



The City of New York
Office of Management and Budget
75 Park Place - New York, New York 10007 - 2146
(212) 788-5900

Mark Page
Director

November 18, 2011

TO THE FINANCIAL CONTROL BOARD

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits for review by the Financial Control Board, Modification No. 12-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2012-2015 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. The Plan for the Covered Organization which requires modification will be forwarded to you under separate cover.

The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP") except for the application of Statement No. 49 of the Government Accounting Standards Board ("GASB 49"), and with the exception of that portion of the plan related to certain Covered Organizations, which are prepared on a cash basis.

The City hereby certifies that, in its judgment, the Modification is complete and complies with the standards set forth in Section 8.1 of the Act.

Yours truly,

Mark Page

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EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

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Four Year Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	FY 2012	FY 2013	FY 2014	FY 2015
Taxes				
General Property Tax	\$ 17,646	\$ 18,238	\$ 18,662	\$ 19,092
Other Taxes	23,757	24,708	25,360	26,658
Tax Audit Revenue	670	694	676	676
Subtotal: Taxes	\$ 42,073	\$ 43,640	\$ 44,698	\$ 46,426
Miscellaneous Revenues	6,225	6,998	6,018	6,081
Unrestricted Intergovernmental Aid	25	-	-	-
Less: Intra-City Revenue	(1,749)	(1,531)	(1,532)	(1,537)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 46,559	\$ 49,092	\$ 49,169	\$ 50,955
Other Categorical Grants	1,032	937	933	929
Inter-Fund Revenues	550	508	503	503
Federal Categorical Grants	7,570	6,586	6,479	6,401
State Categorical Grants	11,300	11,185	11,332	11,413
Total Revenues	\$ 67,011	\$ 68,308	\$ 68,416	\$ 70,201
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 22,059	\$ 21,614	\$ 21,691	\$ 21,637
Pensions	8,424	8,570	8,448	8,694
Fringe Benefits	8,031	8,370	8,959	9,547
Retiree Health Benefits Trust	(672)	(1,000)	(1,000)	-
Subtotal: Personal Service	\$ 37,842	\$ 37,554	\$ 38,098	\$ 39,878
Other Than Personal Service				
Medical Assistance	\$ 6,215	\$ 6,326	\$ 6,463	\$ 6,643
Public Assistance	1,385	1,365	1,365	1,365
All Other ¹	21,043	19,949	20,668	21,204
Subtotal: Other Than Personal Service	\$ 28,643	\$ 27,640	\$ 28,496	\$ 29,212
General Obligation, Lease and TFA Debt Service ^{1,2}	\$ 5,705	\$ 6,398	\$ 6,882	\$ 7,225
FY 2011 Budget Stabilization & Discretionary Transfers ¹	(3,742)	-	-	-
FY 2012 Budget Stabilization ²	12	(12)	-	-
General Reserve	300	300	300	300
Subtotal	\$ 68,760	\$ 71,880	\$ 73,776	\$ 76,615
Less: Intra-City Expenses	(1,749)	(1,531)	(1,532)	(1,537)
Total Expenditures	\$ 67,011	\$ 70,349	\$ 72,244	\$ 75,078
Gap To Be Closed	\$ -	\$ (2,041)	\$ (3,828)	\$ (4,877)

¹ Fiscal Year 2011 Budget Stabilization and Discretionary Transfers total \$3.742 billion, including GO of \$2.784 billion, TFA of \$790 million, net equity contribution in bond refunding of \$4 million, and subsidies of \$164 million.

² Fiscal Year 2012 Budget Stabilization total \$12 million.

New York City Financial Plan
Four Year Projections of Cash Sources and Uses
(\$ in millions)

Sources of Cash	FY 2012	FY 2013	FY 2014	FY 2015
Funds Provided/(Used) from Operations	\$ 302	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	9,294	8,766	8,497	7,710
Total Sources	\$ 9,596	\$ 11,166	\$ 10,897	\$ 10,110
Uses of Cash				
Capital Disbursements	9,294	8,766	8,497	7,710
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses	\$ 9,294	\$ 11,166	\$ 10,897	\$ 10,110
Net Sources/(Uses) of Cash	\$ 302	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 5,041	\$ 5,343	\$ 5,343	\$ 5,343
Cash Balance - End of Period	\$ 5,343	\$ 5,343	\$ 5,343	\$ 5,343

**New York City Financial Plan
Four Year Capital Plan Funding Sources
(\$ in millions)**

Sources of Capital Cash	FY 2012	FY 2013	FY 2014	FY 2015
New York City General Obligation Bonds	\$ 2,875	\$ 2,500	\$ 2,520	\$ 2,320
Other Long-Term Sources:				
TFA-PIT	\$ 2,450	\$ 2,500	\$ 2,520	\$ 2,320
Water Authority	1,979	1,657	1,441	1,169
Total Long-Term Sources	\$ 7,304	\$ 6,657	\$ 6,481	\$ 5,809
Four Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	1,150	1,076	1,155	1,058
Change in Non-City Cash	(284)	-	-	-
Other Non-City Funds	899	830	688	641
Reimbursable Capital	\$ 1,765	\$ 1,906	\$ 1,843	\$ 1,699
Financial Plan Adjustment	225	203	173	202
Total Capital Plan Funding Sources	\$ 9,294	\$ 8,766	\$ 8,497	\$ 7,710

**New York City Financial Plan
FY 2012 Borrowing Schedule
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ 775	\$ 720	\$ 775	\$ 605	\$ 2,875
Transitional Financial Authority	-	900	775	775	2,450
Water Authority ¹	679	642	500	158	1,979
Total Borrowing to Finance City Capital Program	\$ 1,454	\$ 2,262	\$ 2,050	\$ 1,538	\$ 7,304

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper and revenue bonds issued to finance the water and sewer system's capital program. Amounts do not include revenue bonds issued to permanently finance previously issued commercial paper.

**New York City Financial Plan
Four Year Capital Plan
(\$ in millions)**

Projected Capital Commitments

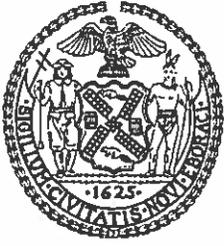
	FY 2012	FY 2013	FY 2014	FY 2015	Total
City	\$ 9,349	\$ 6,956	\$ 4,824	\$ 3,971	\$ 25,100
Non-City	3,115	1,324	1,612	1,094	7,145
Total	\$ 12,464	\$ 8,280	\$ 6,436	\$ 5,065	\$ 32,245

Projected Capital Expenditures

	FY 2012	FY 2013	FY 2014	FY 2015	Total
City	\$ 7,529	\$ 6,860	\$ 6,654	\$ 6,011	\$ 27,054
Non-City ¹	1,765	1,906	1,843	1,699	7,213
Total	\$ 9,294	\$ 8,766	\$ 8,497	\$ 7,710	\$ 34,267

Notes:

1. Includes Federal, State and other Reimbursable Capital.



The City of New York
Office of Management and Budget
75 Park Place - New York, New York 10007 - 2146
(212) 788-5904

Mark Page
Director

December 9, 2011

Mr. Jeffrey Sommer
Acting Executive Director
Financial Control Board
123 William Street, 23rd Floor
New York, New York 10038

Dear Mr. Sommer:

Enclosed please find Exhibit B1-B4 on behalf of the Covered Organizations. This completes Modification No. 12-1.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark Page".

Mark Page

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EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1	New York City Health and Hospitals Corporation
B-2	New York City Transit Authority
B-3	Staten Island Rapid Transit Operating Authority
B-4	City University Construction Fund

NYC Health & Hospitals Corporation
Accrual Basis
FY 2013 November Budget
(\$ in millions)

	Projected 2012	Projected 2013	Projected 2014	Projected 2015
OPERATING REVENUES				
Third Party Revenue				
Medicaid Fee for Service	1,529.6	1,523.8	1,580.0	1,610.7
Medicare	607.0	598.3	585.5	582.0
Other Third Parties which includes Medicaid & Medicare managed care	1,051.3	1,082.8	1,110.0	1,137.8
Pools & Additional Revenues including Self Pay	1,836.0	1,793.0	1,733.1	1,733.1
Subtotal: Third Party Revenue	5,023.9	4,997.9	5,008.6	5,063.6
Funds Appropriated by the City				
Debt Service	(73.7)	(89.9)	(85.3)	(73.4)
Prisoner/Uniform Services	23.5	23.5	23.5	23.5
Other City Services	8.5	6.6	6.6	6.1
Unrestricted City Services	20.9	15.3	15.3	15.3
CEO: Nursing Ladder Program	0.7	-	-	-
WTC- Bellevue Site	-	-	-	-
SART Grant	1.3	-	-	-
FTA Grant	-	-	-	-
Child Health Clinics	-	2.8	2.8	2.8
Outpatient Pharmacy	0.7	0.7	0.7	0.7
HIV Transfer	0.7	1.2	1.2	1.2
Medical Malpractice Transfer	17.3	17.3	17.3	17.3
Subtotal: Funds Appropriated by the City	(0.1)	(22.6)	(18.0)	(6.6)
Grants (including CHP and Intra-City)	246.0	225.4	225.4	225.5
Other Revenue	46.2	46.5	47.8	49.0
MetroPlus Premium Revenue	1,755.7	1,954.1	2,030.0	2,098.6
TOTAL OPERATING REVENUES	7,071.7	7,201.2	7,293.8	7,430.1
OPERATING EXPENSES				
Personal Services	2,600.2	2,630.2	2,681.2	2,679.2
Fringe Benefits	1,151.4	1,183.3	1,239.9	1,318.9
Other Than Personal Services	2,285.2	2,540.6	2,674.6	2,803.4
Medical Malpractice	135.9	135.9	135.9	135.9
Affiliations	874.0	900.1	927.2	955.1
Depreciation	263.3	273.3	283.3	293.3
Postemployment benefits, other than pension (Excl PYG)	630.9	649.8	669.3	689.4
TOTAL OPERATING EXPENSES	7,940.9	8,313.2	8,611.5	8,875.3
TOTAL OPERATING INCOME/(LOSS)	(869.2)	(1,112.1)	(1,317.7)	(1,445.2)
NON-OPERATING REVENUE/(EXPENSE)				
Interest Income	14.0	6.0	4.0	4.0
Interest Expense	(100.0)	(100.0)	(100.0)	(100.0)
Total Non-Operating Expenses (net)	(86.0)	(94.0)	(96.0)	(96.0)
PROFIT/(LOSS) BEFORE OTHER CHANGES IN NET ASSETS	(955.2)	(1,206.1)	(1,413.7)	(1,541.2)
CORRECTIVE ACTIONS				
HHC Savings Initiatives/Cost Containment	28.1	24.2	21.1	21.1
Restructuring	72.3	197.1	239.9	239.7
City Share of DSH Preservation	-	-	36.6	45.9
State and Federal Actions	-	250.0	450.0	500.0
Subtotal: Corrective Actions	100.4	471.3	747.6	806.7
PROFIT/(LOSS) AFTER CORRECTIVE ACTIONS	(854.8)	(734.8)	(666.1)	(734.5)
PRIOR YEAR CASH BALANCE	553.1	743.1	577.1	410.6
ACCRUAL TO CASH ADJUSTMENT	1,044.7	568.7	499.6	534.4
CLOSING CASH BALANCE	743.1	577.1	410.6	210.5

New York City Transit (NYCT) 2012-2015 JULY FINANCIAL PLAN (Calendar Years; \$ in Millions)				
DESCRIPTION	2011	2012	2013	2014
REVENUE:				
Operating Revenue				
Farebox Revenue ⁽¹⁾	\$ 3,590.0	\$ 3,666.7	\$ 3,714.1	\$ 3,775.4
Other Operating Revenue	351.0	376.5	399.5	430.2
Total Operating Revenue	\$ 3,941.0	\$ 4,043.2	\$ 4,113.6	\$ 4,205.6
Capital & Police Reimbursement	\$ 951.0	\$ 907.4	\$ 871.3	\$ 880.5
REVENUE TOTAL	\$ 4,892.1	\$ 4,950.6	\$ 4,984.8	\$ 5,086.0
EXPENSES:⁽²⁾				
Nonreimbursable Expenses				
Personal Services				
Salaries and Wages	\$ 3,109.4	\$ 3,127.2	\$ 3,122.6	\$ 3,188.1
Fringe Benefits	1,822.0	2,073.9	2,175.9	2,334.8
Reimbursable Overhead	(221.6)	(205.1)	(194.1)	(195.6)
Total Personal Services	\$ 4,709.8	\$ 4,996.0	\$ 5,104.4	\$ 5,327.3
OTPS Total	\$ 1,585.9	\$ 1,719.2	\$ 1,891.5	\$ 2,076.8
Total Gap Closing Expenses	\$ -	\$ -	\$ -	\$ -
Debt Service ⁽³⁾	899.4	1,022.8	1,109.3	1,189.3
Depreciation	1,400.0	1,475.0	1,550.0	1,625.0
Other Post Employment Benefits (OPEB)	918.7	929.9	943.8	962.6
Environmental Remediation	-	-	-	-
Total Nonreimbursable Expenses	\$ 9,513.9	\$ 10,142.9	\$ 10,599.0	\$ 11,181.1
Total Reimbursable Expenses	\$ 951.0	\$ 907.4	\$ 871.3	\$ 880.5
TOTAL EXPENSES	\$ 10,464.9	\$ 11,050.3	\$ 11,470.3	\$ 12,061.5
SUBSIDIES:				
Bridges & Tunnels Surplus Transfer	\$ 174.1	\$ 163.2	\$ 146.5	\$ 128.0
Operating Assistance	351.8	316.8	316.8	316.8
Tax-Supported Subsidies	2,987.6	3,183.4	3,220.2	3,434.1
Additional Assistance ⁽⁴⁾	(234.0)	(184.0)	(151.5)	(186.5)
TOTAL SUBSIDIES	\$ 3,279.5	\$ 3,479.4	\$ 3,532.0	\$ 3,692.4
SURPLUS (DEFICIT)	\$ (2,293.4)	\$ (2,620.3)	\$ (2,953.5)	\$ (3,283.1)
LOAN FROM (TO) MTA STABILIZATION FUND	\$ -	\$ -	\$ -	\$ -
BELOW THE LINE ITEMS ⁽⁵⁾	\$ (2.8)	\$ 75.2	\$ 494.9	\$ 563.3
CASH FLOW ADJUSTMENTS	\$ 47.9	\$ 97.4	\$ 54.2	\$ 56.7
DEPRECIATION ADJUSTMENT	\$ 1,400.0	\$ 1,475.0	\$ 1,550.0	\$ 1,625.0
OPEB ADJUSTMENT	\$ 918.7	\$ 929.9	\$ 943.8	\$ 962.6
ENVIRONMENTAL REMEDIATION	\$ -	\$ -	\$ -	\$ -
CASH SURPLUS FROM PREVIOUS YEAR	\$ -	\$ 70.5	\$ 27.7	\$ 117.1
CLOSING CASH BALANCE	\$ 70.5	\$ 27.7	\$ 117.1	\$ 41.6

SOURCE: MTA 2012 Preliminary Budget, July Financial Plan 2012-2015, dated July 2011. This report is an accrual based operating report statement excluding amounts for debt service and subsidies, which are reported on a cash basis.

(1) Additional revenue expected from a 7.5% fare increase in 2011.

(2) Includes reductions in Administration payroll, cutbacks in maintenance and customer convenience/amenity items, changes in Paratransit no-show/cancellation policy and a Paratransit rate reduction initiative, partially offset by increases from updated inflation assumptions and increase in signals maintenance requirements.

(3) Debt Service includes NYCT Base Debt Service plus Debt Service assumed by the MTA on behalf of NYCT. It equals the Sub-Total MTA Paid Debt Service. The base debt amount is adjusted by refinanced debt, investment income, and adjustments to the 2010-2014 Capital Program. The total debt service amount is cash-based. For the 2012-2015 July Plan, cash defeasance is incorporated into the baseline amount.

(4) Includes: Inter-Agency Loan, NYCT Charge Back of MTA Bus Debt Service, Pay-As-You-Go Capital.

(5) Items include actions that require Board approval and/or awaiting negotiations such as the 2013 increased Fare/Toll Yields, New MTA Efficiencies, 3 Zeroes and Accelerated Zeroes, MetroCard Green Fee offset by Energy Hedges in FY11 and 12.

(6) Includes items not yet provided by the MTA. Typically includes Increased Ridership, Fare Collection, Expense Reductions, Management Initiatives, Cash Reserve, & Other Governmental Assistance.

* The Fiscal Year used by MTA-New York City Transit is the Calendar Year (January to December).

STATEN ISLAND RAILWAY (SIRTOA)				
2012-2015 JULY FINANCIAL PLAN				
(Calendar Years; \$ in Millions)				
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUE:¹				
Subway Farebox Revenue	5.302	5.406	5.484	5.578
Other Operating Revenue	2.071	2.071	2.071	2.071
Capital and Other Reimbursements	1.605	1.672	1.674	1.680
TOTAL REVENUE	8.978	9.149	9.229	9.329
EXPENDITURES (Non-Reimbursable):				
Payroll	16.076	17.292	17.615	17.937
Overtime	0.747	0.681	0.696	0.712
Health & Welfare	3.323	3.881	4.435	4.818
OPEB Current Portion	0.585	0.628	0.673	0.722
Pensions	4.000	5.848	6.017	6.267
Other Fringe Benefits	1.191	1.284	1.266	1.294
Traction & Propulsion Power	3.659	3.933	4.202	4.516
Insurance	0.349	0.267	0.293	0.440
Claims	0.268	0.273	0.273	0.280
Mtce. & Other Operating Contracts	2.520	2.621	2.668	2.749
Professional Service Contracts	0.408	0.415	0.416	0.427
Materials & Supplies	1.071	4.050	1.842	2.085
Other Business Expenses	0.005	0.005	0.005	0.005
TOTAL EXPENSES	34.202	41.178	40.401	42.252
Capital and Other Reimbursements	1.605	1.672	1.674	1.680
Depreciation Expense	9.000	9.000	9.000	9.000
OPEB Account	2.800	3.000	3.000	3.000
Environmental Remediation	0.000	0.000	0.000	0.000
TOTAL EXPENSES AFTER DEPRECIATION	47.607	54.850	54.075	55.932
OPERATING SURPLUS (DEFICIT)	(38.629)	(45.701)	(44.846)	(46.603)
SUBSIDY REVENUE:				
City Aid & Fare Reimbursement ²	26.631	29.758	28.315	29.898
State Aid & Fare Reimbursement	0.500	0.500	0.500	0.500
MMTOA	2.800	3.400	3.600	3.800
MTA Subsidy to Subsidiaries	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
TOTAL TAX & OPERATING ASSISTANCE	29.931	33.658	32.415	34.198
SURPLUS (DEFICIT)	(8.698)	(12.043)	(12.431)	(12.405)
BELOW THE LINE ITEMS³	0.060	0.390	0.810	0.820
ACCRUAL TO CASH ADJUSTMENT	(5.269)	(0.347)	(0.379)	(0.415)
DEPRECIATION CASH ADJUSTMENT	9.000	9.000	9.000	9.000
OPEB ACCOUNT CASH ADJUSTMENT	2.800	3.000	3.000	3.000
ENVIRONMENTAL REMEDIATION ADJUSTMENT	0.000	0.000	0.000	0.000
NET CHANGE IN CASH	(2.107)	0.000	0.000	0.000
OPENING CASH BALANCE	<u>2.107</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
CLOSING CASH BALANCE	0.000	0.000	0.000	0.000

NOTE: The Calendar Year is the Fiscal Year used by MTA-Staten Island Railway.

SOURCES: MTA 2012 Preliminary Budget, July Financial Plan 2012-2015, dated July 2011.

(1) Additional revenue expected from a 7.5% fare increase in 2011.

(2) Reflects an adjustment in less City subsidies due to expected surpluses in FY11-14.

(3) Items include actions that require Board approval and/or awaiting negotiations such as the 2013 Increase in Fare/Toll Yields and 3 Zeroes and Accelerated Zeros in FY11-FY14.

**CITY UNIVERSITY CONSTRUCTION FUND
FINANCIAL PLAN FOR CITY FISCAL YEARS 2012 - 2015
(\$ in thousands)**

	FY 2012	FY 2013	FY 2014	FY 2015
REVENUES				
State	\$ 238,881	\$ 256,989	\$ 232,099	\$ 266,343
City	24,611	21,456	27,921	28,947
Investment Income	8,700	8,700	8,700	8,700
Total ¹	\$ 272,192	\$ 287,145	\$ 268,719	\$ 303,990
EXPENDITURES				
Debt Service (<i>Senior Colleges</i>)	\$ 188,254	\$ 211,818	\$ 179,611	\$ 211,934
Debt Service (<i>Community Colleges</i>)	42,885	35,970	48,552	50,240
Subtotal - D.A. Rentals	\$ 231,139	\$ 247,788	\$ 228,163	\$ 262,174
D.A. Administration (<i>Senior Colleges</i>)	15,759	13,301	13,966	14,664
D.A. Administration (<i>Community Colleges</i>)	5,126	5,794	6,084	6,388
Pass-through Expenses (<i>Senior Colleges</i>)	3,657	3,746	3,933	4,130
Pass-through Expenses (<i>Community Colleges</i>)	1,211	1,148	1,205	1,266
CUCF Administration	8,200	8,200	8,200	8,200
Total	\$ 265,092	\$ 279,977	\$ 261,551	\$ 296,822
Surplus/ (Deficit)	\$ 7,100	\$ 7,168	\$ 7,168	\$ 7,168
Cash Flow Adjustment	16,658	23,758	30,926	38,094
Adjusted Surplus/ (Deficit)	\$ 23,758	\$ 30,926	\$ 38,094	\$ 45,262

NOTES

¹ Totals may be slightly off due to rounding