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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

May 5, 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. 06-3 to the Financial Plan for the City and Covered Organizations for fiscal years 2006-2010 (the "Modification") as such plan relates to fiscal year 2006. The Modification as it relates to the City is attached hereto as Exhibit A. Any 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,

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

Mark Page

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### EXHIBIT A

### CITY OF NEW YORK - FINANCIAL PLAN

A-1	Projection of Revenues and Expenditures
A-2	Projections of Cash Sources and Uses
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**Fiscal Year 2006 Financial Plan Revenues and Expenditures**  
**(\$ in millions)**

<b>REVENUES</b>	<b>PLAN</b>	<b>REVISED PLAN</b>	<b>BETTER/ (WORSE)</b>
<b>Taxes</b>			
General Property Tax	\$ 12,434	\$ 12,437	\$ 3
Other Taxes <sup>1</sup>	19,347	19,517	170
Tax Audit Revenue	512	712	200
Tax Reduction Program	-	-	-
Miscellaneous Revenues	5,034	5,161	127
Unrestricted Intergovernmental Aid	490	490	-
Anticipated Federal Aid	-	-	-
FY 2005 Discretionary Transfer <sup>1</sup>	947	947	-
Less Intra-City Revenue	(1,428)	(1,432)	(4)
Disallowances Against Categorical Grants	(15)	(90)	(75)
Subtotal: City Funds	\$ 37,321	\$ 37,742	\$ 421
Other Categorical Grants	947	1,138	191
Inter-Fund Revenues	373	380	7
Total City Funds & Inter-Fund Revenues	\$ 38,641	\$ 39,260	\$ 619
Federal Categorical Grants	5,608	5,785	177
State Categorical Grants	9,559	9,602	43
Total Revenues	\$ 53,808	\$ 54,647	\$ 839
<b>EXPENDITURES</b>			
<b>Personal Service</b>			
Salaries and Wages	\$ 18,804	\$ 18,790	\$ (14)
Pensions	4,017	4,018	1
Fringe Benefits	6,655	6,634	(21)
Subtotal - Personal Service	\$ 29,476	\$ 29,442	\$ (34)
<b>Other Than Personal Service</b>			
Medical Assistance	4,463	4,917	454
Public Assistance	2,446	2,466	20
Pay-As-You-Go Capital	200	200	-
All Other <sup>1,2</sup>	14,596	14,978	382
Subtotal - Other Than Personal Service	\$ 21,705	\$ 22,561	\$ 856
General Obligation, Lease and MAC Debt Service	3,283	3,179	(104)
FY2005 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(2,582)	(2,582)	-
FY2006 Budget Stabilization and Discretionary Transfers <sup>2</sup>	3,254	3,439	185
General Reserve	100	40	(60)
Total Expenditures	\$ 55,236	\$ 56,079	\$ 843
Less Intra-City Expenses	(1,428)	(1,432)	(4)
Total Expenditures	\$ 53,808	\$ 54,647	\$ 839
<b>Gap To Be Closed</b>	\$ -	\$ -	\$ -

<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 \$3.439 billion, including prepayments of \$124 million in Transit subsidies, lease debt service of \$51 million and Budget Stabilization of \$3.264 billion.

**New York City Financial Plan**  
**Fiscal Year 2006 Projections of Cash Sources and Uses**  
**(\$ in millions)**

<b>Sources of Cash</b>	<b>Plan</b>	<b>Revised Plan</b>	<b>Better/ (Worse)</b>
From Operations:			
Surplus/(Deficit)	\$ (2,936)	(4,326)	\$ (1,390)
Provision for disallowances of aid revenues	15	90	75
Disallowances Paid	(15)	(90)	(75)
<b>Funds Provided/(Used) from Operations</b>	<b>\$ (2,936)</b>	<b>\$ (4,326)</b>	<b>\$ (1,390)</b>
Proceeds from Seasonal Borrowings	-	-	-
Capital Plan Funding Sources (see Exhibit A-3)	6,645	6,739	94
<b>Total Sources</b>	<b>\$ 3,709</b>	<b>\$ 2,413</b>	<b>\$ (1,296)</b>
<b>Uses of Cash</b>			
Capital Disbursements	\$ 6,645	\$ 6,739	\$ (94)
Repayment of Seasonal Borrowings	-	-	-
<b>Total Uses</b>	<b>\$ 6,645</b>	<b>\$ 6,739</b>	<b>\$ (94)</b>
<b>Net Sources/(Uses) of Cash</b>	<b>\$ (2,936)</b>	<b>\$ (4,326)</b>	<b>\$ (1,202)</b>
Cash Balance - Beginning of Period	\$ 7,555	\$ 7,555	\$ -
Cash Balance - End of Period	\$ 4,619	\$ 3,229	\$ (1,390)

**New York City Financial Plan**  
**Fiscal Year 2006 Capital Plan Funding Sources**  
**(\$ in millions)**

<b>Sources of Capital Cash</b>	<b>Plan</b>	<b>Revised Plan</b>	<b>Change</b>
New York City General Obligation Bonds	\$ 4,460	\$ 4,105	\$ (355)
Other Long-Term Sources:			
TSASC	0	0	-
Water Authority	1,747	1,925	178
Pay-As-You-Go Capital	0	200	200
Total Long-Term Sources	\$ 6,207	\$ 6,230	\$ 23
Receipt of Federal, State and other Reimbursable Capital	544	734	190
Changes in Restricted Cash	(106)	(225)	(119)
Total Capital Plan Funding Sources	\$ 6,645	\$ 6,739	\$ 94

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
<b>Short-Term Borrowing:</b>					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
<b>Total Short-Term Borrowing (Repayment)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Borrowing:</b>					
New York City General Obligation	\$ 1,697	\$ -	\$ 1,020	\$ 1,388	\$ 4,105
Water Authority <sup>1</sup>	-	823	302	800	1,925
City Administered DASNY Courts Program					-
Pay-As-You-Go Capital	-	-	-	200	200
<b>Total Borrowing to finance City Capital Program</b>	<b>\$ 1,697</b>	<b>\$ 823</b>	<b>\$ 1,322</b>	<b>\$ 2,388</b>	<b>\$ 6,230</b>

**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.

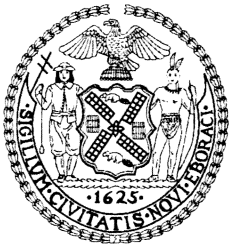
**New York City Financial Plan  
Fiscal Year 2006 Capital Plan  
(\$ in millions)**

<b>Projected Capital Commitments</b>			
	Plan	Revised Plan	Change
City	\$ 7,101	\$ 6,387	\$ (714)
Non-City	1,099	1,404	305
<b>Total</b>	<b>\$ 8,200</b>	<b>\$ 7,791</b>	<b>\$ (409)</b>

<b>Projected Capital Expenditures</b>			
	Plan	Revised Plan	Change
City	\$ 6,101	\$ 6,005	\$ (96)
Non-City <sup>1</sup>	544	734	190
City-administered Capital Plan	<b>\$ 6,645</b>	<b>\$ 6,739</b>	<b>\$ 94</b>
<b>Total Capital Plan Expenditures</b>	<b>\$ 6,645</b>	<b>\$ 6,739</b>	<b>\$ 94</b>

## Notes:

1. Includes Federal, State and other Reimbursable Capital.



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**Mark Page**  
Director

May 5, 2006

**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 2007 – 2010 (the "Plan"). The Financial Plan as it relates to the City is attached hereto as Exhibit A. Any 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 May 4, 2006 (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,

  
Mark Page



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**Four 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>Taxes</b>				
General Property Tax	\$ 12,972	\$ 13,832	\$ 14,488	\$ 15,165
Other Taxes	18,943	18,871	19,426	20,359
Tax Audit Revenue	509	509	509	510
Tax Reduction Program	-	(256)	(256)	(256)
Miscellaneous Revenues	4,807	5,147	4,735	4,757
Unrestricted Intergovernmental Aid	340	340	340	340
Anticipated Federal Aid	50	-	-	-
Less Intra-City Revenue	(1,307)	(1,305)	(1,307)	(1,307)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	<u>\$ 36,299</u>	<u>\$ 37,123</u>	<u>\$ 37,920</u>	<u>\$ 39,553</u>
Other Categorical Grants	1,111	972	987	992
Inter-Fund Revenues	395	373	365	365
Total City Funds & Inter-Fund Revenues	<u>\$ 37,805</u>	<u>\$ 38,468</u>	<u>\$ 39,272</u>	<u>\$ 40,910</u>
Federal Categorical Grants	5,095	5,094	5,090	5,090
State Categorical Grants	9,804	9,969	10,066	10,182
Total Revenues	<u>\$ 52,704</u>	<u>\$ 53,531</u>	<u>\$ 54,428</u>	<u>\$ 56,182</u>
<b>EXPENDITURES</b>				
<b>Personal Service</b>				
Salaries and Wages	\$ 19,098	\$ 19,239	\$ 19,332	\$ 19,511
Pensions	4,891	5,614	5,859	5,724
Fringe Benefits	6,937	6,271	6,582	6,835
Subtotal - Personal Service	<u>\$ 30,926</u>	<u>\$ 31,124</u>	<u>\$ 31,773</u>	<u>\$ 32,070</u>
<b>Other Than Personal Service</b>				
Medical Assistance	4,935	5,083	5,222	5,376
Public Assistance	2,198	2,202	2,202	2,202
Pay-As-You-Go Capital	200	200	200	200
All Other <sup>1</sup>	14,916	15,168	15,547	15,863
Subtotal - Other Than Personal Service	<u>\$ 22,249</u>	<u>\$ 22,653</u>	<u>\$ 23,171</u>	<u>\$ 23,641</u>
General Obligation, Lease and MAC Debt Service	3,975	4,338	4,693	5,066
FY2006 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(3,439)	-	-	-
General Reserve	300	300	300	300
Total Expenditures	<u>\$ 54,011</u>	<u>\$ 58,415</u>	<u>\$ 59,937</u>	<u>\$ 61,077</u>
Less Intra-City Expenses	<u>(1,307)</u>	<u>(1,305)</u>	<u>(1,307)</u>	<u>(1,307)</u>
Total Expenditures	<u>\$ 52,704</u>	<u>\$ 57,110</u>	<u>\$ 58,630</u>	<u>\$ 59,770</u>
<b>Gap To Be Closed</b>	<u>\$ -</u>	<u>\$ (3,579)</u>	<u>\$ (4,202)</u>	<u>\$ (3,588)</u>

<sup>1</sup> Fiscal Year 2006 Budget Stabilization and Discretionary Transfers total \$3.439 billion, including prepayments of \$124 million in Transit subsidies, lease debt service of \$51 million and Budget Stabilization of \$3.264 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)	\$ -	\$ -	\$ -	\$ -
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	1,200	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	8,174	9,340	9,436	8,053
Total Sources	<u>\$ 9,374</u>	<u>\$ 11,740</u>	<u>\$ 11,836</u>	<u>\$ 10,453</u>
<b>Uses of Cash</b>				
Capital Disbursements	8,174	9,340	9,436	8,053
Repayment of Seasonal Borrowings	1,200	2,400	2,400	2,400
Total Uses	<u>\$ 9,374</u>	<u>\$ 11,740</u>	<u>\$ 11,836</u>	<u>\$ 10,453</u>
Net Sources/(Uses) of Cash	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 3,229	\$ 3,229	\$ 3,229	\$ 3,229
Cash Balance - End of Period	\$ 3,229	\$ 3,229	\$ 3,229	\$ 3,229

May 2006

EXHIBIT A-3

**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	\$ 3,530	\$ 4,972	\$ 5,360	\$ 5,300
Other Long-Term Sources:				
Transitional Finance Authority	-	-	-	-
TSASC	-	-	-	-
Water Authority	1,376	1,533	1,612	1,406
Pay-As-You-Go Capital	200	200	200	200
Total Long-Term Sources	\$ 5,106	\$ 6,705	\$ 7,172	\$ 6,906
Five Year Education Capital Plan				
TFA - building Support Aid	1,299	1,490	1,561	518
DASNY	1,299	502	0	0
Other Non-City Funds	160	544	605	534
Reimbursable Capital	\$ 2,758	\$ 2,536	\$ 2,166	\$ 1,052
Changes in Restricted Cash	310	99	98	95
Total Capital Plan Funding Sources	\$ 8,174	\$ 9,340	\$ 9,436	\$ 8,053

**New York City Financial Plan  
Fiscal Year 2007 Borrowing Schedule  
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
<b>Short-Term Borrowing:</b>					
Borrowing	\$ 1,200	\$ -	\$ -	\$ -	\$ 1,200
Repayment	-	-	(1,200)	-	(1,200)
<b>Total Short-Term Borrowing (Repayment)</b>	<b>\$ 1,200</b>	<b>\$ -</b>	<b>\$ (1,200)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital Borrowing:</b>					
New York City General Obligation	\$ 1,500	\$ 750	\$ 750	\$ 530	\$ 3,530
Water Authority <sup>1</sup>	588	-	530	258	1,376
Pay-As-You-Go Capital	-	-	-	200	200
<b>Total Borrowing to finance City Capital Program</b>	<b>\$ 2,088</b>	<b>\$ 750</b>	<b>\$ 1,280</b>	<b>\$ 988</b>	<b>\$ 5,106</b>

**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	\$ 9,549	\$ 8,042	\$ 6,573	\$ 4,936	\$ 29,100
Non-City	2,939	2,632	2,419	173	8,163
<b>Total</b>	<b>\$ 12,488</b>	<b>\$ 10,674</b>	<b>\$ 8,992</b>	<b>\$ 5,109</b>	<b>\$ 37,263</b>

**Projected Capital Expenditures**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
City	\$ 5,416	\$ 6,804	\$ 7,270	\$ 7,001	\$ 26,491
Non-City <sup>1</sup>	2,758	2,536	2,166	1,052	8,512
<b>City-administered Capital Plan</b>	<b>\$ 8,174</b>	<b>\$ 9,340</b>	<b>\$ 9,436</b>	<b>\$ 8,053</b>	<b>\$ 35,003</b>
<b>Total Capital Plan Expenditures</b>	<b>\$ 8,174</b>	<b>\$ 9,340</b>	<b>\$ 9,436</b>	<b>\$ 8,053</b>	<b>\$ 35,003</b>

## Notes:

1. Includes Federal, State and other Reimbursable Capital.