: 2019-032

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: 07/01/2022

#### Full Status Report:

A decision was made to abandon the Clearinghouse's new computer system that went live on April 2, 2019. This system was custom coded within IBM's Case Manager program. It became apparent that using IBM Case Manager presented two demonstrated overwhelming risks that could only be alleviated by not using Case Manager.

First, the Department had only one person that coded Case Manager. Compounding this was the individual was not a Department employee but contracted through a temporary placement agency. Due to his level of expertise and the temporary hiring process of having to first attempt to fill the position from

lower tiered lists, we experienced a two-month period between when his contract expired and when the position could be again filled. During this time most all support was unavailable.

Secondly, and more important was because of the custom coding, any version change released by IBM would require new and time-consuming coding. Provided was an example where this situation occurred to another state agency and caused close to 2-years of down time.

As a solution, the functioning provided by the current Case Manager is being recoded for web-based and accessed system. Much of the coding has been completed and we are currently conducting preliminary testing.

When the web-based system is completed, Case Manager will be retired.



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State FYE 03/31/2019

State Agency: Housing Trust Fund Corporation

Single Audit Contact: Scott LaMountain

Title: Program Director, CDBG Economic Development

Telephone: 518-474-2057

E-mail Address: Scott.LaMountain@hcr.ny.gov

Prior-Year Audit Report Page Reference: Community Development Block  
Grant #14.228; Pages 106-107

Prior-Year Finding Number: 2019-038

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: 5/31/2022

#### Full Status Report:

Housing Trust Fund Corporation has policies and procedures in use to quantify and monitor program income received by its subrecipients. Subrecipients reported program income to the Corporation throughout the year and as of the end of the fiscal year, the

Corporation had received information from subrecipients adequate for determining and reporting aggregate program income receipts. At the time of the submission, however, the Corporation made a clerical error and did not include the aggregate total program income in the Performance and Evaluation Report (PER). Therefore, the PER submitted by the Corporation for the program year inaccurately reported \$0 of program income for the most recent reporting period. HTFC has contacted HUD staff to determine whether revisions can be made; if not, the information will be reported in the subsequent PER.



## Division of the Budget

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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period:	State Fiscal Year Ended March 31, 2020
State Agency:	Department of Health
Single Audit Contact:	Lori Conway
Title:	Associate Accountant
Telephone:	518-478-7080
E-mail Address:	lori.conway@health.ny.gov
Prior-Year Audit Report Page Reference:	19-22
Prior-Year Finding Number:	2020-003

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: 11/24/2020

#### Full Status Report:

The Department of Health's Commodity Supplemental Food Program (CSFP), found within the Food Distribution Cluster, received \$10,349,000 in USDA food commodities during SFY 2020. The State had been reporting this value as Total Expenditures for CSFP. However, the KPMG Audit revealed that these amounts should be categorized as Subrecipient Expenditures. To correct the finding, the Fiscal Management Group re-submitted a revised SEFA to the NYS Office of the State Comptroller (OSC) on November 24, 2020 to categorize the amounts as Subrecipient Expenditures.

To permanently correct this deficiency:

- The CSFP will generate the value of USDA Donated Foods distributed in a fiscal year as expended.
- Distribution records will be obtained from USDA's Food Program and Reporting System

(FPRS) using the Monthly Report of the Commodity Supplemental Food Program and Quarterly Administrative Financial Status Report (referred to as the FNS-153 report), for time period April – March. The FNS-153 report records monthly participation, quantity of foods distributed, and value of commodities distributed.

- The value of the of commodities distributed will be categorized as Subrecipient Expenditures on future SEFA reports.
- The Department of Environmental Conservation submitted an updated State of New York Schedule of Expenditures of Federal Awards (SEFA) to the Office of the State Comptroller on December 22, 2020. The updated SEFA reflects an adjustment to the administrative cost expenditures, reclassified to reflect the actual passed-through amount.

2020-21 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020

State Agency: New York State Education Department

Single Audit Contact: Heidi Nark

Title: Internal Auditor 3

Telephone: 518-402-3446

E-mail Address: Heidi.Nark@nysed.gov

Prior-Year Audit Report Page Reference: 23-24

Prior-Year Finding Number: 2020-004

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date:

Implemented

Full Status Report: NYSED continues working towards establishing a deployment pipeline for CNMS code changes. A source code monitoring / logging process has been implemented to facilitate transparency and review in all authorized and unauthorized changes. NYSED is using JIRA work tracking and Bitbucket (git source code repository) integration to provide a list of all authorized changes that will be created in the system. This feature brings the CNMS system into compliance with our current NYSED DevOps strategy to the point of getting code into the development environment. NYSED has also created an automated process that will handle a developer (or anyone else for that matter) making any unauthorized changes in the system. A script queries the CNMS production database for any objects that have been compiled and generate a report. This report detailing all changes is sent to CN management for review and any unauthorized changes are investigated.

1. Change is entered into JIRA (work tracking system)
2. A branch off of a local development code base is created
3. Work is done on the created branch
4. Branch is merged back into the development code base
5. Code is moved to the Test CNMS application database
6. Test Application is user acceptance tested
7. Code is moved to a production CNMS environment
8. Production CNMS change report is generated
9. CN management will review CNMS production change report
10. ITS will investigate any unauthorized changes

Note – Steps 1 through 8 are done by the developer.



These solutions in conjunction account for all authorized and unauthorized changes to the CNMS codebase for the near future. A future modernization effort of the current technology will also provide the opportunity to separate the developer and migrator. The need for a production change report will be replaced using automated deployments and code reviews.

**Update as of September 15, 2021:**The daily process to collect and log changes made to the CNMS codebase has been completed and is in the test environment. The daily process to query the change log and email all changes to identified stakeholders has been completed and is in the test environment. The CNMS Jira board has been established and is being actively used. The CNMS Git repository has been established; code is in the process of being migrated.

**Update as of May 6, 2022:**The daily process to collect and log changes made to the CNMS codebase has been completed and is in the production environment. The daily process to query the change log and email all changes to identified stakeholders has been completed and is in the production environment. The CNMS Jira board has been established and is being actively used. The CNMS Git repository has been established; all source code has been migrated to the repository. Changes to existing code are tracked via Jira / Git. Changes are reviewed and signed off by another developer prior to being pushed to the main repository.



## Division of the Budget

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First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-21 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
State Agency: New York State Education Department  
Single Audit Contact: Heidi Nark  
Title: Internal Auditor 3  
Telephone: 518-402-3446  
E-mail Address: Heidi.Nark@nysed.gov  
Prior-Year Audit Report Page Reference: 25-28  
Prior-Year Finding Number: 2020-005

#### Status Report on Prior-Year Finding -

- Corrected
- Partially Corrected
- Not Corrected

#### Anticipated Completion Date:

Implemented

#### Full Status Report:

The AEPP team has created monitoring forms to streamline the review process for all AEPP Staff and RAEN Directors across the regions; one monitoring form for desk/virtual monitoring to be utilized by both AEPP Staff and RAEN Directors and the other for on-site monitoring to be utilized by NYSED - AEPP staff only.

AEPP Staff and RAEN Directors are in the infant stages of piloting the new monitoring form for desk/virtual monitoring and are in the process of finalizing.

Due to COVID restrictions on in person visits, the on-site monitoring form has yet to be piloted. It is anticipated that on-site monitoring visits will resume late fall or early winter of 2021.

Update: The AEPP Unit has developed and implemented the use of monitoring forms to streamline the review process for both AEPP Regional Staff and RAEN Directors to use during monitoring of programs.



## Division of the Budget

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Deputy Director

### 2020-21 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
State Agency: New York State Education Department  
Single Audit Contact: Heidi Nark  
Title: Internal Auditor 3  
Telephone: 518-402-3446  
E-mail Address: Heidi.Nark@nysed.gov  
Prior-Year Audit Report Page Reference: 29-30  
Prior-Year Finding Number: 2020-006

#### Status Report on Prior-Year Finding -

- Corrected
- Partially Corrected
- Not Corrected

#### Anticipated Completion Date:

Implemented

#### Full Status Report:

The AEPP office has enhanced the precision level of its internal controls by implementing the new Federal Financial Report Preparation and Submission Checklist. The AEPP Unit, in coordination with NYSED's Fiscal Office, has developed and implemented a Federal Financial Report Preparation and Submission Checklist to ensure accuracy in reporting.



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### 2020-21 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
State Agency: New York State Education Department  
Single Audit Contact: Heidi Nark  
Title: Internal Auditor 3  
Telephone: 518-402-3446  
E-mail Address: Heidi.Nark@nysed.gov  
Prior-Year Audit Report Page Reference: 31-35  
Prior-Year Finding Number: 2020-007

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

#### Anticipated Completion Date:

Implemented

#### Full Status Report:

Monitoring of the LEA MOE Calculator is a priority of our monitoring plan. There are three main components of the LEA MOE Calculator to monitor (Expenditures/Child Count/Allowable Exceptions & Adjustment). We have expanded our review of the LEA MOE Calculator beyond our original corrective action plan to include all three components. For the monitoring cycle westarted in Summer 2020, we targeted the Child Count and Allowable Exceptions & Adjustments.



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period:	State Fiscal Year Ended March 31, 2020
State Agency:	New York State Office for the Aging
Single Audit Contact:	Kevin Haggerty
Title:	Principal Accountant
Telephone:	518-402-5734
E-mail Address:	Kevin.Haggerty@aging.ny.gov
Prior-Year Audit Report Page Reference:	270-271
Prior-Year Finding Number:	2020-008

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: Implemented

Full Status Report: Completed



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
Agency: Office of Temporary and Disability Assistance  
Single Audit Contact: Thomas Cooper  
Title: Management Specialist 3  
Telephone: 518-473-4601  
E-mail Address: Thomas.Cooper@otda.ny.gov  
Prior-Year Audit Report Page Reference: 38-39  
Prior-Year Finding Number: 2020-009

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: 06/30/2022

#### Full Status Report:

NYS's Division of Budget (DOB) identified that OTDA and other state agencies had subrecipient monitoring recommendations cited in the Single State Audit. DOB established a Statewide Subrecipient Monitoring Workgroup. This Workgroup has developed a subrecipient monitoring policy that will be followed statewide by all pass-through agencies.

The DOB subrecipient guidance will give OTDA and the other pass-through agencies consistent guidelines to follow and ensure the proper monitoring of subrecipients. OTDA has made tremendous strides concerning subrecipient monitoring agency wide, even in the midst of a pandemic and the extraordinary programmatic requirements of the past year. OTDA has been working diligently on the first phase of the subrecipient monitoring process, the risk assessment. The planning phase of the risk assessment has been completed and the next step for OTDA is execution. Because of other projects that have been placed on OTDA since the start of the Covid 19 pandemic, i.e. projects that directly affect our clients receiving benefits, we have had to prioritize our work duties with putting the needs of our clients first.



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Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
Agency: Office of Temporary and Disability Assistance  
Single Audit Contact: Thomas Cooper  
Title: Management Specialist 3  
Telephone: 518-473-4601  
E-mail Address: Thomas.Cooper@otda.ny.gov  
Prior-Year Audit Report Page Reference: 41-42  
Prior-Year Finding Number: 2020-010

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: 06/30/2022

#### Full Status Report:

NYS's Division of Budget (DOB) identified that OTDA and other state agencies had subrecipient monitoring recommendations cited in the Single State Audit. DOB established a Statewide Subrecipient Monitoring Workgroup. This Workgroup has developed a subrecipient monitoring policy that will be followed statewide by all pass-through agencies.

The DOB subrecipient guidance will give OTDA and the other pass-through agencies consistent guidelines to follow and ensure the proper monitoring of subrecipients. OTDA has made tremendous strides concerning subrecipient monitoring agency wide, even in the midst of a pandemic and the extraordinary programmatic requirements of the past year. OTDA has been working diligently on the first phase of the subrecipient monitoring process, the risk assessment. The planning phase of the risk assessment has been completed and the next step for OTDA is execution. Because of other projects that have been placed on OTDA since the start of the Covid 19 pandemic, i.e. projects that directly affect our clients receiving benefits, we have had to prioritize our work duties with putting the needs of our clients first.



## Division of the Budget

**KATHY HOCHUL**  
Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
Agency: Office of Temporary and Disability Assistance  
Single Audit Contact: Thomas Cooper  
Title: Management Specialist 3  
Telephone: 518-473-4601  
E-mail Address: Thomas.Cooper@otda.ny.gov  
Prior-Year Audit Report Page Reference: 43-44  
Prior-Year Finding Number: 2020-011

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: 06/30/2022

Full Status Report:

NYS's Division of Budget (DOB) identified that OTDA and other state agencies had subrecipient monitoring recommendations cited in the Single State Audit. DOB established a Statewide Subrecipient Monitoring Workgroup. This Workgroup has developed a subrecipient monitoring policy that will be followed statewide by all pass-through agencies.

The DOB subrecipient guidance will give OTDA and the other pass-through agencies consistent guidelines to follow and ensure the proper monitoring of subrecipients. OTDA has made tremendous strides concerning subrecipient monitoring agency wide, even in the midst of a pandemic and the extraordinary programmatic requirements of the past year. OTDA has been working diligently on the first phase of the subrecipient monitoring process, the risk assessment. The planning phase of the risk assessment has been completed and the next step for OTDA is execution. Because of other projects that have been placed on OTDA since the start of the Covid 19 pandemic, i.e. projects that directly affect our clients receiving benefits, we have had to prioritize our work duties with putting the needs of our clients first.





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Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period	SFY ended March 31, 2020
State Agency:	Office of Children and Family Services
Single Audit Contact:	Bonnie Hahn
Title:	External Audit Liaison
Telephone:	518-486-1034
E-mail Address:	Bonnie.hahn@ocfs.ny.gov
Prior-Year Audit Report Page Reference:	279
Prior-Year Finding Number:	2020-012

#### Status Report on Prior-Year Finding:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: March, 31, 2024

#### Full Status Report:

The Office of Children and Family Services is in the process of revising the Maximum State Aid Rate (MSAR) tables and, once finalized, will be requiring Local Districts to pay at these rates. This change will require districts to review the Level of Difficulty (LOD) assigned to individual children and revise the rates assigned to them based on the new rate schedule.

OCFS has established a two-year timeframe to allow districts to phase in the use of the rates and OCFS will provide technical assistance as needed.



## Division of the Budget

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Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period	SFY ended March 31, 2020
State Agency:	Office of Children and Family Services
Single Audit Contact:	Bonnie Hahn
Title:	External Audit Liaison
Telephone:	518-486-1034
E-mail Address:	Bonnie.hahn@ocfs.ny.gov
Prior-Year Audit Report Page Reference:	282
Prior-Year Finding Number:	2020-013

#### Status Report on Prior-Year Finding:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: Completed 10/1/2020

#### Full Status Report:

After this condition was brought to the Bureau of Finance's attention, they submitted a corrected report to the federal government and have implemented additional review steps to ensure that back-up documentation is cross-referred to the appropriate ACF-696 form and that the documentation is retained.



## Division of the Budget

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Governor

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Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: SFY ended March 31, 2020  
State Agency: Office of Children and Family Services  
Single Audit Contact: Bonnie Hahn  
Title: External Audit Liaison  
Telephone: 518-486-1034  
E-mail Address: Bonnie.hahn@ocfs.ny.gov  
Prior-Year Audit Report Page Reference: 284  
Prior-Year Finding Number: 2020-014

#### Status Report on Prior-Year Finding:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: 3/31/2023

#### Full Status Report:

OCFS had devised a draft process for monitoring Title XX claims submitted for reimbursement by the local districts. An analysis of claims submitted by all districts during the period 1/1/20-12/31/20 was completed. For each district, the claims data was broken down by vendors and by the total amount claimed for each Title XX service category. OCFS plans to set up monitoring activities to review the adequacy of supporting documentation and appropriateness of Title XX claims.

A risk assessment for Title XX funds is conducted by AQC and the results are forwarded to the Bureau of Finance. The Bureau of Finance reviews the claims submitted by the districts, selects a random sample for review and sends a request for supporting documentation to the counties.

The monitoring plan was developed in the fall 2021 and the selection and review of claims began. The selection of claims and the review of the supporting documentation sent in by the districts is underway.



## Division of the Budget

**KATHY HOCHUL**  
Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
State Agency: Department of Health  
Single Audit Contact: Lori Conway  
Title: Associate Accountant  
Telephone: 518-473-7080  
E-mail Address: lori.conway@health.ny.gov  
Prior-Year Audit Report Page Reference: 53-55  
Prior-Year Finding Number: 2020-015

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: 12/16/2020

#### Full Status Report:

Under the previous Centers for Medicare and Medicaid Services (CMS) review process, the March 1, 2019 Medicaid Managed Care (MMC) Model Contract pended with CMS for 14 months before the State could issue it to Medicaid Managed Care Organizations (MCOs) for signature. The revised CMS contract review process allows for New York State to issue contracts to Medicaid Managed Care Organizations (MCOs) for signature simultaneous with CMS review. The revised CMS contract review process also allows for deficiencies that are noted as part of CMS' review to be resolved with a subsequent contract amendment containing remedial language, and a state attestation that MCOs are currently complying with the deficiency noted by CMS. This will greatly expedite the timeframe for the contracting process for the State.

The next five-year MMC Model Contract will have an effective date of March 1, 2024. Factoring in this new CMS review process, to mitigate the March 1, 2024 contracts from

being executed after the effective date, the Department will initiate the drafting of the contract in July 2022. This will allow for 20 months to draft, negotiate and finalize contract language and execute the resultant contracts. Below is a schedule of events:

Date	Action
July 1, 2022	Commence Contract Drafting
November 1, 2022	Initial Drafting Concludes
December 1, 2022	Commence Contract Discussions with MCOs
December 1, 2022-June 1, 2023	Refine Contract Language/Ongoing MCO Discussions
July 1, 2023	Submit Contract for DOH Legal Sign Off
September 1, 2023	Submit Contract to CMS
September 1, 2023	Issue Contracts to MCOs for Signature
September 1, 2023 – February 1, 2024	Contract Execution
February 1, 2024	All Contracts Executed



## Division of the Budget

**KATHY HOCHUL**  
Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020  
State Agency: Department of Health  
Single Audit Contact: Lori Conway  
Title: Associate Accountant  
Telephone: 518-473-7080  
E-mail Address: lori.conway@health.ny.gov  
Prior-Year Audit Report Page Reference: 56-58  
Prior-Year Finding Number: 2020-016

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected
- Partially Corrected
- Not Corrected

Anticipated Completion Date: Implemented

#### Full Status Report:

The Department worked directly with the State's certifying actuary to modify rate development work plans to include receipt of an initial actuarial certification once the initial State Fiscal Year Managed Care rates are finalized. As we have previously stated, Managed Care rates are typically modified throughout the year to reflect the implementation of enacted proposals impacting Managed Care from the State's budget process.



## Division of the Budget

**KATHY HOCHUL**  
Governor

**ROBERT F. MUJICA JR.**  
Director of the Budget

**SANDRA L. BEATTIE**  
First Deputy Director

**CHARLES WILLIAMS**  
Deputy Director

### 2020-2021 Prior-Year Finding Summary

Prior-Year Audit Period: State Fiscal Year Ended March 31, 2020

State Agency: NYS Department of Transportation

Single Audit Contact: Kevin Kissane

Title: Director, Internal Audit Bureau

Telephone: 518-457-8867

E-mail Address: kevin.kissane@dot.ny.gov

Prior-Year Audit Report Page Reference: 59-60

Prior-Year Finding Number: 2020-017

Status Report on Prior-Year Finding - Agencies are required to add a full status report regardless if no change from previous update:

- Corrected  
 Partially Corrected  
 Not Corrected

Anticipated Completion Date: Implemented

#### Full Status Report:

NYS DOT's corrective action plan consisted of three components:

- 1) Removing the personal service and fringe/indirect costs from the CBOW suballocation and then re-billed once the Corrective Action Plan items have been completed.
- 2) System improvement to NYS DOT's accounting system.
- 3) Business process improvement governing movement of expenditures.

Further explanation of each of the components is outlined below:

- 1) Completed. NYS DOT removed all personal service and associated fringe benefit/indirect cost from the CBOW suballocation (Hazard Mitigation Grant) via a journal voucher that was executed in December of 2020. DHSES was informed of this on January 15, 2021 via email.

Now that all steps of the corrective action plan have been executed, NYS DOT anticipates rebilling eligible personal service costs and the associated fringe/indirect costs to the Hazard Mitigation Grant in the months of September/October 2021. The Department's onboarding to the Statewide Financial System caused the delay in finishing this corrective action plan earlier in the year.

- 2) Completed. NYS DOT onboarded to the NYS Statewide Financial System(SFS) on April 1, 2021.
- 3) Completed. NYS DOT's Office of Finance provided updated guidance to staff on June 18, 2021 regarding the movement of expenditures within SFS. This guidance included direction on the following aspects regarding any movement of expenditures:
  - a. Appropriate back up materials/information.
  - b. Regarding the movement of personal services:
    - i. Direction on when state fringe/indirect rates or federal fringe/indirect rates should be utilized.
    - ii. Direction on what to do if any of the fringe/indirect rates changed during the fiscal year.
  - c. Special considerations if costs to be moved occurred prior to SFS onboarding on April 1, 2021.
  - d. Approvals needed from Office of Finance management.



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# STATE OF NEW YORK

## CORRECTIVE ACTION PLANS

FOR THE YEAR ENDED MARCH 31, 2021

**Kathy Hochul, Governor**

**Robert F. Mujica Jr., Budget Director**

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Corrective Action Plans of State Fiscal Year 2020-2021  
Single Audit Findings For the State Fiscal Year Ended  
March 31, 2021

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*Compiled in May 2022 by the New York State Division of the Budget*

*Pursuant to Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), Uniform Administrative  
Requirements, Cost Principles, and Audit Requirements for Federal Awards*

# WE ARE YOUR DOL



Kathy Hochul, Governor  
Roberta Reardon, Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency:	Department of Labor
Single Audit Contact:	Erin Murphy
Title:	Director, Internal Audit
Telephone:	518-457-9076
E-mail:	<a href="mailto:erin.murphy@labor.ny.gov">erin.murphy@labor.ny.gov</a>
Federal Program(s): (CFDA # [s])	Unemployment Insurance (17.225)
Audit Report Reference:	2021-004
<u>Anticipated Completion Date:</u>	Corrective Action implemented 11/04/21

#### Corrective Action Planned:

As a result of the COVID-19 pandemic, in March of 2020 RESEA services were transitioned from an in-person program model to a virtual service delivery program. Appointment notifications were also transitioned from a hard copy mail process to an internet based Secure Messaging System. The Department maintains documentation of electronically sent notices.

To prevent having to submit individual technology requests to obtain an archived appointment notice, in November of 2021 the Department began imaging all appointment notices sent by Secure Messaging. Imaged appointment notices are automatically uploaded into the claimants' UI Knowledge Worker file, making it easier for staff to review and obtain documents when needed.

**CORRECTIVE ACTION PLAN**

**Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021**

State Agency: Department of Labor

Single Audit Contact: Erin Murphy

Title: Director, Internal Audit

Telephone: 518-457-9076

E-mail: [erin.murphy@labor.ny.gov](mailto:erin.murphy@labor.ny.gov)

Federal Program(s) (CFDA # [s]): Unemployment Insurance (17.225)

Audit Report Reference: 2021-005

Anticipated Completion Date: Implemented January 28, 2022

Corrective Action Planned:

The Department's system does not allow for more than 104 days of benefits unless there is an emergency or extended benefit available. In the two cases referenced, the claimants were eligible for benefit payments through Pandemic Emergency Unemployment Compensation (PEUC) Extended Benefit (EB) programs after 104 days of Regular UI benefit payments. The total payments received by both claimants were in the correct amounts, they were just coded under the wrong program due to an isolated incidence of human error.

The payments were re-classified to the correct program on January 28, 2022. There were no excess payments above the allowable amounts and are not allowable costs.

# WE ARE YOUR DOL



Kathy Hochul, Governor  
Roberta Reardon, Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Department of Labor

Single Audit Contact: Erin Murphy

Title: Director, Internal Audit

Telephone: 518-457-9076

E-mail: [erin.murphy@labor.ny.gov](mailto:erin.murphy@labor.ny.gov)

Federal Program(s) (CFDA # [s]): Unemployment Insurance (17.225)  
Presidential Declared Disaster Assistance to  
Individuals and Households –  
Other Needs (Lost Wages Assistance)  
(97.050)

Audit Report Reference: 2021-006

Anticipated Completion Date: Corrective Action implemented 11/09/21

#### Corrective Action Planned:

The Department provided an updated Schedule of Expenditures of Federal Awards (SEFA) to The Office of the State Comptroller on November 9, 2021.

For future submissions of the SEFA, senior level staff and managers will ensure expenditures for both UI and FEMA-LWA are not listed in the subrecipient payments column when performing final reviews of the SEFA prior to submission to OSC.



## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Department of Transportation

Single Audit Contact: Kevin Kissane

Title: Director, Internal Audit Bureau

Telephone: 518-457-8867

E-mail Address: Kevin.Kissane@dot.ny.gov

Federal Program(s) (CFDA # [s]): (20.205, 20.219)

Audit Report Reference: 2021-007

Anticipated Completion Date: 2/22/2022

#### Corrective Action Planned:

The New York State Department of Transportation has enhanced its policies and procedures to ensure appropriate documentation is maintained to support the authorization of test results outside the established Quality Assurance (QA) program ranges. Below are a series of controls to mitigate the concerns noted during the audit.

- If test results entered into SiteManager (SM) are outside the required specification range, a pop-up notification will now remind the Engineer in Charge (EIC) or the Office Engineer (OE) to review the test and provide a remark explaining why the results were accepted.
- As a secondary control, a weekly report is generated from SM notifying EICs, the Office of Construction (Construction) and the Office of Technical Services staff of any instances in which a remark was not provided, for a sample that was out of spec. Construction will unauthorize these samples and no payments will be generated until the EIC provides the required remark.
- Lastly, NYSDOT's Laboratory Inventory Management System (LIMS) will generate an email to the EIC notifying them that a sample awaiting authorization is out of specification and, if authorized for payment, will require a remark.



# Office of Temporary and Disability Assistance

KATHY HOCHUL  
Governor

DANIEL W. TIETZ  
Acting Commissioner

BARBARA C. GUINN  
Executive Deputy Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Office of Temporary and Disability Assistance

Single Audit Contact: Tom Cooper

Title: Management Specialist 3

Telephone: 518-473-4601

E-mail Address: Thomas.Cooper@otda.ny.gov

Federal Program(s) (CFDA # [s]): Temporary Assistance for Needy Families (93.558)

Audit Report Reference: 2021-008

Anticipated Completion Date: 6/30/2022

#### Corrective Action Planned:

OTDA accepts with this finding. In accordance with the NYS Division of Budget (DOB) Budget Bulletin (BB) L-0301, OTDA will follow the Subrecipient Monitoring and Management Guide (attachment two in BB L-0301) to implement an effective subrecipient monitoring plan and subrecipient management process to ensure compliance with the Uniform Guidance requirements.

OTDA's Division of Audit & Quality Improvement (A&QI) is leading the effort to identify the current subrecipient monitoring activities conducted by various OTDA program areas, highlight any opportunities for improvement of current efforts, propose supplemental monitoring techniques to strengthen the monitoring of subrecipients, design automation tools to assist with the monitoring efforts, and assist with the implementation of the strengthened controls. Initially, a priority has been assigned to the remediation of current audit findings, followed by a risk-based approach to address the remaining program areas.



# Office of Temporary and Disability Assistance

KATHY HOCHUL  
Governor

DANIEL W. TIETZ  
Acting Commissioner

BARBARA C. GUINN  
Executive Deputy Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Office of Temporary and Disability Assistance

Single Audit Contact: Tom Cooper

Title: Management Specialist 3

Telephone: 518-473-4601

E-mail Address: Thomas.Cooper@otda.ny.gov

Federal Program(s) (CFDA # [s]): Temporary Assistance for Needy Families (93.558)  
Low Income Home Energy Assistance (93.568)

Audit Report Reference: 2021-009

Anticipated Completion Date: 11/1/2021 Fully Implemented

Corrective Action Planned:

OTDA agrees with KPMG's recommendation and has revised its policies and engaged with the New York State Office of Information Technology Services to update its query and upload processes to ensure that all amounts passed through to subrecipients under subawards as defined in 45 CFR 75.2 are reported in accordance with the FFATA federal regulations.



# Office of Temporary and Disability Assistance

KATHY HOCHUL  
Governor

DANIEL W. TIETZ  
Acting Commissioner

BARBARA C. GUINN  
Executive Deputy Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Office of Temporary and Disability Assistance

Single Audit Contact: Tom Cooper

Title: Management Specialist 3

Telephone: 518-473-4601

E-mail Address: Thomas.Cooper@otda.ny.gov

Federal Program(s) (CFDA # [s]): Child Support Enforcement (93.563)

Audit Report Reference: 2021-010

Anticipated Completion Date: 6/30/2022

Corrective Action Planned:

OTDA accepts with this finding. In accordance with the NYS Division of Budget (DOB) Budget Bulletin (BB) L-0301, OTDA will follow the Subrecipient Monitoring and Management Guide (attachment two in BB L-0301) to implement an effective subrecipient monitoring plan and subrecipient management process to ensure compliance with the Uniform Guidance requirements.

OTDA's Division of Audit & Quality Improvement (A&QI) is leading the effort to identify the current subrecipient monitoring activities conducted by various OTDA program areas, highlight any opportunities for improvement of current efforts, propose supplemental monitoring techniques to strengthen the monitoring of subrecipients, design automation tools to assist with the monitoring efforts, and assist with the implementation of the strengthened controls. Initially, a priority has been assigned to the remediation of current audit findings, followed by a risk-based approach to address the remaining program areas.





# Office of Temporary and Disability Assistance

KATHY HOCHUL  
Governor

DANIEL W. TIETZ  
Acting Commissioner

BARBARA C. GUINN  
Executive Deputy Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Office of Temporary and Disability Assistance

Single Audit Contact: Tom Cooper

Title: Management Specialist 3

Telephone: 518-473-4601

E-mail Address: Thomas.Cooper@otda.ny.gov

Federal Program(s) (CFDA # [s]): Low Income Home Energy Assistance (93.568)

Audit Report Reference: 2021-011

Anticipated Completion Date: 6/30/2022

#### Corrective Action Planned:

OTDA accepts with this finding. In accordance with the NYS Division of Budget (DOB) Budget Bulletin (BB) L-0301, OTDA will follow the Subrecipient Monitoring and Management Guide (attachment two in BB L-0301) to implement an effective subrecipient monitoring plan and subrecipient management process to ensure compliance with the Uniform Guidance requirements.

OTDA's Division of Audit & Quality Improvement (A&QI) is leading the effort to identify the current subrecipient monitoring activities conducted by various OTDA program areas, highlight any opportunities for improvement of current efforts, propose supplemental monitoring techniques to strengthen the monitoring of subrecipients, design automation tools to assist with the monitoring efforts, and assist with the implementation of the strengthened controls. Initially, a priority has been assigned to the remediation of current audit findings, followed by a risk-based approach to address the remaining program areas. We are also working with the New York State Office of Information Technology Services to ensure timely and accurate LIHEAP Performance Data Forms.



## Office of Children and Family Services

ANDREW M. CUOMO  
Governor

SHEILA J. POOLE  
Commissioner

### CORRECTIVE ACTION PLAN

#### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Office of Children and Family Services

Single Audit Contact: Bonnie Hahn

Title: External Audit Liaison

Telephone: 518-486-1034

E-mail Address: Bonnie.Hahn@ocfs.ny.gov

Federal Program(s) (CFDA # [s]): Foster Care Block Grant (93.658)

Audit Report Reference: 2021-012

Anticipated Completion Date: 3/31/23

#### Corrective Action Planned:

OCFS Division of Child Welfare and Community Services conducted a preliminary review of the process of administering maintenance payment rates for foster parents for care of children in their home. The results were deemed informational and gave sufficient grounds for further review of all LDSS's. Upon implementation, the Submission of Rates Paid, and accompanying review will create a robust subrecipient monitoring program.

OCFS reports that the NYS SFY 2022-23 Executive Budget, Part O of the Education, Labor, and Family Assistance Article VII includes a mandate to pay no less than the Maximum State Aid Rate for all children in foster boarding homes no later than July 1, 2023. In addition, the narrative of the Briefing Book contains the following:

*Modernize Foster Care Rates. The Executive Budget advances legislation to modernize the rate methodology used to reimburse costs associated with the care of a child in foster care. The new methodology will use United States Department of Agriculture (USDA) data. This change will provide \$43.5 million to nearly 25,000 families through increased adoption subsidies.*

OCFS will be implementing this new foster boarding home rate methodology. These steps, upon enactment for legislative changes and upon promulgation of a new methodology, taken together, will ensure that the rates paid are appropriate and consistently applied across New York State.



**Office of Children  
and Family Services**

**KATHY HOCHUL**  
Governor

**SHEILA J. POOLE**  
Commissioner

**CORRECTIVE ACTION PLAN**

**Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021**

State Agency:	Office of Children and Family Services
Single Audit Contact:	Bonnie Hahn
Title:	External Audit Liaison
Telephone:	518-486-1034
E-mail Address:	Bonnie.Hahn@ocfs.ny.gov
Federal Program(s) (CFDA # [s]):	Social Services Block Grant (93.667)
Audit Report Reference:	2021-013
<u>Anticipated Completion Date:</u>	3/31/23

Corrective Action Planned:

OCFS plans to set up monitoring activities to review the adequacy of supporting documentation and appropriateness of Title XX claims. The subrecipient risk assessment completed for the calendar year 2022 will be used to select districts to review.



# Department of Health

KATHY HOCHUL  
Governor

MARY T. BASSETT, M.D., M.P.H.  
Commissioner

KRISTIN M. PROUD  
Acting Executive Deputy Commissioner

Appendix 1

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Department of Health

Single Audit Contact: Robin Suitor

Title: Director, Bureau of Immunization

Telephone: 518-473-4437

E-mail Address: Robin.Suitor@health.ny.gov

Federal Program(s) (CFDA # [s]): Immunization Cooperative Agreements (93.268)

Audit Report Reference: 2021-014

Anticipated Completion Date: 1/18/2022

#### Corrective Action Planned:

Monitoring of provider site visits to ensure timely completion is an ongoing process. It is overseen by the Vaccine Program Director, the Vaccine Program Assistant Director and a Health Program Administrator 1.

The Bureau of Immunization's Vaccine Program continues to be in regular communication with the regional staff who conduct site visits. Monthly conference calls with all regional Immunization staff were reinstated beginning January 18, 2022, to discuss workload prioritization and the importance of conducting timely visits. Individual calls with regional Immunization leads are held at least once per month to review progress. Also, requests to fill vacant regional staff positions have been submitted.

Note that for many months of the audit period all on-site visits conducted by Department staff were suspended due to the COVID-19 outbreak (national emergency). Virtual check-ins were conducted for Vaccines for Children providers ordering vaccine. The virtual check-ins consisted of a review of temperature logs, order history, doses administered, and, in some cases, pictures of vaccine storage units to ensure proper storage and handling.



# Department of Health

KATHY HOCHUL  
Governor

MARY T. BASSETT, M.D., M.P.H.  
Commissioner

KRISTIN M. PROUD  
Acting Executive Deputy Commissioner

## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: Department of Health

Single Audit Contact: Andrew Pommer

Title: Health Program Administrator 1

Telephone: 518-473-9854

E-mail Address: Andrew.Pommer@health.ny.gov

Federal Program(s) (CFDA # [s]): Medicaid Assistance Program Cluster 93.775, 93.777, and 93.778

Audit Report Reference: 2021-015

Anticipated Completion Date: 6/30/2022

Corrective Action Planned: NYSDOH agrees with the findings. The first step in implementing the recommendation is to identify which organizations received NCCI data. Once this is identified, the Division of Operations and Systems (DOS) will work to update current agreements with the NCCI confidentiality language or establish new agreements. DOS will also implement internal controls to ensure anyone accessing NCCI data in the future has the confidentiality agreements in place prior to the access being obtained.



## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: SUNY

Single Audit Contact: Amy Montalbano

Title: University Auditor

Telephone: 518.320.1533

E-mail Address: Amy.Montalbano@suny.edu

Federal Program(s) (CFDA # [s]): Student Financial Assistance Cluster (84.063)

Audit Report Reference: 2021-016

**Anticipated Completion Date:** Implemented 1/12/2022

#### **Corrective Action Planned:**

To remedy the issue identified, our Student Accounts, Financial Aid and IT team worked together to create a formal procedure, including a template and data block in one of our email communications tools – Banner Communication Management (BCM). We have implemented a process which sweeps our ERP (Banner) for disbursements of required program funds made the previous day. That data is imported into our BCM template and an email is sent to a student alerting them of the award type and amount disbursed on their behalf. Students are also presented with the right to cancel. These communications are automated and on a scheduler. Communications are stored in BCM and can be retrieved as supporting documentation of issuance. We have a staff member who will regularly monitor the automated process to ensure accuracy and completion.



**Office of the  
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**CORRECTIVE ACTION PLAN**

**Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021**

State Agency: SUNY

Single Audit Contact: Amy Montalbano

Title: University Auditor

Telephone: 518.320.1533

E-mail Address: Amy.Montalbano@suny.edu

Federal Program(s) (CFDA # [s]): Student Financial Assistance Cluster (84.063)

Audit Report Reference: 2021-017

**Anticipated Completion Date:** Campuses 1 and 2 implemented December 2021

**Corrective Action Planned:**

**Oswego** - Oswego's (Campus one) development of enhanced practices related to student aid disbursements and associated reporting include the following actions:

- *Staff members including Director of Student Accounts, Assistant Director of Student Accounts and the Principal Account Clerk will take NASFAA's Cash Management Certification Course. (offered Spring 2022 semester)*
- *Student Accounts and Financial Aid staff will work together to improve coordination of the payment processes to ensure accurate processing of all Pell payments by communicating via email and using a shared process calendar to track important dates related to draw downs.*
- *Director of Financial Aid and Director of Student Accounts will audit payments to ensure they are performed within the prescribed time limits.*
- *Staff members, including Director of Student Accounts, Assistant Director of Student Accounts and the Principal Account Clerk will attend federal trainings on Cash Management principles. (offered later this semester)*



**Stony Brook** - Stony Brook (Campus two) has policies and procedures and an internal control process in place to ensure timely reporting and compliance with the federal register. As noted in the finding, at the time the two items processed during the COVID-19 pandemic, the Financial Aid Office (FAO) was working remotely and there were difficulties with a few of the inbound and outbound files. The FAO is back to in-person work and this should not be an issue moving forward. To further enhance existing controls, FAO has updated its operational calendar to reflect the deadline for the first batch of Pell Grant disbursements. FAO has also added a secondary confirmation through our administrative team.



## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: State University of New York

Single Audit Contact: Amy Montalbano

Title: University Auditor

Telephone: 518-320-1533

E-mail Address: Amy.Montalbano@suny.edu

Federal Program(s) (CFDA # [s]): Education Stabilization Fund (HEERF) Institutional Portion (84.425F)

Audit Report Reference: 2021-018

#### **Anticipated Completion Date:**

Albany	Implemented	10/31/2021
Binghamton	Implemented	3/31/2022
Brockport	Implemented	1/7/2022
Stony Brook	Implemented	1/1/2022

#### **Corrective Action Planned:**

**Albany** – The Campus reported a duplicated count of students for the 9/30/2020 quarterly report, when unduplicated counts were reported on other quarterly reports. Going forward, the Campus HEERF working group will work together to achieve consistency in reporting.

**Binghamton** - HEERF Student Aid quarterly reports will be reviewed prior to posting to verify the accuracy of the information. This process will be documented via email prior to posting on the institution's website and will be maintained electronically. Additionally, the Campus will also verify the approved quarterly report is posted timely. This process will also be documented via email. The review of HEERF Student Aid quarterly reports will be handled by designated staff to ensure appropriate segregation of duties between the preparer and reviewer of such reports.

**Brockport** – Going forward, the Campus Vice President for Administration and Finance will conduct the secondary review of the quarterly report and supporting documentation. The Campus will maintain documentation supporting the approval from the Vice President for Administration and Finance to post the quarterly report on the Campus' website.

**Stony Brook** – As stated in the audit finding, this was a new federal program with requirements that were continuously evolving during the audit period. The Campus' existing procedures ensured that accurate and complete reports were prepared and reviewed by appropriate personnel with adequate segregation of duties and were posted timely to the website. The Campus agrees that it is important to maintain adequate documentation to memorialize these control activities and will do so going forward.



## CORRECTIVE ACTION PLAN

### Single Audit of Federal Programs for State Fiscal Year Ended March 31, 2021

State Agency: State University of New York

Single Audit Contact: Amy Montalbano

Title: University Auditor

Telephone: 518-320-1533

E-mail Address: Amy.Montalbano@suny.edu

Federal Program(s) (CFDA # [s]): Education Stabilization Fund (HEERF) Student Aid Portion (84.425E)

Audit Report Reference: 2021-019

#### **Anticipated Completion Date:**

Albany	Implemented	1/24/2022
Binghamton	Implemented	3/31/2022
Empire	Implemented	11/22/2021
Oswego	Implemented	1/5/2022
Stony Brook	Implemented	1/1/2022

#### **Corrective Action Planned:**

**Albany** – The Campus has taken steps to ensure timely reporting and posting of information as required. The September 30, 2020 quarterly institutional report was the first report required using a form provided by the federal government. The report was posted past the deadline as questions emerged regarding specific data elements that needed to be reported. Once the Campus' questions were resolved, the report was posted. All subsequent quarterly reports were posted timely.

**Binghamton** – HEERF Institutional quarterly reports will be reviewed prior to posting to verify the accuracy of the information. This process will be documented via email prior to posting on the institution's website and will be maintained electronically. Additionally, the Campus will also verify the approved quarterly report is posted timely. This process will also be documented via email. The review of information will be handled by designated staff to ensure appropriate segregation of duties between the preparer and reviewer of such reports.

**Empire** - The number reported versus awarded was off by one (1) student. When pulling data from our ERP to identify the number of unique awards, our number was inflated by one due to a data entry error. To remedy, we modified how we pull data out of our ERP and will ensure we are looking for the unique award code with a net amount greater than \$0. We have modified our web page to reflect the accurate number of recipients. All recommendations were previously implemented by the Campus.

**Oswego** – The Campus has implemented the following additional procedures to ensure a thorough and timely review of reporting requirements is completed, including data verification and timely reporting verification:

- Directors of Financial Aid and Student Accounts compile the student disbursement report and double check the data on the first business day of the required reporting month. A custom report to identify the disbursements will be created by our Campus Technology Services team. The completed report is sent via Campus email.
- The completed report is then verified for accuracy by the Assistant Vice President for Financial Operations (AVP) using the draw down reports and associated Banner detail reports along with business intelligence account level dashboards for each student disbursement. The reviewed completed report is sent via Campus email.
- The AVP then forwards the final report via Campus email to the Vice President for Administration and Finance (VP) for final review and authorization to post completed document to our local website and the HEERF reporting website prior to the required 10th day of the reporting month.
- The VP forwards authorized report via Campus email to the Director of Digital Services or designee for posting to the HEERF website. The Director of Digital Services or designee will confirm posting is complete via email confirmation and attaching a saved digital time stamp of the posting as documentation of completion.

**Stony Brook** – As stated in the audit finding, this was a new federal program with requirements that were continuously evolving during the audit period. The Campus' existing procedures ensured that accurate and complete reports were prepared and reviewed by appropriate personnel with adequate segregation of duties and were posted timely to the website. The Campus agrees that it is important to maintain adequate documentation to memorialize these control activities and will do so going forward.