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The City of New York  
**Office of Management and Budget**  
255 Greenwich Street - New York, New York 10007 - 2146  
(212) 788-5900

**Dean Fuleihan**  
Director

February 9, 2015

**TO THE FINANCIAL CONTROL BOARD**

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits for review by the Financial Control Board, Modification No. 15-2 to the Financial Plan for the City and Covered Organizations for fiscal years 2015-2019 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. The Plan for the Covered Organization which requires modification will be forwarded to you under separate cover.

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

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

Yours truly,

A handwritten signature in black ink, appearing to read "D. Fuleihan".

Dean Fuleihan

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### **EXHIBIT A**

### **CITY OF NEW YORK - FINANCIAL PLAN**

A-1	Projection of Revenues and Expenditures
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**Five Year Financial Plan Revenues and Expenditures**  
(\$ in millions)

<b>REVENUES</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Taxes</b>					
General Property Tax	\$ 21,170	\$ 22,113	\$ 23,141	\$ 24,151	\$ 25,220
Other Taxes	28,346	29,019	29,814	30,737	31,679
Tax Audit Revenue	912	711	711	711	711
Subtotal: Taxes	\$ 50,428	\$ 51,843	\$ 53,666	\$ 55,599	\$ 57,610
Miscellaneous Revenues	7,738	6,938	6,805	6,862	7,090
Unrestricted Intergovernmental Aid	-	-	-	-	-
Less: Intra-City Revenue	(1,967)	(1,804)	(1,814)	(1,825)	(1,825)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 56,184	\$ 56,962	\$ 58,642	\$ 60,621	\$ 62,860
Other Categorical Grants	898	832	840	848	845
Inter-Fund Revenues	574	547	543	546	546
Federal Categorical Grants	8,399	6,618	6,433	6,389	6,297
State Categorical Grants	12,493	12,772	13,181	13,638	13,682
<b>Total Revenues</b>	<b>\$ 78,548</b>	<b>\$ 77,731</b>	<b>\$ 79,639</b>	<b>\$ 82,042</b>	<b>\$ 84,230</b>
<b>EXPENDITURES</b>					
<b>Personal Service</b>					
Salaries and Wages	\$ 24,241	\$ 24,875	\$ 25,014	\$ 26,413	\$ 27,842
Pensions	8,582	8,534	8,504	8,490	8,586
Fringe Benefits	8,660	9,177	9,682	10,287	11,019
Subtotal: Personal Service	\$ 41,483	\$ 42,586	\$ 43,200	\$ 45,190	\$ 47,447
<b>Other Than Personal Service</b>					
Medical Assistance	6,447	6,415	6,415	6,415	6,415
Public Assistance	1,476	1,407	1,413	1,413	1,413
All Other	25,110	23,261	23,510	23,932	24,053
Subtotal: Other Than Personal Service	\$ 33,033	\$ 31,083	\$ 31,338	\$ 31,760	\$ 31,881
Debt Service <sup>1,2,3</sup>	6,242	7,031	7,414	7,735	8,051
Debt Defeasances <sup>1</sup>	(115)	(337)	(201)	(198)	-
FY 2014 Budget Stabilization <sup>2</sup>	(2,006)	-	-	-	-
FY 2015 Budget Stabilization <sup>3</sup>	1,578	(1,578)	-	-	-
General Reserve	300	750	750	750	750
Subtotal	\$ 80,515	\$ 79,535	\$ 82,501	\$ 85,237	\$ 88,129
Less: Intra-City Expenses	(1,967)	(1,804)	(1,814)	(1,825)	(1,825)
<b>Total Expenditures</b>	<b>\$ 78,548</b>	<b>\$ 77,731</b>	<b>\$ 80,687</b>	<b>\$ 83,412</b>	<b>\$ 86,304</b>
<b>Gap To Be Closed</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,048)</b>	<b>\$ (1,370)</b>	<b>\$ (2,074)</b>

<sup>1</sup> Includes Debt Defeasances of TFA in Fiscal Year 2013 of \$196 million and Fiscal Year 2015 of \$592 million impacting FY 2014 to FY 2018.

<sup>2</sup> Fiscal Year 2014 Budget Stabilization totals \$2.006 billion, including GO of \$621 million, TFA of \$1.362 billion, and net equity contribution in bond refunding of \$23 million.

<sup>3</sup> Fiscal Year 2015 Budget Stabilization totals \$1.578 billion in TFA.

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

<b>Sources of Cash</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Funds Provided/(Used) from Operations	\$ 2,015	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	8,480	8,572	9,282	9,376	9,064
<b>Total Sources</b>	<b>\$ 10,495</b>	<b>\$ 10,972</b>	<b>\$ 11,682</b>	<b>\$ 11,776</b>	<b>\$ 11,464</b>
<b>Uses of Cash</b>					
Capital Disbursements	\$ 8,480	\$ 8,572	\$ 9,282	\$ 9,376	\$ 9,064
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400	2,400
<b>Total Uses</b>	<b>\$ 8,480</b>	<b>\$ 10,972</b>	<b>\$ 11,682</b>	<b>\$ 11,776</b>	<b>\$ 11,464</b>
<b>Net Sources/(Uses) of Cash</b>	<b>\$ 2,015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Cash Balance - Beginning of Period	\$ 9,858	\$ 11,873	\$ 11,873	\$ 11,873	\$ 11,873
Cash Balance - End of Period	\$ 11,873	\$ 11,873	\$ 11,873	\$ 11,873	\$ 11,873

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

<b>Sources of Capital Cash</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
New York City General Obligation Bonds	\$ 800	\$ 2,500	\$ 3,020	\$ 3,100	\$ 3,090
Other Long-Term Sources:					
TFA-PIT	\$ 2,650	\$ 2,500	\$ 3,020	\$ 3,100	\$ 3,090
Water Authority	1,198	1,314	1,265	1,269	1,192
Total Long-Term Sources	\$ 4,648	\$ 6,314	\$ 7,305	\$ 7,469	\$ 7,372
Five Year Education Capital Plan					
TFA - Building Aid Revenue Bonds	1,500	496	282	376	419
Other State Funded Financing	-	78	150	102	35
Change in Non-City Cash	(354)	-	-	-	-
Other Non-City Funds	870	1,133	1,329	1,178	938
Subtotal Reimbursable Capital	\$ 2,016	\$ 1,707	\$ 1,761	\$ 1,656	\$ 1,392
Financial Plan Adjustment	1,816	551	216	251	300
Total Capital Plan Funding Sources	\$ 8,480	\$ 8,572	\$ 9,282	\$ 9,376	\$ 9,064

**New York City Financial Plan  
FY 2015 Borrowing Schedule  
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ -	\$ -	\$ -	\$ 800	\$ 800
Transitional Financial Authority (TFA-PIT)	1,000	850	-	800	2,650
Water Authority <sup>1</sup>	440	270	260	228	1,198
Total Borrowing to Finance City Capital Program	\$ 1,440	\$ 1,120	\$ 260	\$ 1,828	\$ 4,648

## Notes:

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

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

**Projected Capital Commitments**

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
City	\$ 9,787	\$ 9,104	\$ 7,477	\$ 6,650	\$ 6,220	\$ 39,238
Non-City	3,669	2,144	1,099	1,145	402	8,459
Total	\$ 13,456	\$ 11,248	\$ 8,576	\$ 7,795	\$ 6,622	\$ 47,697

**Projected Capital Expenditures**

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
City	\$ 6,464	\$ 6,865	\$ 7,521	\$ 7,720	\$ 7,672	\$ 36,242
Non-City <sup>1</sup>	2,016	1,707	1,761	1,656	1,392	8,532
Total	\$ 8,480	\$ 8,572	\$ 9,282	\$ 9,376	\$ 9,064	\$ 44,774

Notes:

1. Includes Federal, State and other Reimbursable Capital.



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255 Greenwich Street - New York, New York 10007 - 2146  
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Dean Fuleihan  
*Director*

March 23, 2015

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

Dear Mr. Sommer:

Enclosed please find Exhibits B1-B2 on behalf of the Covered Organizations. This completes Modification No. 15-2.

Yours truly,

A handwritten signature in black ink, appearing to read "Charles Brisky", with a long, sweeping flourish extending to the right.

Charles Brisky



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### **EXHIBIT B**

### **COVERED ORGANIZATIONS - FINANCIAL PLAN**

B-1

New York City Health and Hospitals Corporation

B-2

City University Construction Fund

## NYC Health &amp; Hospitals Corporation

Accrual Basis

FY 2016 January Budget

(\$ in millions)

	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
<b>OPERATING REVENUES</b>					
<b>Third Party Revenue</b>					
Medicaid Fee for Service	929.2	722.7	656.8	635.7	617.0
Medicare	638.5	641.5	620.0	617.6	622.1
Other Third Parties which includes Medicaid & Medicare managed care	1,429.3	1,556.4	1,617.2	1,676.4	1,711.4
Pools & Additional Revenues including Self Pay	2,259.2	2,083.3	2,188.6	1,800.5	1,771.8
<b>Subtotal: Third Party Revenue</b>	<b>5,256.1</b>	<b>5,003.9</b>	<b>5,082.6</b>	<b>4,730.3</b>	<b>4,722.4</b>
<b>Funds Appropriated by the City</b>					
Debt Service	(62.1)	(74.4)	(84.2)	(78.7)	(87.6)
Prisoner/Uniform Services	19.8	19.8	19.8	19.8	19.8
Other City Services	8.9	8.8	8.8	8.8	9.8
Medical Malpractice	17.3	17.3	17.3	17.3	17.3
SART Grant	1.3	1.3	1.3	1.3	1.3
Homeland Security Grant	1.5	-	-	-	-
Ebola costs	20.2	-	-	-	-
Collective Bargaining	106.9	42.9	73.9	84.8	90.2
346 Bdway Moving Lease Costs	3.0	3.0	3.1	3.1	3.1
Child Health Clinics	7.8	7.8	7.8	7.8	7.8
Outpatient Pharmacy	0.7	0.7	0.7	0.7	0.7
HIV Transfer	1.2	1.2	1.2	1.2	1.2
Unrestricted City Services	41.8	47.2	59.3	63.4	63.4
<b>Subtotal: Funds Appropriated by the City</b>	<b>168.2</b>	<b>75.5</b>	<b>108.8</b>	<b>129.3</b>	<b>126.8</b>
<b>Grants (including CHP and Intra-City)</b>	<b>384.7</b>	<b>202.3</b>	<b>156.7</b>	<b>156.7</b>	<b>156.7</b>
<b>Other Revenue</b>	<b>52.1</b>	<b>52.1</b>	<b>52.1</b>	<b>52.1</b>	<b>52.1</b>
<b>MetroPlus Premium Revenue</b>	<b>2,736.7</b>	<b>3,188.2</b>	<b>3,188.2</b>	<b>3,188.2</b>	<b>3,188.2</b>
<b>TOTAL OPERATING REVENUES</b>	<b>8,597.8</b>	<b>8,522.0</b>	<b>8,588.4</b>	<b>8,256.5</b>	<b>8,246.2</b>
<b>OPERATING EXPENSES</b>					
Personal Services	2,718.7	2,751.6	2,912.3	2,865.4	2,903.3
Fringe Benefits	1,263.5	1,260.3	1,272.9	1,290.9	1,342.2
Other Than Personal Services	3,309.2	3,720.4	3,807.3	3,867.2	3,836.5
Medical Malpractice	135.9	135.9	135.9	135.9	135.9
Affiliations	958.4	987.2	1,016.8	1,047.3	1,078.7
Depreciation	305.0	315.0	325.0	335.0	345.0
Postemployment benefits, other than pension (Excl PYG)	300.0	309.0	318.3	327.8	337.7
<b>TOTAL OPERATING EXPENSES</b>	<b>8,990.6</b>	<b>9,479.4</b>	<b>9,788.5</b>	<b>9,869.5</b>	<b>9,979.3</b>
<b>TOTAL OPERATING INCOME/(LOSS)</b>	<b>(392.8)</b>	<b>(957.4)</b>	<b>(1,200.1)</b>	<b>(1,613.0)</b>	<b>(1,733.2)</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
Interest Income	3.0	3.0	2.5	2.0	2.0
Interest Expense	(120.0)	(120.0)	(120.0)	(120.0)	(120.0)
<b>Total Non-Operating Expenses (net)</b>	<b>(117.0)</b>	<b>(117.0)</b>	<b>(117.5)</b>	<b>(118.0)</b>	<b>(118.0)</b>
<b>PROFIT/(LOSS) BEFORE OTHER CHANGES IN NET ASSETS</b>	<b>(509.8)</b>	<b>(1,074.4)</b>	<b>(1,317.6)</b>	<b>(1,731.0)</b>	<b>(1,851.2)</b>
<b>CORRECTIVE ACTIONS</b>					
Additional Cost Containment	200.0	300.0	300.0	350.0	350.0
Restructuring	79.2	75.2	72.3	72.3	72.3
DSRIP	60.2	65.9	199.3	335.9	295.6
MetroPlus	15.0	62.0	113.5	161.2	201.8
State and Federal Actions	-	-	250.0	250.0	250.0
<b>Subtotal: Corrective Actions</b>	<b>354.4</b>	<b>503.0</b>	<b>935.1</b>	<b>1,169.5</b>	<b>1,169.8</b>
<b>PROFIT/(LOSS) AFTER CORRECTIVE ACTIONS</b>	<b>(155.4)</b>	<b>(571.4)</b>	<b>(382.5)</b>	<b>(561.5)</b>	<b>(681.4)</b>
<b>ACCRUAL TO CASH ADJUSTMENT</b>	<b>902.5</b>	<b>310.6</b>	<b>281.4</b>	<b>316.7</b>	<b>297.8</b>
<b>CHANGE IN CASH BALANCE</b>	<b>747.1</b>	<b>(260.9)</b>	<b>(101.1)</b>	<b>(244.9)</b>	<b>(383.6)</b>
<b>PRIOR YEAR CASH BALANCE</b>	<b>287.5</b>	<b>1,034.5</b>	<b>773.7</b>	<b>672.6</b>	<b>427.7</b>
<b>CLOSING CASH BALANCE</b>	<b>1,034.5</b>	<b>773.7</b>	<b>672.6</b>	<b>427.7</b>	<b>44.2</b>

**CITY UNIVERSITY CONSTRUCTION FUND**  
**FINANCIAL PLAN FOR CITY FISCAL YEARS 2015 - 2019**  
(\$ in thousands)

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
<b>REVENUES</b>					
State	\$ 243,792	\$ 224,558	\$ 188,071	\$ 154,277	\$ 139,827
City	26,870	22,300	10,597	10,044	7,679
Interest and Investment Income <sup>3</sup>	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>	<u>9,900</u>
Total <sup>1</sup>	\$ 280,562	\$ 256,757	\$ 208,567	\$ 174,221	\$ 157,405
<b>EXPENDITURES</b>					
Debt Service ( <i>Senior Colleges</i> )	\$ 211,024	\$ 193,820	\$ 168,614	\$ 134,930	\$ 122,380
Debt Service ( <i>Community Colleges</i> )	<u>50,134</u>	<u>43,123</u>	<u>19,643</u>	<u>18,461</u>	<u>13,648</u>
Subtotal - D.A. Rentals	\$ 261,158	\$ 236,943	\$ 188,257	\$ 153,391	\$ 136,028
D.A. Administration ( <i>Senior Colleges</i> )	323	270	284	298	313
D.A. Administration ( <i>Community Colleges</i> )	153	120	126	132	139
Pass-through Expenses ( <i>Senior Colleges</i> )	5,575	8,168	8,576	9,005	9,455
Pass-through Expenses ( <i>Community Colleges</i> )	3,453	1,356	1,424	1,495	1,570
CUCF Administration <sup>3</sup>	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>	<u>9,400</u>
Total	\$ 280,062	\$ 256,257	\$ 208,067	\$ 173,721	\$ 156,905
Surplus/ (Deficit)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Cash Flow Adjustment <sup>2</sup>	<u>19,750</u>	<u>20,250</u>	<u>20,750</u>	<u>21,250</u>	<u>21,750</u>
Adjusted Surplus/ (Deficit)	\$ 20,250	\$ 20,750	\$ 21,250	\$ 21,750	\$ 22,250

**NOTES**

1. Totals may be slightly off due to rounding.
2. Cash Flow adjustment is unaudited
3. CUCF Administration and Investment and Other Income are estimated.
4. Information per DASNY 1/2/2015