



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

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## 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. 07-2 to the Financial Plan for the City and Covered Organizations for fiscal years 2007-2011 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Five Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP"), 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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**Five Year Financial Plan Revenues and Expenditures**  
(\$ in millions)

<b>REVENUES</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Taxes					
General Property Tax	\$ 12,941	\$ 14,227	\$ 15,377	\$ 16,506	\$ 17,459
Other Taxes	22,142	21,987	21,428	22,357	23,513
Tax Audit Revenue	859	559	559	560	560
Tax Reduction Program	-	(1,298)	(1,403)	(1,489)	(1,584)
Miscellaneous Revenues	5,422	5,440	4,818	4,844	4,867
Unrestricted Intergovernmental Aid	340	340	340	340	340
Less: Intra-City Revenue	(1,417)	(1,337)	(1,344)	(1,345)	(1,345)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 40,272	\$ 39,903	\$ 39,760	\$ 41,758	\$ 43,795
Other Categorical Grants	1,061	991	1,003	1,009	1,004
Inter-Fund Revenues	416	406	388	387	386
Total City Funds & Inter-Fund Revenues	\$ 41,749	\$ 41,300	\$ 41,151	\$ 43,154	\$ 45,185
Federal Categorical Grants	5,690	5,218	5,248	5,250	5,255
State Categorical Grants	9,981	10,588	11,335	12,112	12,161
Total Revenues	\$ 57,420	\$ 57,106	\$ 57,734	\$ 60,516	\$ 62,601
<b>EXPENDITURES</b>					
Personal Service					
Salaries and Wages	\$ 19,848	\$ 20,963	\$ 22,011	\$ 23,202	\$ 24,052
Pensions	4,866	5,575	6,151	6,208	6,208
Fringe Benefits	7,109	6,936	6,759	7,023	7,322
Subtotal - Personal Service	\$ 31,823	\$ 33,474	\$ 34,921	\$ 36,433	\$ 37,582
Other Than Personal Service					
Medical Assistance	4,948	5,380	5,222	5,376	5,535
Public Assistance	1,210	1,200	1,200	1,200	1,200
Pay-As-You-Go Capital	200	200	200	200	200
All Other <sup>1,2</sup>	16,703	16,475	16,936	17,381	17,710
Subtotal - Other Than Personal Service	\$ 23,061	\$ 23,255	\$ 23,558	\$ 24,157	\$ 24,645
General Obligation, Lease and MAC Debt Service <sup>1,2,3</sup>	3,667	3,975	4,292	4,652	5,040
FY2006 Budget Stabilization & Discretionary Transfers <sup>1</sup>	(3,751)	-	-	-	-
FY2007 Budget Stabilization & Discretionary Transfers <sup>2</sup>	3,937	(3,937)	-	-	-
FY2008 Budget Stabilization & Discretionary Transfers <sup>3</sup>	-	1,376	(1,376)	-	-
General Reserve	100	300	300	300	300
Subtotal	\$ 58,837	\$ 58,443	\$ 61,695	\$ 65,542	\$ 67,567
Less: Intra-City Expenses	(1,417)	(1,337)	(1,344)	(1,345)	(1,345)
Total Expenditures	\$ 57,420	\$ 57,106	\$ 60,351	\$ 64,197	\$ 66,222
<b>Gap To Be Closed</b>	\$ -	\$ -	\$ (2,617)	\$ (3,681)	\$ (3,621)

<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 and Discretionary Transfers total \$3.937 billion, including prepayments of subsidies of \$524 million, lease debt service of \$100 million and Budget Stabilization of \$3.313 billion.

<sup>3</sup> Fiscal Year 2007 Budget Stabilization and Discretionary Transfers total \$1.376 billion.

**New York City Financial Plan**  
**Five 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>	<b>FY 2011</b>
From Operations:					
Surplus/(Deficit)	\$ (2,442)	\$ -	\$ -	\$ -	\$ -
Provision for disallowances of aid revenues	15	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (2,442)	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	1,200	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	7,765	8,775	9,174	9,588	10,073
<b>Total Sources</b>	<b>\$ 5,323</b>	<b>\$ 9,975</b>	<b>\$ 11,574</b>	<b>\$ 11,988</b>	<b>\$ 12,473</b>
<b>Uses of Cash</b>					
Capital Disbursements	7,765	8,775	9,174	9,588	10,073
Repayment of Seasonal Borrowings	-	1,200	2,400	2,400	2,400
<b>Total Uses</b>	<b>\$ 7,765</b>	<b>\$ 9,975</b>	<b>\$ 11,574</b>	<b>\$ 11,988</b>	<b>\$ 12,473</b>
Net Sources/(Uses) of Cash	\$ (2,442)	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 6,454	\$ 4,012	\$ 4,012	\$ 4,012	\$ 4,012
Cash Balance - End of Period	\$ 4,012	\$ 4,012	\$ 4,012	\$ 4,012	\$ 4,012

**New York City Financial Plan  
Five 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>	<b>FY 2011</b>
New York City General Obligation Bonds	\$ 1,520	\$ 4,040	\$ 4,500	\$ 5,840	\$ 6,020
Other Long-Term Sources:					
Transitional Finance Authority	2,000	-	-	-	-
Water Authority	1,959	1,726	2,249	2,206	2,218
Pay-As-You-Go Capital	200	200	200	200	200
Total Long-Term Sources	\$ 5,679	\$ 5,966	\$ 6,949	\$ 8,246	\$ 8,438
Five Year Education Capital Plan					
TFA - Building Aid Revenue Bonds	1,277	1,394	1,394	698	-
DASNY	755	823	222	-	-
Other Non-City Funds	423	493	511	542	1,741
Reimbursable Capital	\$ 2,455	\$ 2,710	\$ 2,127	\$ 1,240	\$ 1,741
Changes in Restricted Cash	(369)	99	98	102	(106)
Total Capital Plan Funding Sources	\$ 7,765	\$ 8,775	\$ 9,174	\$ 9,588	\$ 10,073

**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	\$ -	\$ -	\$ 820	\$ 700	\$ 1,520
Transitional Finance Authority <sup>1</sup>	-	1,400	600	-	2,000
Water Authority <sup>1</sup>	449	200	1,010	300	1,959
Pay-As-You-Go Capital	-	-	-	200	200
Total Borrowing to Finance City Capital Program	\$ 449	\$ 1,600	\$ 2,430	\$ 1,200	\$ 5,679

## Notes:

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

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

**Projected Capital Commitments**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 8,553	\$ 9,527	\$ 8,777	\$ 6,578	\$ 7,017	\$ 40,452
Non-City	3,302	2,622	2,549	1,476	1,438	11,387
<b>Total</b>	<b>\$ 11,855</b>	<b>\$ 12,149</b>	<b>\$ 11,326</b>	<b>\$ 8,054</b>	<b>\$ 8,455</b>	<b>\$ 51,839</b>

**Projected Capital Expenditures**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 5,310	\$ 6,065	\$ 7,047	\$ 8,348	\$ 8,332	\$ 35,102
Non-City <sup>1</sup>	2,455	2,710	2,127	1,240	1,741	10,273
<b>City-administered Capital Plan</b>	<b>\$ 7,765</b>	<b>\$ 8,775</b>	<b>\$ 9,174</b>	<b>\$ 9,588</b>	<b>\$ 10,073</b>	<b>\$ 45,375</b>
<b>Total Capital Plan Expenditures</b>	<b>\$ 7,765</b>	<b>\$ 8,775</b>	<b>\$ 9,174</b>	<b>\$ 9,588</b>	<b>\$ 10,073</b>	<b>\$ 45,375</b>

Notes:

1. Includes Federal, State and other Reimbursable Capital.