


The City of New York
Deferred Compensation Plan/New York City Employee IRA
Comprehensive Annual Financial Report

2011


For the Fiscal Year ended December 31, 2011
The Deferred Compensation Plan is a Fiduciary Fund of The City of New York

nycdcp

NYCE IRA

Array of Programs

nycdcp

- 457
  - Traditional (Pre-Tax)
  - Roth (After-Tax)
- 401(k)
  - Traditional (Pre-Tax)
  - Roth (After-Tax)

401(a) Savings Incentive Plan*
(Employer Contributions)

NYCE IRA

- Traditional NYCE IRA (Pre-Tax)
  - Employee
  - Spousal
- Roth NYCE IRA (After-Tax)
  - Employee
  - Spousal

* Available to eligible City employees with a negotiated employer contribution, subject to an agreed-upon annual employee contribution to the 457 Plan.

The City of New York Deferred Compensation Plan/New York City Employee IRA

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2011

Prepared by:

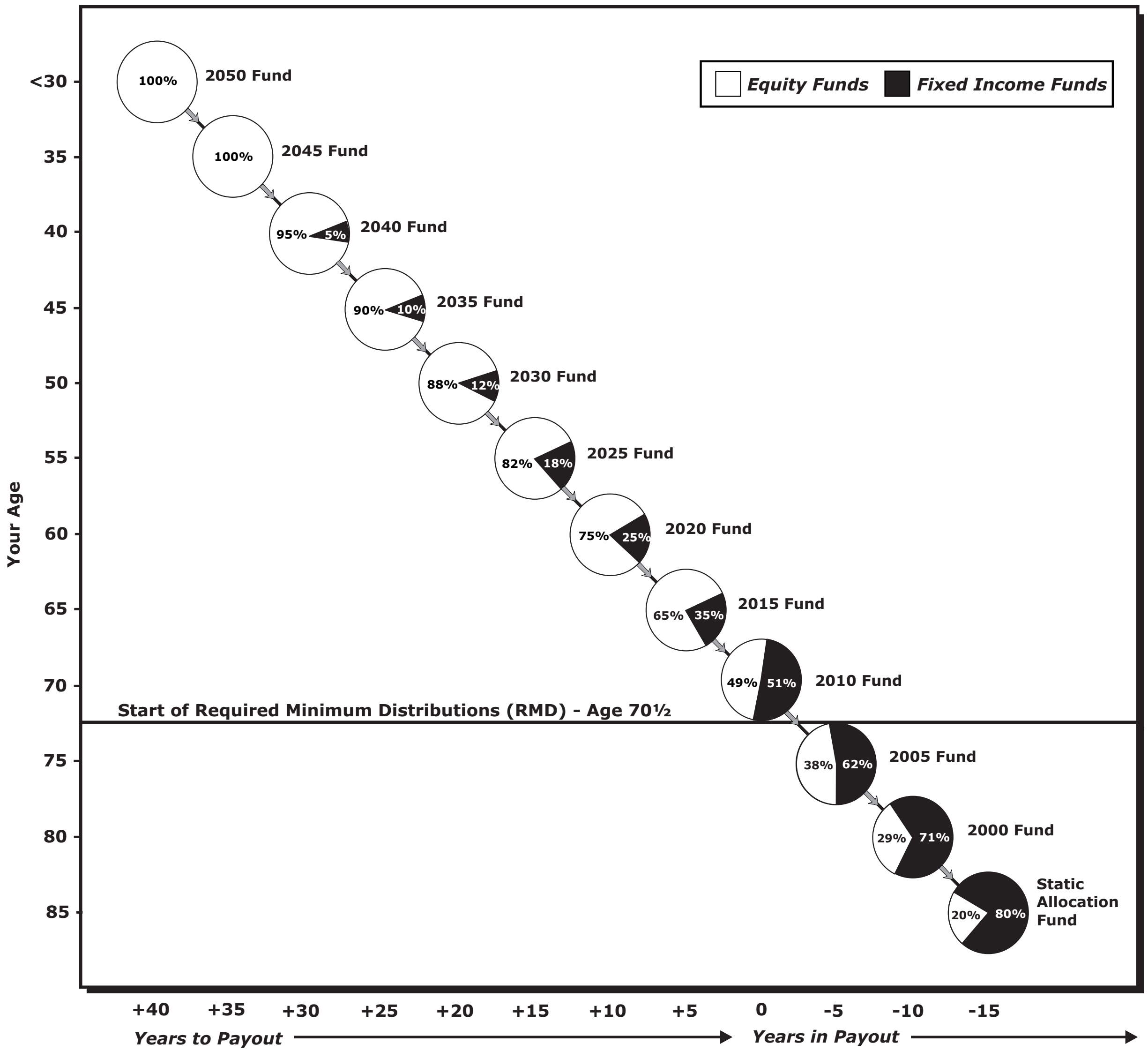
Georgette Gestely
Director

Joan Barrow
Chief Accountant

Sections 457, 401(k) and 401(a) Plans and Section 408(q) New York City Employee IRA (NYCE IRA) reported within The City of New York's Comptroller's Comprehensive Annual Financial Report

Program Investment Choices

Pre-Arranged Portfolios



Participants are offered a choice of 12 Pre-Arranged Portfolios. Participants should choose a Pre-Arranged Portfolio based on their age or distribution begin date.

Core Options

Potential Risk/ Potential Reward Scale		
High	Stocks	Small-Cap Equity
	Stocks	International Equity
	Stocks	Mid-Cap Equity
	Stocks	Global Socially Responsible Fund
	Stocks	Equity Index Fund
	Bonds	Bond Fund
Low	Stable Value	Stable Income Fund

All Plan assets are in either a separately managed account or a commingled account. Unlike a mutual fund, a separate account is not open to outside investors and is created solely for the benefit of Plan participants. Separate accounts only contain Deferred Compensation Plan assets and all participants trade according to the same rules.

Rather than utilize a single investment manager for some options, the Plan has created core investment options with multiple managers to diversify Plan risk. This structure provides flexibility to change managers, if necessary, without suspending participant trading.

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Board Members

Michael R. Bloomberg
Mayor of the City of New York

John C. Liu
Comptroller of the City of New York

James F. Hanley, Chairman
Commissioner, Office of Labor Relations

Mark Page
Director, Office of Management & Budget

David Frankel
Commissioner, Department of Finance

Edna Wells Handy
Commissioner, Department of Citywide Administrative Services

Raymond W. Kelly
Police Commissioner

Salvatore J. Cassano
Fire Commissioner

Lillian Roberts
District Council 37, AFSCME

Stephen Cassidy
Uniformed Firefighters Association

Counsel to the Plan

Michael A. Cardozo
Corporation Counsel

Organization Chart

Office of Labor Relations

James F. Hanley
Commissioner

Richard Yates
Deputy Commissioner

Renee Campion
Associate Commissioner

Dorothy A. Wolfe
Director, Employee Benefits Program

Deferred Compensation Plan

Georgette Gestely
Director,
Tax-Favored Benefits & Citywide Programs

Joan Barrow
Chief Accountant

Beth Kushner
Deputy Director Administration

Sang Hong
Deputy Director Operations

OFFICE OF LABOR RELATIONS
Deferred Compensation Plan / NYCE IRA
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Tel: 212 306-7760 / TTY: 212 306-7707 / Fax: 212 306-7376
Outside NYC: 888 DCP-3113 and 888 IRA-NYCE
Online: nyc.gov/deferredcomp and nyc.gov/nyceira

JAMES F. HANLEY
Commissioner
DOROTHY A. WOLFE
Director, Employee Benefits Program
GEORGETTE GESTELY
Director, Tax Favored & Citywide Programs

June 30, 2012

Members of the Board
The City of New York Deferred Compensation Plan/NYCE IRA
40 Rector Street
New York, New York 10006

The Mayor's Office of Labor Relations is pleased to present you with the twenty-sixth Comprehensive Annual Financial Report of The City of New York Deferred Compensation Plan/NYCE IRA.

An Umbrella Program

The Deferred Compensation Plan is an umbrella program for three defined contribution plans, the 457 Plan, 401(k) Plan, and 401(a) Plan, and a Deemed IRA called the New York City Employee (NYCE) IRA. The pre-tax 457 Plan began operations in 1986 and the Roth after-tax component was added in April 2011. The pre-tax 401(k) Plan was introduced in January 2002 and the Roth after-tax component was added in April 2006. The NYCE IRA has a traditional component and a Roth after-tax component, and is also available to spouses of eligible City employees. NYCE IRA account owners are able to make contributions, consolidate their retirement assets through rollovers, and deposit their income tax refunds into their accounts.

The 401(a) Savings Incentive Program was added to the Deferred Compensation Plan in 2007. The Lieutenants Benevolent Association was the first union to negotiate a fixed annual employer contribution to the program on behalf of each active employee in the bargaining unit, subject to an agreed upon annual employee contribution to the 457 Plan. The Captains Endowment Association became the second union to negotiate the program. The employer contribution is an incentive for employees to save more for retirement by making contributions to the 457 Plan.

The investment program offered to participants is the same for all the programs under the Deferred Compensation Plan/NYCE IRA umbrella. The Plan offers participants core investment options and target date, pre-arranged portfolios.

Eligible participants for the Deferred Compensation Plan include employees of The City of New York, the Housing Authority, the School Construction Authority, the Water Finance Authority, the Department of Education, the Health & Hospitals Corporation, and the community colleges of the City University of New York (401(k) only). These employees, as well as all NYC retirees who worked for the City from 1985 onwards, and the spouses of active and retired employees are eligible to establish a NYCE IRA.

As of December 31, 2011, the 457, 401(k), the NYCE IRA and the 401(a) had $9.5 billion, $1.1 billion, $115 million, and $11 million, respectively, in assets available for Plan benefits. This compares to $9.3 billion, $1 billion, $87 million, and $8 million, respectively, in assets available for Plan benefits at December 31, 2010.

Plan Funding and Expense Payment

The City of New York Deferred Compensation Plan is an entirely self-funded program. In 2011, it was financed through a combination of participants' quarterly administrative fees, amounts deducted from the net asset values, recaptured commissions, and interest earned on assets held in the Plan's custodial account. These funds covered all participant-directed activities, communications, and administrative expenses.

Membership	457 Plan	401(k) Plan	NYCE IRA	401(a) Plan
Total Participants in 2011	117,682	31,519	2,537	2,780
Total Participants in 2010	117,785	29,861	2,121	2,026
Net Increase/(decrease)	**(103)**	**1,658**	**416**	**754**

Investments

Each Plan investment contract is procured according to New York City and State regulations and awarded to the manager with the best combination of investment experience, performance history and management fees. The Deferred Compensation Plan offered twelve pre-arranged portfolios and seven core investment options. The investment performance results, net of fees, are shown below:

Investment Option	2011 Yield/Return	Investment Option	2011 Yield/Return
Static Allocation Fund	3.9%	Stable Income Fund	3.6%
2000 Fund	3.6%	Bond Fund	6.5%
2005 Fund	2.9%	Equity Index Fund	2.0%
2010 Fund	2.2%	Global Socially Responsible Fund	(4.9%)
2015 Fund	0.9%	Mid-Cap Equity Fund	(5.5%)
2020 Fund	(0.2%)	International Equity Fund	(11.1%)
2025 Fund	(1.3%)	Small-Cap Equity Fund	(2.1%)
2030 Fund	(1.9%)		
2035 Fund	(2.1%)		
2040 Fund	(2.7%)		
2045 Fund	(3.2%)		
2050 Fund	(3.1%)		

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of New York Deferred Compensation Plan for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the seventeenth consecutive year that the Plan has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

National Association of Government Defined Contribution Administrators Leadership Recognition Award

In 2011, the National Association of Government Defined Contribution Administrators (NAGDCA) bestowed a leadership recognition award to the Plan for outstanding achievement in the field of Government Defined Contribution Administration. The Plan was recognized in the category of Effective Communication for its Financial Planning Seminars. This was the sixteenth consecutive year that the Plan has achieved this prestigious award.

2011 Annual Report

The management of The City of New York Deferred Compensation Plan is responsible for establishing and maintaining procedures to administer and oversee Plan operations. An internal control structure is designed to provide reasonable assurance that the assets of the system are safeguarded against loss, theft, or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Furthermore, the concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived from it; and
2. the valuation of cost and benefits requires estimates and judgment by management.

We believe the information presented in the Comprehensive Annual Financial Report is accurate and fair in all material respects.

This Letter of Transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Acknowledgements

We wish to express our appreciation and gratitude to the dedicated and knowledgeable individuals who comprise both the staff and the consulting community: the Plan's investment consultants, Mercer Investment Consulting, Inc. and Milliman USA ; the Plan's custodian, The Bank of New York Mellon; the Plan's legal advisor, Ice Miller, LLP; the Plan's auditor, Marks Paneth & Shron, LLP; the Plan's educational consultant, ICMA-RC; and the Plan's recordkeeper, FASCore, LLC, which is responsible for the maintenance of individual participant accounts and the issuance of quarterly participant statements. These individuals ensure the continued availability to New York City employees of the finest possible defined contribution plan at the lowest possible cost.

Sincerely,

Georgette Gestely
Director

Joan E. Barrow
Chief Accountant

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of New York Deferred Compensation Plan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Linda C. Davison

President

Jeffrey R. Esser

Executive Director

National Association of Government Defined Contribution Administrators, Inc.

NAGDCA

2011 LEADERSHIP RECOGNITION AWARD

FOR OUTSTANDING ACHIEVEMENT IN THE FIELD OF GOVERNMENT DEFINED CONTRIBUTION ADMINISTRATION

Effective Communication

City of New York, NY

Financial Planning Seminars

The City of New York Deferred Compensation Board (the "Board") was established by Executive Order No. 81 dated April 16, 1985 and Executive Order No. 85, dated November 13, 1985 of the Office of the Mayor. Executive Orders Nos. 81 and 85 were replaced by Executive Order No. 158, dated October 19, 2011. The Board is comprised of the Mayor of The City of New York, the Comptroller of The City of New York, the Commissioner of the Office of Labor Relations, the Director of the Office of Management & Budget, the Commissioner of Finance, the Commissioner of the Department of Citywide Administrative Services, the Police Commissioner, the Fire Commissioner, and two persons designated by the Municipal Labor Committee. The Municipal Labor Committee designated representatives from the Uniformed Firefighters Association and District Council 37, AFSCME to serve on the Board. The Corporation Counsel shall be counsel to the Board and the Plan. In 1986, the Board implemented the Deferred Compensation Plan for Employees of The City of New York and Related Agencies and Instrumentalities (the "457 Plan") which is governed by §457 of the Internal Revenue Code of 1986, as amended (the "Code"). In January 2002, the Board commenced enrollment in the 401(k) Plan for Employees of The City of New York and Related Agencies and Instrumentalities (the "401(k) Plan"). In April 2006, the 401(k) Plan began accepting Roth (after-tax) contributions. In January 2007, the Board established the 401(a) Savings Incentive Plan for the Employees of The City of New York and Related Agencies and Instrumentalities (the "401(a) Plan"). The 401(a) Plan accepts only negotiated employer contributions for eligible employees who have made agreed-upon employee contributions to the 457 Plan. In 2011, as a result of the passage of the Small Business Jobs and Credit Act of 2010, the 457 Plan began accepting Roth (after-tax) contributions. The Mayor's Office of Labor Relations (the "Plan Administrator") administers the 457 Plan, the 401(k) Plan and the 401(a) Plan. The 457 Plan, 401(k) Plan and the 401(a) Plan will, at all times, comply with the Code and corresponding federal and state regulations and all other applicable laws. The 457, 401(k) and 401(a) Plans will sometimes be referred to collectively as the "Plans."

The Plans are voluntary retirement contribution programs. The employers participating in the Plans include The City of New York, the Department of Education, the Health and Hospitals Corporation, the community colleges of the City University of New York (the 401(k) Plan only), the New York City Housing Authority, the New York City School Construction Authority and the New York City Municipal Water Finance Authority.

Delegation by Employers

The employers participating in the Plans have delegated their powers, duties, and responsibilities under the Plans to the Board.

Participation

An employee is eligible to participate in the Plans after the date he or she becomes a participant by completing an agreement (the "Participation Agreement"), via the Plans' Web site, or through a Plan Enrollment Form with the Plan Administrator. All eligible employees enroll in the 457 Plan and/or the 401(k) Plan through the Plans' Web site at nyc.gov/deferredcomp, or by submitting an enrollment form. Eligibility to participate in the 401(a) Plan is determined by labor agreements.

The Participation Agreement must specify a) the percentage of the participant's includible compensation to be deferred in multiples of 0.5%, not less than 1% nor greater than 50% and b) the investment option(s) selected by the participant, including the percentages to be allocated to the selected option(s), in increments of 1%.

Maximum Deferrals

457 Plan

The maximum amount which may be deferred, for both pre-tax and Roth contributions by a participant in the 457 Plan in a calendar year, may not exceed the lesser of (a) $16,500 ($17,000 in 2012) or (b) 50% of an active participant's "includible compensation" (as defined by the Code). However, under certain circumstances, up to double the annual maximum participant contribution may be deferred by a participant during each of the last three years prior to reaching his or her designated "Normal Retirement Age" ("Deferral Acceleration for Retirement Amount") if less than the maximum was deferred during earlier years. In addition, participants age 50 and over can defer an additional $5,500 ($5,500 in 2012), irrespective of prior contributions ("Age 50 and Over Catch-Up"). Participants age 50 and over can defer the greater of: (i) Deferral Acceleration for Retirement Amount, or (ii) the Age 50 and Over Catch-Up amount in any of the three years prior to the designated Normal Retirement Age. If a participant contributes to more than one 457 plan in a given year, the amounts deferred under such plans are aggregated in applying the maximums stated above.

401(k) Plan

The maximum amount which may be deferred, for both pre-tax and Roth contributions, by a participant in the 401(k) Plan in a calendar year may not exceed the lesser of (a) $16,500 ($17,000 in 2012) or (b) 50% of an active participant's "includible compensation" (as defined by the Code). Participants age 50 and over can defer an additional $5,500, ($5,500 in 2012) irrespective of prior contributions. If a participant contributes to two 401(k) plans or a 401(k) and 403(b) plan, the amounts deferred under all such plans are aggregated by applying the maximums stated above. Participants contributing to both the 457 Plan and the 401(k) Plan do not have to aggregate and are permitted to contribute the maximum to each plan.

401(a) Plan

The amount of the employer contribution to the 401(a) Plan is not subject to the maximums stated above and is determined by labor agreements and subject to an agreed-upon annual employee contribution to the 457 Plan.

Assets Held in the Custodial Account

The following list consists of the various types of assets held in the custodial account for the exclusive benefit of the participants and their beneficiaries of the 457 Plan, 401(k) Plan and the 401(a) Plan: (1) all amounts deferred under the Plans, (2) all property and rights purchased with such amounts, and (3) all income attributable to such amounts or rights.

Beneficiaries

Each participant must file with the Plan Administrator a separate designation for the 457 Plan and 401(k) Plan of one or more beneficiaries entitled to receive the amount, if any, payable under the Plans upon the participant's death. The filed beneficiary designation for the 457 Plan will be effective for the 401(a) Plan. A participant may revoke or change his or her beneficiary designation without the consent of any prior beneficiary by completing a change form with the Plan Administrator or through the Plans' Web site nyc.gov/deferredcomp, using his or her PIN. The last such designation on file with the Plan Administrator will be controlling. No designation, change, or revocation of a beneficiary designation will be effective unless received by the Plan Administrator prior to the participant's death, and in no event will it be effective as of a date prior to such filing.

If no beneficiary designation is in effect at the time of a participant's death, or if no primary or contingent beneficiary survives the participant, payment will be made to the participant's surviving spouse or, if the participant had no surviving spouse, to the participant's estate.

Amendment of Participation Agreements

The Participation Agreement is legally binding and irrevocable with respect to all amounts deferred while it is in effect. However, a participant may make certain changes to the Participation Agreement which are allowed under the Plans. By using a personal identification number to access his or her account through the telephone voice response system or through the Plans' Web site, a participant may, as often as he or she wishes, suspend deferrals or may increase or decrease, in multiples of 0.5%, the percentage of wages to be deferred. In addition, a participant may, either through the telephone voice response system or through the Web site, change the investment direction of future deferrals and initiate account transfers between investment options.

Recommencement of Participation

An employee who has severed from New York City service may rejoin the 457 Plan, the 401(k) Plan, or both, and become an active participant after returning to New York City service by following the procedures set forth above. Eligibility to rejoin the 401(a) Plan is determined by labor agreements.

Any person who was a City employee after 1985 has the opportunity to join the 401(k) Plan irrespective of whether they are currently employed by the City. Employees that are no longer actively employed by the City may join the 401(k) Plan, however, only rollovers or transfers can be used to fund the account.

Maintenance of Accounts

For both the 457 Plan and the 401(k) Plan, the recordkeeper establishes an account for each participant to which any amounts deferred, transferred or distributed under the Plans are credited or charged, including any increase or decrease in the value of the investment options specified in the Participation Agreement or any amendment thereto. In March 2009, the Board implemented an Excessive Trading Policy for all of the Plan's investment options. The policy states that if monies are not held in any of the fund options for a period of thirty-two (32) calendar days, the participant will be assessed a 2% redemption fee. The minimum fee that will be assessed will be $20 based on a $1,000 trade. An employee participating in both the 457 Plan and 401(k) Plan who wishes to make any changes must do so independently for each Plan.

The recordkeeper also establishes a 401(a) Plan account to which any amounts contributed, transferred or distributed are credited or charged, including any increase or decrease in the value of the investment options specified.

All investment options offered under the Plans are offered by persons, companies or entities authorized to do business in the State of New York and are duly licensed, if applicable, by the appropriate federal agencies regulating such investments. The Board and the Plan Administrator are not responsible for any decrease in the value of a participant's account resulting from capital or market changes or any other changes occurring in the investment options of the participant's account. A participant or beneficiary is considered to have exercised independent control over the assets in his or her account and the consequences are within a participant's or beneficiary's exercise of control.

Crediting of Accounts

Each participant's account is credited with amounts authorized for deferral or completed incoming transfers within four business days of receipt in good order by the Plans' custodian. Funds are invested in accordance with participants' directions in one or more financial organizations appointed by the Board, to be held, managed, invested and reinvested in accordance with the applicable agreement entered into by the Board with each such financial organization.

Account Reporting

A statement of the total amount invested in a participant's account is furnished to each participant not more than thirty days after the end of each calendar quarter. If employees participate in the 457 Plan, 401(k) Plan, NYCE IRA, and the 401(a) Plan, they will receive only one statement but each plan will be separately accounted. Participants may also access their balance information through the Plans' telephone voice response system and Web site. All statements to a participant are based on the net fair market value or book value, as applicable, of the investment options as of the effective date of the statement to the extent such values are available to the Plan Administrator.

Fees

All participants are assessed a single quarterly administrative fee of $20.00 for participation in the 457 Plan, the 401(k) Plan, 401(a) and the NYCE IRA. The administrative fee covers the cost of administering the Plans, safeguarding assets, and providing appropriate information and services including the printing and mailing of quarterly statements. Furthermore, to offset Plan expenses, the amount deducted from the net asset values of each of the investment options is .05%. Effective January 2012, the amount deducted from the net asset values of each of the investment options was reduced to .04%. In addition, each investment manager charges an investment management fee that is deducted directly from each investment option's daily value.

Incoming Rollover or Transfers

Participants in the Deferred Compensation Plan are eligible to roll over their pre-tax and Roth assets from other eligible retirement plans into the 401(k) Plan. The 401(k) Plan accepts rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b) and rollover IRAs. The 457 Plan accepts transfers from other 457 plans only. The Roth 457 accepts transfers from other Roth 457 plans only and the Roth 401(k) only accept rollovers from other Roth 401(k) plans. The 401(a) Plan does not accept incoming rollovers or transfers. The Deferred Compensation Plan has also established the Special 401(k) Rollover Account exclusively for the acceptance of the federally tax-deferred portion of a participant's City pension and annuity funds.

In-Service Withdrawals

Emergency Withdrawals

A pre-tax 457 Plan participant who experiences an unforeseeable emergency (as defined by the Code) may apply in writing to the Board for a determination of whether the guidelines for an emergency withdrawal under §457 of the Code have been met. Any determination by the Board of what constitutes an unforeseeable emergency or the amount needed to satisfy the emergency is final. Upon Board approval, the Plan's recordkeeper will disburse to the participant the amount authorized by the Board. Distributions are subject to applicable taxes.

A pre-tax 401(k) Plan participant who experiences an immediate and heavy financial need (as defined by the Code) may apply in writing to the Board for a determination of whether the guidelines for a withdrawal under §401 of the Code have been met. Any determination by the Board of what constitutes an immediate and heavy financial need or the amount needed to satisfy the need is final. Upon Board approval, the Plan's recordkeeper will disburse to the participant the amount authorized by the Board. Distributions are subject to applicable taxes and may be subject to early withdrawal penalties.

The 401(a) Plan does not provide for emergency withdrawals.

Withdrawals from the 457 Plan

Pre-tax and Roth 457 Plan participants age 70½ and older are eligible to take distributions, without penalty, from their 457 account while still working for the City. Roth 457 Plan participants are eligible to take income-tax free distributions provided that it has been at least five taxable years since the initial contribution.

Withdrawals from the 401(k) Plan

Pre-tax 401(k) Plan participants age 59½ and older are eligible to take distributions, without penalty, from their 401(k) account while still working for the City. Roth 401(k) Plan participants age 59½ and older are eligible to take income-tax free distributions, without penalty if it has been at least five taxable years since the initial contribution.

Withdrawals after age 62 from the 401(a) Plan

401(a) Plan participants age 62 and older are eligible to take distributions, without penalty, from their 401(a) account while still working for the City.

Direct Transfer for the Purpose of Purchasing Permissive Service Credit

457 Plan participants are eligible to use their 457 Plan assets as a source of funding for the purchase of permissive service credits (as defined by the Code) in any defined benefit plan or pension system, via a direct transfer.

457 Plan Small Account Withdrawals

A participant may be entitled to a full withdrawal of his or her account prior to severance from service if the account balance does not exceed $5,000, there have been no contributions or loans during the two-year period ending on the date of distribution, and there has been no prior small account withdrawal.

Loans

A participant in active payroll status is eligible to receive a loan from the pre-tax portion of the 457 Plan and the pre-tax portion of the 401(k) Plan. The minimum amount is $2,500. The maximum amount of an approved loan shall not exceed the lesser of: (i) 50% of the participant's 457 or 401(k) Plan account balance; or (ii) $50,000 less the combined highest balance of all outstanding loans a participant may have from a pension, a 403(b) and other Deferred Compensation Plans for the preceding 1-year period. Participants will be permitted to receive one loan in any 12-month period and may have no more than two loans outstanding at any time from each Plan. An origination fee in the amount of $50.00 shall be deducted from the loan amount approved and a quarterly maintenance fee of $8.75 shall be deducted from the participant's account for the term of each loan.

Loans are not permitted from the 401(a) Plan and the Roth portions of either the 457 Plan or the 401(k) Plan.

Other than these allowable in-service withdrawals, participants may not withdraw from their accounts until they sever from New York City service.

Distribution of Benefits

Upon a participant's severance from New York City service, or if a pre-tax 457 Plan participant is age 70½ or older, or if a pre-tax 401(k) Plan participant is age 59½ or older, or if a 401(a) Plan participant is age 62 or older, the participant is entitled to receive an amount equal to the value of his or her account, to be paid, subject to applicable taxes, in accordance with one of the methods described below. If the distribution is from a Roth 457 or 401(k) account and made (1) after a period of five consecutive taxable years that begins with the first day in which the participant makes a Roth contribution and ends when five consecutive taxable years have been completed; and (2) on or after the date the participant attains age 59½, the Qualified

Distribution will not be subject to federal, state or local income taxes upon distribution. Participants can choose to remain in the Plans and are not required to withdraw, roll over or transfer their account upon severance from New York City service.

Commencement Date

Subject to Required Minimum Distributions, a participant may elect any commencement date as long as such date is no earlier than the forty-fifth day after severance from New York City service. A participant has the option to cancel or change his or her distribution schedule at any time upon proper notice to the Plan Administrator. Upon reaching the later of April 1st of the calendar year following: (1) the calendar year he or she reaches age 70½, or (2) the calendar year in which he or she severs from New York City service, 457 and 401(k) Plan participants (both pre-tax and Roth) are required to start receiving withdrawals from their account (Required Minimum Distributions).

Method of Distribution for Direct Payment

If a participant chooses to take direct payments, the following methods of distribution are available under the Plans:

1. Full withdrawal; or
2. A specified Amount Certain of a participant's account (Minimum request of $1,000); or
3. Substantially equivalent monthly, quarterly, semi-annual or annual payments; or
4. A specified Amount Certain of a participant's account, with the remaining balance paid in substantially equivalent monthly, quarterly, semi-annual or annual payments.

Effective June 1, 2011 participants may request up to five non-periodic Amount Certain withdrawals per calendar year. Additional requests may be subject to a nominal processing fee.

Rollovers or Transfers Out of the Plans

If a participant chooses to transfer or roll over his or her Deferred Compensation account, or a portion thereof, it must be to an eligible retirement plan, (457, 401(k), 403(b), 401(a), or rollover IRA). 457 Plan participants are permitted to roll over or transfer upon severance from City service or upon reaching age 70½. 401(k) Plan participants are eligible to roll over upon severance from City service or upon reaching age 59½. 401(a) Plan participants are eligible to roll over upon severance from City service or upon reaching age 62. Participants looking to consolidate assets are eligible to roll over their Deferred Compensation account to the New York City Employee IRA (NYCE IRA). The NYCE IRA is available as both a Traditional IRA and a Roth IRA. Spouses of participants are also eligible (see Plan Summary Section for the NYCE IRA).

Election of Length of Distribution

If a participant elects installment payments, he or she may specify either: (1) the total number of payments, or (2) the dollar amount of each payment. In either case, distributions cannot be paid over a period of time which exceeds the life expectancy of the participant or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code). Payments will be recalculated annually and will be paid only until the account is exhausted.

Distribution Elections by Beneficiaries

Subject to Required Minimum Distributions, beneficiaries are eligible to select how to receive distributions from the decedent's account by the submission of a Beneficiary Distribution Form. Distributions to a "designated beneficiary" must be made over a period that does not exceed the life expectancy of the beneficiary, while all other beneficiaries must complete distribution by the fifth anniversary of the participant's death. Effective June 2011, spousal beneficiaries may elect to name a beneficiary to their inherited account. Only spousal beneficiaries are eligible to roll over assets to their own eligible retirement plan or IRA. A non-spousal beneficiary is eligible to make a direct trustee-to-trustee transfer of an eligible rollover distribution from the Plan to an IRA established solely for the purpose of receiving the death benefit distribution. For a participant who has begun receiving distributions from his or her account, any amount not distributed to the participant during his or her life will be distributed after the death of the participant at least as rapidly as under the method of distribution being used by the participant.

If a participant died before his or her required beginning date, distribution to a spousal beneficiary must begin on or before December 31st of the year in which such participant would have attained age 70½. All other beneficiaries must begin no later than December 31st of the calendar year following the calendar year in which the participant died. If a participant died after his or her required beginning date, distributions to all beneficiaries must begin no later than December 31st of the calendar year following the calendar year in which the participant died.

The City of New York Deferred Compensation Board (the "Board") was established by Executive Order No. 81 dated April 16, 1985 and Executive Order No. 85, dated November 13, 1985 of the Office of the Mayor. Executive Orders Nos. 81 and 85 were replaced by Executive Order No. 158, dated October 19, 2011. The Board is comprised of the Mayor of The City of New York, the Comptroller of The City of New York, the Commissioner of the Office of Labor Relations, the Director of the Office of Management & Budget, the Commissioner of Finance, the Commissioner of Citywide Administrative Services, the Police Commissioner, the Fire Commissioner, and representatives from the Uniformed Firefighters Association and District Council 37, AFSCME, both designated by the Municipal Labor Committee. The Corporation Counsel shall be counsel to the Board and the Plan. In November 2006, the Board implemented a deemed IRA program, the New York City Employee Individual Retirement Account ("NYCE IRA") which is governed by §408 and 408(A) of the Internal Revenue Code of 1986, as amended (the "Code"). The provisions establishing the NYCE IRA are incorporated into the 401(k) Plan for Employees of The City of New York and Related Agencies and Instrumentalities (the "401(k) Plan") in accordance with §408(q) of the Code. The Mayor's Office of Labor Relations (the "NYCE IRA Administrator") administers the NYCE IRA. The NYCE IRA will, at all times, comply with the Code and corresponding federal and state regulations and all other applicable laws.

There are two forms of IRAs: a traditional IRA and a Roth IRA. The current and former employees of the following agencies and instrumentalities are eligible to establish a NYCE IRA: The City of New York, the Department of Education, the Health and Hospitals Corporation, the community colleges of the City University of New York, the New York City Housing Authority, the New York City School Construction Authority and the New York City Municipal Water Finance Authority.

Establishing a NYCE IRA

A current or former eligible employee establishes a NYCE IRA account after the date he or she acknowledges the NYCE IRA Disclosure Statement and Fee Schedule (the "Disclosure Statement"), via the NYCE IRA Web site or the NYCE IRA Application. Establishing a NYCE IRA also requires specifying the investment option(s) selected by the account owner, including the percentages to be allocated to the selected option(s), in increments of 1%. In addition, the new NYCE IRA account owner must designate at least one individual or entity as beneficiary of his or her NYCE IRA account. A spouse of an eligible current or former employee of The City of New York may establish a Spousal NYCE IRA account. A spouse can open a Spousal NYCE IRA by completing a New York City Employee IRA Application and submitting it to the NYCE IRA Administrative Office.

Funding a NYCE IRA

Contributions

The contribution limit to the NYCE IRA for 2011 (and 2012) is the lesser of $5,000 or total annual taxable compensation. NYCE IRA account owners age 50 and over can contribute a maximum to the NYCE IRA of the lesser of $6,000 or total taxable compensation for year 2011 (and 2012). The same contribution limits apply for the Spousal NYCE IRA. The maximum contribution limit applies to the total contributions made to all IRAs (traditional and Roth) for the year. Contributions to the NYCE IRA may be made anytime during the year or by the deadline for filing a federal income tax return, without including extensions. Contributions to the NYCE IRA must be received by the Plan's custodian prior to the tax-filing deadline. Contributions to a traditional IRA are generally deductible on a federal income tax return and can be made until the account owner is age 70½. Whether contributions into the NYCE IRA will be deductible or non-deductible depends on the account owner's (or, if married, the account owner's and the spouse's) Modified Adjusted Gross Income and whether or not the account owner or spouse is covered by another retirement plan at work. Unlike a traditional IRA, Roth IRA contributions are not deductible and can continue to be made after age 70½. Eligibility to make contributions to the Roth NYCE IRA depends on the account owner's (or, if married, account owner's and spouse's) Modified Adjusted Gross Income. Contributions can be made by personal check or money order.

Rollovers

A rollover is a tax-free distribution from a previous retirement plan or IRA that is transferred to another retirement plan or IRA. A rollover does not count toward the annual maximum IRA contribution limit and is not a deductible contribution.

The Traditional NYCE IRA will accept rollovers from a previous employer's retirement plan and the City's Pre-Tax 457 Plan or Pre-tax 401(k) Plan and 403(b) after severance from City service or attainment of age 59½ (401(k) or 403(b)). The Roth NYCE IRA will accept rollovers from the City's Roth 457 Plan and Roth 401(k) Plan. Both the Traditional and Roth NYCE IRA accept rollovers from other IRA financial institutions. The only distributions from a retirement plan or IRA that are not eligible for rollover to the NYCE IRA are the following:

Periodic Payments from a pension, annuity or retirement plan (401(k), 457, 403(b) or IRA) that are made at least once a year and that will last for (a) your life expectancy, (b) your life expectancy and your beneficiary's life expectancy, or (c) a specified period of ten years or more, Required Minimum Distributions, and Hardship Withdrawals.

Conversions

A conversion is a rollover from a traditional IRA to a Roth IRA, where the amount rolled over is subject to applicable income taxes. A conversion does not count towards the annual maximum IRA contribution limit.

Assets in the City's Pre-tax 457 Plan and the Pre-tax 401(k) Plan can be directly rolled over to the Roth NYCE IRA upon the participant's eligibility for distribution. The amount rolled over is subject to applicable income taxes.

Assets Held in the Custodial Account

The following list consists of the various types of assets held in the custodial account for the exclusive benefit of NYCE IRA account owners and their beneficiaries: (1) all amounts contributed and rolled over into a NYCE IRA account, (2) all property and rights purchased with such amounts, and (3) all income attributable to such amounts, property or rights.

Beneficiaries

Each NYCE IRA account owner must file with the NYCE IRA Administrator a beneficiary designation indicating one or more beneficiaries entitled to receive the amount, if any, payable under the NYCE IRA upon the account owner's death. A separate beneficiary designation must be made for Traditional and Roth NYCE IRA accounts. An account owner may revoke or change his or her beneficiary designation without the consent of any prior beneficiary by completing a personal information change request form with the NYCE IRA Administrator. The last such designation on file with the NYCE IRA Administrator will be controlling. No designation, change, or revocation of a beneficiary designation will be effective unless received by the NYCE IRA Administrator prior to the account owner's death, and in no event will it be effective as of a date prior to such filing.

If no primary or contingent beneficiary survives the account owner, payment will be made to the account owner's surviving spouse or, if the account owner had no surviving spouse, to the account owner's estate.

Disclosure Statement

The Disclosure Statement is legally binding and irrevocable with respect to all amounts contributed or rolled over into a NYCE IRA account while it is in effect.

Maintenance of NYCE IRA Accounts

The recordkeeper establishes a NYCE IRA account for each account owner to which any amounts contributed, rolled over or distributed under the NYCE IRA are credited or charged, including any increase or decrease in the value of the investment options. A separate account is established for a Traditional NYCE IRA account and a Roth NYCE IRA account.

A NYCE IRA account owner may make certain changes to his or her account by using a personal identification number to access his or her account through the telephone voice response system or through the Plan's Web site. A NYCE IRA account owner may, as often as he or she wishes, change the investment direction of future contributions and rollovers and initiate account transfers between investment options in multiples of 1%. In March 2009, the Board implemented an Excessive Trading Policy for all of the program's investment options. The policy states that if monies are not held in any of the fund options for a period of thirty-two (32) calendar days, the account owner will be assessed a 2% redemption fee. The minimum fee that will be assessed will be $20 based on a $1,000 trade. A NYCE IRA owner participating in both a Traditional and Roth NYCE IRA who wishes to make any changes must do so independently for each account.

All investment options offered under the NYCE IRA are offered by persons, companies or entities authorized to do business in the State of New York and duly licensed, if applicable, by the appropriate federal agencies regulating such investments. The Board and the NYCE IRA Administrator are not responsible for any decrease in the value of a NYCE IRA account resulting from capital or market changes or any other changes occurring in the investment options of the owner's NYCE IRA account. In accordance with the Disclosure Statement, an account owner or beneficiary is considered to have exercised independent control over the assets in his or her account and the consequences are within an account owner's or beneficiary's exercise of control.

Crediting of Accounts

Each NYCE IRA account is credited with amounts authorized for contributions or completed incoming rollovers within four business days of receipt in good order by the NYCE IRA's custodian. Funds are invested in accordance with the account owners' directions in one or more financial organizations appointed by the Board, to be held, managed, invested and reinvested in accordance with the applicable agreement entered into by the Board with each financial organization.

NYCE IRA Account Reporting

A statement of the total amount invested in a NYCE IRA account is furnished to each account owner not more than thirty days after the end of each calendar quarter. If the NYCE IRA account owner has either or both a traditional and Roth IRA and/or participates in either or both the 457 Plan and 401(k) Plan, they will receive only one statement, but each program will be separately accounted. NYCE IRA account owners may also access their balance information through the telephone voice response system or Plan's Web site. All statements to a NYCE IRA account owner are based on the net fair market value or book value, as applicable, of the investment options as of the effective date of the statement, to the extent such values are available to the NYCE IRA Administrator.

Fees

All participants are assessed a single quarterly administrative fee of $20.00 for participation in the 457 Plan, the 401(k) Plan, the 401(a) Plan and the NYCE IRA. The administrative fee covers the cost of administering the NYCE IRA, safeguarding assets, and providing appropriate information and services including the printing and mailing of quarterly statements. Furthermore, to offset NYCE IRA expenses the amount deducted from the net asset values of each of the investment options is .05%. Effective January 2012, the amount deducted from the net asset values of each of the investment options is reduced to .04%. In addition, each investment manager charges an investment management fee that is deducted directly from each investment option's daily value.

Withdrawal of NYCE IRA Assets

NYCE IRA account owners can withdraw assets from their account at any time. Subject to certain exceptions, the withdrawal of assets from an IRA prior to age 59½ is subject to a 10% early withdrawal penalty.

Assets in a Traditional NYCE IRA account are tax-deferred until the account owner takes a withdrawal. Upon withdrawal, the account owner is responsible for federal income tax and applicable state and local taxes on the taxable amount of the withdrawal. Distributions from a Traditional NYCE IRA may be fully or partially taxable, depending on whether the Traditional NYCE IRA account includes any non-deductible contributions.

A Qualified Distribution from the Roth NYCE IRA is income tax free. A Qualified Distribution is any payment or distribution from a Roth NYCE IRA account that meets the following requirements:

It is made after the 5-year period beginning with the first taxable year for which an account was established, AND

The payment or distribution is:

a. Made on or after the date the account owner reaches age 59½,
b. Made because the account owner is disabled, or
c. Made to a beneficiary or to the account owner's estate after his or her death.

If the Roth NYCE IRA account owner receives a distribution from his or her account that is not a Qualified Distribution, the earnings portion of it may be subject to applicable federal, state and local taxes along with an early withdrawal penalty.

A Traditional NYCE IRA account owner must start receiving withdrawals from his or her account by April 1st of the year following the year in which the account owner reaches age 70½ (Required Minimum Distributions).

Roth NYCE IRA accounts are not subject to Required Minimum Distributions and account owners can leave amounts in their Roth NYCE IRA as long as they live. Upon the death of a NYCE IRA account owner, the assets in his or her Roth NYCE IRA will be paid to his or her designated beneficiaries.

Method of Withdrawal for Direct Payment

If a NYCE IRA account owner chooses to take direct payments, the following methods of distribution are available under the Plans:
Full withdrawal; or
A specified Amount Certain of a NYCE IRA account; or
Substantially equivalent monthly, quarterly, semi-annual or annual payments; or
A specified Amount Certain of a NYCE IRA account, with the remaining balance paid in substantially equivalent monthly, quarterly, semi-annual or annual payments.

Rollovers Out of the NYCE IRA

If a NYCE IRA account owner chooses to roll over his or her NYCE IRA account, or a portion thereof, it must be to an eligible retirement plan (457, 401(k), 403(b), 401(a), or rollover IRA).

Election of Length of Withdrawal

If a NYCE IRA owner elects payments, he or she may specify either: (1) the total number of payments, or (2) the dollar amount of each payment. In either case, distributions cannot be paid over a period of time which exceeds the life expectancy of the account owner or, in certain circumstances, the joint life expectancy of the account owner and a "designated beneficiary" (as defined by the Code). Payments will be recalculated annually and will be paid until the account is exhausted.

Distribution Elections by Beneficiaries

Beneficiaries of NYCE IRA accounts may select how to receive distributions from the decedent's account by the submission of a NYCE IRA Beneficiary Withdrawal Form.

Spousal beneficiaries have the option of establishing an inherited NYCE IRA beneficiary account from assets they inherit from their deceased spouses. With an inherited NYCE IRA account, the amount of the Required Minimum Distributions will be based on age and will be recalculated each year. Surviving spouses older than age 70½ must begin taking Required Minimum Distributions by December 31st of the year following the spouse's death. Spouses younger than age 70½, can delay Required Minimum Distributions until the deceased account owner would have turned age 70½. Surviving spouses also have the option to roll over their inherited NYCE IRA proceeds into their own new or existing IRA and treat the assets as if they were their own. Spouses can also consolidate their inherited NYCE IRA proceeds into their existing Spousal NYCE IRA account.

Non-spousal beneficiaries of a NYCE IRA account will control both how the inherited assets are invested and to whom they pass upon death. Required Minimum Distributions will also generally be based on their own life expectancy and distribution must begin by December 31st of the year following the deceased participant's death.

The management of The City of New York Deferred Compensation Plan is responsible for establishing and maintaining procedures to administer and oversee Plan operations. An internal control structure is designed to provide reasonable assurance that the assets of the system are safeguarded against loss, theft, or misuse, and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Furthermore, the concept of reasonable assurance recognizes that:

1. the cost of a control should not exceed the benefits likely to be derived from it; and
2. the valuation of cost and benefits requires estimates and judgment by management.

To be in accordance with these principles, an audit should be viewed as independent and impartial, by knowledgeable third parties. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operations records, including assessing the estimates, judgments and decisions made by management.

Marks Paneth & Shron LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To Members of the Board and Participants of
the Deferred Compensation Plan for Employees of
The City of New York and Related Agencies and Instrumentalities

We have audited each of the statements of net assets available for plan benefits of the Deferred Compensation Plan for Employees of The City of New York and Related Agencies and Instrumentalities (the "457 Plan," the "401(k) Plan," the New York City Employee Individual Retirement Account "NYCE IRA" and the "401(a) Plan" or collectively the "Plans") as of December 31, 2011 and 2010 and each of the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Plans' financial statements referred to above present fairly, in all material respects, the net assets available for Plan benefits of each Plan as of December 31, 2011 and 2010, and the changes in net assets available for Plan benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the accompanying Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Our audits were conducted for the purpose of forming an opinion on the Plans' basic financial statements. The combining schedules of net assets available for Plan benefits as of December 31, 2011 and 2010, and schedules of cash receipts and disbursements and administrative expenses, and recordkeeping/loan fees and investment management fees for the years then ended, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marks Paneth & Shron LLP

New York, NY
June 8, 2012

Using These Financial Statements

These financial statements consist of two basic financial statements. The Statements of Net Assets Available for Plan Benefits and the Statements of Changes in Net Assets Available for Plan Benefits (on pages 26 and 27) provide information about the 457, the 401(k), the 401(a) Plans, and the NYCE IRA employee benefit plans (collectively, the "Plans"). These statements are prepared using the accrual basis of accounting. All of the current year's revenues and expenses are recorded when earned or incurred regardless of when cash is received or paid.

The discussion and analysis of the Deferred Compensation Plan for Employees of The City of New York and Related Agencies and Instrumentalities' financial performance provides an overview of the Plans' financial activities for the year ended December 31, 2011 and 2010. Please read it in conjunction with the Plans' financial statements which begins on page 17.

457 Plan, 401(k) Plan, NYCE IRA and 401(a) Plan History

457 Plan

The 457 Plan was established in 1986 to provide employees of The City of New York and Related Agencies and Instrumentalities the ability to defer a portion of current earnings on a pre-tax basis. As of December 31, 2011, the Plan had 117,682 participants. This compares to 117,785 participants at December 31, 2010 and 117,673 participants at December 31, 2009.

401(k) Plan

The 401(k) Plan was implemented in 2002 and, as a result, employees have another savings option for deferrals. The 401(k) Plan had 31,519, 29,861 and 27,847 participants as of December 31, 2011, 2010 and 2009, respectively. This represents an increase of 3,672 participants over two years

NYCE IRA

In 2006, the New York City Employee Individual Retirement Account (NYCE IRA) was established to offer City employees and their spouses, as well as City retirees and their spouses, a further retirement savings vehicle which they can use to make contributions, consolidate their retirement assets through rollovers and deposit their income tax refunds. The NYCE IRA had 2,537 account holders as of December 31, 2011, which represents an increase of 416 participants since 2010.

401(a) Plan

The 401(a) Plan began accepting employer contributions in 2007 from The City of New York for eligible members of the Lieutenants Benevolent Association ("LBA"). In addition to the members of the LBA, in 2011, The City of New York employees who were members of the Captains Endowment Association ("CEA") had employer contributions made on their behalf to the 401(a) Plan. At December 31, 2011, the Plan had 2,780 participants.

Self-Directed Brokerage Account

In mid-2004, the Plans added the option of investing in a Self-Directed Brokerage (SDB) account, opening up the opportunity for participants to invest in over 11,000 mutual funds outside of the Plans' core investment options, including a broad range of no transaction fee (NTF) funds. The maximum percentage of account balance that can be transferred from the 457 or 401(k) plans into the SDB option is 20% and participants are required to have a minimum of $5,000 in either their 457 or 401(k) to be eligible to enroll in this option. As of December 31, 2011, the SDB option had over $18 million in assets.

Plan Administration

In 2003, the Plans initiated a commission recapture program and a securities lending program. The commission recapture program allows the Plans' eligible investment managers to trade with Plans-selected brokers, who return, to the Plans, a portion of their commissions which is used to defray other expenses of the Plans. Effective in 2012, the commission recapture revenues will be directed into the applicable investment funds. The securities lending program was provided through the Plans' global master custodian and allowed the Plans' securities to be lent out in exchange for specified cash collateral, which was invested in accordance with the Plans' guidelines. The securities lending program was discontinued in November 2010.

Financial Highlights

457 Plan

Plan Assets, Deferrals and Deductions

Net assets available for Plan benefits exceeded $9.5 billion at the end of 2011. This represents an increase of $255 million from 2010 and an increase of over $1.4 billion since 2009. The number of participants decreased slightly to 117,682 as of December 31, 2011 from 117,785 at December 31, 2010 and increased slightly from 117,673 at December 31, 2009. In 2011, the increase in net assets available was attributed mainly to deferrals of compensation.

Statements of Net Assets Available for Plan Benefits at December 31 (in thousands)		2011		2010		2009
Total assets	$	9,513,409	$	9,257,878	$	8,628,347
Total liabilities	$	3,998	$	3,601	$	546,605
Net assets available for Plan benefits	$	9,509,411	$	9,254,277	$	8,081,742

Additions (Deductions) (in thousands)		2011		2010		2009
Employee contributions	$	548,341	$	564,744	$	567,581
Interest and dividends		144,811		153,137		138,859
Appreciation (Depreciation) in fair value		(33,713)		791,073		1,086,969
Investment management fees		(20,538)		(16,984)		(13,756)
Custodial fees		(635)		(581)		(833)
Securities lending interest income		-		2,010		5,477
Securities lending fees		-		(84)		(1,297)
Appreciation (Depreciation) in fair value on securities lending collateral invested		-		(487)		42,247
Commission recapture		46		57		92
Total Plan additions	$	638,312	$	1,492,885	$	1,825,339

Deductions (in thousands)		2011		2010		2009
Distributions to participants	$	371,806	$	308,620	$	235,595
Recordkeeping/Loan fees		5,637		5,650		5,568
Administrative expenses		5,735		6,080		6,573
Total Plan deductions	$	383,178	$	320,350	$	247,736
Increase in net assets available for Plan benefits	$	255,134	$	1,172,535	$	1,577,603

401(k) Plan

Plan Assets, Deferrals and Deductions

At the end of 2011, net assets available for Plan benefits exceeded $1 billion an increase of over $346 million since 2009. Contributions from participants were approximately $152 million, a slight increase over 2010 and an 18% increase over 2009. The number of participants has increased to 31,519 as of December 31, 2011 from 27,847 at December 31, 2009. The increase in net assets available was attributed mainly to deferrals of compensation in 2011.

Statements of Net Assets Available for Plan Benefits at December 31 (in thousands)		***2011***		**2010**		**2009**
Total assets	***$***	***1,130,913***	$	1,000,963	$	837,205
Total liabilities	***$***	***326***	$	253	$	52,968
Net assets available for Plan benefits	***$***	***1,130,587***	$	1,000,710	$	784,237

Additions (Deductions) (in thousands)		***2011***		**2010**		**2009**
Employee contributions and rollovers	***$***	***151,979***	$	149,558	$	128,566
Interest and dividends		***16,969***		15,977		12,646
Appreciation (Depreciation) in fair value		***(5,925)***		74,802		99,286
Investment management fees		***(2,637)***		(2,023)		(1,342)
Custodial fees		***(74)***		(62)		(68)
Securities lending interest income		***-***		211		534
Securities lending fees		***-***		(9)		(140)
Appreciation in fair value on securities lending collateral invested		***-***		1,195		3,458
Commission recapture		***5***		6		9
Total Plan additions	***$***	***160,317***	$	239,655	$	242,949

Deductions (in thousands)		***2011***		**2010**		**2009**
Distributions to participants	***$***	***29,255***	$	22,265	$	16,504
Recordkeeping/Loan fees		***544***		505		357
Administrative expenses		***641***		412		622
Total Plan deductions	***$***	***30,440***	$	23,182	$	17,483
Increase in net assets available for Plan benefits	***$***	***129,877***	$	216,473	$	225,466

NYCE IRA

Plan Assets, Deferrals and Deductions

Net assets available for benefits have increased from $51 million at the end of 2009 to approximately $115 million at the end of 2011. This represents an increase of approximately $64 million since 2009. Contributions and rollovers from participants were approximately $31 million as compared to $36 million in 2010. The number of account holders in the NYCE IRA at December 31, 2011, 2010 and 2009 was 2,537, 2,121, and 1,522, respectively.

Statements of Net Assets Available for Plan Benefits at December 31 (in thousands)	2011	2010	2009
Total assets	$ 114,892	$ 87,413	$ 55,017
Total liabilities	$ 40	$ 60	$ 3,633
Net assets available for Plan benefits	$ 114,852	$ 87,353	$ 51,384

Additions (Deductions) (in thousands)	2011	2010	2009
Employee contributions and rollovers	$ 30,820	$ 36,162	$ 18,761
Interest and dividends	2,488	1,910	1,031
Appreciation (Depreciation) in fair value	(400)	3,715	4,110
Investment management fees	(274)	(175)	(89)
Custodial fees	(7)	(5)	(4)
Securities lending interest income	-	18	36
Securities lending fees	-	(1)	(11)
Appreciation in fair value on securities lending collateral invested	-	93	159
Commission recapture	1	1	1
Total Plan additions	$ 32,628	$ 41,718	$ 23,994

Deductions (in thousands)	2011	2010	2009
Distributions to participants	$ 5,041	$ 5,699	$ 1,723
Recordkeeping/Loan fees	32	24	13
Administrative expenses	56	26	37
Total Plan deductions	$ 5,129	$ 5,749	$ 1,773
Increase in net assets available for Plan benefits	$ 27,499	$ 35,969	$ 22,221

401(a) Plan

Plan Assets, Deferrals and Deductions

Net assets available for benefits exceeded $11 million at the end of 2011. This represents an increase of over $3 million from 2010. Contributions were approximately $3.6 million in 2011, which included a one-time contribution of $1,784 per member for Lieutenant's Benevolent Association members. The number of participants in the 401(a) Plan at December 31, 2011, 2010 and 2009 was 2,780, 2,026 and 1,902, respectively.

Statements of Net Assets Available for Plan Benefits at December 31 (in thousands)		2011		2010		2009
Total assets	$	11,324	$	7,763	$	6,648
Total liabilities	$	-	$	-	$	427
Net assets available for Plan benefits	$	11,324	$	7,763	$	6,221

Additions (Deductions) (in thousands)		2011		2010		2009
Contributions	$	3,619	$	525	$	5,291
Interest and dividends		45		41		42
Appreciation (Depreciation) in fair value		(21)		994		233
Investment management fees		(23)		(14)		(11)
Securities lending interest income		-		-		4
Securities lending fees		-		-		(4)
Appreciation (Depreciation) in fair value on securities lending collateral invested		-		12		(14)
Total Plan additions	$	3,620	$	1,558	$	5,541

Deductions (in thousands)		2011		2010		2009
Distributions to participants	$	58	$	14	$	4
Recordkeeping/Loan fees		1		2		1
Total Plan deductions	$	59	$	16	$	5
Increase in net assets available for Plan benefits	$	3,561	$	1,542	$	5,536

Plans' Activities

Combined net assets available for Plan benefits for all Plans at December 31, 2011, 2010 and 2009 exceeded $10.7 billion, $10.3 billion and $8.9 billion, respectively. During the same three years, the Plans had a combined net investment income of $100 million in 2011, $1.0 billion in 2010, and $1.3 billion in 2009.

The Plans' Securities Lending Program had a $66 million loss exposure due to the 2008 financial and credit crisis in the subprime mortgage area resulting in a decline in value of investments. The Plans recorded an unrealized loss of approximately $66 million in the 2008 financial statements. In 2009, the program recovered approximately $46 million as a result of the financial markets returning to more normal conditions.

During 2010, after extensive consultation and consideration, the Board determined that the most prudent course of action for the Plan was to terminate the Securities Lending Program as the continued risks of dislocating market events outweighed the steadily declining benefits of securities lending. In March 2010, the Board advised participants that the value of underlying Lehman Brothers securities purchased with the cash collateral related to the Securities Lending Program became impaired as a result of the Lehman Brothers' bankruptcy. The total market value of the Lehman securities that became impaired was $24.3 million. In October 2010, working with the Plans' custodian and external managers, the Plans sold the Lehman Brothers securities at prevailing market prices, allowing the Plan to recover $5.3 million. From September 2008 forward, the Plan continued to lend securities and the investment income earned by the program was set aside as a reserve to offset the collateral shortfall. Through these actions, the original $24.3 million shortfall was reduced to approximately $10 million. The balance of the shortfall was applied to participant accounts during the fourth quarter of 2010 as a one-time assessment and was reflected on participants' fourth quarter statements.

Fund Performances

	2011		2010		2009	
Core Fund Name	Annual Return	Custom Benchmark	Annual Return	Custom Benchmark	Annual Return	Custom Benchmark
Stable Income Fund	3.6%	1.6%	4.3%	2.4%	4.2%	0.8%
Bond Fund	6.5%	7.8%	8.0%	6.5%	12.9%	5.9%
Equity Index Fund	2.0%	2.1%	14.9%	15.1%	26.4%	26.5%
Global Socially Responsible Fund	(4.9%)	(5.0%)	11.1%	12.7%	37.5%	30.8%
Mid-Cap Equity Fund	(5.5%)	(1.6%)	24.8%	25.5%	45.2%	40.5%
International Equity Fund	(11.1%)	(11.4%)	5.9%	8.2%	31.9%	32.5%
Small-Cap Equity Fund	(2.1%)	(4.2%)	27.7%	26.9%	34.4%	27.2%

Fund Performances (cont'd)

	2011		2010		2009	
Pre-Arranged Portfolio Name	Annual Return	Custom Benchmark	Annual Return	Custom Benchmark	Annual Return	Custom Benchmark
Static Allocation Fund	3.9%	3.3%	7.4%	6.1%	11.9%	9.2%
1995 Fund	-	-	-	-	11.9%	9.5%
2000 Fund	3.6%	3.2%	8.1%	7.3%	14.9%	12.4%
2005 Fund	2.9%	2.9%	9.3%	8.6%	17.5%	15.0%
2010 Fund	2.2%	2.4%	10.2%	9.9%	20.5%	18.3%
2015 Fund	0.9%	1.4%	11.3%	11.6%	24.2%	22.3%
2020 Fund	(0.2%)	0.3%	12.0%	12.6%	26.0%	24.4%
2025 Fund	(1.3%)	(0.7%)	12.5%	13.3%	27.4%	25.8%
2030 Fund	(1.9%)	(1.5%)	12.9%	13.8%	28.4%	27.0%
2035 Fund	(2.1%)	(1.8%)	12.8%	13.9%	28.7%	27.5%
2040 Fund	(2.7%)	(2.4%)	13.1%	14.2%	29.6%	28.7%
2045 Fund	(3.2%)	(3.1%)	13.3%	14.5%	30.2%	29.7%
2050 Fund	(3.1%)	(3.3%)	8.5%[1]	9.6%[1]	-	-

	2011		2010		2009	
	Annual Return	Market Benchmark	Annual Return	Market Benchmark	Annual Return	Market Benchmark
TIPS Fund[2]	12.5%	13.6%	7.5%	6.3%	14.6%	11.4%

[1] Inception return since second quarter 2010.
[2] TIPS are included in some of the Pre-Arranged Portfolios, but are not available as a core investment option.

Overall Fund Review – 2011

This past year was a challenge for the majority of the equity markets. While the domestic, large capitalization portion of the equity market was slightly positive, the mid and small capitalization portions recorded losses. The global and international equity markets had more difficult challenges than did the domestic markets due to the European debt crisis and global economic weakness. The New York City Deferred Compensation Plans' equity investment options generally followed the pattern of the respective market returns. The fixed income oriented investment options recorded gains and the Plans' largest investment option, the Stable Income Fund, outperformed its benchmark.

~ END ~

Statements of Net Assets Available for Plan Benefits
December 31, 2011 and 2010 (in thousands)

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
ASSETS	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Investments: (Notes 1 and 2)								
Stable Income Fund	$ **3,774,133**	$ 3,390,919	$ **485,599**	$ 398,915	$ **74,428**	$ 55,484	$ **1,765**	$ 1,044
Variable investment options:								
Bond Fund	**407,727**	368,157	**79,180**	68,173	**5,295**	3,944	**389**	248
Equity Index Fund	**2,589,540**	2,629,778	**222,936**	203,959	**16,008**	12,745	**4,390**	3,010
Global Socially Responsible Fund	**256,833**	278,146	**16,572**	16,407	**1,118**	997	**318**	232
Mid-Cap Equity Fund	**361,670**	372,459	**77,582**	75,103	**4,630**	3,495	**707**	507
International Equity Fund	**653,918**	727,784	**115,719**	116,909	**6,443**	5,432	**1,145**	873
Small-Cap Equity Fund	**1,162,721**	1,205,807	**87,236**	81,082	**4,989**	3,767	**2,492**	1,768
Treasury Inflation Protected Securities (TIPS)	**111,974**	106,265	**26,248**	23,816	**1,974**	1,503	**118**	79
Self-Directed Brokerage Option	**17,018**	16,637	**1,850**	1,638	**-**	-	**-**	-
Total Investments	**9,335,534**	9,095,952	**1,112,922**	986,002	**114,885**	87,367	**11,324**	7,761
Participant loans receivable	**164,230**	149,546	**15,623**	12,812	**-**	-	**-**	-
Other assets	**907**	826	**11**	3	**-**	-		2
Cash and cash equivalents	**12,738**	11,554	**2,357**	2,146	**7**	46	**-**	-
Total assets	**9,513,409**	9,257,878	**1,130,913**	1,000,963	**114,892**	87,413	**11,324**	7,763
LIABILITIES								
Accounts payable and accrued expenses	**3,998**	3,601	**326**	253	**40**	60	**-**	-
Total liabilities	**3,998**	3,601	**326**	253	**40**	60	**-**	-
NET ASSETS AVAILABLE FOR PLAN BENEFITS	$ **9,509,411**	$ 9,254,277	$ **1,130,587**	$ 1,000,710	$ **114,852**	$ 87,353	$ **11,324**	$ 7,763

See Notes to Financial Statements.

Statements of Changes in Net Assets Available for Plan Benefits
Years Ended December 31, 2011 and 2010 (in thousands)

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
ADDITIONS (DEDUCTIONS) ATTRIBUTED TO NET ASSETS:	2011	2010	2011	2010	2011	2010	2011	2010
Net investment income:								
Interest and dividends	$ 144,811	$ 153,137	$ 16,969	$ 15,977	$ 2,488	$ 1,910	$ 45	$ 41
Appreciation (Depreciation) in fair value	(33,713)	791,073	(5,925)	74,802	(400)	3,715	(21)	994
Investment management fees	(20,538)	(16,984)	(2,637)	(2,023)	(274)	(175)	(23)	(14)
Custodial fees	(635)	(581)	(74)	(62)	(7)	(5)	-	-
Securities lending interest income	-	2,010	-	211	-	18	-	-
Securities lending fees	-	(84)	-	(9)	-	(1)	-	-
Gain (loss) on securities lending	-	(487)	-	1,195	-	93	-	12
Commission recapture income	46	57	5	6	1	1	-	-
Total net investment income	89,971	928,141	8,338	90,097	1,808	5,556	1	1,033
Contributions:								
Deferrals of compensation	548,341	564,744	113,094	115,724	3,152	4,075	3,619	525
Participant rollovers	-	-	38,885	33,834	27,668	32,087	-	-
	548,341	564,744	151,979	149,558	30,820	36,162	3,619	525
Total additions	638,312	1,492,885	160,317	239,655	32,628	41,718	3,620	1,558
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:								
Benefits paid to participants and beneficiaries	371,806	308,620	29,255	22,265	5,041	5,699	58	14
Recordkeeping/Loan Fees	5,637	5,650	544	505	32	24	1	2
Administrative expenses	5,735	6,080	641	412	56	26	-	-
Total deductions	383,178	320,350	30,440	23,182	5,129	5,749	59	16
Increase in net assets available for Plan benefits	255,134	1,172,535	129,877	216,473	27,499	35,969	3,561	1,542
NET ASSETS AVAILABLE FOR PLAN BENEFITS, Beginning	9,254,277	8,081,742	1,000,710	784,237	87,353	51,384	7,763	6,221
NET ASSETS AVAILABLE FOR PLAN BENEFITS, Ending	$ 9,509,411	$ 9,254,277	$ 1,130,587	$ 1,000,710	$ 114,852	$ 87,353	$ 11,324	$ 7,763

See Notes to Financial Statements.

Note 1 - Description of Plans and Significant Accounting Policies

Plan Description

The following description of the Deferred Compensation Plan for Employees of The City of New York and Related Agencies and Instrumentalities (the "457 Plan," the "401(k) Plan," the New York City Employee Individual Retirement Account "NYCE IRA" and the "401(a) Plan" or collectively, the "Plans") provides only general information. Participants should refer to the respective Plan documents for a more complete description of the Plans' provisions.

General

The 457 and 401(k) Plans are defined contribution plans which permit employees of The City of New York (the "City") and Related Agencies and Instrumentalities to defer receipt of a portion of their current salary until future years. The 457 Plan is intended to satisfy the requirements for an "eligible State deferred compensation plan" under Section 457 of the Internal Revenue Code of 1986, as amended (the "Code"). In 2011, a Roth component was added to the 457 Plan. The 401(k) Plan is a "qualified plan" under Section 401(k) of the Code. The NYCE IRA is a deemed IRA under Section 408(q) of the Code. The 401(a) Plan is a defined contribution plan that is qualified under section 401(a) of the Code, and is comprised of pre-tax and Roth components, and a governmental plan under section 414(d) of the Code.

The NYCE IRA is comprised of a traditional IRA and a Roth IRA, both of which are available to current and former City employees (with a termination date of 1985 or after) and their spouses as an additional retirement savings vehicle. Employees and their spouses can use the NYCE IRA to make contributions, consolidate their retirement assets through rollovers, and make deposits of their income tax refunds.

Assets in the Plans are held in a custodial account for the exclusive benefit of the Plans' participants and their beneficiaries.

The Plans are reported as employee benefit trust funds within The City of New York's Comptroller's Comprehensive Annual Financial Report.

Employer Contributions

In 2007, as a result of collective bargaining agreements, the 401(a) Plan was implemented to accept employer contributions made on behalf of The City of New York employees who are members of the Lieutenant's Benevolent Association ("LBA"). In addition to members of the LBA, in 2011, The City of New York employees who were members of the Captains Endowment Association ("CEA") had Employer contributions made on their behalf to the 401(a) Plan.

Employer contributions to the 401(a) Plan for LBA members were $300 per participant for 2011 and 2010. In addition, in 2011, LBA members received a one-time contribution in the amount of $1,784, thereby making total 401(a) contributions $2,084 per LBA member in 2011. Employer contributions to the 401(a) Plan for CEA members were $380 in 2011.

Participant Contributions

Participants in the 457 and 401(k) Plans could contribute up to $16,500 in 2011 and 2010 of "Includible Compensation" (as defined by the Code) to each plan. If an employee was age 50 or older, the employee was permitted to contribute up to $22,000 to each plan in 2011 and 2010.

Participants in the NYCE IRA may make contributions annually subject to a contribution limit. The yearly contribution limit for the NYCE IRA was $5,000 for 2011 and 2010 and $6,000 if age 50 and older.

Vesting

Participants are fully vested in their account balances at all times.

Participant Loans

Participants may borrow, from their pre-tax 457 and/or 401(k) accounts, a minimum of $2,500 up to a maximum equal to the lesser of $50,000 or 50 percent of their account balance. The loans are secured by the balance in the participant's account and bear interest equal to one percentage point above the prime interest rate as published in the Wall Street Journal on the first business day of each month, or such other reasonable rate of interest as the Board shall determine. Principal and interest are paid through payroll deductions. All loans are to be repaid over a nonrenewable period not to exceed five years.

Participants' Accounts

Each participant's account is credited with the participant's contributions as remitted, with a daily allocation of earnings on the investment options in which the participant is invested, and is charged with a quarterly administrative expense fee, and a daily reduction of the net asset value of an annualized five basis points, or 0.05%. (This amount was reduced to 0.04% in 2012.) Each participant's account balance is invested in accordance with the investment option(s) selected by the participant.

Payment of Benefits

457 Plan

A participant's 457 deferred compensation account balance is available upon severance from City service, attainment of age 70½, death, or the occurrence of certain unforeseeable emergencies as set forth by the Code. A participant may elect to receive: 1) one lump sum amount equal to the value of the account, 2) a specified amount certain, 3) periodic payments paid in substantially equivalent installments monthly, quarterly, semi-annually or annually over a period not exceeding the life expectancy of the participant, or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code), or 4) an amount certain with the balance paid as periodic payments. Funds can also be rolled over into an Eligible Retirement Plan (as defined in the Code) or an Individual Retirement Account (IRA).

Certain eligible participants are entitled to a full distribution of their account prior to severance from service if the total account balance does not exceed $5,000; there were no contributions or loans during the two-year period ending on the date of distribution; and there have been no prior distributions of this type.

457 Plan participants are eligible to use their 457 Plan assets as a source of funding for the purchase of permissive service credits (as defined in Section 415(n)(3)(A) of the Code) via a direct transfer in accordance with procedures established by the 457 Plan.

401(k) Plan

A participant's 401(k) deferred compensation account balance is available upon severance from City service, attainment of age 59½, death, or the occurrence of an immediate and heavy financial need as defined by the Code. 401(k) Plan participants age 59½ and older are eligible to take distributions, without penalty, from their 401(k) accounts while still in service. A participant may elect to receive: 1) one lump sum amount equal to the value of the account, 2) a specified amount certain, 3) periodic payments paid in substantially equivalent installments monthly, quarterly, semi-annually or annually over a period not exceeding the life expectancy of the participant, or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code), or 4) an amount certain with the balance paid as periodic payments. Upon severance from City service, or attainment of age 59½, funds may be rolled over into an Eligible Retirement Plan (as defined in the Code), or an Individual Retirement Account (IRA).

NYCE IRA

The owner may elect to receive: 1) one lump sum amount equal to the value of the account, 2) a specified amount certain, 3) periodic payments paid in substantially equivalent installments monthly, quarterly, semi-annually or annually over a period not exceeding the life expectancy of the participant, or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code), or 4) an amount certain with the balance paid as periodic payments. Funds withdrawn prior to age 59½ may be subject to a penalty. Funds may be transferred to another Eligible Retirement Plan (as defined in the Code) or an Individual Retirement Account (IRA) at any time.

401(a) Plan

A participant's 401(a) deferred compensation account balance is available upon severance from City service, attainment of age 62, or death. 401(a) Plan participants age 62 and older are eligible to take distributions, without penalty, from their 401(a) accounts while still in service. A participant may elect to receive: 1) one lump sum amount equal to the value of the account, 2) a specified amount certain, 3) periodic payments paid in substantially equivalent installments monthly, quarterly, semi-annually or annually over a period not exceeding the life expectancy of the participant, or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code), or 4) an amount certain with the balance paid as periodic payments. Upon severance from service, or attainment of age 62, funds may be rolled over into an Eligible Retirement Plan (as defined in the Code), or an Individual Retirement Account (IRA).

Basis of Presentation

The Plans present their financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standard Board.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Plans' Termination

The Plans' Board has the right under each of the Plans to amend, suspend or terminate the Plans, any deferrals thereunder, or add or eliminate any investment option, in whole or in part. Upon termination of the Plans all amounts deferred shall be payable to participants or their beneficiaries as provided in the Plans' controlling document.

Income Tax Status

The Plans are periodically reviewed and updated as required by federal law and, at the time of this publication, are in compliance with the applicable requirements of the Internal Revenue Code and, therefore, qualify as tax-favored plans.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits with financial institutions. All highly liquid investments with a maturity of 90 days or less when purchased are considered to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value.

Investment Policy

The Plans' investment policy was developed by the Board. The Plan's objective in providing multiple investment fund options is to provide participants with investment fund options that are diversified across a range of risk levels, asset classes and investment strategies in the aggregate in order to accommodate the varying levels of risk tolerance of the participants and to allow participants to construct portfolios tailored to meet their particular financial goals.

The Board has overall responsibility for establishing and maintaining this investment policy, selecting the investment options available under the Plans, regularly evaluating the Plans' investment performance, providing participants with investment education and communications regarding the Plans and their investments, and ensuring that the assets of the Plans are in compliance with all applicable laws governing the operations of the Plans.

The Board has authorized the Plans to invest in the following investments:

- Stable income fund which holds guaranteed investment contracts (GICs) and separate accounts with insurance companies and wrapped managed fixed-income portfolios (synthetic GICs).
- Bond fund whose individual bond holdings' average duration typically ranges between three and six years. The fund invests in high-quality bonds, including U.S. Treasury bonds, agency securities, corporate bonds, mortgage-backed bonds and asset-backed bonds.
- Equity index fund whose objective is to replicate the return of the Standard & Poor's 500 Index.
- Global socially responsible fund that invests in the common stock of companies that meet certain societal objectives.
- Mid-cap equity fund that invests in U.S.-based medium-sized companies and is benchmarked to the Russell MidCap Index.
- International equity fund that invests primarily in developed international equity markets that focus on countries where growth opportunity is expected.
- Small-cap equity fund which invests in small- to medium-sized companies that are expected to grow at a faster rate than the average company.
- Treasury Inflation Protected Securities ("TIPS") allocation which helps protect against inflation and increases the risk-adjusted returns of the portfolio. TIPS are included in some of the pre-arranged portfolios, but are not available as a core investment option.
- Self-directed brokerage option which allows participants to invest a portion of their assets in mutual funds offered outside the Plans (not available in the NYCE IRA).

The Plans also provide options called pre-arranged portfolios to provide diversified investment options for participants with different time horizons to expected withdrawals. Each portfolio consists of varying percentages of the existing investment options described above with the exception of the Global Socially Responsible Fund.

Contributions are allocated among investment options based on participant designations through the Plans' record keeper.

Fair Values

Investments are reported at fair value by the custodian daily, with the exception of the Stable Income Fund, which is valued monthly. Fair value is computed by the Plans' custodian based on quoted market price and information provided by various investment managers. The Stable Income Fund is valued at contract value based upon information provided by the respective insurance companies and investment managers. Contract value represents contributions made to the fund, plus earnings, less participant withdrawals and administrative expenses.

Risks and Uncertainties

The Plans provide for participant directed investments including a stable income fund which is composed of guaranteed investment contracts and synthetic investment contracts. All of the Plans' investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for plan benefits and the statements of changes in net assets available for plan benefits.

Note 2 - Investments

The fair value of the Plan's investments at December 31, 2011 and 2010, segregated by funds, are as follows (in thousands):

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Stable Income Fund:								
Aegon	$ **40,364**	$ 47,569	$ **5,193**	$ 5,596	$ **796**	$ 780	$ **19**	$ 15
Bank of New York Mellon	**7,313**	27,232	**941**	3,204	**144**	445	**3**	8
Monumental Life (formerly Commonwealth General Corporation)	**488,516** *	477,127 *	**62,855** *	56,130 *	**9,634** *	7,807 *	**228**	147
Genworth	**34,866**	39,540	**4,486**	4,652	**688**	647	**16**	12
Hartford Life Insurance Company	**14,028**	13,509	**1,805**	1,589	**277**	221	**7**	4
ING Investment Management Company	**45,840**	47,263	**5,898**	5,560	**904**	773	**21**	15
Jackson National Life Insurance Company	**59,519**	40,201	**7,658**	4,729	**1,174**	658	**28**	12
JP Morgan Chase	**-**	579,312 *	**-**	68,152 *	**-**	9,479 *	**-**	178
ICMA - RC	**388,214**	460,578	**49,950**	54,183 *	**7,656** *	7,536 *	**182**	142
Metropolitan Life Insurance Company	**1,164,189** *	1,120,860 *	**149,790** *	131,860 *	**22,959** *	18,341 *	**544**	345
Mutual of America	**-**	9,304	**-**	1,095	**-**	152	**-**	3
New York Life Insurance Company	**190,191**	167,844	**24,471**	19,746	**3,751**	2,746	**89**	52
Ohio National	**36,271**	54,917	**4,667**	6,461	**715**	899	**17**	17
Pacific Life	**20,488**	19,761	**2,636**	2,325	**404**	323	**10**	6
Principal Life Insurance Company	**136,232**	124,932	**17,528**	14,697	**2,687**	2,044	**64**	38
Protective Life	**37,500**	44,086	**4,825**	5,186	**740**	721	**18**	14
Prudential Life Insurance Company	**576,967** *	96,406	**74,236** *	11,341	**11,376** *	1,577	**269**	30
United of Omaha	**533,635** *	20,478	**68,660** *	2,409	**10,523** *	335	**250**	6
	$ **3,774,133**	$ 3,390,919	$ **485,599**	$ 398,915	$ **74,428**	$ 55,484	$ **1,765**	$ 1,044
Bond Fund:								
Pacific Investment Management Company	$ **305,823**	$ 284,712	$ **59,390** *	$ 52,721 *	$ **3,972**	$ 3,050	$ **292**	$ 192
BlackRock	**101,904**	83,445	**19,790**	15,452	**1,323**	894	**97**	56
	$ **407,727**	$ 368,157	$ **79,180**	$ 68,173	$ **5,295**	$ 3,944	$ **389**	$ 248
Equity Index Fund:								
Bank of New York Mellon	$ **2,589,540** *	$ 2,629,778 *	$ **222,936** *	$ 203,959 *	$ **16,008** *	$ 12,745 *	$ **4,390** *	$ 3,010 *
Global Socially Responsible Fund:								
Aberdeen Asset Management, Inc	$ **256,833**	$ 278,146	$ **16,572**	$ 16,407	$ **1,118**	$ 997	$ **318**	$ 232
Mid-Cap Equity Fund:								
Earnest Partners, LLC	$ **140,089**	$ 139,339	$ **30,051**	$ 28,097	$ **1,793**	$ 1,308	$ **274**	$ 190
State Street Global Advisors	**79,723**	91,868	**17,101**	18,524	**1,021**	862	**156**	125
Wellington Management Company, LLP	**141,858**	141,252	**30,430**	28,482	**1,816**	1,325	**277**	192
	$ **361,670**	$ 372,459	$ **77,582**	$ 75,103	$ **4,630**	$ 3,495	$ **707**	$ 507

Note 2 - Investments (continued) (in thousands)

	457 Plan 2011	457 Plan 2010	401(k) Plan 2011	401(k) Plan 2010	NYCE IRA 2011	NYCE IRA 2010	401(a) Plan 2011	401(a) Plan 2010
International Equity Fund:								
Morgan Stanley	$ -	$ 127	$ -	$ 20	$ -	$ 1	$ -	$ -
Mondrian Investment Partners, Ltd.	258,613	175,347	45,764	28,168	2,548	1,309	454	211
State Street Bank and Trust Company	151,550	195,794	26,819	31,452	1,493	1,461	265	235
New Star Institutional Managers, Ltd.	133	150	24	24	1	1	-	-
Alliance Capital Management L.P.	572	179,478	101	28,831	6	1,339	1	215
Northern Trust Investments N.A.	125	130	22	20	1	2	-	-
Baillie Gifford Overseas Ltd.	242,925	176,758	42,989	28,394	2,394	1,319	425	212
	$ 653,918	$ 727,784	$ 115,719	$ 116,909	$ 6,443	$ 5,432	$ 1,145	$ 873
Small-Cap Equity Fund:								
T. Rowe Price Associates, Inc	$ 288,705	$ 273,617	$ 21,661	$ 18,399	$ 1,239	$ 855	$ 619	$ 401*
Wellington Management Company, LLP	242,928	254,620	18,226	17,121	1,042	795	521	373
Dimensional Fund Advisors LP	236,660	247,310	17,756	16,630	1,015	773	507	363
State Street Bank and Trust Company	394,428	430,260	29,593	28,932	1,693	1,344	845	631
	$ 1,162,721	$ 1,205,807	$ 87,236	$ 81,082	4,989	$ 3,767	2,492	$ 1,768
Treasury Inflation Protected Securities:								
Pacific Investment Management Company LLC	111,974	106,265	26,248	23,816	1,974	1,503	118	79*
	$ 9,318,516	$ 9,079,315	$ 1,111,072	$ 984,364	$ 114,885	$ 87,367	$ 11,324	$ 7,761
Self-Directed Brokerage Option:**								
TD Ameritrade	17,018	16,637	1,850	1,638	NA	NA	NA	NA
Total	$ 9,335,534	$ 9,095,952	$ 1,112,922	$ 986,002	$ 114,885	$ 87,367	$ 11,324	$ 7,761

* Represents 5% or more of net assets available for benefits of the respective Plans.
** Participants manage their own accounts in the Self-Directed Brokerage Options.

Transfers out of the Plans' core investment options were assessed a 2% redemption fee on the amounts transferred into another fund within the previous 32 consecutive calendar days. Any amounts held longer than 32 consecutive calendar days were not assessed the redemption fee. The fees collected are reinvested back into the applicable fund for the benefit of participants in those funds. Lump sum withdrawals and periodic distributions do not incur the redemption fee, and payroll contributions held less than the 32 days are not included in the calculation of the redemption fee if they are transferred out of a fund.

Net investment income for the years ended December 31, 2011 and 2010, segregated by investment fund, was as follows (in thousands):

Note 2 - Investments (continued) (in thousands)

457 Plan	2011	Interest and Dividends		Appreciation (Depreciation) in Fair Market Value		Investment Management Fees		Total
	Stable Income Fund	**$**	**137,770**	**$**	**-**	**$**	**(9,643)**	**$ 128,127**
	Bond Fund		**-**		**24,775**		**(895)**	**23,880**
	Equity Index Fund		**-**		**50,345**		**(177)**	**50,168**
	Global Socially Responsible Fund		**-**		**(11,849)**		**(1,160)**	**(13,009)**
	Mid-Cap Equity Fund		**-**		**(18,469)**		**(1,714)**	**(20,183)**
	International Equity Fund		**-**		**(75,219)**		**(1,945)**	**(77,164)**
	Small-Cap Equity Fund		**-**		**(15,742)**		**(4,723)**	**(20,465)**
	TIPS		**-**		**13,923**		**(281)**	**13,642**
	Self-Directed Brokerage Option		**-**		**(1,477)**		**-**	**(1,477)**
	Interest on Participant Loans		**6,929**		**-**		**-**	**6,929**
	Other		**112**		**-**		**-**	**112**
	Totals	**$**	**144,811**	**$**	**(33,713)**	**$**	**(20,538)**	**$ 90,560**
	2010							
	Stable Income Fund	$	145,826	$	-	$	(7,128)	$ 138,698
	Bond Fund		-		28,173		(800)	27,373
	Equity Index Fund		-		338,190		(160)	338,030
	Global Socially Responsible Fund		-		28,958		(1,069)	27,889
	Mid-Cap Equity Fund		-		80,707		(1,446)	79,261
	International Equity Fund		-		48,420		(2,179)	46,241
	Small-Cap Equity Fund		-		256,886		(3,965)	252,921
	TIPS		-		7,793		(237)	7,556
	Self-Directed Brokerage Option		-		1,946		-	1,946
	Interest on Participant Loans		7,161		-		-	7,161
	Other		150		-		-	150
	Totals	**$**	**153,137**	**$**	**791,073**	**$**	**(16,984)**	**$ 927,226**

Note 2 - Investments (continued) (in thousands)

401(k) Plan	2011	Interest and Dividends	Appreciation (Depreciation) in Fair Market Value	Investment Management Fees	Total
	Stable Income Fund	$ 16,292	$ -	$ (1,241)	$ 15,051
	Bond Fund	-	5,089	(174)	4,915
	Equity Index Fund	-	10,268	(15)	10,253
	Global Socially Responsible Fund	-	(726)	(75)	(801)
	Mid-Cap Equity Fund	-	(3,808)	(368)	(4,176)
	International Equity Fund	-	(15,610)	(344)	(15,954)
	Small-Cap Equity Fund	-	(3,894)	(354)	(4,248)
	TIPS	-	2,875	(66)	2,809
	Self-Directed Brokerage Option	-	(119)	-	(119)
	Interest on Participant Loans	593	-	-	593
	Other	84	-	-	84
	Totals	**$ 16,969**	**$ (5,925)**	**$ (2,637)**	**$ 8,407**
	2010				
	Stable Income Fund	$ 15,387	$ -	$ (838)	$ 14,549
	Bond Fund	-	2,764	(148)	2,616
	Equity Index Fund	-	32,303	(12)	32,291
	Global Socially Responsible Fund	-	1,721	(63)	1,658
	Mid-Cap Equity Fund	-	7,865	(292)	7,573
	International Equity Fund	-	4,768	(350)	4,418
	Small-Cap Equity Fund	-	24,426	(267)	24,159
	TIPS	-	776	(53)	723
	Self-Directed Brokerage Option	-	179	-	179
	Interest on Participant Loans	513	-	-	513
	Other	77	-	-	77
	Totals	**$ 15,977**	**$ 74,802**	**$ (2,023)**	**$ 88,756**

Note 2 - Investments (continued) (in thousands)

NYCE IRA	2011	Interest and Dividends	Appreciation (Depreciation) in Fair Market Value	Investment Management Fees	Total
	Stable Income Fund	**$ 2,488**	**$ -**	**$ (190)**	**$ 2,298**
	Bond Fund	**-**	**329**	**(12)**	**317**
	Equity Index Fund	**-**	**663**	**(1)**	**662**
	Global Socially Responsible Fund	**-**	**(71)**	**(5)**	**(76)**
	Mid-Cap Equity Fund	**-**	**(247)**	**(22)**	**(269)**
	International Equity Fund	**-**	**(1,008)**	**(19)**	**(1,027)**
	Small-Cap Equity Fund	**-**	**(252)**	**(20)**	**(272)**
	TIPS	**-**	**186**	**(5)**	**181**
	Totals	**$ 2,488**	**$ (400)**	**$ (274)**	**$ 1,814**
	2010				
	Stable Income Fund	$ 1,908	$ -	$ (116)	$ 1,792
	Bond Fund	-	140	(9)	131
	Equity Index Fund	-	1,604	(1)	1,603
	Global Socially Responsible Fund	-	93	(4)	89
	Mid-Cap Equity Fund	-	391	(14)	377
	International Equity Fund	-	235	(16)	219
	Small-Cap Equity Fund	-	1,213	(12)	1,201
	TIPS	-	39	(3)	36
	Other	2	-	-	2
	Totals	$ 1,910	$ 3,715	$ (175)	$ 5,450

Note 2 - Investments (continued) (in thousands)

401(a) Plan 2011	Interest and Dividends	Appreciation (Depreciation) in Fair Market Value	Investment Management Fees	Total
Stable Income Fund	**$ 45**	**$ -**	**$ (5)**	**$ 40**
Bond Fund	**-**	**23**	**(1)**	**22**
Equity Index Fund	**-**	**45**	**-**	**45**
Global Socially Responsible Fund	**-**	**(9)**	**(1)**	**(10)**
Mid-Cap Equity Fund	**-**	**(16)**	**(3)**	**(19)**
International Equity Fund	**-**	**(68)**	**(3)**	**(71)**
Small-Cap Equity Fund	**-**	**(9)**	**(10)**	**(19)**
TIPS	**-**	**13**	**-**	**13**
Totals	**$ 45**	**$ (21)**	**$ (23)**	**$ 1**
2010				
Stable Income Fund	$ 41	$ -	$ (2)	$ 39
Bond Fund	-	36	(1)	35
Equity Index Fund	-	430	-	430
Global Socially Responsible Fund	-	25	(1)	24
Mid-Cap Equity Fund	-	103	(2)	101
International Equity Fund	-	62	(3)	59
Small-Cap Equity Fund	-	328	(5)	323
TIPS	-	10	-	10
Totals	$ 41	$ 994	$ (14)	$ 1,021

As of December 31, 2011, the Plans had the following investments in fixed earnings investments:

Fixed Earning Investments	457 Plan Fair Value (In thousands)	401(k) Plan Fair Value (In thousands)	NYCE IRA Fair Value (In thousands)	401(a) Plan Fair Value (In thousands)	Weighted Average Maturity (In years)
Stable Income Fund	$ 3,774,133	$ 485,599	$ 74,428	$ 1,765	3.49
Bond Fund	407,727	79,180	5,295	389	5.97
TIPS	111,974	26,248	1,974	118	10.66
	$ 4,293,834	**$ 591,027**	**$ 81,697**	**$ 2,272**	

Interest Rate Risk

Interest rate risk is the risk that fixed income securities will decline in value because of an increase in interest rates; a fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration. Investments held in the portfolio are limited to those issuers which meet stringent criteria with respect to diversification and credit quality. Duration limits are used to control the portfolio's exposure to interest rate changes. In accordance with the Plans' investment guidelines, the duration policy with regard to the Stable Income Fund is for weighted average not to exceed 4 years. The weighted average duration ending December 31, 2011 is 2.95 years. For the Bond Fund, the duration policy is the weighted average of the portfolio between 75% to 125% in relation to the Barclays Aggregate Index benchmark. For the Treasury Inflation Protected Securities, the duration policy is within 75% to 125% in relation to the Barclays U.S. TIPS Index benchmark. Duration is a measure of the overall portfolio, while statements of the stated maturity reflect the specific maturities of the individual securities held. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

Years to maturity Investment Type December 31, 2011	Investment Maturities		
	Zero to One Year	One to Five Years	More than Five Years
Stable Income Fund	15%	68%	17%
Bond Fund	13%	48%	39%
Treasury Inflation Protected Securities	9%	18%	73%

Years to maturity Investment Type December 31, 2010	Investment Maturities		
	Zero to One Year	One to Five Years	More than Five Years
Stable Income Fund	9%	66%	25%
Bond Fund	0%	27%	73%
Treasury Inflation Protected Securities	0%	14%	86%

Note 2 - Investments (continued) (in thousands)

Credit Risk

Credit risk is the risk that the fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations. The Plans' credit risks are limited to the Stable Income Fund, the Bond Fund, and Treasury Inflation Protected Securities ("TIPS"). In accordance with the Plans' investment guidelines, the New York City Deferred Compensation Plans' Stable Income Fund investment option maintained a minimum weighted average quality of Aa3/ AA- by the median rating of the three major rating agencies (Moody's, Standard & Poor's and Fitch Investors Service). The Bond Fund investment option maintained a minimum average quality rating of A-/A3 by any one of the three major rating agencies. The TIPS (which may invest in securities other than U.S. Treasury securities) maintained a minimum average portfolio quality of A using the middle rating of Moody's, Standard & Poor's and Fitch Investors Service. At December 31, 2011 and 2010, the TIPS portfolio has maintained a minimum of 78% and 80%, respectively, AAA quality securities as required by the TIPS guidelines. The quality ratings of investments, determined by using the Highest Rating Methodology, by percentage of the rated portfolios, as described by nationally recognized statistical rating organizations, are as follows:

Investment Type December 31, 2011	Ratings						
	AAA	AA	A	BBB	Below BBB	Agency	US Treasury
Stable Income Fund	22%	17%	18%	6%	1%	10%	26%
Bond Fund	21%	5%	11%	3%	3%	25%	32%
Treasury Inflation Protected Securities	8%	4%	5%	5%	4%	4%	70%

Investment Type December 31, 2010	Ratings						
	AAA	AA	A	BBB	Below BBB	Agency	US Treasury
Stable Income Fund	19%	24%	13%	4%	0%	13%	27%
Bond Fund	15%	3%	13%	7%	4%	30%	28%
Treasury Inflation Protected Securities	9%	5%	9%	2%	3%	1%	71%

Custodial Credit Risk

The investments are held by the trustee in the Plans' name and, therefore, are not exposed to custodial risk. At December 31, 2011 and 2010, operating cash of approximately $15 million and $14 million, respectively, was being held in short-term investment accounts by the trustee in the Plans' name, and, therefore, was not exposed to custodial credit risk. For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Plans will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plans, and are held by either the counterparty or the counterparty trust department.

Foreign Currency Risk

Foreign currency risk is the risk that foreign currencies will decline in value relative to the U.S. dollar and affect the Fund's investments denominated in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-U.S.) currencies. Currency risk is present in underlying portfolios that invest in foreign stocks and/or bonds. The currency markets have proven to be good diversifiers in a total portfolio context; therefore, the Plan has numerous managers that invest globally. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio. The Plans' policy is forward contracts which may be utilized by investment managers in order to hedge currency exposures.

Foreign Currency Holdings – As of December 31, 2011 and 2010 (amounts in U.S. dollars, in thousands):

Trade Currency	2011	2010
Euro Currency	$ **90,956**	$ 78,407
British Pound	**50,106**	35,980
Japanese Yen	**49,563**	43,080
Hong Kong Dollar	**16,101**	1,258
Swiss Francs	**8,629**	11,650
Brazilian Real	**7,935**	-
Singapore Dollar	**6,887**	5,901
Australian Dollar	**4,774**	17,733
New Taiwan Dollar	**4,320**	3,654
South Korean Won	**4,297**	-
Canadian Dollars	**4,074**	-
South African Rand	**3,764**	-
Indonesian Rupiah	**2,850**	-
Thai Bhat	**2,758**	-
Mexican Nuevo Peso	**2,286**	-
Turkish Lira	**2,258**	-
Malaysian Ringgit	**819**	-
Polish Zloty	**244**	-
New Zealand Dollar	**-**	1,183
TOTAL	$ **262,621**	$ 198,846

Note 3 - Securities Lending Transactions (in thousands)

During 2010, the Board terminated the securities lending programs and all related assets and liabilities associated with the securities lending program were liquidated. This resulted in a realized cumulative gain of $813 as of December 31, 2010.

The Plans earned interest income during 2010 in connection with securities lending and paid borrowers and the custodian a portion of the revenue as fees. Gross interest income earned in 2010 by the 457, 401(k), NYCE IRA and 401(a) Plans amounted to $2,010, $211, $18, and $0. Borrowing rebates and custodial costs amounted to $84, $9, $1,and $0, respectively, in 2010.

The Plans have designated their master custodian bank to manage the securities lending program, which was instituted in 2003 and terminated in 2010, in accordance with the guidelines of a written contract between the Plans and the custodian who acts as a security lending agent for the Plans. The custodian was authorized to lend securities within the borrower limits and guidelines established by the Plans. The custodian was authorized to invest the cash collateral in short-term investments that meet the guidelines of the Plans. Because these transactions were terminable at will, their duration generally did not match the duration of the investments made with cash collateral. There were no violations of the provisions of the securities lending program and no borrower or lending agent default losses.

During 2010, the custodian lent U.S. Government and agency securities, domestic fixed income and equity securities, and repurchased agreements to broker/dealers on behalf of the Plans for cash collateral of 102% of the fair market value of the underlying securities loaned where the collateral was denominated in the same currency as the loan securities, and 105% where the collateral was denominated in a currency that differs from the currency of the loaned securities.

The Plans did not impose any restrictions during the 2010 fiscal year on the amount of loans the custodian made on its behalf. The Plans did not have the ability to pledge or sell collateral securities absent a borrower default. The custodian was contractually obligated to indemnify the Plans for losses which arise from managing the program in a manner inconsistent with the contract. The custodian's responsibilities included performing appropriate borrower and collateral investment credit analyses, securing adequate types of and levels of collateral, and complying with the guidelines of the securities lending program with the Plans.

In March 2010, the Plans advised participants that the value of underlying Lehman Brothers securities in the investment account related to the Securities Lending Program became impaired as a result of the Lehman Brothers' bankruptcy. The total market value of the Lehman securities that became impaired was $24,300. In October 2010, working with the Plans' custodian and external managers, the Plans sold the Lehman Brothers securities at prevailing market prices, allowing the Plans to recover $5,300. From September 2008 forward, the Plans continued to lend securities and the investment income earned by the program was set aside as a reserve to offset the collateral shortfall. Through these actions, the original $24,300 shortfall was reduced to approximately $10,000. The balance of the shortfall was applied to participant accounts during the fourth quarter of 2010 as a one-time assessment and was reflected on participants' fourth quarter statements

Note 4 – Participant Loans

Participants in active payroll status are eligible to apply for a loan from the pre-tax portion of the 457 and 401(k) Plans. The minimum loan amount is $2,500. The maximum amount of an approved loan shall not exceed the lesser of: (i) 50% of the participant's 457 or 401(k) Plan account balance; or (ii) $50,000 less the combined balance of all outstanding loans a participant may have from pension loans, 403(b) and other Deferred Compensation Plan loans. Loans are not permitted from the 401(a) Plan. Member loans receivable at December 31, 2011 and 2010 were $179,853,000, and $162,358,000, respectively.

Note 5 - Related Parties (in thousands)

The costs of administering the Plans are paid with the quarterly administrative fee charged to participant accounts, an annualized asset-based fee assessed to the Plans' investment funds, securities lending (2010 only), commission recapture and interest earned on assets held in the Plans' custodial account (which are administered by the Plans' custodian and consists of cash and other rights and properties arising from amounts deferred).

The Office of Labor Relations of The City of New York provides cash receipt and cash disbursement services to the Plans. The Office of Labor Relations also pays certain administrative services including salaries, rents, utilities and overhead expenses. These expenses are reimbursed to the Office of Labor Relations by the Plans. Total amount reimbursed by the Plans to the Office of Labor Relations amounted to $1,696 and $1,672 as of December 31, 2011 and 2010, respectively.

The Plans share leased office space with The City. The City allocates a portion of its rent to the Plans; such expense totaled $115 annually for 2011 and 2010 and is recorded as administrative expenses in the Statements of Changes in Net Assets Available for Plan Benefits.

Each Plan investment contract is competitively bid according to New York City and State regulations and awarded to the manager with the best combination of investment experience, performance history and management fees. Pursuant to the New York City Deferred Compensation Board Resolution, dated March 7, 2012, the Board approved the use of a consultant-driven search process for the selection of investment managers. The consultant-driven search process is conducted in accordance with the New York State Regulations and supersedes the competitive bid process. The investment management fees were $23,472 and $19,196 as of December 31, 2011 and 2010, respectively.

The Plans also reimbursed FASCore, LLC., the third party administrator for recordkeeping services, for the office space leased in New York City on a monthly basis. Such expense totaled $725 and $836 annually for 2011 and 2010, respectively.

~ End ~

Combining Schedules of Net Assets Available for Plan Benefits December 2011 and 2010 (in thousands)

457 Plan		Program Fund		Administration Fund		Total 2011		Total 2010
Assets:								
Investments	$	9,335,534	$	-	$	**9,335,534**	$	9,095,952
Participant loans receivable		164,230		-		**164,230**		149,546
Other assets		-		907		**907**		826
Cash and cash equivalents		-		12,738		**12,738**		11,554
Total Assets	$	9,499,764	$	13,645	$	**9,513,409**	$	9,257,878
Liabilities:								
Accounts payable and accrued expenses		-		3,998		**3,998**		3,601
Total Liabilities	$	-	$	3,998	$	**3,998**	$	3,601
Net Assets Available for Benefits:								
Assets available for program benefits	$	9,499,764	$	-	$	**9,499,764**	$	9,245,498
Designated for administration		-		9,647		**9,647**		8,779
Total Net Assets Available for Plan Benefits	$	9,499,764	$	9,647	$	**9,509,411**	$	9,254,277

Program Fund represents all participant assets currently invested in the Plan, as well as any outstanding loan balances.
Administrative Fund is the amount available for recordkeeping, communications and administrative expenses.

Combining Schedules of Net Assets Available for Plan Benefits December 2011 and 2010 (in thousands)

401(k) Plan		**Program Fund**		**Administration Fund**		**Total 2011**		**Total 2010**
Assets:								
Investments	$	1,112,922	$	-	$	**1,112,922**	$	986,002
Participant loans receivable		15,623		-		**15,623**		12,812
Other assets		-		11		**11**		3
Cash and cash equivalents		-		2,357		**2,357**		2,146
Total Assets	$	1,128,545	$	2,368	$	**1,130,913**	$	1,000,963
Liabilities:								
Accounts payable and accrued expenses		-		326		**326**		253
Total Liabilities	$	-	$	326	$	**326**	$	253
Net Assets Available for Benefits:								
Assets available for program benefits	$	1,128,545	$	-	$	**1,128,545**	$	998,814
Designated for administration		-		2,042		**2,042**		1,896
Total Net Assets Available for Plan Benefits	$	1,128,545	$	2,042	$	**1,130,587**	$	1,000,710

Program Fund represents all participant assets currently invested in the Plan, as well as any outstanding loan balances.
Administrative Fund is the amount available for recordkeeping, communications and administrative expenses.

Combining Schedules of Net Assets Available for Plan Benefits December 2011 and 2010 (in thousands)

NYCE IRA		**Program Fund**		**Administration Fund**		**Total 2011**		**Total 2010**
Assets:								
Investments	$	114,885	$	-	$	**114,885**	$	87,367
Cash and cash equivalents		-		7		**7**		46
Total Assets	$	114,885	$	7	$	**114,892**	$	87,413
Liabilities:								
Accounts payable and accrued expenses		-		40		**40**		60
Total Liabilities	$	-	$	40	$	**40**	$	60
Net Assets Available for Benefits:								
Assets available for program benefits	$	114,885	$	-	$	**114,885**	$	87,367
Designated for administration		-		(33)		**(33)**		(14)
Total Net Assets Available for Plan Benefits	$	114,885	$	(33)	$	**114,852**	$	87,353

Program Fund represents all participant assets currently invested in the Plan.
Administrative Fund is the amount available for recordkeeping, communications and administrative expenses.

Combining Schedules of Net Assets Available for Plan Benefits December 2011 and 2010 (in thousands)

401(a) Plan		Program Fund		Total 2011		Total 2010
Assets:						
Investments	$	11,324	$	**11,324**	$	7,761
Other assets		-		**-**		2
Cash and cash equivalents		-		**-**		-
Total Assets	$	11,324	$	**11,324**	$	7,763
Liabilities:						
Accounts payable and accrued expenses		-		**-**		-
Total Liabilities	$	-	$	**-**	$	-
Net Assets Available for Benefits:						
Assets available for program benefits	$	11,324	$	**11,324**	$	7,763
Designated for administration		-		**-**		-
Total Net Assets Available for Plan Benefits	$	11,324	$	**11,324**	$	7,763

Program Fund represents all participant assets currently invested in the Plan.

Schedules of Cash Receipts and Disbursements For the Years Ended December 2011 and 2010 (in thousands)

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Cash and cash equivalents - beginning	$ **11,554**	$ 16,133	$ **2,146**	$ 1,263	$ **46**	$ 19	$ **-**	$ -
Receipts:								
Employee contributions	**548,341**	564,744	**151,979**	149,558	**30,820**	36,162	**3,619**	525
Investment withdrawals for distribution	**371,806**	308,620	**29,255**	22,265	**5,041**	5,699	**58**	14
Securities lending interest income	**-**	2,759	**-**	-	**-**	-	**-**	-
Miscellaneous income	**5,963**	5,235	**142**	118	**1**	1	**-**	-
Total receipts	$ **926,110**	$ 881,358	$ **181,376**	$ 171,941	$ **35,862**	$ 41,862	$ **3,677**	$ 539
Disbursements:								
Distributions to participants	**371,806**	308,620	**29,255**	22,265	**5,041**	5,699	**58**	14
Investment purchases	**541,562**	546,411	**151,396**	148,238	**30,800**	36,113	**3,619**	523
Administrative expenditures	**11,558**	12,396	**514**	-	**60**	-	**-**	-
Securities lending fees	**-**	84	**-**	-	**-**	-	**-**	-
Security lending dispositions	**-**	18,426	**-**	555	**-**	23	**-**	2
Total disbursements	**924,926**	885,937	**181,165**	171,058	**35,901**	41,835	**3,677**	539
Cash and cash equivalents - ending	$ **12,738**	$ 11,554	$ **2,357**	$ 2,146	$ **7**	$ 46	$ **-**	$ -

Schedules of Administrative Expenses and Recordkeeping/Loan Fees For the Years Ended December 2011 and 2010 (in thousands)

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
	2011	2010	2011	2010	2011	2010	2011	2010
Salaries	$ 978	$ 988	$ 111	$ 102	$ 11	$ 8	$ -	$ -
Communications expenses	1,906	1,832	223	74	23	6	-	-
Advisory and Auditing Fees	459	552	53	56	3	2	-	-
Reimbursement to the City	529	515	61	55	6	4	-	-
Administrative support	1,863	2,193	193	125	13	6	-	-
Recordkeeping/Loan fees	5,637	5,650	544	505	32	24	1	2
Total	$ 11,372	$ 11,730	$ 1,185	$ 917	$ 88	$ 50	$ 1	$ 2

Schedules of Investment Management Fees For the Years Ended December 2011 and 2010 (in thousands)

	457 Plan		401(k) Plan		NYCE IRA		401(a) Plan	
	2011	2010	2011	2010	2011	2010	2011	2010
Stable Income Fund	$ 9,643	$ 7,128	$ 1,241	$ 838	$ 190	$ 116	$ 5	$ 2
Bond Fund	895	800	174	148	12	9	1	1
Equity Index Fund	177	160	15	12	1	1	-	-
Global Socially Responsible Fund	1,160	1,069	75	63	5	4	1	1
Mid-Cap Equity Fund	1,714	1,446	368	292	22	14	3	2
International Equity Fund	1,945	2,179	344	350	19	16	3	3
Small-Cap Equity Fund	4,723	3,965	354	267	20	12	10	5
TIPS	281	237	66	53	5	3	-	-
Total	$ 20,538	$ 16,984	$ 2,637	$ 2,023	$ 274	$ 175	$ 23	$ 14

Asset Allocation of the Plans

The City of New York Deferred Compensation Plan is an "unbundled" program, where both the recordkeeper and the custodian are independently bid from the Plans' investment managers. As a result, each investment contract is competitively selected according to New York City and State regulations and awarded to the manager with the best combination of investment experience, performance history and management fees. Pursuant to the New York City Deferred Compensation Board Resolution, dated March 7, 2012, the Board approved the use of a consultant-driven search process for the selection of investment managers. The consultant-driven search process is conducted in accordance with the New York State Regulations and supersedes the competitive bid process.

All Plan assets are in either a separately managed account or a commingled account. Rather than utilize a single investment manager for some options, the Plan has created core investment options with multiple managers to diversify risk. This structure provides flexibility to change managers, if necessary, without suspending participant trading.

By the end of 2011, the combined assets of the nineteen investment options and the Self-Directed Brokerage option exceeded $10.5 billion.

Prepared by:
Georgette Gestely and Joan Barrow

Percent of Fair Market Value	457 Plan	401(k) Plan	NYCE IRA	401(a) Plan
Pre-Arranged Portfolios				
Static Allocation Fund	0.3%	0.6%	1.9%	0.1%
2000 Fund	<0.1%	0.1%	0.6%	<0.1%
2005 Fund	0.8%	2.0%	0.9%	0.3%
2010 Fund	1.3%	3.4%	3.1%	0.8%
2015 Fund	4.6%	7.0%	3.3%	4.2%
2020 Fund	1.5%	3.4%	2.5%	1.8%
2025 Fund	3.1%	6.2%	2.6%	4.0%
2030 Fund	0.9%	2.4%	1.2%	1.3%
2035 Fund	0.5%	1.7%	1.0%	0.7%
2040 Fund	0.4%	1.2%	0.5%	0.6%
2045 Fund	0.7%	1.7%	1.2%	1.1%
2050 Fund	0.1%	0.3%	0.3%	0.2%
Core Options				
Stable Income Fund	38.7%	40.1%	61.4%	14.4%
Bond Fund	2.7%	3.7%	2.6%	1.7%
Equity Index Fund	22.9%	9.5%	7.9%	33.1%
Global Socially Responsible Fund	2.8%	1.5%	1.0%	2.8%
Mid-Cap Equity Fund	3.0%	5.2%	3.0%	5.3%
International Equity Fund	3.9%	3.8%	1.8%	6.5%
Small-Cap Equity Fund	11.6%	6.0%	3.2%	21.1%
Self-Directed Brokerage Option	0.2%	0.2%	-	-

Pre-Arranged Portfolios

The Pre-Arranged Portfolios are made up of varying percentages of the following core investment options: Stable Income Fund, Bond Fund, Equity Index Fund, Mid-Cap Equity Fund, International Equity Fund, and Small-Cap Equity Fund. They are designated by payout years. The portfolios are designed to meet certain expected rate of return requirements over time horizons, and balance the rate of return needs with the appropriate amount of risk. Each portfolio is rebalanced periodically to lower its equity exposure over time.

U.S. Treasury Inflation Protected Securities ("TIPS") are a component of some of the portfolios as noted below and is currently managed by Pacific Investment Management Company (PIMCO). The goal of TIPS is to preserve and enhance purchasing power for individuals planning for retirement. TIPS represent a distinct asset class in which both principal and interest payments adjust to track changes in the Consumer Price Index or "CPI". A fixed rate of interest is then paid on this increasing principal amount. The principal grows with inflation and the cash coupon also increases with inflation. In a diversified portfolio, an allocation to TIPS can help protect against inflation and increase the risk-adjusted returns of the portfolio.

To pick a portfolio, participants need to use their current age or the number of years until they expect to begin distribution payments as a guide, whichever better suits their personal circumstances.

Fund Name	Composition At December 31, 2011	Annual Return	Custom Bench-mark	Portfolio Expense Ratio
Static Allocation Fund	60% Stable Income; 15% TIPS; 5% Bond; 10% Equity Index; 3% Mid-Cap; 4% International; and 3% Small-Cap	3.9%	3.3%	0.32%
2000 Fund	51.6% Stable Income; 15% TIPS; 8% Bond; 11.8% Equity Index; 3.6% Mid-Cap; 6.4% International and 3.6% Small-Cap	3.6%	3.2%	0.32%
2005 Fund	40% Stable Income; 15% TIPS; 10.6% Bond; 16% Equity Index; 4.3% Mid-Cap; 9.8% International; and 4.3% Small-Cap	2.9%	2.9%	0.30%
2010 Fund	28.8% Stable Income; 15% TIPS; 11.6% Bond; 21% Equity Index; 4.8% Mid-Cap; 14% International; and 4.8% Small-Cap	2.2%	2.4%	0.29%
2015 Fund	15.6% Stable Income; 13.2% TIPS; 12.6% Bond; 28.4% Equity Index; 5.3% Mid-Cap; 19.6% International; and 5.3% Small-Cap	0.9%	1.4%	0.27%
2020 Fund	6.4% Stable Income; 9% TIPS; 13.6% Bond; 35.6% Equity Index; 5.8% Mid-Cap; 23.8% International; and 5.8% Small-Cap	(0.2%)	0.3%	0.25%
2025 Fund	2.8% Stable Income; 4% TIPS; 14% Bond; 40.1% Equity Index; 6.3% Mid-Cap; 26.5% International; and 6.3% Small-Cap	(1.3%)	(0.7%)	0.24%
2030 Fund	0.8% Stable Income; 0.8% TIPS; 12.8% Bond; 43.6% Equity Index; 6.8% Mid-Cap; 28.4% International; and 6.8% Small-Cap	(1.9%)	(1.5%)	0.23%
2035 Fund	10.8% Bond; 45.6% Equity Index; 7% Mid-Cap; 29.6% International; and 7% Small-Cap	(2.1%)	(1.8%)	0.23%
2040 Fund	7% Bond; 47.2% Equity Index; 7.3% Mid-Cap; 31.2% International; and 7.3% Small-Cap	(2.7%)	(2.4%)	0.22%
2045 Fund	2% Bond; 49.5% Equity Index; 7.8% Mid-Cap; 32.9% International; and 7.8% Small-Cap	(3.2%)	(3.1%)	0.22%
2050 Fund	50.5% Equity Index; 8% Mid-Cap; 33.5% International; 8% Small-Cap	(3.1%)	(3.3%)	0.22%
	Expense ratios noted above include both the asset management fees and the administrative fee of 0.05%.			

Stable Income Fund

The investment objective of the Stable Income Fund is to conserve principal and to provide a steady rate of return. The Fund invests in a combination of insurance company general account investment contracts, a "wrapped" portfolio of high quality bonds, and other fixed income investments as well as cash equivalents. A portfolio is "wrapped" when an insurance company or bank issues a form of investment contract (or wrap agreement) providing a guarantee that member withdrawals from the portfolio will not be adjusted for changes in market conditions. A wrap agreement provides price stability by helping to protect the Fund from severe changes in market value and, subject to certain conditions, provides repayment of principal and interest to Plan participants. Fiduciary Capital Management is the manager for the traditional Guaranteed Investment Contract ("GIC") portfolio, and insurance company separate account. ICMA manages the liquidity buffer that handles cash flow activity. The actively managed synthetic GIC portfolios within the Stable Income Fund are managed by NISA Investment Advisors, Pacific Investment Management Company, JP Morgan Investment Management, Inc., and BlackRock Financial Management. The actively managed synthetic GIC portfolios, are wrapped with a value guarantee provided by Monumental Life, JPMorgan Chase, and the Metropolitan Life Insurance Company.

The top ten holdings of the Stable Income Fund are as follows:

#	ASSET LONG DESCRIPTION	MATURITY DATE	PERCENTAGE
1	UNITED STATES TREASURY NOTE	10/31/2013	3.06
2	UNITED STATES TREASURY NOTE	11/15/2014	1.52
3	UNITED STATES TREASURY NOTE	5/15/2021	1.38
4	UNITED STATES TREASURY NOTE	8/15/2021	1.18
5	FNMA MORTGAGE	4/1/2041	1.13
6	UNITED STATES TREASURY NOTE	2/15/2013	0.88
7	PRINCIPAL LIFE GIC	11/30/2015	0.77
8	UNITED STATES TREASURY NOTE	11/30/2016	0.75
9	UNITED STATES TREASURY NOTE	6/30/2016	0.73
10	UNITED STATES TREASURY NOTE	6/15/2013	0.63

Stable Income Fund Portfolios

Security Description	Credit Rating Moody's/S&P/Fitch	Maturity	Crediting	Total Assets (IN THOUSANDS)
Stable Value Fund				
ICMA		N/A	3.25%	$446,002
The Bank of New York Mellon		N/A	-	8,401
Total Stable Value Fund				**454,403**

Security Description	Credit Rating Moody's/S&P/Fitch	Maturity	Crediting	Total Assets (IN THOUSANDS)
GICs				
Aegon	A1/AA-/AA-	7/31/2012	5.36%	6,165
Aegon	A1/AA-/AA-	8/31/2012	5.22%	12,538
Aegon	A1/AA-/AA-	8/31/2012	5.12%	3,804
Aegon	A1/AA-/AA-	2/28/2013	5.15%	4,227
Aegon	A1/AA-/AA-	7/1/2013	5.45%	3,530

Security Description	Credit Rating Moody's/S&P/Fitch	Maturity	Crediting	Total Assets (IN THOUSANDS)
Aegon	A1/AA-/AA-	9/30/2014	5.95%	16,108
Genworth Life	A2/A/A-	1/3/2012	5.24%	3,375
Genworth Life	A2/A/A-	3/31/2012	5.37%	6,777
Genworth Life	A2/A/A-	10/31/2012	5.37%	8,592
Genworth Life	A2/A/A-	5/31/2013	5.20%	5,147
Genworth Life	A2/A/A-	1/31/2014	4.75%	16,165
Hartford	A3/A/A-	11/30/2012	5.27%	6,521
Hartford	A3/A/A-	4/30/2013	5.17%	5,099
Hartford	A3/A/A-	8/30/2013	5.63%	4,497
ING	A3/A-/A-	9/30/2013	5.13%	6,821
ING	A3/A-/A-	4/30/2014	4.25%	10,315
ING	A3/A-/A-	5/30/2014	4.47%	8,917
ING	A3/A-/A-	12/31/2014	4.59%	13,333
ING	A3/A-/A-	5/31/2014	4.59%	13,277
Jackson National	A1/AA/AA	7/31/2012	5.69%	5,449
Jackson National	A1/AA/AA	5/31/2013	5.22%	7,084
Jackson National	A1/AA/AA	4/30/2013	5.17%	5,077
Jackson National	A1/AA/AA	4,29/2016	1.88%	13,624
Jackson National	A1/AA/AA	7/29/2016	1.59%	20,249
Jackson National	A1/AA/AA	11/30/2016	1.69%	10,013
Jackson National	A1/AA/AA	5/31/2016	1.49%	6,883
Metropolitan Life	Aa3/AA-/AA-	6/30/2013	5.48%	4,292
Metropolitan Life	Aa3/AA-/AA-	9/30/2013	5.24%	12,365
Metropolitan Life	Aa3/AA-/AA-	8/31/2014	4.55%	17,113
Metropolitan Life	Aa3/AA-/AA-	9/30/2014	5.37%	6,126
Metropolitan Life	Aa3/AA-/AA-	11/30/2014	4.80%	13,559
Metropolitan Life	Aa3/AA-/AA-	3/31/2015	3.91%	11,482
Metropolitan Life	Aa3/AA-/AA-	9/30/2014	3.40%	14,118
Metropolitan Life	Aa3/AA-/AA-	12/01/2014	3.17%	8,425
Metropolitan Life	Aa3/AA-/AA-	12/21/2014	3.10%	5,307
Metropolitan Life	Aa3/AA-/AA-	6/30/2015	3.20%	14,579
Metropolitan Life	Aa3/AA-/AA-	4/30/2015	3.12%	3,157
Metropolitan Life	Aa3/AA-/AA-	5/31/2015	2.03%	10,285
Metropolitan Life	Aa3/AA-/AA-	5/31/2015	2.32%	9,913
Metropolitan Life	Aa3/AA-/AA-	3/30/204	1.50%	20,204
Metropolitan Life	Aa3/AA-/AA-	8/31/2014	1.47%	1,322
Metropolitan Life	Aa3/AA-/AA-	3/31/2016	1.92%	11,726
Metropolitan Life	Aa3/AA-/AA-	10/31/2016	1.95%	6,314
New York Life	Aaa/AA+/AAA	9/28/2012	5.27%	16,154
New York Life	Aaa/AA+/AAA	9/30/2013	5.20%	17,570
New York Life	Aaa/AA+/AAA	1/31/2014	4.50%	15,315
New York Life	Aaa/AA+/AAA	3/31/2014	4.38%	12,409
New York Life	Aaa/AA+/AAA	10/31/2014	3.10%	5,869
New York Life	Aaa/AA+/AAA	12/31/2014	2.73%	5,270
New York Life	Aaa/AA+/AAA	6/30/2015	2.70%	11,546
New York Life	Aaa/AA+/AAA	3/02/2015	2.58%	11,521
New York Life	Aaa/AA+/AAA	2/02/2015	2.93%	11,593
New York Life	Aaa/AA+/AAA	3/31/2015	2.71%	5,237
New York Life	Aaa/AA+/AAA	3/31/2015	3.21%	15,684
New York Life	Aaa/AA+/AAA	4/30/2015	2.57%	18,252
New York Life	Aaa/AA+/AAA	6/30/2015	1.83%	4,212
New York Life	Aaa/AA+/AAA	8/31/2014	1.00%	20,095
New York Life	Aaa/AA+/AAA	7/31/2015	1.60%	12,100

Security Description	Credit Rating Moody's/S&P/Fitch	Maturity	Crediting	Total Assets (in thousands)
New York Life	Aaa/AA+/AAA	12/31/2015	1.95%	15,288
New York Life	Aaa/AA+/AAA	12/31/2015	1.97%	20,387
Ohio National	A1/AA/NR	1/31/2012	5.50%	6,365
Ohio National	A1/AA/NR	2/28/2012	5.15%	3,477
Ohio National	A1/AA/NR	4/30/2013	5.31%	6,695
Ohio National	A1/AA/NR	8/31/2012	4.82%	3,412
Ohio National	A1/AA/NR	4/30/2014	5.40%	4,826
Ohio National	A1/AA/NR	8/29/2014	4.05%	3.334
Ohio National	A1/AA/NR	5/29/2015	2.97%	5,273
Ohio National	A1/AA/NR	5/29/2015	2.80%	8,288
Pacific Life	A1/A+/A+	12/31/2014	5.17%	23,538
Principal Life	Aa3/A/AA-	3/31/2016	1.82%	12,123
Principal Life	Aa3/A/AA-	1/31/2012	5.64%	4,114
Principal Life	Aa3/A/AA-	5/31/2012	5.79%	3,697
Principal Life	Aa3/A/AA-	12/31/2012	5.00%	6,405
Principal Life	Aa3/A/AA-	6/30/2013	5.25%	1,246
Principal Life	Aa3/A/AA-	11/30/2013	4.66%	1,918
Principal Life	Aa3/A/AA-	4/29/2015	2.85%	10,449
Principal Life	Aa3/A/AA-	5/28/2015	2.90%	7,634
Principal Life	Aa3/A/AA-	8/31/2015	2.55%	20,764
Principal Life	Aa3/A/AA-	8/31/2015	2.55%	20,764
Principal Life	Aa3/A/AA-	11/30/2015	2.15%	31,533
Principal Life	Aa3/A/AA-	10/30/2015	1.89%	5,118
Principal Life	Aa3/A/AA-	07/30/2015	1.63%	7,643
Principal Life	Aa3/A/AA-	04/29/2016	1.73%	23,103
Protective Life	A2/AA-/A	10//1/2012	5.46%	9,491
Protective Life	A2/AA-/A	3/30/2012	5.66%	12,295
Protective Life	A2/AA-/A	8/30/2013	5.48%	8,298
Protective Life	A2/AA-/A	12/31/2013	4.51%	12,999
Prudential	A2/AA-/A+	6/30/2012	5.52%	5,611
Prudential	A2/AA-/A+	8/31/2012	5.12%	2,174
Prudential	A2/AA-/A+	6/30/2013	5.25%	2,626
Prudential	A2/AA-/A+	10/31/2013	4.95%	22,518
Prudential	A2/AA-/A+	12/31/2014	5.00%	10,208
Prudential	A2/AA-/A+	4/30/2015	3.85%	7,726
Prudential	A2/AA-/A+	4/30/2015	3.80%	14,614
Prudential	A2/AA-/A+	4/30/2015	3.10%	4,208
Prudential	A2/AA-/A+	12/31/2013	1.08%	16,414
Prudential	A2/AA-/A+	06/30/2014	1.24%	20,303
Prudential	A2/AA-/A+	12/31/2015	2.21%	5,109
Prudential	A2/AA-/A+	03/31/2016	1.93%	5,055
Prudential	A2/AA-/A+	08/31/2016	1.60%	6,812
United of Omaha	A1/A+/NR	11/29/2012	4.17%	3,594
United of Omaha	A1/A+/NR	01/31/2014	2.65%	3,578
United of Omaha	A1/A+/NR	02/26/2015	2.77%	6,306
United of Omaha	A1/A+/NR	03/31/2014	2.35%	10,394
United of Omaha	A1/A+/NR	05/31/2014	1.29%	5,032
Total GICs				**$ 1,029,460**
Book Value Wrap Providers for Actively Managed and Buy & Hold Portfolios				
Monumental Life (Aegon)	A1/AA-/AA	N/A	4.08%	561,233
Prudential	A2/AA-/A+	N/A	2.29%	539,470
United of Omaha	A1/A+/NR	N/A	3.37%	584,164
Metropolitan Life	Aa3/AA-/AA-	N/A	4.09%	590,186
Metropolitan Life	Aa3/AA-/AA-	N/A	4.47%	577,009
Sub-Total				**2,852,062**
Total 457, 401(k), NYCE IRA, and 401(a) Balance				**$ 4,335,925**

Bond Fund

The investment objective of the Bond Fund is to maximize total return over a full market cycle while actively managing risk. An allocation to this fund may be beneficial as a part of a balanced portfolio to hedge against the significantly higher risk (as measured by standard deviation) of equities. The Fund employs multiple active management strategies, which invests in a diversified portfolio including government, government agency, corporate (including high yield), mortgage and foreign securities (including emerging market bonds); derivatives may be actively used for return enhancement as well as risk hedging. The return of the Fund will consist of interest income and market appreciation (or depreciation). While the Fund seeks to provide capital gains, there may be periods of time when the return on the Bond Fund is negative. The Fund currently has two managers, Pacific Investment Management Company (PIMCO) and BlackRock.

The top ten holdings of the Bond Fund are as follows:

#	ASSET LONG DESCRIPTION	MATURITY DATE	PERCENTAGE
1	UNITED STATES TREASURY NOTE	8/15/2020	4.23
2	UNITED STATES TREASURY NOTE	5/15/2021	3.97
3	FNMA POOL #0AE0113	7/1/2040	3.88
4	UNITED STATES TREASURY NOTE	8/15/2019	3.32
5	TD SECURITIES REPO	1/3/2013	3.21
6	UNITED STATES TREASURY NOTE	12/31/2014	2.88
7	UNITED STATES TREASURY NOTE	7/31/2015	2.65
8	UNITED STATES TREASURY NOTE	7/31/2014	2.37
9	FNMA POOL #06432	6/1/2040	2.05
10	UNITED STATES TREASURY BOND	2/15/2016	1.51

Equity Index Fund

The Equity Index Fund is managed by BNY Mellon. It seeks to replicate the performance of the Standard & Poor's 500 Composite Stock Price Index ("S&P 500 Index") by investing in all 500 stocks listed in the S&P 500 Index in approximately the same proportions as they are represented in the index. The Equity Index Fund offers participants exposure to the stocks of large corporations through a passive investment vehicle. Over time, the S&P 500 Index is expected to provide total returns in excess of both inflation and fixed income funds. As with any investment in equities, substantial volatility (risk as measured by standard deviation) is expected.

The top ten holdings of the Equity Index Fund are as follows:

#	ASSET LONG DESCRIPTION	PERCENTAGE
1	EXXON MOBIL CORP	3.49
2	APPLE COMPUTER INC	3.23
3	INTL BUSINESS MACHINES	1.86
4	CHEVRON CORP	1.82
5	MICROSOFT	1.67
6	GENERAL ELECTRIC	1.63
7	PROCTER & GAMBLE CO	1.58

8	AT&T INC	1.54
9	JOHNSON & JOHNSON	1.54
10	PFEIZER	1.43

Global Socially Responsible Fund

The Global Socially Responsible Fund invests 100% of assets in the stocks of companies which display good corporate citizenship, while excluding companies that do not pass social and environmental screens. Aberdeen Asset Management, Inc. is sole manager in the fund. As with any investment in the global stock markets, substantial volatility (risk as measured by standard deviation) in the unit value of this option will occur. The Global Socially Responsible Fund option is expected to generate total returns at a rate in excess of inflation over the long term.

The top ten holdings of the Global Socially Responsible Fund are as follows:

#	ASSET LONG DESCRIPTION	PERCENTAGE
1	ROCHE HOLDINGS AG	4.60
2	TAIWAN SEMICONDUCTOR	4.60
3	ZURICH FINANCIAL SER	4.55
4	VODAPHONE GROUP	4.54
5	NOVARTIS AG	3.86
6	JOHNSON & JOHNSON	3.45
7	PEPSICO	3.32
8	QBE INSURANCE GROUP	3.19
9	STANDARD CHARTERED	3.10
10	BANCO BRADESCO	2.94

Mid-Cap Equity Fund

The Mid-Cap Equity Fund invests in the stock of medium-sized companies. Earnest Partners manages the value portion, Wellington Management Company, LLP manages the growth portion, and State Street Global Advisors manages the index portion of the fund. Over longer time periods, mid-cap equity funds are expected to provide substantial total returns above inflation, with substantial volatility (risk as measured by standard deviation).

The top ten holdings of the Mid-Cap Equity Fund are as follows:

#	ASSET LONG DESCRIPTION	PERCENTAGE
1	WHITING PETROLEUM CORP	1.81
2	JOY GLOBAL INC	1.73
3	CUMMINS ENGINE INC	1.34
4	ITT EDUCATIONAL SERV	1.26
5	TJX COMPANIES INC NEW	1.25
6	YUM! BRANDS	1.23
7	AMERIPRISE FINANCIAL	1.23
8	AMERICAN TOWER CORP	1.22
9	GOODRICH CORP	1.18
10	EXPRESS SCRIPTS INC	1.17

International Equity Fund

The International Equity Fund invests in companies that are not domiciled in the United States. The fund seeks to provide long-term growth of capital, with investments primarily made in middle- to large-capitalization stocks in developed countries. Due to a relatively low correlation between the foreign and domestic equity markets, the International Equity Fund can provide good diversification when combined with US equity funds. However, the Fund is subject to major volatility, or risk (higher standard deviation) as this fund is invested across the developed world and each market has its own currency changes and stock market movements. The fund currently has three managers, Mondrian Investment Partners (Value), Baillie Gifford (Growth), and State Street Global Advisors (Index).

The top ten holdings of the International Equity Fund are as follows:

#	ASSET LONG DESCRIPTION	PERCENTAGE
1	RAKUTEN INC.	1.96
2	BAIDU INC.	1.91
3	TENCENT HOLDINGS	1.65
4	COMPAGNIE FINANCIERE	1.59
5	ATLAS COPCO	1.52
6	STANDARD CHARTERED	1.08
7	TESCO	1.07
8	UNILEVER	1.06
9	PPR	1.04
10	INDUSTRIA DE DISENO TEXTIL	1.03

Small-Cap Equity Fund

The Small-Cap Equity Fund seeks long-term growth of capital by investing primarily in the common stocks of small companies which are believed to have good prospects for capital appreciation. The fund's management concentrates on companies that may offer accelerated earnings growth because of new management, new products, or structural changes in the economy. Small-cap stocks offer the opportunity for greater long-term capital appreciation. In the short-term, however, these stocks may display substantial volatility (risk as measured by standard deviation). The Small-Cap Equity Fund is comprised of the following managers: Dimensional Fund Advisors (Value), T. Rowe Price Associates, Inc. (Growth), Wellington Management Company, LLP (Core), and State Street Global Advisors (Index).

The top ten holdings of the Small-Cap Fund are as follows:

#	ASSET LONG DESCRIPTION	PERCENTAGE
1	CLEAN HARBORS	0.59
2	O'REILLY AUTOMOTIVE INC	0.58
3	FMC TECHNOLOGIES INC	0.56
4	PANERA BREAD CO	0.54
5	SXC HEALTH SOLUTIONS	0.45
6	ROPER INDUSTRIES	0.45
7	RASKSPACE HOSTING	0.43
8	MSCI INC	0.41
9	GARTNER	0.41
10	TIVO INC	0.39

Complete holdings information for each fund manager is available to participants upon request.

Self-Directed Brokerage Option

The Self-Directed Brokerage (SDB) option allows participants with account balances of at least $5,000 to invest in mutual funds, including no-load/no-transaction fee funds, which are outside of the Deferred Compensation Plan's investment fund line-up. The SDB is for knowledgeable investors who acknowledge and understand the risks associated with many of the investments contained in the SDB option. The SDB is available through TD Ameritrade.

Investment Summary

Fair Value (In Thousands)

Type of Investment	Date	457 Plan	401(k) Plan	NYCE IRA	401(a) Plan
Stable Income Fund	12/31/11	$ 3,615,526	$ 446,331	$ 70,570	$ 1,626
Bond Fund	12/31/11	255,006	41,535	3,008	193
Equity Index Fund	12/31/11	2,134,128	105,966	9,090	3,748
Global Socially Responsible Fund	12/31/11	256,827	16,575	1,120	318
Mid-Cap Equity Fund	12/31/11	283,664	57,646	3,401	601
International Equity Fund	12/31/11	364,565	41,688	2,116	737
Small-Cap Equity Fund	12/31/11	1,082,383	66,704	3,724	2,385
Static Allocation Fund	12/31/11	28,389	6,926	2,214	9
2000 Fund	12/31/11	4,378	1,042	723	-
2005 Fund	12/31/11	70,555	21,781	1,010	36
2010 Fund	12/31/11	117,579	37,341	3,537	85
2015 Fund	12/31/11	430,562	78,450	3,781	479
2020 Fund	12/31/11	136,401	38,244	2,845	206
2025 Fund	12/31/11	286,886	68,358	2,925	454
2030 Fund	12/31/11	85,803	27,079	1,320	150
2035 Fund	12/31/11	51,042	18,773	1,173	76
2040 Fund	12/31/11	37,005	13,658	600	70
2045 Fund	12/31/11	67,961	19,354	1,409	123
2050 Fund	12/31/11	9,852	3,625	319	28
Self-Directed Brokerage Option	12/31/11	17,022	1,846	-	-
Total		**$ 9,335,534**	**$ 1,112,922**	**$ 114,885**	**$ 11,324**

Investment Management Fees and Administrative Fees (0.05%) for the 457, 401(k), 401(a) Plans, and NYCE IRA for 2011 (in thousands)

	Total Assets	Investment Management Fees	Administrative Fees (0.05%)	Expense Ratio	Total Investment Management and Administrative Fees
Stable Income Fund	$ 4,335,925	$ 11,079	$ 2,224	.34%	$ 13,303
Bond Fund	492,591	1,082	233	.31%	1,315
Equity Index Fund	2,832,874	193	1,431	.06%	1,624
Global Socially Responsible Fund	274,841	1,241	144	.49%	1,385
Mid-Cap Equity Fund	444,589	2,107	233	.52%	2,340
International Equity Fund	777,225	2,311	419	.33%	2,730
Small-Cap Equity Fund	1,257,438	5,107	649	.44%	5,756
TIPS	140,314	352	70	.30%	422
Total	**$ 10,555,797**	**$ 23,472**	**$ 5,403**		**$ 28,875**

Commission Recapture Summary for the 457 & 401(k) Plans and NYCE IRA for 2011

The commission recapture program sets goals for the Deferred Compensation Plan's eligible investment managers to perform a certain percentage of their trades with the plans-selected brokers, who return a portion of their commissions to the Plans, offsetting the Plans' expenses. The chart below provides a summary of commission recapture activity for 2011.

	Shares Traded	Total Commissions	Total Commissions Per Share	Commissions Received	Percentage of Total Commissions Recaptured
Abel Noser	1,233,571	$ 47,498	$ .04	$ 9,161	29.81%
CAPIS	358,342	13,324	.04	7,396	55.51%
Knight Capital Group (Formerly Donaldson & Co.)	981,397	38,290	.04	22,645	59.14%
Frank Russell	85,246	1,453	.04	777	53.49%
Lynch, Jones & Ryan	824,768	23,314	.04	12,207	52.36%
Total	**3,483,324**	**$ 123,879**	**$ .04**	**$ 52,186**	**46.16%**

Effective 2012, the commission recapture revenues will be directed into the applicable investment funds.

Performance Summary for One-, Three-, and Five Year

Periods Ended December 31, 2011

Core Fund Name ***Market Benchmark***	***Annualized Returns*** (Net of Fees)		
	1 - YR	**3 - YR**	**5 -YR**
Stable Income Fund Barclays 1-3 Year Treasury	3.6% 1.6%	4.0% 1.6%	4.3% 3.7%
Bond Fund Custom Benchmark (The Custom Benchmark is the Barclay's U.S Aggregate since the 4th quarter of 2006. It was comprised of 80% Barclay's U.S. Aggregate, 10% ML High Yield Index and 10% SB non-US Gov't Bond Index – hedged for all prior periods	6.5% 7.8%	9.1% 6.8%	5.7% 6.5%
Equity Index Fund S&P 500 Index	2.0% 2.1%	14.0% 14.1%	(0.3%) (0.3%)
Global Socially Responsible Fund Custom Benchmark (The Global Socially Responsible Fund Benchmark is the MSCI World since March 2007; it was Domini 400 for all prior periods.)	(4.9%) (5.0%)	13.3% 11.8%	(0.8%) (1.8%)
Mid-Cap Equity Fund Russell Midcap® Index	(5.5%) (1.6%)	19.6% 20.2%	1.2% 1.4%
International Equity Fund Custom Benchmark (The Custom Benchmark is 100% MSCI ACWI ex-US since the 4th quarter of 2011. It was 100% MSCI EAFE in all prior quarters.)	(11.1%) (11.4%)	7.5% 8.3%	(5.3%) (4.2%)
Small-Cap Equity Fund Russell 2000® Index	(2.1%) (4.2%)	18.9% 15.6%	1.0% 0.2%

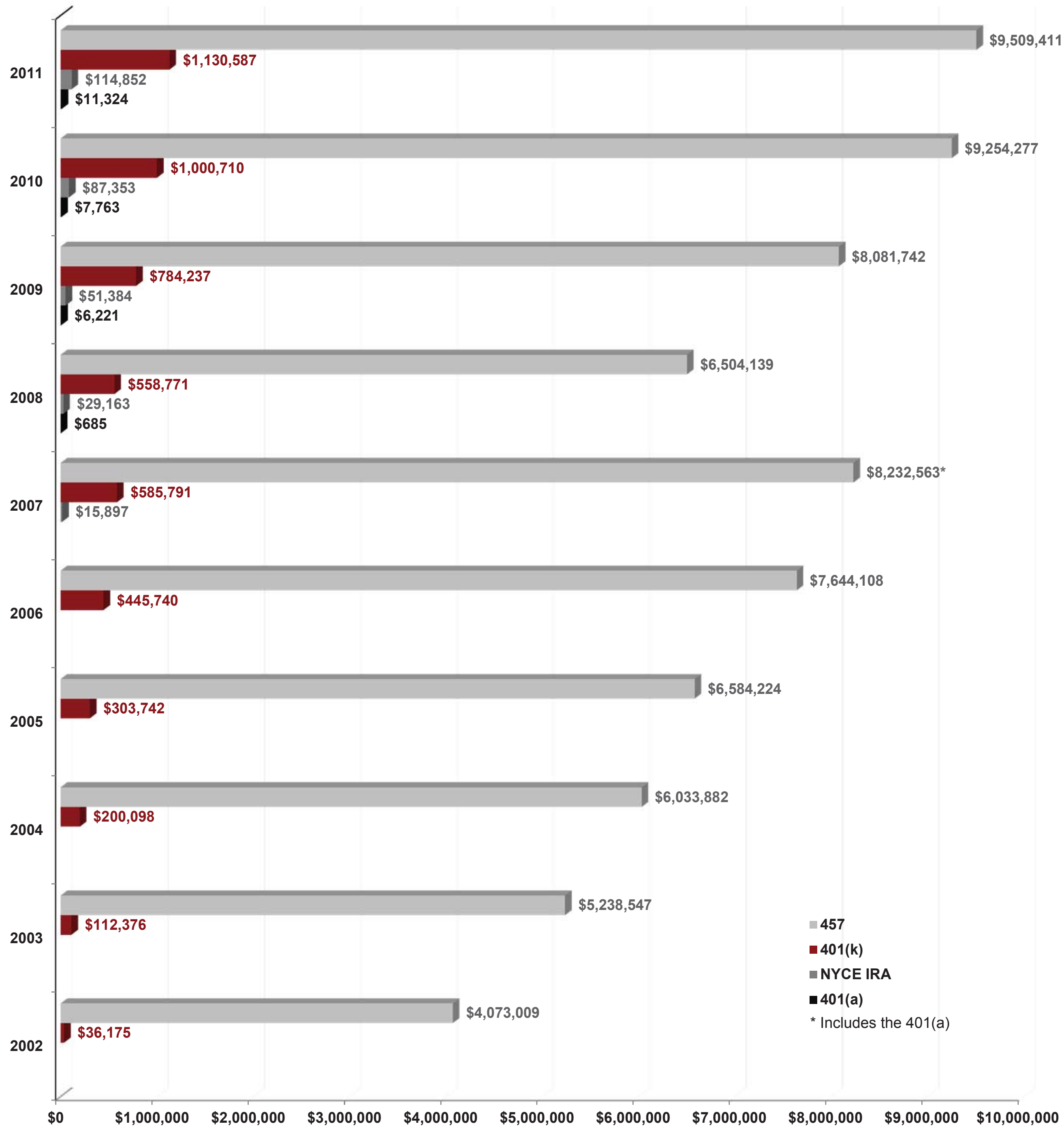
Source: Milliman USA. Returns were calculated using industry standard "modified time weighted methodology".

Note: Past investment returns are no guarantee of future returns and should not be relied upon as a sole source for investment decision-making.

Financial Trend Information

Net Assets available for Plan Benefits 2002 to 2011 (in thousands)

In 2011, the twenty-sixth year of the 457, the tenth year of the 401(k), the sixth year of the NYCE IRA, and the fifth year of the 401(a), the Deferred Compensation Plan's combined assets available for plan benefits approximated $11 billion. The combined net assets available for Plan benefits increased by 4% over the previous year.



Additions (Deductions) to Assets by type (in thousands) from 2002 to 2011

Year Ended	Contributions (A)	Stable Value Income	Net Gains (losses) on Variable Investments	Total
457 Plan				
2002	$ 496,153	$ 84,705	$ (680,873)	$ (100,015)
2003	$ 493,796	$ 87,612	$ 798,693	$ 1,380,101
2004	$ 510,854	$ 85,574	$ 456,755	$ 1,053,183
2005	$ 518,634	$ 90,497	$ 234,086	$ 843,217
2006	$ 573,777	$ 103,783	$ 699,810	$ 1,377,370
2007	$ 563,442	$ 114,337	$ 277,716	$ 955,495
2008	$ 538,294	$ 135,295	$ (2,077,141)	$ (1,403,552)
2009	$ 613,267	$ 132,910	$ 1,079,162	$ 1,825,339
2010	$ 565,659	$ 146,009	$ 781,217	$ 1,492,885
2011	$ 547,752	$ 135,168	$ (44,608)	$ 638,312
401(k) Plan				
2002	$ 36,952	$ 101	$ (430)	$ 36,623
2003	$ 66,123	$ 1,113	$ 10,308	$ 77,544
2004	$ 77,185	$ 2,918	$ 11,453	$ 91,556
2005	$ 95,787	$ 4,085	$ 10,370	$ 110,304
2006	$ 113,445	$ 6,468	$ 32,089	$ 152,002
2007	$ 129,727	$ 7,647	$ 19,874	$ 157,248
2008	$ 130,955	$ 10,525	$ (150,200)	$ (8,720)
2009	$ 132,359	$ 12,065	$ 98,525	$ 242,949
2010	$ 150,899	$ 15,139	$ 73,617	$ 239,655
2011	$ 151,910	$ 15,728	$ (7,321)	$ 160,317
NYCE IRA				
2007	$ 15,536	$ 89	$ 209	$ 15,834
2008	$ 19,224	$ 461	$ (5,220)	$ 14,465
2009	$ 18,942	$ 991	$ 4,061	$ 23,994
2010	$ 36,268	$ 1,794	$ 3,656	$ 41,718
2011	$ 30,814	$ 2,298	$ (484)	$ 32,628
401(a) Plan				
2008	$ 484	$ 3	$ (285)	$ 202
2009	$ 5,277	$ 38	$ 226	$ 5,541
2010	$ 537	$ 39	$ 982	$ 1,558
2011	$ 3,619	$ 40	$ (39)	$ 3,620

(A) Contributions include contribution from participants, rollovers, securities lending (through 2010) and Commission recapture, less custodial fees.

Deductions From Assets by Type (in thousands) from 2002 to 2011

Year Ended	Distributions	Administrative Expenses	Total
457 Plan			
2002	$ 243,316	$ 6,966	$ 250,282
2003	$ 205,956	$ 7,424	$ 213,380
2004	$ 236,081	$ 8,174	$ 244,255
2005	$ 284,249	$ 8,626	$ 292,875
2006	$ 308,207	$ 9,277	$ 317,484
2007	$ 355,893	$ 11,149	$ 367,042
2008	$ 312,638	$ 11,749	$ 324,387
2009	$ 235,595	$ 12,141	$ 247,736
2010	$ 308,620	$ 11,730	$ 320,350
2011	$ 371,806	$ 11,372	$ 383,178
401(k) Plan			
2002	$ 166	$ 282	$ 448
2003	$ 1,016	$ 302	$ 1,318
2004	$ 3,245	$ 200	$ 3,445
2005	$ 6,337	$ 261	$ 6,598
2006	$ 9,552	$ 452	$ 10,004
2007	$ 16,473	$ 724	$ 17,197
2008	$ 17,376	$ 924	$ 18,300
2009	$ 16,504	$ 979	$ 17,483
2010	$ 22,265	$ 917	$ 23,182
2011	$ 29,255	$ 1,185	$ 30,440
NYCE IRA			
2007	$ 321	$ 94	$ 415
2008	$ 1,164	$ 35	$ 1,199
2009	$ 1,723	$ 50	$ 1,773
2010	$ 5,699	$ 50	$ 5,749
2011	$ 5,041	$ 88	$ 5,129
401(a) Plan			
2008	$ 1	$ 1	$ 2
2009	$ 4	$ 1	$ 5
2010	$ 14	$ 2	$ 16
2011	$ 58	$ 1	$ 59

Changes in Net Assets Available for Plan Benefits (in thousands) from 2002 to 2011				
Year Ended	457 Plan Totals	401(k) Plan Totals	NYCE IRA Totals	401(a) Plan Totals
2002	$ (350,297)	$ 36,175	$ -	$ -
2003	$ 1,166,621	$ 76,226	$ -	$ -
2004	$ 808,925	$ 88,111	$ -	$ -
2005	$ 550,342	$ 103,644	$ -	$ -
2006	$ 1,059,886	$ 141,998	$ -	$ -
2007	$ 588,453	$ 140,051	$ 15,419	$ -
2008	$ (1,727,940)	$ (27,020)	$ 13,266	$ 200
2009	$ 1,577,603	$ 225,466	$ 22,221	$ 5,536
2010	$ 1,172,535	$ 216,473	$ 35,969	$ 1,542
2011	$ 255,134	$ 129,877	$ 27,499	$ 3,561

Employee Participation and Deferral Trends				
Year Ended	Number of Participants	Average Annual Deferred Per (in thousands) (A)	Total Annual Deferrals (in thousands)	Net Assets Available for Benefits (in thousands)
457 Plan				
2002	$ 107,822	$ 5	$ 495,610	$ 4,703,009
2003	$ 106,866	$ 5	$ 492,211	$ 5,283,547
2004	$ 107,652	$ 5	$ 495,729	$ 6,033,882
2005	$ 110,013	$ 5	$ 516,286	$ 6,584,224
2006	$ 112,775	$ 6	$ 570,488	$ 7,644,110
2007	$ 115,416	$ 5	$ 557,846	$ 8,232,563
2008	$ 117,530	$ 5	$ 591,673	$ 6,504,139
2009	$ 117,673	$ 5	$ 567,581	$ 8,081,742
2010	$ 117,785	$ 5	$ 564,744	$ 9,254,277
2011	$ 117,682	$ 5	$ 548,341	$ 9,509,411
401(k) Plan				
2002	$ 5,189	$ ***7***	$ 36,952	$ 36,175
2003	$ 7,992	$ ***8***	$ 66,091	$ 112,376
2004	$ 10,879	$ ***7***	$ 76,755	$ 200,098
2005	$ 14,296	$ ***7***	$ 95,667	$ 303,742
2006	$ 18,885	$ ***7***	$ 113,270	$ 445,740
2007	$ 23,166	$ ***6***	$ 129,349	$ 585,791
2008	$ 26,356	$ ***5***	$ 135,615	$ 558,771
2009	$ 27,847	$ ***5***	$ 128,566	$ 784,237
2010	$ 29,861	$ ***5***	$ 149,558	$ 1,000,710
2011	$ 31,519	$ 5	$ 151,979	$ 1,130,587
NYCE IRA				
2007	$ 596	$ N/A	$ 15,528	$ 15,897
2008	$ 1,150	$ N/A	$ 19,477	$ 29,163
2009	$ 1,522	$ N/A	$ 18,761	$ 51,384
2010	$ 2,121	$ N/A	$ 36,162	$ 87,353
2011	$ 2,537	$ N/A	$ 30,820	$ 114,852
401(a) Plan				
2008	$ 1,769	$ N/A	$ 484	$ 685
2009	$ 1,902	$ N/A	$ 5,291	$ 6,221
2010	$ 2,026	$ N/A	$ 525	$ 7,763
2011	$ 2,780	$ N/A	$ 3,619	$ 11,324

(A) Information provided by the Plans' recordkeeper, FASCore, LLC

*Summary of Administrative Revenues and Expenses from 2002 to 2011 (in thousands)**

EXPENSES

Year	Plan	Revenues (1)	Salaries	Communication Expenses	Advisory and Auditing Fees	Reimbursement to the City for Overhead	Administrative Support	Recordkeeping Loan Fees (2)	Custodian Fees	Total Expenses
2002	457	$6,555	$484	1,189	393	339	1,377	3,184	-	$6,966
	401(k)	$197	$3	-	130	1	32	116	-	$282
2003	457	$7,566	$426	1,210	421	386	1,522	3,3459	584	$8,008
	401(k)	$394	$7	10	28	7	27	223	13	$315
2004	457	$9,442	$498	965	548	400	1,713	4,050	715	$8,889
	401(k)	$251	$16	10	41	12	27	94	23	$223
2005	457	$10,622	$453	1,223	587	400	1,736	4,227	918	$9,544
	401(k)	$466	$20	25	24	17	32	143	62	$323
2006	457	$12,221	$769	1,095	508	423	1,775	4,707	1,132	$10,409
	401(k)	$664	$43	63	28	26	69	223	63	$515
2007	457	$15,420	$1,160	1,575	643	774	1,827	5,170	1,437	$12,586
	401(k)	$988	$79	109	40	28	155	313	100	$824
	NYCE IRA	$24	$2	80	-	1	2	9	2	$96
2008	457	$17,640	$965	2,162	522	543	2,220	5,338	1,151	$12,901
	401(k)	$1,448	$77	181	41	43	154	428	96	$1,020
	NYCE IRA	$88	$3	7	2	2	9	12	5	$40
	401(a)	-	-	-	-	-	-	$1	-	$1
2009	457	$14,411	$1,172	2,094	631	511	2,165	5,568	833	$12,974
	401(k)	$1,329	$99	$220	47	70	186	357	68	$1,047
	NYCE IRA	$62	$6	$13	2	3	13	13	4	$54
	401(a)	-	-	-	-	-	-	1	-	$1
2010	457	$16,473	$988	1,832	552	515	2,193	5,650	581	$12,311
	401(k)	$1,630	$102	74	56	55	125	505	62	$979
	NYCE IRA	$85	$8	6	2	4	6	24	5	$55
	401(a)	$2	-	-	-	-	-	2	-	$2
2011	457	$12,829	$978	1,906	459	529	1,863	5,637	635	$12,007
	401(k)	$1,395	$111	223	53	61	193	544	74	$1,259
	NYCE IRA	$78	$11	23	3	6	13	32	7	$95
	401(a)	$1	-	-	-	-	-	1	-	$1

* The Summary of Administrative Revenues and Expenses is presented on the accrual basis of accounting.

(1) Revenues include:
- (a) the annual administrative fees collected from participants;
- (b) communications rebates from mutual funds (1998-2003);
- (c) interest earned on assets held in the Plans' custodial account;
- (d) amounts deducted from the net asset values (beginning in 2002);
- (e) securities lending (2003 through 2010) and commission recapture (beginning in 2003); and
- (f) loan origination and maintenance fees charged to participants who requested a loan during the year and have an outstanding balance.

Administrative fees:
$50.00 from 1/1/01-12/31/04;
$46.03 from 1/1/05-12/31/05;
$37.50 from 1/1/06-12/31/07;
$50.00 from 1/1/08-12/31/08;
$57.50 from 1/1/09-12/31/09;
$80.00 from 1/1/10 to 12/31/10 and
$60.00 from 1/1/11 to 12/31/11.

(2) Expenses include loan fees beginning in 2006.

Credits:
Concept & Design: Xiomara Atkinson

Michael R. Bloomberg, Mayor
City of New York

James F. Hanley , Commissioner
Office of Labor Relations

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