

M. Page



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

June 30, 2003

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. 03-4 to the Financial Plan for the City and Covered Organizations for fiscal years 2003-2006 (the "Modification") as such plan relates to fiscal year 2003. The Modification as it relates to the City and the City University of New York ("CUNY") is attached hereto as Exhibit A. Any Covered Organization which requires 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,


Mark Page

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CITY OF NEW YORK - FINANCIAL PLAN

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Fiscal Year 2003 Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	PLAN	REVISED PLAN	BETTER/ (WORSE)
Taxes			
General Property Tax	\$ 9,966	\$ 9,942	\$ (24)
Other Taxes	11,908	12,825	917
Tax Audit Revenue	502	502	-
Miscellaneous Revenues	3,979	4,183	204
Transitional Finance Authority - 9/11	1,500	1,500	-
Unrestricted Intergovernmental Aid	1,404	1,675	271
Anticipated Federal & State Aid	-	-	-
Less: Intra-City Revenue	(1,119)	(1,119)	-
Disallowances Against Categorical Grants	(15)	(15)	-
Subtotal: City Funds	\$ 28,125	\$ 29,493	\$ 1,368
Other Categorical Grants	1,095	897	(198)
Inter-Fund Revenues	324	318	(6)
Total City Funds & Inter-Fund Revenues	\$ 29,544	\$ 30,708	\$ 1,164
Federal Categorical Grants	5,582	5,467	(115)
State Categorical Grants	8,509	8,474	(35)
Total Revenues	\$ 43,635	\$ 44,649	\$ 1,014
EXPENDITURES			
Personal Service			
Salaries and Wages	\$ 16,989	\$ 17,125	\$ 136
Pensions	1,759	1,750	(9)
Fringe Benefits	4,620	4,620	-
Subtotal - Personal Service	\$ 23,368	\$ 23,495	\$ 127
Other Than Personal Service			
Medical Assistance	4,006	3,948	(58)
Public Assistance	2,329	2,329	-
All Other	12,665	12,592	(73)
Subtotal - Other Than Personal Service	\$ 19,000	\$ 18,869	\$ (131)
Debt Service	1,884	1,836	(48)
Budget Stabilization & Prepayments ¹	248	1,303	1,055
MAC Debt Service	214	225	11
General Reserve	40	40	-
Total Expenditures	\$ 44,754	\$ 45,768	\$ 1,014
Less: Intra-City Expenses	(1,119)	(1,119)	-
Total Expenditures	\$ 43,635	\$ 44,649	\$ 1,014
Gap To Be Closed	\$ -	\$ -	\$ -

Notes:

¹ Budget Stabilization and Prepayments in fiscal year 2003 total \$1,303 million including prepayments of subsidies of \$313 million, lease debt service of \$73 million, Budget Stabilization of \$293 million and a Miscellaneous Budget grant to the TFA of \$624 million.

New York City Financial Plan
Fiscal Year 2003 Projections of Cash Sources and Uses
(\$ in millions)

Sources of Cash	Plan	Revised Plan	Better/ (Worse)
From Operations:			
Surplus/(Deficit)	\$ -	\$ -	\$ -
Changes in accounts receivable, accounts payable, accrued liabilities and other liabilities	(1,533)	(2,074)	(541)
Provision for disallowances of aid revenues	15	15	-
Disallowances Paid	(15)	(15)	-
Funds Provided/(Used) from Operations	\$ (1,533)	\$ (2,074)	\$ (541)
Proceeds from Seasonal Borrowings	1,500	1,500	-
Capital Plan Funding Sources (see Exhibit A-3)	5,810	5,810	-
Total Sources	\$ 5,777	\$ 5,236	\$ (541)
Uses of Cash			
Capital Disbursements	5,810	5,810	-
Repayment of Seasonal Borrowings	1,500	1,500	-
Other - Net	-	-	-
Total Uses	\$ 7,310	\$ 7,310	\$ -
Net Sources/(Uses) of Cash	\$ (1,533)	\$ (2,074)	541
Cash Balance - Beginning of Period	\$ 4,494	\$ 4,494	\$ -
Cash Balance - End of Period	\$ 2,961	\$ 2,420	\$ (541)

**New York City Financial Plan
Fiscal Year 2003 Capital Plan Funding Sources
(\$ in millions)**

Sources of Capital Cash	Plan	Revised Plan	Change
New York City General Obligation Bonds	\$ 1,950	\$ 2,150	\$ 200
Other Long-Term Sources:			
Transitional Finance Authority	1,650	1,650	-
TSASC	320	320	-
Water Authority	1,573	1,573	-
City Administered DASNY Courts Program ¹	38	38	-
Total Long-Term Sources	\$ 5,531	\$ 5,731	\$ 200
Receipt of Federal, State and other Reimbursable Capital	572	572	-
Changes in Restricted Cash	(293)	(493)	(200)
Total Capital Plan Funding Sources	\$ 5,810	\$ 5,810	\$ -

1. Excludes non-city managed DASNY financed Courts and Jay Street Development Corporation funds.

New York City Financial Plan
Fiscal Year 2003 Borrowing Schedule
(\$ in millions)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500
Repayment	0	0	0	(1,500)	(1,500)
Total Short-Term Borrowing (Repayment)	\$ -	\$ 1,500	\$ -	\$ (1,500)	\$ -
Capital Borrowing:					
New York City General Obligation	\$ -	\$ -	\$ 1,300	\$ 850	\$ 2,150
Transitional Finance Authority ¹	0	550	550	550	1,650
TSASC ²	300	0	0	20	320
Water Authority ³	622	66	75	810	1,573
City Administered DASNY Courts Program ⁴	0	0	0	38	38
Total Borrowing to finance City Capital Program	\$ 922	\$ 616	\$ 1,925	\$ 2,268	\$ 5,731
Other Borrowing					
TFA Recovery Financing ⁵	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500
Jay Street Development Corp.	\$ 258	\$ -	\$ -	\$ -	\$ 258

Notes:

1. Includes TFA Bond Anticipation Notes (except for Recovery Notes) and revenue bonds issued to finance capital projects. Amounts do not include bonds issued to permanently finance previously issued bond anticipation notes.
2. Includes Transportation Infrastructure Finance Innovation Act loan draws and excludes costs of issuance, reserve funds allocations, capitalized interest and amounts to finance Fresh Kills landfill.
3. 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.
4. Includes only DASNY financing for the City managed portion of the courts capital program.
5. Reflects \$1 billion of TFA Recovery Bond proceeds (Fiscal 2003 Series 1 and 2) and \$500 million of TFA Recovery Note proceeds drawn in FY 2003.

**New York City Financial Plan
Fiscal Year 2003 Capital Plan
(\$ in millions)**

Projected Capital Commitments

	Plan	Revised Plan	Change
City	\$ 5,073	\$ 5,073	\$ -
Non-City	783	783	-
Total	<u>\$ 5,856</u>	<u>\$ 5,856</u>	<u>\$ -</u>

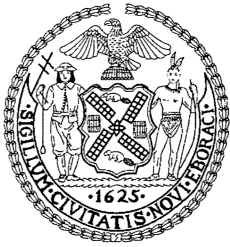
Projected Capital Expenditures

	Plan	Revised Plan	Change
City ¹	\$ 5,238	\$ 5,238	\$ -
Non-City ²	572	572	-
City-administered Capital Plan	<u>\$ 5,810</u>	<u>\$ 5,810</u>	<u>\$ -</u>
DASNY ³	125	125	-
Total Capital Plan Expenditures	<u>\$ 5,935</u>	<u>\$ 5,935</u>	<u>\$ -</u>

Notes:

1. Includes City administered DASNY Courts program.
2. Includes Pay-as-you-go and Federal, State and other Reimbursable Capital.
3. Includes Courts and Hospitals programs financed by lease debt issued by the Dormitory Authority of the State of New York (DASNY). Expenditures for these projects do not flow through the City's accounts and are excluded from Capital Disbursements reported on Exhibit A-2.

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Mark Page
Director

June 30, 2003

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 2004 – 2007 (the "Plan"). The Financial Plan as it relates to the City and the City University of New York ("CUNY") is attached hereto as Exhibit A. Any Covered Organization which requires 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 2004 dated April 15, 2003 (the "Executive Budget"), updated to reflect the adjustments in the Fiscal Year 2004 Adopted Budget. 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 Covered Organizations, which are prepared on a cash basis.

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 Act.

Yours truly,


for Mark Page

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

REVENUES	FY 2004	FY 2005	FY 2006	FY 2007
Taxes				
General Property Tax	\$ 11,317	\$ 11,621	\$ 12,046	\$ 12,491
Other Taxes ¹	14,125	13,823	14,319	14,875
Tax Audit Revenue	525	505	505	505
Miscellaneous Revenues	4,287	4,605	4,095	4,048
Unrestricted Intergovernmental Aid	555	555	555	555
Anticipated State & Federal Actions	-	-	-	-
Less: Intra-City Revenue	(1,094)	(1,080)	(1,079)	(1,079)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 29,700	\$ 30,014	\$ 30,426	\$ 31,380
Other Categorical Grants	842	764	785	800
Inter-Fund Revenues	321	313	312	312
Total City Funds & Inter-Fund Revenues	\$ 30,863	\$ 31,091	\$ 31,523	\$ 32,492
Federal Categorical Grants	4,622	4,467	4,452	4,462
State Categorical Grants	8,173	8,179	8,159	8,232
Total Revenues	\$ 43,658	\$ 43,737	\$ 44,134	\$ 45,186
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 16,319	\$ 16,281	\$ 16,284	\$ 16,288
Pensions	2,615	3,239	4,051	4,458
Fringe Benefits	4,795	5,048	5,343	5,640
Subtotal - Personal Service	\$ 23,729	\$ 24,568	\$ 25,678	\$ 26,386
Other Than Personal Service				
Medical Assistance	3,871	4,372	4,516	4,520
Public Assistance	2,054	2,054	2,057	2,058
All Other	12,315	11,974	12,181	12,386
Subtotal - Other Than Personal Service	\$ 18,240	\$ 18,400	\$ 18,754	\$ 18,964
Debt Service				
Budget Stabilization & Prepayments ¹	3,162	3,563	3,719	3,900
MAC Debt Service	(679)	-	-	-
General Reserve	300	300	300	300
	\$ 44,752	\$ 46,831	\$ 48,451	\$ 49,550
Less: Intra-City Expenses	(1,094)	(1,080)	(1,079)	(1,079)
Total Expenditures	\$ 43,658	\$ 45,751	\$ 47,372	\$ 48,471
Gap To Be Closed	\$ -	\$ (2,014)	\$ (3,238)	\$ (3,285)

Notes:

¹ Budget Stabilization and Prepayments in fiscal year 2003 total \$679 million, including prepayments of subsidies of \$313 million, lease debt service of \$73 million and Budget Stabilization of \$293 million. In addition, a TFA grant in fiscal year 2003 increased fiscal year 2004 tax revenue by \$624 million, bringing the total fiscal year 2003 prepayment benefit to \$1,303 million.

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

Sources of Cash	FY 2004	FY 2005	FY 2006	FY 2007
From Operations:				
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	5,314	5,214	5,262	5,210
Total Sources	\$ 7,714	\$ 7,614	\$ 7,662	\$ 7,610
Uses of Cash				
Capital Disbursements	5,314	5,214	5,262	5,210
Repayment of Seasonal Borrowings	2,400	2,400	2,400	2,400
Other - Net	-	-	-	-
Total Uses	\$ 7,714	\$ 7,614	\$ 7,662	\$ 7,610
Net Sources/(Uses) of Cash	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 2,420	\$ 2,420	\$ 2,420	\$ 2,420
Cash Balance - End of Period	\$ 2,420	\$ 2,420	\$ 2,420	\$ 2,420

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

Sources of Capital Cash	FY 2004	FY 2005	FY 2006	FY 2007
New York City General Obligation Bonds	\$ 2,900	\$ 2,550	\$ 2,380	\$ 3,100
Other Long-Term Sources:				
Transitional Finance Authority	145	0	0	0
TSASC	82	575	650	0
Water Authority	1,513	1,581	1,753	1,615
City Administered DASNY Courts Program ¹	61	46	30	54
Pay-As-You-Go Capital	100	0	0	0
Total Long-Term Sources	\$ 4,801	\$ 4,752	\$ 4,813	\$ 4,769
Receipt of Federal, State and other				
Reimbursable Capital	545	491	463	472
Changes in Restricted Cash	(32)	(29)	(14)	(31)
Total Capital Plan Funding Sources	\$ 5,314	\$ 5,214	\$ 5,262	\$ 5,210

1. Excludes non-city managed DASNY financed Courts and Jay Street Development Corporation funds.

New York City Financial Plan
Fiscal Year 2004 Borrowing Schedule
(\$ in millions)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ 2,400	\$ -	\$ -	\$ -	\$ 2,400
Repayment				(2,400)	(2,400)
Total Short-Term Borrowing (Repayment)	\$ 2,400	\$ -	\$ -	\$ (2,400)	\$ -
Capital Borrowing:					
New York City General Obligation	\$ 650	\$ 650	\$ 1,300	\$ 300	\$ 2,900
Transitional Finance Authority ¹	145	0	0	0	145
TSASC ²	21	21	20	20	82
Water Authority ³	0	725	788	0	1,513
City Administered DASNY Courts Program ⁴	61	0	0	0	61
Pay-As-You-Go Capital	100	0	0	0	100
Total Borrowing to finance City Capital Program	\$ 977	\$ 1,396	\$ 2,108	\$ 320	\$ 4,801
Other Borrowing					
Jay Street Development Corp.	\$ 194	\$ -	\$ -	\$ -	\$ 194

Notes:

1. Includes TFA Bond Anticipation Notes (except for Recovery Notes) and revenue bonds issued to finance capital projects. Amounts do not include bonds issued to permanently finance previously issued bond anticipation notes.
2. Includes Transportation Infrastructure Finance Innovation Act loan draws and excludes costs of issuance, reserve funds allocations, capitalized interest and amounts to finance Fresh Kills landfill.
3. 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.
4. Includes only DASNY financing for the City managed portion of the courts capital program.

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

Projected Capital Commitments

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
City	\$ 5,454	\$ 5,263	\$ 5,017	\$ 4,624	\$ 20,358
Non-City	<u>543</u>	<u>431</u>	<u>403</u>	<u>304</u>	<u>1,681</u>
Total	<u>\$ 5,997</u>	<u>\$ 5,694</u>	<u>\$ 5,420</u>	<u>\$ 4,928</u>	<u>\$ 22,039</u>

Projected Capital Expenditures

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>Total</u>
City ¹	\$ 4,769	\$ 4,723	\$ 4,799	\$ 4,738	\$ 19,029
Non-City ²	<u>545</u>	<u>491</u>	<u>463</u>	<u>472</u>	<u>1,971</u>
City-administered Capital Plan	<u>\$ 5,314</u>	<u>\$ 5,214</u>	<u>\$ 5,262</u>	<u>\$ 5,210</u>	<u>\$ 21,000</u>
DASNY ³	<u>376</u>	<u>414</u>	<u>346</u>	<u>254</u>	<u>\$ 1,390</u>
Total Capital Plan Expenditures	<u>\$ 5,690</u>	<u>\$ 5,628</u>	<u>\$ 5,608</u>	<u>\$ 5,464</u>	<u>\$ 22,390</u>

Notes:

1. Includes City administered DASNY Courts program.
2. Includes Pay-as-you-go and Federal, State and other Reimbursable Capital.
3. Includes Courts and Hospitals programs financed by lease debt issued by the Dormitory Authority of the State of New York (DASNY). Expenditures for these projects do not flow through the City's accounts and are excluded from Capital Disbursements reported on Exhibit A-2.