



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

January 28, 2010

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. 10-2 to the Financial Plan for the City and Covered Organizations for fiscal years 2010-2014 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Five 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 judgement, 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

REVENUES	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Taxes					
General Property Tax	\$ 16,035	\$ 16,917	\$ 17,536	\$ 17,746	\$ 17,882
Other Taxes	20,063	21,268	22,625	24,008	25,258
Tax Audit Revenue	890	612	611	610	610
Tax Fairness Program	-	219	241	262	284
Subtotal: Taxes	\$ 36,988	\$ 39,016	\$ 41,013	\$ 42,626	\$ 44,034
Miscellaneous Revenues	6,283	5,793	5,853	5,897	5,918
Unrestricted Intergovernmental Aid	340	340	340	340	340
Less: Intra-City Revenue	(1,804)	(1,545)	(1,547)	(1,552)	(1,552)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 41,792	\$ 43,589	\$ 45,644	\$ 47,296	\$ 48,725
Other Categorical Grants	1,372	1,200	1,155	1,152	1,151
Inter-Fund Revenues	497	471	450	450	450
Total City, Capital IFA & Oth. Cat. Funds	\$ 43,661	\$ 45,260	\$ 47,249	\$ 48,898	\$ 50,326
Federal Categorical Grants	7,943	6,614	5,720	5,680	5,679
State Categorical Grants	11,476	11,766	12,407	13,057	13,195
Total Revenues	\$ 63,080	\$ 63,640	\$ 65,376	\$ 67,635	\$ 69,200
EXPENDITURES					
Personal Service					
Salaries and Wages	\$ 22,310	\$ 21,695	\$ 21,353	\$ 21,993	\$ 22,168
Pensions	6,760	7,268	7,694	7,841	7,949
Fringe Benefits ¹	7,307	7,622	7,921	8,214	8,715
Retiree Health Benefits Trust	(82)	(395)	(672)	-	-
Subtotal - Personal Service	\$ 36,295	\$ 36,190	\$ 36,296	\$ 38,048	\$ 38,832
Other Than Personal Service					
Medical Assistance	\$ 4,951	\$ 5,644	\$ 6,113	\$ 6,293	\$ 6,478
Public Assistance	1,580	1,563	1,603	1,591	1,591
All Other ¹	19,397	18,835	19,485	20,041	20,585
Subtotal - Other Than Personal Service	\$ 25,928	\$ 26,042	\$ 27,201	\$ 27,925	\$ 28,654
General Obligation, Lease and TFA Debt Service ^{1,2,3}	\$ 5,117	\$ 5,536	\$ 6,286	\$ 6,579	\$ 6,815
General Obligation and TFA Debt Defeasances (Net) ³	(2,726)	-	-	-	-
FY 2009 Budget Stabilization & Discretionary Transfers ¹	(2,813)	-	-	-	-
FY 2010 Budget Stabilization ²	2,883	(2,883)	-	-	-
General Reserve	200	300	300	300	300
Subtotal	\$ 64,884	\$ 65,185	\$ 70,083	\$ 72,852	\$ 74,601
Less: Intra-City Expenses	(1,804)	(1,545)	(1,547)	(1,552)	(1,552)
Total Expenditures	\$ 63,080	\$ 63,640	\$ 68,536	\$ 71,300	\$ 73,049
Gap To Be Closed	\$ -	\$ -	\$ (3,160)	\$ (3,665)	\$ (3,849)

¹ Fiscal Year 2009 Budget Stabilization and Discretionary Transfers total \$2.813 billion, including Budget Stabilization of \$1.286 billion, lease debt service of \$110 million, Retiree Health Benefits of \$225 million, subsidies of \$643 million, net equity contribution in bond refunding of \$3 million and TFA Grant of \$546 million.

² Fiscal Year 2010 Budget Stabilization of \$2.883 billion.

³ FY 2007 GO debt defeasance of \$536 million reduced debt service by \$27 million, \$279 million and \$277 million in FY 2008 through FY 2010, respectively. FY 2008 GO debt defeasance of \$1.986 billion reduced debt service by \$2.036 billion in FY 2010. FY 2007 TFA debt defeasance of \$718 million reduced debt service by \$33 million, \$362 million and \$382 million in FY 2008 through FY 2010, respectively. FY 2007 JSDC debt defeasance of \$65 million reduced debt service by \$34 million in FY 2009 and \$31 million in FY 2010.

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

Sources of Cash	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Funds Provided/(Used) from Operations	\$ (370)	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	10,383	9,629	8,945	8,237	8,082
Total Sources	\$ 10,013	\$ 12,029	\$ 11,345	\$ 10,637	\$ 10,482
Uses of Cash					
Capital Disbursements	10,383	9,629	8,945	8,237	8,082
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400	2,400
Total Uses	\$ 10,383	\$ 12,029	\$ 11,345	\$ 10,637	\$ 10,482
Net Sources/(Uses) of Cash	\$ (370)	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 5,805	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435
Cash Balance - End of Period	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435	\$ 5,435

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

Sources of Capital Cash	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
New York City General Obligation Bonds	\$ 3,418	\$ 3,100	\$ 2,660	\$ 2,400	\$ 2,400
Other Long-Term Sources:					
TFA-PIT	\$ 3,475	\$ 3,100	\$ 2,660	\$ 2,400	\$ 2,400
Water Authority	2,397	2,002	1,810	1,535	1,478
Total Long-Term Sources	\$ 9,290	\$ 8,202	\$ 7,130	\$ 6,335	\$ 6,278
Five Year Education Capital Plan					
TFA - Building Aid Revenue Bonds	333	659	883	1,016	1,147
Other Non-City Funds	912	770	815	788	607
Reimbursable Capital	\$ 1,245	\$ 1,429	\$ 1,698	\$ 1,804	\$ 1,754
Financial Plan Adjustment	(152)	(2)	117	98	50
Total Capital Plan Funding Sources	\$ 10,383	\$ 9,629	\$ 8,945	\$ 8,237	\$ 8,082

**New York City Financial Plan
Fiscal Year 2010 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	\$ -	\$ 1,618	\$ 900	\$ 900	\$ 3,418
Transitional Financial Authority	900	775	900	900	3,475
Water Authority ¹	300	700	1,200	197	2,397
Total Borrowing to Finance City Capital Program	\$ 1,200	\$ 3,093	\$ 3,000	\$ 1,997	\$ 9,290

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
Five Year Capital Plan
(\$ in millions)**

Projected Capital Commitments

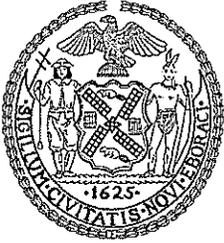
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
City	\$ 11,191	\$ 7,307	\$ 4,747	\$ 5,204	\$ 5,001	\$ 33,450
Non-City	3,313	1,730	1,546	1,303	1,648	9,540
Total	\$ 14,504	\$ 9,037	\$ 6,293	\$ 6,507	\$ 6,649	\$ 42,990

Projected Capital Expenditures

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
City	\$ 9,138	\$ 8,200	\$ 7,247	\$ 6,433	\$ 6,328	\$ 37,346
Non-City ¹	1,245	1,429	1,698	1,804	1,754	7,930
Total	\$ 10,383	\$ 9,629	\$ 8,945	\$ 8,237	\$ 8,082	\$ 45,276

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) 788-5900

Stuart Klein
First Deputy Director

February 18, 2010

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-B2 on behalf of the Covered Organizations. This completes Modification No. 10-2.

Yours truly,

A handwritten signature in black ink, appearing to read "Stuart Klein", with a long horizontal flourish extending to the right.

Stuart Klein

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EXHIBIT B	COVERED ORGANIZATIONS - FINANCIAL PLAN
B-1	New York City Health and Hospitals Corporation
B-2	New York City Housing Development Corporation

NYC Health & Hospitals Corporation
Accrual Basis
January 2010 Financial Plan
(\$ in millions)

	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014
OPERATING REVENUES					
Third Party Revenue					
Medicaid Fee for Service	1,379.6	1,409.1	1,415.3	1,443.6	1,415.7
Medicare	610.5	622.0	634.3	647.0	659.9
Other Third Parties (which includes Medicaid & Medicare managed care)	982.5	1,032.6	1,084.1	1,138.3	1,195.2
Pools & Additional Revenues (including Self Pay)	2,018.9	1,419.9	1,421.5	1,420.8	1,420.8
Subtotal: Third Party Revenue	4,991.5	4,483.5	4,555.1	4,649.6	4,691.6
Funds Appropriated by the City					
Debt Service	(22.5)	(47.5)	(66.0)	(69.7)	(63.4)
Prisoner/Uniform Services	65.7	52.6	52.6	52.6	52.6
Other City Services	38.1	28.2	28.2	28.2	28.2
Unrestricted City Services	4.0	5.2	32.3	32.4	32.4
Adjustment for Prepayment	(85.0)	-	-	-	-
CEO: Nursing Ladder Program	1.1	1.5	-	-	-
Subtotal: Funds Appropriated by the City	1.3	40.0	47.1	43.5	49.8
Grants (including CHP and Intra-City)	250.5	222.4	223.6	223.6	223.6
Other Revenue	40.5	41.6	42.6	43.7	44.8
MetroPlus Premium Revenue	1,095.8	1,127.1	1,145.7	1,163.9	1,163.9
TOTAL OPERATING REVENUES	6,379.8	5,914.5	6,014.1	6,124.3	6,173.7
OPERATING EXPENSES					
Personal Services	2,664.9	2,695.3	2,749.2	2,804.2	2,860.2
Fringe Benefits	1,088.9	1,160.7	1,219.8	1,280.0	1,343.6
Other Than Personal Services	1,689.4	1,738.8	1,791.8	1,846.4	1,902.8
Medical Malpractice	189.9	189.9	189.9	189.9	189.9
Affiliations	833.3	858.3	884.0	910.6	937.9
Depreciation	250.0	260.0	270.0	280.0	290.0
Postemployment benefits, other than pension (Excl PYG)	364.1	395.1	428.7	465.1	504.6
TOTAL OPERATING EXPENSES	7,080.5	7,298.0	7,533.4	7,776.1	8,030.0
TOTAL OPERATING INCOME/(LOSS)	(700.7)	(1,383.5)	(1,519.3)	(1,651.8)	(1,856.4)
NON-OPERATING REVENUE/(EXPENSE)					
Interest Income	25.0	20.0	15.0	10.0	11.0
Interest Expense	(120.0)	(120.0)	(120.0)	(120.0)	(120.0)
Total Non-Operating Expenses (net)	(95.0)	(100.0)	(105.0)	(110.0)	(109.0)
PROFIT/(LOSS) BEFORE OTHER CHANGES IN NET ASSETS	(795.7)	(1,483.5)	(1,624.3)	(1,761.8)	(1,965.4)
CORRECTIVE ACTIONS					
DSH Maximization	-	300.0	300.0	300.0	300.0
Corporate Savings Initiatives	225.0	353.4	457.3	532.1	557.1
Other State/Federal Actions	1.2	185.0	310.0	360.0	410.0
Medical Malpractice Containment	25.0	25.0	25.0	25.0	25.0
Subtotal: Corrective Actions	251.2	863.4	1,092.3	1,217.1	1,292.1
PROFIT/(LOSS) AFTER CORRECTIVE ACTIONS	(544.5)	(620.1)	(532.0)	(544.7)	(673.3)
PRIOR YEAR CASH BALANCE	233.5	804.9	514.5	354.8	240.4
ACCRUAL TO CASH ADJUSTMENT	1,115.9	329.7	372.3	430.4	453.7
CLOSING CASH BALANCE	804.9	514.5	354.8	240.4	20.9

New York City Housing Development Corporation
 Five Year Financial Plan -- Schedule of Revenues, Expenditures and Fund Balances
 HDC Fiscal Years 2010 through 2014
 Accrual Basis, Dollars in Thousands
 HDC Programs Only

Reporting Categories	2010	2011	2012	2013	2014
Operating Revenues					
Interest on Loans	163,491	170,031	176,832	183,905	191,261
Fees and Charges	27,608	28,160	28,723	29,298	29,884
Income on Loan Participation Interests	8,000	4,000	4,000	4,000	4,000
Other Operating Revenues	100	100	100	100	100
Subtotal, Operating Revenues	<u>199,199</u>	<u>202,291</u>	<u>209,655</u>	<u>217,303</u>	<u>225,245</u>
Operating Expenses					
Interest, Amortization of Bond Discount/Premium	150,975	157,014	163,294	169,826	176,619
Salaries and Related Expense ⁽¹⁾	31,047	19,289	20,060	20,863	21,697
Trustee and Other Fees	4,814	5,296	5,825	6,408	7,049
Amortization of Debt Issuance Costs	5,081	5,182	5,286	5,392	5,499
Corporate Operating Expenses	5,222	5,483	5,757	6,045	6,347
Subtotal, Operating Expenses	<u>197,139</u>	<u>192,263</u>	<u>200,223</u>	<u>208,533</u>	<u>217,212</u>
Non-Operating Revenues (Expenses)					
Earnings on Investments	35,777	36,671	37,588	38,527	39,491
Non-Operating Revenues (Expenses), Net	<u>2,240</u>	<u>2,241</u>	<u>2,242</u>	<u>2,243</u>	<u>2,244</u>
Subtotal, Non-Operating Revenues	38,017	38,912	39,830	40,771	41,735
Transfers	467	490	515	541	568
Change in Net Assets	40,544	49,430	49,778	50,081	50,336
Net Assets, Beginning of Year ⁽²⁾	1,166,557	1,207,101	1,256,531	1,306,309	1,356,390
Net Assets, End of Year ⁽²⁾	<u>1,207,101</u>	<u>1,256,531</u>	<u>1,306,309</u>	<u>1,356,390</u>	<u>1,406,727</u>

⁽¹⁾ As of October 31, 2009, the actuarial accrued liability for OPEB (Other Post Employment Benefits) was \$18,658,000 all of which will be funded in 2010 from funds held by the Corporation.

⁽²⁾ Net Assets of the Corporation consist principally of loan assets (notes and mortgages) and restricted and dedicated invested funds. The assets are reserved by bond covenant, contract and/or HDC policy.