



The City of New York  
**Office of Management and Budget**  
75 Park Place - New York, New York 10007 - 2146  
(212) 788-5900

**Mark Page**  
Director

November 1, 2006

**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. 07-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2007-2010 (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

## TABLE OF CONTENTS

### EXHIBIT A

### CITY OF NEW YORK - FINANCIAL PLAN

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

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

REVENUES	FY 2007	FY 2008	FY 2009	FY 2010
Taxes				
General Property Tax	\$ 12,971	\$ 13,852	\$ 14,508	\$ 15,187
Other Taxes	20,961	20,692	20,742	21,734
Tax Audit Revenue	759	559	559	560
Tax Reduction Program	-	(298)	(299)	(300)
Miscellaneous Revenues	5,232	5,194	4,781	4,808
Unrestricted Intergovernmental Aid	340	340	340	340
Less Intra-City Revenue	(1,395)	(1,326)	(1,328)	(1,328)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 38,853	\$ 38,998	\$ 39,288	\$ 40,986
Other Categorical Grants	1,041	983	996	1,001
Inter-Fund Revenues	414	392	384	384
Total City Funds & Inter-Fund Revenues	\$ 40,308	\$ 40,373	\$ 40,668	\$ 42,371
Federal Categorical Grants	5,464	5,112	5,110	5,113
State Categorical Grants	9,872	9,857	9,928	10,054
Total Revenues	\$ 55,644	\$ 55,342	\$ 55,706	\$ 57,538
<b>EXPENDITURES</b>				
Personal Service				
Salaries and Wages	\$ 19,624	\$ 20,054	\$ 20,495	\$ 20,776
Pensions	4,869	5,595	5,960	5,972
Fringe Benefits	7,085	6,349	6,669	6,928
Subtotal - Personal Service	\$ 31,578	\$ 31,998	\$ 33,124	\$ 33,676
Other Than Personal Service				
Medical Assistance	4,935	5,083	5,222	5,376
Public Assistance	1,355	1,355	1,355	1,355
Pay-As-You-Go Capital	200	200	200	200
All Other <sup>1</sup>	16,665	16,024	16,396	16,709
Subtotal - Other Than Personal Service	\$ 23,155	\$ 22,662	\$ 23,173	\$ 23,640
General Obligation, Lease and MAC Debt Service <sup>1</sup>	3,812	4,164	4,505	4,858
FY2006 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(3,751)	-	-	-
FY2007 Budget Stabilization and Discretionary Transfers <sup>2</sup>	1,946	(1,946)	-	-
General Reserve	299	300	300	300
	\$ 57,039	\$ 57,178	\$ 61,102	\$ 62,474
Less Intra-City Expenses	(1,395)	(1,326)	(1,328)	(1,328)
Total Expenditures	\$ 55,644	\$ 55,852	\$ 59,774	\$ 61,146
Gap To Be Closed	\$ -	\$ (510)	\$ (4,068)	\$ (3,608)

<sup>1</sup> Fiscal Year 2006 Budget Stabilization and Discretionary Transfers total \$3.751 billion, including prepayments of subsidies of \$473 million, lease debt service of \$74 million and Budget Stabilization of \$3.204 billion.

<sup>2</sup> Fiscal Year 2007 Budget Stabilization payments total \$1.946 billion.

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

<b>Sources of Cash</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
From Operations:				
Surplus/(Deficit)	\$ (1,592)	\$ -	\$ -	\$ -
Provision for disallowances of aid revenues	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (1,592)	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	7,893	9,054	8,664	8,410
Post - June Capital Transfer	(326)	-	-	-
<b>Total Sources</b>	<b>\$ 5,975</b>	<b>\$ 11,454</b>	<b>\$ 11,064</b>	<b>\$ 10,810</b>
<b>Uses of Cash</b>				
Capital Disbursements	7,893	9,054	8,664	8,410
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
<b>Total Uses</b>	<b>\$ 7,893</b>	<b>\$ 11,454</b>	<b>\$ 11,064</b>	<b>\$ 10,810</b>
Net Sources/(Uses) of Cash	\$ (1,918)	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 6,386	\$ 4,468	\$ 4,468	\$ 4,468
Cash Balance - End of Period	\$ 4,468	\$ 4,468	\$ 4,468	\$ 4,468

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

<b>Sources of Capital Cash</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
New York City General Obligation Bonds	\$ 2,260	\$ 4,415	\$ 4,654	\$ 5,657
Other Long-Term Sources:				
Transitional Finance Authority	2,000	-	-	-
Water Authority	1,902	1,575	1,642	1,364
Pay-As-You-Go Capital	200	200	200	200
Total Long-Term Sources	\$ 6,362	\$ 6,190	\$ 6,496	\$ 7,221
Five Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	1,278	1,394	1,394	635
DASNY	755	823	222	-
Other Non-City Funds	359	547	452	454
Reimbursable Capital	\$ 2,392	\$ 2,764	\$ 2,068	\$ 1,089
Changes in Restricted Cash	(861)	100	100	100
Total Capital Plan Funding Sources	\$ 7,893	\$ 9,054	\$ 8,664	\$ 8,410

**New York City Financial Plan**  
**Fiscal Year 2007 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 Transitional Finance Authority <sup>1</sup>	\$ -	\$ -	\$ 1,500	\$ 760	\$ 2,260
Water Authority <sup>1</sup>	-	1,400	600	-	2,000
Pay-As-You-Go Capital	449	410	515	528	1,902
Total Borrowing to Finance City Capital Program	\$ 449	\$ 1,810	\$ 2,615	\$ 1,488	\$ 6,362

## 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 2007	FY 2008	FY 2009	FY 2010	Total
City	\$ 9,757	\$ 8,666	\$ 6,696	\$ 5,021	\$ 30,140
Non-City	3,487	2,653	2,519	173	8,832
<b>Total</b>	<b>\$ 13,244</b>	<b>\$ 11,319</b>	<b>\$ 9,215</b>	<b>\$ 5,194</b>	<b>\$ 38,972</b>

**Projected Capital Expenditures**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
City	\$ 5,501	\$ 6,290	\$ 6,596	\$ 7,321	\$ 25,708
Non-City <sup>1</sup>	2,392	2,764	2,068	1,089	8,313
<b>City-administered Capital Plan</b>	<b>\$ 7,893</b>	<b>\$ 9,054</b>	<b>\$ 8,664</b>	<b>\$ 8,410</b>	<b>\$ 34,021</b>
<b>Total Capital Plan Expenditures</b>	<b>\$ 7,893</b>	<b>\$ 9,054</b>	<b>\$ 8,664</b>	<b>\$ 8,410</b>	<b>\$ 34,021</b>

## Notes:

1. Includes Federal, State and other Reimbursable Capital.