



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

April 27, 2007

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. 07-3 to the Financial Plan for the City and Covered Organizations for fiscal years 2007-2011 (the "Modification") as such plan relates to fiscal year 2007. The Modification as it relates to the City is attached hereto as Exhibit A and Health and Hospitals Corporation as Exhibit B. Any other Covered Organizations whose plans require modification will be forwarded to you under separate cover.

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,

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Mark Page

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EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

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FY 2007 Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	PLAN	REVISED PLAN	BETTER/ (WORSE)
Taxes			
General Property Tax	\$ 12,941	\$ 12,976	\$ 35
Other Taxes	22,142	23,498	1,356
Tax Audit Revenue	859	959	100
Tax Reduction Program	-	-	-
Miscellaneous Revenues	5,422	5,526	104
Unrestricted Intergovernmental Aid	340	33	(307)
Less: Intra-City Revenue	(1,417)	(1,401)	16
Disallowances Against Categorical Grants	(15)	(15)	-
Subtotal: City Funds	\$ 40,272	\$ 41,576	\$ 1,304
Other Categorical Grants	1,061	1,104	43
Inter-Fund Revenues	416	418	2
Total City Funds & Inter-Fund Revenues	\$ 41,749	\$ 43,098	\$ 1,349
Federal Categorical Grants	5,690	5,906	216
State Categorical Grants	9,981	10,259	278
Total Revenues	\$ 57,420	\$ 59,263	\$ 1,843
EXPENDITURES			
Personal Service			
Salaries and Wages	\$ 19,848	\$ 19,668	\$ (180)
Pensions	4,866	4,861	(5)
Fringe Benefits	7,109	7,018	(91)
Subtotal - Personal Service	\$ 31,823	\$ 31,547	\$ (276)
Other Than Personal Service			
Medical Assistance	4,948	5,194	246
Public Assistance	1,210	1,203	(7)
Pay-As-You-Go Capital	200	200	-
All Other ^{1,2}	16,703	17,474	771
Subtotal - Other Than Personal Service	\$ 23,061	\$ 24,071	\$ 1,010
General Obligation, Lease and MAC Debt Service ^{1,2}	3,667	4,327	660
FY2006 Budget Stabilization & Discretionary Transfers ¹	(3,751)	(3,751)	-
FY2007 Budget Stabilization & Discretionary Transfers ²	3,937	4,385	448
General Reserve	100	85	(15)
Subtotal	\$ 58,837	\$ 60,664	\$ 1,827
Less: Intra-City Expenses	(1,417)	(1,401)	16
Total Expenditures	\$ 57,420	\$ 59,263	\$ 1,843
Gap To Be Closed	\$ -	\$ -	\$ -

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

² Fiscal Year 2007 Budget Stabilization and Discretionary Transfers total \$4.385 billion, including prepayments of subsidies of \$524 million, TFA Debt Service of \$548 million and Budget Stabilization of \$3.313 billion.

New York City Financial Plan
FY 2007 Projections of Cash Sources and Uses
(\$ in millions)

Sources of Cash	Plan	Revised Plan	Better/ (Worse)
From Operations:			
Surplus/(Deficit)	\$ (2,442)	\$ (2,356)	\$ 86
Provision for disallowances of aid revenues	15	15	-
Disallowances Paid	(15)	(15)	-
Funds Provided/(Used) from Operations	<u>\$ (2,442)</u>	<u>\$ (2,356)</u>	<u>\$ 86</u>
Proceeds from: Seasonal Borrowings	-	-	-
Capital Plan Funding Sources (see Exhibit A-3)	7,765	7,637	(128)
Total Sources	<u><u>\$ 5,323</u></u>	<u><u>\$ 5,281</u></u>	<u><u>\$ (42)</u></u>
Uses of Cash			
Capital Disbursements	7,765	7,637	(128)
Repayment of Seasonal Borrowings	-	-	-
Total Uses	<u><u>\$ 7,765</u></u>	<u><u>\$ 7,637</u></u>	<u><u>\$ (128)</u></u>
Net Sources/(Uses) of Cash	\$ (2,442)	\$ (2,356)	\$ 86
Cash Balance - Beginning of Period	\$ 6,454	\$ 6,454	\$ -
Cash Balance - End of Period	\$ 4,012	\$ 4,098	\$ 86

April 2007

EXHIBIT A-3

**New York City Financial Plan
FY 2007 Capital Plan Funding Sources
(\$ in millions)**

<u>Sources of Capital Cash</u>	<u>Plan</u>	<u>Revised Plan</u>	<u>Better/ (Worse)</u>
New York City General Obligation Bonds	\$ 1,520	\$ 820	\$ (700)
Other Long-Term Sources:			
Transitional Finance Authority	2,000	2,000	-
Water Authority	1,959	2,062	103
Pay-As-You-Go Capital	200	200	-
Total Long-Term Sources	\$ 5,679	\$ 5,082	\$ (597)
Five Year Education Capital Plan			
TFA - Building Aid Revenue Bonds	1,277	1,277	-
DASNY	755	755	-
Other Non-City Funds	423	377	(46)
Reimbursable Capital	\$ 2,455	\$ 2,409	\$ (46)
Changes in Restricted Cash	(369)	146	515
Total Capital Plan Funding Sources	<u>\$ 7,765</u>	<u>\$ 7,637</u>	<u>\$ (128)</u>

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	\$ -	\$ 820
Transitional Finance Authority ¹	-	1,400	600	-	2,000
Water Authority ¹	449	200	210	1,203	2,062
Pay-As-You-Go Capital	-	-	-	200	200
Total Borrowing to Finance City Capital Program	\$ 449	\$ 1,600	\$ 1,630	\$ 1,403	\$ 5,082

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
FY 2007 Capital Plan
(\$ in millions)**

Projected Capital Commitments			
	<u>Plan</u>	<u>Revised Plan</u>	<u>Change</u>
City	\$ 8,553	\$ 7,994	\$ (559)
Non-City	<u>3,302</u>	<u>2,966</u>	<u>(336)</u>
Total	<u>\$ 11,855</u>	<u>\$ 10,960</u>	<u>\$ (895)</u>

Projected Capital Expenditures			
	<u>Plan</u>	<u>Plan</u>	<u>Change</u>
City	\$ 5,310	\$ 5,228	\$ (82)
Non-City ¹	<u>2,455</u>	<u>2,409</u>	<u>(46)</u>
City-administered Capital Plan	<u>\$ 7,765</u>	<u>\$ 7,637</u>	<u>\$ (128)</u>
Total Capital Plan Expenditures	<u>\$ 7,765</u>	<u>\$ 7,637</u>	<u>\$ (128)</u>

Notes:

1. Includes Federal, State and other Reimbursable Capital.



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April 27, 2007

TO THE FINANCIAL CONTROL BOARD

Pursuant to Section 8.3 of the Financial Emergency Act (the "Act"), the City hereby submits the Four Year Financial Plan for the City and Covered Organizations for fiscal years 2008 – 2011 (the "Plan"). The Financial Plan as it relates to the City is attached hereto as Exhibit A and Health and Hospitals Corporation as Exhibit B. Any other Covered Organizations whose plans require modification will be forwarded to you under separate cover.

The Plan is based upon certain assumptions, methods of estimation and data previously submitted to you, including the City publications known as the City of New York Executive Budget Fiscal Year 2007 dated April 26, 2007 (the "Executive Budget"). A copy of the Executive Budget has been supplied to you previously. The Four Year Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP").

The City hereby certifies that, in its judgment, the Plan is complete and complies with the standards set forth in Section 8.1 of the Financial Emergency Act. In addition, I hereby certify that, in our judgment, the Executive Budget is consistent with the Plan.

Yours truly,

A handwritten signature in black ink, appearing to read "Mark Page".

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

REVENUES	FY 2008	FY 2009	FY 2010	FY 2011
Taxes				
General Property Tax	\$ 14,220	\$ 15,363	\$ 16,485	\$ 17,431
Other Taxes	22,652	22,231	23,040	23,882
Discretionary Transfers ¹	548	-	-	-
Tax Audit Revenue	559	559	560	560
Tax Reduction Program	(1,331)	(1,607)	(1,735)	(1,846)
Miscellaneous Revenues	5,912	5,071	5,087	5,121
Unrestricted Intergovernmental Aid	340	340	340	340
Less: Intra-City Revenue	(1,369)	(1,364)	(1,365)	(1,365)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 41,516	\$ 40,578	\$ 42,397	\$ 44,108
Other Categorical Grants	1,002	1,003	1,012	1,014
Inter-Fund Revenues	428	404	396	391
Total City Funds & Inter-Fund Revenues	\$ 42,946	\$ 41,985	\$ 43,805	\$ 45,513
Federal Categorical Grants	5,302	5,384	5,369	5,362
State Categorical Grants	10,790	11,408	12,272	12,715
Total Revenues	\$ 59,038	\$ 58,777	\$ 61,446	\$ 63,590
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 21,021	\$ 22,060	\$ 23,463	\$ 24,586
Pensions	5,728	6,390	6,461	6,461
Fringe Benefits	6,928	6,716	6,997	7,316
Subtotal - Personal Service	\$ 33,677	\$ 35,166	\$ 36,921	\$ 38,363
Other Than Personal Service				
Medical Assistance	5,714	5,603	5,756	6,076
Public Assistance	1,187	1,187	1,187	1,187
Pay-As-You-Go Capital	200	200	200	200
All Other ¹	17,033	17,352	17,814	18,065
Subtotal - Other Than Personal Service	\$ 24,134	\$ 24,342	\$ 24,957	\$ 25,528
General Obligation, Lease and MAC Debt Service ^{1, 2, 3}	3,773	3,896	4,244	5,053
FY2007 Budget Stabilization & Discretionary Transfers ¹	(3,837)	-	-	-
FY2008 Budget Stabilization ²	2,360	(2,360)	-	-
FY2009 Budget Stabilization ³	-	350	(350)	-
General Reserve	300	300	300	300
Subtotal	\$ 60,407	\$ 61,694	\$ 66,072	\$ 69,244
Less: Intra-City Expenses	(1,369)	(1,364)	(1,365)	(1,365)
Total Expenditures	\$ 59,038	\$ 60,330	\$ 64,707	\$ 67,879
Gap To Be Closed	\$ -	\$ (1,553)	\$ (3,261)	\$ (4,289)

¹ Fiscal Year 2007 Budget Stabilization and Discretionary Transfers total \$4.385 billion, including prepayments of subsidies of \$524 million, TFA Debt Service of \$548 million and Budget Stabilization of \$3.313 billion.

² Fiscal Year 2008 Budget Stabilization total \$2.360 billion.

³ Fiscal Year 2009 Budget Stabilization total \$350 million.

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

Sources of Cash	FY 2008	FY 2009	FY 2010	FY 2011
From Operations:				
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -
Provision for disallowances of aid revenues	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	8,823	9,629	10,153	10,403
Total Sources	\$ 8,823	\$ 12,029	\$ 12,553	\$ 12,803
Uses of Cash				
Capital Disbursements	8,823	9,629	10,153	10,403
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses	\$ 8,823	\$ 12,029	\$ 12,553	\$ 12,803
Net Sources/(Uses) of Cash	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 4,098	\$ 4,098	\$ 4,098	\$ 4,098
Cash Balance - End of Period	\$ 4,098	\$ 4,098	\$ 4,098	\$ 4,098

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

<u>Sources of Capital Cash</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
New York City General Obligation Bonds	\$ 4,200	\$ 4,850	\$ 6,300	\$ 6,030
Other Long-Term Sources:				
Transitional Finance Authority	-	-	-	-
Water Authority	1,739	2,253	2,213	2,221
Pay-As-You-Go Capital	200	200	200	200
Total Long-Term Sources	\$ 6,139	\$ 7,303	\$ 8,713	\$ 8,451
Five Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	1,394	1,394	698	-
DASNY	823	222	-	-
Other Non-City Funds	568	638	659	1,855
Reimbursable Capital	\$ 2,785	\$ 2,254	\$ 1,357	\$ 1,855
Changes in Restricted Cash	(101)	72	83	97
Total Capital Plan Funding Sources	\$ 8,823	\$ 9,629	\$ 10,153	\$ 10,403

New York City Financial Plan
Fiscal Year 2008 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	\$ 1,400	\$ 700	\$ 1,400	\$ 700	\$ 4,200
Water Authority ¹	500	500	239	500	1,739
Pay-As-You-Go Capital	-	-	-	200	200
Total Borrowing to Finance City Capital Program	\$ 1,900	\$ 1,200	\$ 1,639	\$ 1,400	\$ 6,139

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 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 10,198	\$ 10,572	\$ 7,702	\$ 7,426	\$ 35,898
Non-City	3,103	2,807	1,501	1,457	8,868
Total	\$ 13,301	\$ 13,379	\$ 9,203	\$ 8,883	\$ 44,766

Projected Capital Expenditures

	FY 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 6,038	\$ 7,375	\$ 8,796	\$ 8,548	\$ 30,757
Non-City ¹	2,785	2,254	1,357	1,855	8,251
City-administered Capital Plan	\$ 8,823	\$ 9,629	\$ 10,153	\$ 10,403	\$ 39,008
Total Capital Plan Expenditures	\$ 8,823	\$ 9,629	\$ 10,153	\$ 10,403	\$ 39,008

Notes:

1. Includes Federal, State and other Reimbursable Capital.