



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

November 18, 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. 04-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2004-2007 (the "Modification"). The Modification as it relates to the City, Department of Education and the City University of New York ("CUNY") is attached hereto as Exhibit A. As it relates to the remaining other Covered Organizations whose plans require modification, these 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 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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**New York City Financial Plan**  
**Four Year Financial Plan Revenues and Expenditures**  
(\$ in millions)

<b>REVENUES</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Taxes				
General Property Tax	\$ 11,274	\$ 11,576	\$ 11,999	\$ 12,443
Other Taxes	14,619	13,943	14,414	14,949
Tax Audit Revenue	545	506	506	506
Miscellaneous Revenues	4,319	4,869	4,205	4,173
Unrestricted Intergovernmental Aid	831	585	585	585
Less: Intra-City Revenue	(1,179)	(1,100)	(1,099)	(1,098)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 30,394	\$ 30,364	\$ 30,595	\$ 31,543
Other Categorical Grants	901	778	798	813
Inter-Fund Revenues	342	326	319	315
Total City Funds & Inter-Fund Revenues	\$ 31,637	\$ 31,468	\$ 31,712	\$ 32,671
Federal Categorical Grants	5,056	4,513	4,495	4,506
State Categorical Grants	8,328	8,261	8,245	8,317
Total Revenues	\$ 45,021	\$ 44,242	\$ 44,452	\$ 45,494
<b>EXPENDITURES</b>				
Personal Service				
Salaries and Wages	\$ 16,603	\$ 16,356	\$ 16,352	\$ 16,354
Pensions	2,555	3,165	3,958	4,335
Fringe Benefits	4,801	5,058	5,348	5,644
Subtotal - Personal Service	23,959	24,579	25,658	26,333
Other Than Personal Service				
Medical Assistance	4,123	4,541	4,747	4,944
Public Assistance	2,351	2,246	2,254	2,255
Pay-As-You-Go Capital	200	200	200	200
All Other	12,272	12,050	12,256	12,458
Subtotal - Other Than Personal Service	18,946	19,037	19,457	19,857
Debt Service	2,582	3,485	3,726	3,965
Budget Stabilization Account	413	(213)	(200)	-
General Reserve	300	300	300	300
Total Expenditures	\$ 46,200	\$ 47,188	\$ 48,941	\$ 50,455
Less: Intra-City Expenses	(1,179)	(1,100)	(1,099)	(1,098)
Total Expenditures	\$ 45,021	\$ 46,088	\$ 47,842	\$ 49,357
Gap To Be Closed	\$ -	\$ (1,846)	\$ (3,390)	\$ (3,863)

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

<b>Sources of Cash</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
From Operations:				
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -
Decrease/(Increase) in accounts receivable,	(286)	-	-	-
Increase/(Decrease) in accounts payable,				
accrued liabilities and other liabilities				
Provision for disallowances of aid revenues	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)
<b>Funds Provided/(Used) from Operations</b>	<b>\$ (286)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Proceeds from Seasonal Borrowings	1,500	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	5,232	5,284	5,433	5,245
<b>Total Sources</b>	<b>\$ 6,446</b>	<b>\$ 7,684</b>	<b>\$ 7,833</b>	<b>\$ 7,645</b>
<b>Uses of Cash</b>				
Capital Disbursements	\$ 5,232	\$ 5,284	\$ 5,433	\$ 5,245
Repayment of Seasonal Borrowings	1,500	2,400	2,400	2,400
<b>Total Uses</b>	<b>\$ 6,732</b>	<b>\$ 7,684</b>	<b>\$ 7,833</b>	<b>\$ 7,645</b>
<b>Net Sources/(Uses) of Cash</b>	<b>\$ (286)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Cash Balance - Beginning of Period	\$ 2,502	\$ 2,216	\$ 2,216	\$ 2,216
Cash Balance - End of Period	\$ 2,216	\$ 2,216	\$ 2,216	\$ 2,216

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

<b>Sources of Capital Cash</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
New York City General Obligation Bonds	\$ 2,800	\$ 3,100	\$ 3,020	\$ 3,100
Other Long-Term Sources:				
Transitional Finance Authority	145	0	0	0
TSASC	57	23	0	0
Water Authority	1,143	1,560	1,757	1,611
City Administered DASNY Courts Program <sup>1</sup>	28	42	57	38
Pay-As-You-Go Capital <sup>2</sup>	200	0	0	0
Total Long-Term Sources	\$ 4,373	\$ 4,725	\$ 4,834	\$ 4,749
Receipt of Federal, State and other				
Reimbursable Capital	618	673	563	484
Changes in Restricted Cash	241	(114)	36	12
Total Capital Plan Funding Sources	\$ 5,232	\$ 5,284	\$ 5,433	\$ 5,245

## Notes:

1. Excludes non-city managed DASNY financed Courts and Jay Street Development Corporation funds.
2. The Financial Plan includes \$200 million annually in fiscal years 2005 through 2007 in pay-as-you-go capital to be used as a funding source for the City financed portion of the next Education Five Year Capital Plan. When the Capital Plan is updated in January 2004, these funds will be included above.

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

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
<b>Short-Term Borrowing:</b>					
Borrowing	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500
Repayment	-	-	(1,449)	(51)	(1,500)
Total Short-Term Borrowing (Repayment)	\$ -	\$ 1,500	\$ (1,449)	\$ (51)	\$ -
<b>Capital Borrowing:</b>					
New York City General Obligation	\$ 250	\$ 1,100	\$ 1,300	\$ 150	\$ 2,800
Transitional Finance Authority <sup>1</sup>	145	-	-	-	145
TSASC <sup>2</sup>	15	15	15	12	57
Water Authority <sup>3</sup>	100	361	300	382	1,143
City Administered DASNY Courts Program <sup>4</sup>	-	-	28	-	28
Pay-As-You-Go Capital	-	-	-	200	200
Total Borrowing to finance City Capital Program	\$ 510	\$ 1,476	\$ 1,643	\$ 744	\$ 4,373
<b>Other Borrowing</b>					
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 fund 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**

	FY 2004	FY 2005	FY 2006	FY 2007	Total
City	\$ 5,021	\$ 5,726	\$ 5,203	\$ 4,668	\$ 20,618
Non-City	1,131	459	466	308	2,364
Total	\$ 6,152	\$ 6,185	\$ 5,669	\$ 4,976	\$ 22,982

**Projected Capital Expenditures**

	FY 2004	FY 2005	FY 2006	FY 2007	Total
City <sup>1</sup>	\$ 4,614	\$ 4,611	\$ 4,870	\$ 4,761	\$ 18,856
Non-City <sup>2</sup>	618	673	563	484	2,338
City-administered Capital Plan	\$ 5,232	\$ 5,284	\$ 5,433	\$ 5,245	\$ 21,194
DASNY <sup>3</sup>	93	347	398	381	\$ 1,219
Total Capital Plan Expenditures	\$ 5,325	\$ 5,631	\$ 5,831	\$ 5,626	\$ 22,413

## Notes:

1. Includes City administered DASNY Courts program.
2. Includes 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.