



The City of New York  
**Office of Management and Budget**  
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**Mark Page**  
Director

November 22, 2005

**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. 06-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2006-2009 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP"), with the exception of that portion of the plan related to certain Covered Organizations, which are prepared on a cash basis.

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

Yours truly,

  
Mark Page

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### EXHIBIT A

### CITY OF NEW YORK - FINANCIAL PLAN

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

<b>REVENUES</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Taxes</b>				
General Property Tax	\$ 12,434	\$ 13,072	\$ 13,985	\$ 14,619
Other Taxes	18,406	18,016	18,015	19,065
FY 2005 Discretionary Transfers <sup>1</sup>	947	-	-	-
Tax Audit Revenue	512	509	509	509
Miscellaneous Revenues	4,996	4,474	4,493	4,515
Unrestricted Intergovernmental Aid	562	562	562	562
Less: Intra-City Revenue	(1,330)	(1,275)	(1,274)	(1,275)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 36,512	\$ 35,343	\$ 36,275	\$ 37,980
Other Categorical Grants	965	924	930	935
Inter-Fund Revenues	366	356	345	345
Total City Funds & Inter-Fund Revenues	\$ 37,843	\$ 36,623	\$ 37,550	\$ 39,260
Federal Categorical Grants	5,473	4,855	4,845	4,845
State Categorical Grants	9,508	9,739	9,837	9,880
Total Revenues	\$ 52,824	\$ 51,217	\$ 52,232	\$ 53,985
<b>EXPENDITURES</b>				
<b>Personal Service</b>				
Salaries and Wages	\$ 19,003	\$ 19,336	\$ 19,608	\$ 19,824
Pensions	4,735	5,086	4,979	4,851
Fringe Benefits	5,640	5,898	6,241	6,560
Subtotal - Personal Service	\$ 29,378	\$ 30,320	\$ 30,828	\$ 31,235
<b>Other Than Personal Service</b>				
Medical Assistance	4,574	5,172	5,319	5,458
Public Assistance	2,553	2,514	2,514	2,514
Pay-As-You-Go Capital/Prepay Outstanding Debt	200	200	200	200
All Other	14,684	13,890	13,996	14,178
Subtotal - Other Than Personal Service	\$ 22,011	\$ 21,776	\$ 22,029	\$ 22,350
General Obligation, Lease and MAC Debt Service	3,314	4,089	4,469	4,841
FY2005 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(2,582)	-	-	-
FY2006 Budget Stabilization and Discretionary Transfers <sup>2</sup>	1,743	(1,743)	-	-
General Reserve	290	300	300	300
Subtotal	\$ 54,154	\$ 54,742	\$ 57,626	\$ 58,726
Less: Intra-City Expenses	(1,330)	(1,275)	(1,274)	(1,275)
Total Expenditures	\$ 52,824	\$ 53,467	\$ 56,352	\$ 57,451
<b>Gap To Be Closed</b>	\$ -	\$ (2,250)	\$ (4,120)	\$ (3,466)

<sup>1</sup> Fiscal Year 2005 Budget Stabilization and Discretionary Transfers total \$3.529 billion, including prepayments of subsidies of \$645 million, lease debt service of \$88 million, Budget Stabilization of \$1.849 billion and a TFA grant in fiscal year 2005 which increased fiscal year 2006 tax revenue by \$947 million.

<sup>2</sup> Fiscal Year 2006 Budget Stabilization and Discretionary Transfers total \$1.743 billion, consisting of prepayments of debt service.

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

<b>Sources of Cash</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
From Operations:				
Surplus/(Deficit)	\$ (2,004)	\$ -	\$ -	\$ -
Changes in accounts receivable, accounts payable, accrued liabilities and other liabilities		-	-	-
Provision for disallowances of aid revenues	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (2,004)	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	7,147	7,988	8,641	8,459
Total Sources	<u>\$ 5,143</u>	<u>\$ 10,388</u>	<u>\$ 11,041</u>	<u>\$ 10,859</u>
<b>Uses of Cash</b>				
Capital Disbursements	7,147	7,988	8,641	8,459
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Other - Net	-	-	-	-
Total Uses	<u>\$ 7,147</u>	<u>\$ 10,388</u>	<u>\$ 11,041</u>	<u>\$ 10,859</u>
Net Sources/(Uses) of Cash	\$ (2,004)	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 6,830	\$ 4,826	\$ 4,826	\$ 4,826
Cash Balance - End of Period	\$ 4,826	\$ 4,826	\$ 4,826	\$ 4,826

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

<b>Sources of Capital Cash</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
New York City General Obligation Bonds	\$ 4,535	\$ 4,800	\$ 5,120	\$ 4,820
Other Long-Term Sources:				
TSASC	-	-	-	-
Water Authority	1,444	1,642	1,498	1,492
Pay-As-You-Go Capital	0	200	200	200
Total Long-Term Sources	\$ 5,979	\$ 6,642	\$ 6,818	\$ 6,512
Receipt of Federal, State and other				
Reimbursable Capital	938	1,333	1,736	1,854
Changes in Restricted Cash	230	13	87	93
Total Capital Plan Funding Sources	\$ 7,147	\$ 7,988	\$ 8,641	\$ 8,459

**New York City Financial Plan**  
**Fiscal Year 2006 Borrowing Schedule**  
(\$ in millions)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ 1,685	\$ 150	\$ 1,350	\$ 1,350	\$ 4,535
Water Authority <sup>1</sup>	-	800	500	144	1,444
Total Borrowing to finance City Capital Program	\$ 1,685	\$ 950	\$ 1,850	\$ 1,494	\$ 5,979

## Notes:

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

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

**Projected Capital Commitments**

	FY 2006	FY 2007	FY 2008	FY 2009	Total
City	\$ 7,944	\$ 8,343	\$ 6,409	\$ 5,240	\$ 27,936
Non-City	3,015	2,190	1,976	1,781	8,962
Total	\$ 10,959	\$ 10,533	\$ 8,385	\$ 7,021	\$ 36,898

**Projected Capital Expenditures**

	FY 2006	FY 2007	FY 2008	FY 2009	Total
City	\$ 6,209	\$ 6,655	\$ 6,905	\$ 6,605	\$ 26,374
Non-City <sup>1</sup>	938	1,333	1,736	1,854	5,861
Total Capital Plan Expenditures	\$ 7,147	\$ 7,988	\$ 8,641	\$ 8,459	\$ 32,235

Notes:

1. Includes Federal, State and other Reimbursable Capital.