

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

June 30, 2008

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. 08-4 to the Financial Plan for the City and Covered Organizations for fiscal years 2008-2012 (the "Modification") as such plan relates to fiscal year 2008. The Modification as it relates to the City and the City University of New York ("CUNY") is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

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

A-1	Projection of Revenues and Expenditures
A-2	Projections of Cash Sources and Uses
A-3	Capital Plan Funding Source
A-4	Borrowing Schedule
A-5	Capital Plan

FY 2008 Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	PLAN	REVISED PLAN	BETTER/ (WORSE)
Taxes			
General Property Tax	\$ 13,009	\$ 13,021	\$ 12
Other Taxes	24,079	24,063	(16)
Discretionary Transfers ¹	546	546	-
Tax Audit Revenue	1,059	1,039	(20)
Subtotal: Taxes	\$ 38,693	\$ 38,669	\$ (24)
Miscellaneous Revenues	6,423	6,527	104
Unrestricted Intergovernmental Aid	255	254	(1)
Less: Intra-City Revenue	(1,502)	(1,511)	(9)
Disallowances Against Categorical Grants	(15)	(15)	-
Subtotal: City Funds	\$ 43,854	\$ 43,924	\$ 70
Other Categorical Grants	1,100	1,131	31
Inter-Fund Revenues	451	446	(5)
Total City, Capital IFA & Oth. Cat. Funds	\$ 45,405	\$ 45,501	\$ 96
Federal Categorical Grants	5,993	6,002	9
State Categorical Grants	11,201	11,267	66
Total Revenues	\$ 62,599	\$ 62,770	\$ 171
EXPENDITURES			
Personal Service			
Salaries and Wages	\$ 20,743	\$ 20,921	\$ 178
Pensions	5,745	5,745	-
Fringe Benefits ²	6,349	6,386	37
Subtotal - Personal Service	\$ 32,837	\$ 33,052	\$ 215
Other Than Personal Service			
Medical Assistance	5,797	5,797	-
Public Assistance	1,219	1,219	-
All Other ^{1,2}	17,960	17,941	(19)
Subtotal - Other Than Personal Service	\$ 24,976	\$ 24,957	\$ (19)
General Obligation, Lease and MAC Debt Service ^{1,2}	5,723	5,661	(62)
FY2007 Budget Stabilization & Discretionary Transfers ¹	(4,054)	(4,054)	-
FY2008 Budget Stabilization & Discretionary Transfers ²	4,519	4,625	106
General Reserve	100	40	(60)
Subtotal	\$ 64,101	\$ 64,281	\$ 180
Less: Intra-City Expenses	(1,502)	(1,511)	(9)
Total Expenditures	\$ 62,599	\$ 62,770	\$ 171
Gap To Be Closed	\$ -	\$ -	\$ -

¹. Fiscal Year 2007 Budget Stabilization and Discretionary Transfers total \$4.600 billion, including prepayments of subsidies of \$639 million, Budget Stabilization of \$3.315 billion, lease debt service of \$100 million and a TFA grant which increases FY 2008 revenues by \$546 million; not including \$65 million in debt retirement

². Fiscal Year 2008 Budget Stabilization and Discretionary Transfers total \$4.625 billion, including prepayments of subsidies of \$500 million, Retiree Health Benefits of \$460 million, lease debt service of \$46 million, Budget Stabilization of \$3.073 billion and a TFA grant which increases FY 2009 revenues by \$546 million.

**New York City Financial Plan
FY 2008 Projections of Cash Sources and Uses
(\$ in millions)**

Sources of Cash	Plan	Revised Plan	Better/ (Worse)
Funds Provided/(Used) from Operations	\$ (239)	\$ (1,307)	\$ (1,068)
Proceeds from Seasonal Borrowings	-	-	-
Capital Plan Funding Sources (see Exhibit A-3)	8,686	8,686	-
Total Sources	<u>\$ 8,447</u>	<u>\$ 7,379</u>	<u>\$ (1,068)</u>
Uses of Cash			
Capital Disbursements	8,686	8,686	-
Repayment of Seasonal Borrowings	-	-	-
Total Uses	<u>\$ 8,686</u>	<u>\$ 8,686</u>	<u>\$ -</u>
Net Sources/(Uses) of Cash	\$ (239)	\$ (1,307)	\$ (1,068)
Cash Balance - Beginning of Period	\$ 4,979	\$ 4,979	\$ -
Cash Balance - End of Period	\$ 4,740	\$ 3,672	\$ (1,068)

**New York City Financial Plan
FY 2008 Capital Plan Funding Sources
(\$ in millions)**

<u>Sources of Capital Cash</u>	<u>Plan</u>	<u>Revised Plan</u>	<u>Better/ (Worse)</u>
New York City General Obligation Bonds	\$ 3,675	\$ 2,875	\$ (800)
Other Long-Term Sources:			
Transitional Finance Authority	-	-	-
Water Authority	<u>2,426</u>	<u>2,192</u>	<u>(234)</u>
Total Long-Term Sources	\$ 6,101	\$ 5,067	\$ (1,034)
Five Year Education Capital Plan			
TFA - Building Aid Revenue Bonds	700	700	-
DASNY	1,010	1,010	-
Other Non-City Funds	<u>1,153</u>	<u>1,153</u>	<u>-</u>
Reimbursable Capital	\$ 2,863	\$ 2,863	\$ -
Changes in Restricted Cash	<u>(278)</u>	<u>756</u>	<u>1,034</u>
Total Capital Plan Funding Sources	<u>\$ 8,686</u>	<u>\$ 8,686</u>	<u>\$ -</u>

**New York City Financial Plan
Fiscal Year 2008 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	\$ -	\$ 1,875	\$ 550	\$ 450	\$ 2,875
Water Authority ¹	-	800	440	952	2,192
Total Borrowing to Finance City Capital Program	\$ -	\$ 2,675	\$ 990	\$ 1,402	\$ 5,067

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
FY 2008 Capital Plan
(\$ in millions)**

Projected Capital Commitments

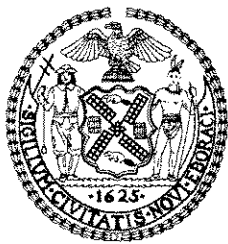
	Plan	Revised Plan	Change
City	\$ 10,472	\$ 10,472	\$ -
Non-City	3,466	3,466	-
Total	<u>\$ 13,938</u>	<u>\$ 13,938</u>	<u>\$ -</u>

Projected Capital Expenditures

	Plan	Plan	Change
City	\$ 5,823	\$ 5,823	\$ -
Non-City ¹	2,863	2,863	-
City-administered Capital Plan	<u>\$ 8,686</u>	<u>\$ 8,686</u>	<u>\$ -</u>
Total Capital Plan Expenditures	<u>\$ 8,686</u>	<u>\$ 8,686</u>	<u>\$ -</u>

Notes:

1. Includes Federal, State and other Reimbursable Capital.



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Mark Page
Director

June 30, 2008

TO THE FINANCIAL CONTROL BOARD

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits the Four Year Financial Plan for the City and Covered Organizations for fiscal years 2009– 2012 (the "Plan"). The Financial Plan as it relates to the City and the City University of New York ("CUNY") is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Plan is based upon certain assumptions, methods of estimation and data previously submitted to you, including the City publications known as the City of New York Executive Budget Fiscal Year 2009 dated May 1, 2008 (the "Executive Budget"), updated to reflect the adjustments in the Fiscal Year 2009 Adopted Budget. The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP"), with the exception of that portion of the plan related to Covered Organizations, which are prepared on a cash basis.

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

Yours truly,


Mark Page

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

REVENUES	FY 2009	FY 2010	FY 2011	FY 2012
Taxes				
General Property Tax	\$ 13,782	\$ 14,737	\$ 15,676	\$ 16,423
Other Taxes	21,425	20,923	21,953	23,393
Discretionary Transfers ¹	546	-	-	-
Tax Audit Revenue	577	579	579	579
Tax Reduction Program	(3)	1,219	1,293	1,353
Subtotal: Taxes	\$ 36,327	\$ 37,458	\$ 39,501	\$ 41,748
Miscellaneous Revenues	5,671	5,303	5,365	5,383
Unrestricted Intergovernmental Aid	340	340	340	340
Less: Intra-City Revenue	(1,538)	(1,453)	(1,452)	(1,452)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 40,785	\$ 41,633	\$ 43,739	\$ 46,004
Other Categorical Grants	1,029	1,005	1,006	1,010
Inter-Fund Revenues	463	425	419	419
Total City, Capital IFA & Oth. Cat. Funds	\$ 42,277	\$ 43,063	\$ 45,164	\$ 47,433
Federal Categorical Grants	5,366	5,283	5,273	5,282
State Categorical Grants	11,526	11,939	12,803	13,103
Total Revenues	\$ 59,169	\$ 60,285	\$ 63,240	\$ 65,818
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 21,942	\$ 22,974	\$ 24,424	\$ 24,694
Pensions	6,296	6,822	6,890	6,994
Fringe Benefits ¹	6,719	7,008	7,607	8,209
Subtotal - Personal Service	\$ 34,957	\$ 36,804	\$ 38,921	\$ 39,897
Other Than Personal Service				
Medical Assistance	5,602	5,756	5,916	6,089
Public Assistance	1,177	1,176	1,176	1,176
All Other ¹	18,340	18,461	19,090	19,589
Subtotal - Other Than Personal Service	\$ 25,119	\$ 25,393	\$ 26,182	\$ 26,854
General Obligation, Lease and MAC Debt Service ^{1,2,3}	3,598	2,047	4,797	5,327
FY2008 Budget Stabilization & Discretionary Transfers ¹	(4,079)	-	-	-
FY2009 Budget Stabilization ²	812	(812)	-	-
FY2010 Budget Stabilization ³	-	350	(350)	-
General Reserve	300	300	300	300
Subtotal	\$ 60,707	\$ 64,082	\$ 69,850	\$ 72,378
Less: Intra-City Expenses	(1,538)	(1,453)	(1,452)	(1,452)
Total Expenditures	\$ 59,169	\$ 62,629	\$ 68,398	\$ 70,926
Gap To Be Closed	\$ -	\$ (2,344)	\$ (5,158)	\$ (5,108)

¹ Fiscal Year 2008 Budget Stabilization and Discretionary Transfers total \$4.625 billion, including prepayments of subsidies of \$500 million, Retiree Health Benefits of \$460 million, lease debt service of \$46 million, Budget Stabilization of \$3.073 billion and a TFA grant which increases FY 2009 revenues by \$546 million.

² Fiscal Year 2009 Budget Stabilization totals \$812 million.

³ Fiscal Year 2010 Budget Stabilization totals \$350 million.

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

Sources of Cash	FY 2009	FY 2010	FY 2011	FY 2012
Funds Provided/(Used) from Operations	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	10,294	10,014	10,554	9,565
Total Sources	\$ 10,294	\$ 12,414	\$ 12,954	\$ 11,965
Uses of Cash				
Capital Disbursements	10,294	10,014	10,554	9,565
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses	\$ 10,294	\$ 12,414	\$ 12,954	\$ 11,965
Net Sources/(Uses) of Cash	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 3,672	\$ 3,672	\$ 3,672	\$ 3,672
Cash Balance - End of Period	\$ 3,672	\$ 3,672	\$ 3,672	\$ 3,672

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

Sources of Capital Cash	FY 2009	FY 2010	FY 2011	FY 2012
New York City General Obligation Bonds	\$ 5,600	\$ 6,800	\$ 6,200	\$ 5,400
Other Long-Term Sources:				
Transitional Finance Authority	-	-	-	-
Water Authority	2,596	2,181	2,168	2,075
Total Long-Term Sources	\$ 8,196	\$ 8,981	\$ 8,368	\$ 7,475
Five Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	2,100	600	-	-
DASNY	-	-	-	-
Other Non-City Funds	955	401	2,053	1,976
Reimbursable Capital	\$ 3,055	\$ 1,001	\$ 2,053	\$ 1,976
Changes in Restricted Cash	(957)	32	133	114
Total Capital Plan Funding Sources	\$ 10,294	\$ 10,014	\$ 10,554	\$ 9,565

**New York City Financial Plan
Fiscal Year 2009 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	\$ 1,600	\$ 1,600	\$ 1,600	\$ 800	\$ 5,600
Water Authority ¹	630	430	1,160	376	2,596
Total Borrowing to Finance City Capital Program	\$ 2,230	\$ 2,030	\$ 2,760	\$ 1,176	\$ 8,196

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

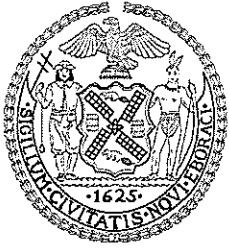
	FY 2009	FY 2010	FY 2011	FY 2012	Total
City	\$ 11,472	\$ 7,229	\$ 6,720	\$ 5,306	\$ 30,727
Non-City	3,251	1,753	1,705	1,483	8,192
Total	\$ 14,723	\$ 8,982	\$ 8,425	\$ 6,789	\$ 38,919

Projected Capital Expenditures

	FY 2009	FY 2010	FY 2011	FY 2012	Total
City	\$ 7,239	\$ 9,013	\$ 8,501	\$ 7,589	\$ 32,342
Non-City ¹	3,055	1,001	2,053	1,976	8,085
City-administered Capital Plan	\$ 10,294	\$ 10,014	\$ 10,554	\$ 9,565	\$ 40,427
Total Capital Plan Expenditures	\$ 10,294	\$ 10,014	\$ 10,554	\$ 9,565	\$ 40,427

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
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Mark Page
Budget Director

July 18, 2008

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 Exhibits B1-B3 on behalf of the Covered Organizations. This augments Modification No. 08-4.

Yours truly,



Mark Page

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EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1	New York City Health and Hospitals Corporation
B-2	City University Construction Fund
B-3	New York City Educational Construction Fund

NYC Health & Hospitals Corporation
Increase/(Decrease) - Accrual Basis
FY 2009 Adopted Budget
(\$ in millions)

	EXE09 Projected 2008	ADP09 Projected 2008	Increase/ (Decrease)
OPERATING REVENUES			
Third Party Revenue			
Medicaid Fee for Service	1,589.6	1,576.0	(13.6)
Medicare	592.3	592.0	(0.3)
Other Third Parties which includes Medicaid & Medicare managed care	872.1	867.0	(5.1)
Pools & Additional Revenues including Self Pay	1,640.6	1,761.8	121.2
Subtotal: Third Party Revenue	4,694.7	4,796.8	102.2
Funds Appropriated by the City			
Debt Service	(92.5)	(90.8)	1.7
Prisoner/Uniform Services	52.6	52.6	-
Other City Services	43.5	43.8	0.4
Unrestricted City Services	42.5	42.5	-
Adjustment for Prepayment	(91.1)	(91.1)	-
CEO: Nursing Ladder Program	1.1	1.1	-
Subtotal: Funds Appropriated by the City	(44.0)	(41.9)	2.1
Grants (including CHP and Intra-City)	285.0	306.5	21.5
Other Revenue	40.9	37.9	(3.1)
MetroPlus Premium Revenue	780.8	782.8	2.0
TOTAL OPERATING REVENUES	5,757.4	5,882.1	124.7
OPERATING EXPENSES			
Personal Services	2,313.3	2,350.2	36.9
Fringe Benefits	907.0	902.7	(4.3)
Other Than Personal Services	1,368.7	1,404.5	35.8
Information Systems	25.2	21.1	(4.1)
Medical Malpractice	189.9	167.4	(22.5)
Affiliations	732.7	744.0	11.3
Depreciation	220.0	220.0	-
Postemployment benefits, other than pension (Excl PYG)	268.4	268.4	-
TOTAL OPERATING EXPENSES	6,025.2	6,078.4	53.2
TOTAL OPERATING INCOME/(LOSS)	(267.9)	(196.3)	71.6
NON-OPERATING REVENUE/(EXPENSE)			
Interest Income	70.0	60.0	(10.0)
Interest Expense	(81.9)	(82.0)	(0.1)
Total Non-Operating Expenses (net)	(11.9)	(22.0)	(10.1)
PROFIT/(LOSS) BEFORE OTHER CHANGES IN NET ASSETS	(279.7)	(218.3)	61.5
CORRECTIVE ACTIONS			
State/Federal Actions	139.5	31.3	(108.2)
Revenue Initiatives	-	-	-
Medical Malpractice Containment	-	-	-
Managed Care Initiatives	-	-	-
Operational Initiatives	-	-	-
Subtotal: Corrective Actions	139.5	31.3	(108.2)
PROFIT/(LOSS) AFTER CORRECTIVE ACTIONS	(140.4)	(187.1)	(46.8)
PRIOR YEAR CASH BALANCE	1,139.7	1,139.7	-
ACCRUAL TO CASH ADJUSTMENT	(19.6)	(80.0)	(60.4)
CLOSING CASH BALANCE	921.3	872.6	(48.6)

**CITY UNIVERSITY CONSTRUCTION FUND
FINANCIAL PLAN FOR FISCAL YEAR 2008
(\$ in thousands)**

	<u>Prior Plan FY 2008</u>	<u>Current Plan FY 2008</u>	<u>Better/ (Worse)</u>
REVENUES			
State	\$ 278,526	\$ 289,398	\$ 10,872
City	36,156	35,168	(988)
Investment Income	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total ¹	\$ 319,682	\$ 329,566	\$ 9,884
EXPENDITURES			
Debt Service	\$ 295,412	\$ 305,296	\$ (9,884)
Administrative Cost	<u>20,870</u>	<u>20,870</u>	<u>-</u>
Total	\$ 316,282	\$ 326,166	\$ (9,884)
Surplus/ (Deficit)	\$ 3,400	\$ 3,400	\$ -
Cash Flow Adjustment	<u>25,159</u>	<u>25,159</u>	<u>-</u>
Adjusted Surplus/ (Deficit)	\$ 28,559	\$ 28,559	\$ -

NOTES

¹ Totals may be slightly off due to rounding

NEW YORK CITY EDUCATIONAL CONSTRUCTION FUND
FISCAL YEAR 2008
(\$ in 000's)

	Prior FY08	Current FY08	Better/(Worse)
RECEIPTS			
Non-School Rentals	20,077	21,631	1,554
Interest	3,090	3,947	857
Total	23,167	25,578	2,411
DISBURSEMENTS			
Personal Service	373	394	(21)
OTPS (1)	449	474	(25)
Construction Costs (2)	-	15,462	(15,462)
Insurance Reimbursement	642	474	168
Debt Service (3)			-
Principal	13,910	13,910	-
Interest	5,929	5,973	(44)
Total	21,303	36,687	(15,384)
OPERATING SURPLUS/(DEFICIT)	1,864	(11,109)	(12,973)
ADJUSTMENTS TO CASH	-	-	-
TRANSFERS TO DOE	-	-	-
NET CHANGE	1,864	(11,109)	(12,973)
BEGINNING	101,686	101,686	-
ENDING	103,550	90,577	(12,973)

Notes:

- 1) OTPS includes the following: Operations, Legal & Development Fees, Insurance and Related Fees.
- 2) As of May, ECF has incurred construction expenses for MS 114 of \$13.9 million and \$1.6 million for the PS 59 and High School of Art and Design project.
- 3) Debt Service pertains to the 2005A Series Revenue Bond Issue and 2007A Bond Series in Original Amounts of \$99,140,000, replacing 1994 and 1996 Revenue Bonds.



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Mark Page
Budget Director

July 18, 2008

Mr. Jeffrey Sommer
Acting Executive Director
Financial Control Board
123 William Street, 23rd Floor
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Dear Mr. Sommer:

Enclosed please find the Four Year Financial Plans on behalf of the Covered Organizations.

Yours truly,


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EXHIBIT B

COVERED ORGANIZATIONS - FINANCIAL PLAN

B-1
B-2

New York City Health and Hospitals Corporation
New York City Educational Construction Fund

NYC Health & Hospitals Corporation
4 Year Plan - Accrual Basis
FY 2009 Adopted Budget
(\$ in millions)

	Projected 2009	Projected 2010	Projected 2011	Projected 2012
OPERATING REVENUES				
Third Party Revenue				
Medicaid Fee for Service	1,619.4	1,654.0	1,645.8	1,673.1
Medicare	680.5	596.8	611.7	627.0
Other Third Parties which includes Medicaid & Medicare managed care	910.4	955.9	1,003.7	1,053.8
Pools & Additional Revenues including Self Pay	1,283.2	849.6	849.1	849.1
Subtotal: Third Party Revenue	4,493.4	4,056.1	4,110.2	4,203.0
Funds Appropriated by the City				
Debt Service	(59.5)	(66.6)	(65.7)	(56.8)
Prisoner/Uniform Services	52.6	52.6	52.6	52.6
Other City Services	38.6	41.1	40.7	40.7
Unrestricted City Services	9.8	9.8	9.8	9.8
Adjustment for Prepayment	-	-	-	-
CEO: Nursing Ladder Program	1.1	-	-	-
Subtotal: Funds Appropriated by the City	42.6	36.9	37.3	46.3
Grants (including CHP and Intra-City)	181.7	175.8	176.9	178.1
Other Revenue	38.8	59.3	60.5	61.7
MetroPlus Premium Revenue	942.6	995.4	995.4	995.4
TOTAL OPERATING REVENUES	5,699.1	5,323.6	5,380.3	5,484.5
OPERATING EXPENSES				
Personal Services	2,444.2	2,542.0	2,592.9	2,644.7
Fringe Benefits	965.6	1,005.8	1,031.0	1,057.5
Other Than Personal Services	1,446.7	1,490.1	1,534.8	1,580.8
Information Systems	95.0	135.0	75.0	75.0
Medical Malpractice	189.9	189.9	189.9	189.9
Affiliations	781.2	812.5	836.9	862.0
Depreciation	230.0	240.0	250.0	260.0
Postemployment benefits, other than pension (Excl PYG)	291.2	316.0	342.8	372.0
TOTAL OPERATING EXPENSES	6,443.9	6,731.2	6,853.2	7,041.9
TOTAL OPERATING INCOME/(LOSS)	(744.8)	(1,407.7)	(1,472.9)	(1,557.4)
NON-OPERATING REVENUE/(EXPENSE)				
Interest Income	50.0	40.0	20.0	20.0
Interest Expense	(75.0)	(70.0)	(60.0)	(60.0)
Total Non-Operating Expenses (net)	(25.0)	(30.0)	(40.0)	(40.0)
PROFIT/(LOSS) BEFORE OTHER CHANGES IN NET ASSETS	(769.8)	(1,437.7)	(1,512.9)	(1,597.4)
CORRECTIVE ACTIONS				
State/Federal Actions	305.0	857.9	957.9	982.9
Revenue Initiatives	50.0	50.0	50.0	50.0
Medical Malpractice Containment	25.0	25.0	25.0	25.0
Managed Care Initiatives	-	-	-	-
Operational Initiatives	75.0	80.0	80.0	80.0
Subtotal: Corrective Actions	455.0	1,012.9	1,112.9	1,137.9
PROFIT/(LOSS) AFTER CORRECTIVE ACTIONS	(314.8)	(424.8)	(400.0)	(459.5)
PRIOR YEAR CASH BALANCE	872.6	1,134.5	708.1	380.6
ACCRUAL TO CASH ADJUSTMENT	576.6	(1.6)	72.5	132.8
CLOSING CASH BALANCE	1,134.5	708.1	380.6	53.9

EXHIBIT B-2

**NYC EDUCATIONAL CONSTRUCTION FUND
FY09-FY12 BUDGET (\$ in 000's)
Adjusted as of 6/30/2008**

	FY 09	FY 10	FY 11	FY 12
RECEIPTS				
NON-SCHOOL RENTALS & TAX PAYMENTS	19,058	17,399	17,921	18,459
INTEREST INCOME	4,221	4,348	4,435	4,523
TOTAL	23,279	21,747	22,356	22,982
DISBURSEMENTS				
PERSONAL SERVICE (INCL. HEALTH, RETIREMENT--ETC.)	518	544	571	600
OTHER THAN PERSONAL SERVICES (Note 1)	366	384	404	424
INSURANCE	530	557	573	590
PRINCIPAL	7,465	6,135	6,075	6,750
INTEREST	4,917	4,616	4,421	4,228
TOTAL	13,796	12,236	12,044	12,592
SURPLUS/(DEFICIT)	9,483	9,511	10,312	10,390

NOTES:

1) OTPS includes Operations, Legal & Development Fees.