



The City of New York
Office of Management and Budget
59 Maiden Lane, New York, New York 10038
(646) 458-1311

Mark Page
Director

February 14, 2002

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. 02-3 to the Financial Plan for the City and Covered Organizations for fiscal years 2002-2006 (the "Modification"). The Modification as it relates to the City, Board of Education (the "Board") and the City University of New York ("CUNY") is attached hereto as Exhibit A and as it relates to other Covered Organizations will be submitted to you under separate cover as Exhibit B. Please note that forecasts relating to fiscal year 2006 are included for your information but are not a part of the City's current four year financial plan, as required by the Act.

The Modification is based upon certain assumptions, methods of estimation and data previously submitted to you including the City publication known as "City of New York Financial Plan Fiscal Years 2002-2006" dated February 13, 2002. The Modification has been prepared in accordance with generally accepted accounting principles ("GAAP"), with the exception of that portion of the Modification related to Covered Organizations other than the Board and CUNY 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Page', written over a horizontal line.

Mark Page

TABLE OF CONTENTS

EXHIBIT A

CITY OF NEW YORK FINANCIAL PLAN

A-1	Projection of Revenues and Expenditures
A-2	Projection of Cash Sources and Uses
A-3	Capital Plan Funding Source
A-4	Borrowing Schedule
A-5	Capital Plan

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

REVENUES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Taxes					
General Property Tax	\$ 8,526	\$ 8,861	\$ 9,290	\$ 9,689	\$ 10,105
Other Taxes	12,960	13,157	13,920	14,617	15,521
Tax Audit Revenue	462	427	427	427	427
Miscellaneous Revenues	4,174	4,225	4,392	4,087	3,863
Unrestricted Intergovernmental Aid	661	575	555	555	555
Other Categorical Grants	681	372	358	364	370
Less: Intra-City Revenue	(1,323)	(1,344)	(1,333)	(1,333)	(1,333)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 26,126	\$ 26,258	\$ 27,594	\$ 28,391	\$ 29,493
Inter-Fund Revenues	322	318	316	316	316
Total City Funds & Inter-Fund Revenues	\$ 26,448	\$ 26,576	\$ 27,910	\$ 28,707	\$ 29,809
Federal Categorical Grants	6,234	4,146	4,048	4,050	4,052
State Categorical Grants	8,065	7,978	8,081	8,165	8,194
Total Revenues	\$ 40,747	\$ 38,700	\$ 40,039	\$ 40,922	\$ 42,055
EXPENDITURES					
Personal Service	\$ 22,958	\$ 23,275	\$ 23,887	\$ 24,638	\$ 25,390
Other Than Personal Service	19,350	18,278	18,620	18,898	19,224
Debt Service	688	2,552	3,209	3,385	3,649
Budget Stabilization	260	-	-	-	-
MAC Debt Service	-	505	489	490	490
General Reserve	100	200	200	200	200
	\$ 43,356	\$ 44,810	\$ 46,405	\$ 47,611	\$ 48,953
Less: Intra-City Expenses	(1,323)	(1,344)	(1,333)	(1,333)	(1,333)
Total Expenditures	\$ 42,033	\$ 43,466	\$ 45,072	\$ 46,278	\$ 47,620
Gap To Be Closed	\$ (1,286)	\$ (4,766)	\$ (5,033)	\$ (5,356)	\$ (5,565)
Gap Closing Program	\$ 1,286	\$ 4,766	\$ 2,459	\$ 2,430	\$ 2,453
Remaining Gap To Be Closed	\$ -	\$ -	\$ (2,574)	\$ (2,926)	\$ (3,112)
<i>Out-Year Gap Closing Plan</i>					
Additional Agency Programs/Additional Resources	-	-	1,874	1,801	1,687
Initiative Requiring Federal & State Actions	-	-	500	500	500
Transportation	-	-	100	500	800
Management and Procurement Efficiency	-	-	50	75	75
Sanitation	-	-	50	50	50
Total Out-Year Gap Closing Plan	\$ -	\$ -	\$ 2,574	\$ 2,926	\$ 3,112
Remaining Out Year Gap	\$ -	\$ -	\$ -	\$ -	\$ -

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

Sources of Cash	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
From Operations:					
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Decrease/(Increase) in accounts receivable	455	-	-	-	-
Increase/(Decrease) in accounts payable, accrued liabilities and other liabilities	(2,265)	-	-	-	-
Provision for disallowances of aid revenues	15	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (1,810)	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	1,500	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	5,502	5,395	5,835	5,894	5,461
Total Sources	\$ 5,192	\$ 7,795	\$ 8,235	\$ 8,294	\$ 7,861
Uses of Cash					
Capital Disbursements	5,502	5,395	5,835	5,894	5,461
Repayment of Seasonal Borrowings	1,500	2,400	2,400	2,400	2,400
Other - Net	-	-	-	-	-
Total Uses	\$ 7,002	\$ 7,795	\$ 8,235	\$ 8,294	\$ 7,861
Net Sources/(Uses) of Cash	\$ (1,810)	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 3,066	\$ 1,256	\$ 1,256	\$ 1,256	\$ 1,256
Cash Balance - End of Period	\$ 1,256	\$ 1,256	\$ 1,256	\$ 1,256	\$ 1,256

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

Sources of Capital Cash	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
New York City General Obligation Bonds	\$ 2,000	\$ 1,500	\$ 2,400	\$ 3,820	\$ 3,520
Other Long-Term Sources:					
Transitional Finance Authority	1,950	1,200	847	0	0
TSASC	545	530	525	0	0
Water Authority	1,560	1,452	1,472	1,554	1,546
Total Long-Term Sources	\$ 6,055	\$ 4,682	\$ 5,244	\$ 5,374	\$ 5,066
Receipt of Federal, State and other Reimbursable Capital	560	591	586	487	366
Changes in Restricted Cash	(1,113)	122	5	33	29
Total Capital Plan Funding Sources	<u>\$ 5,502</u>	<u>\$ 5,395</u>	<u>\$ 5,835</u>	<u>\$ 5,894</u>	<u>\$ 5,461</u>

**New York City Financial Plan
Fiscal Year 2002 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	\$ -	\$ 1,650	\$ 350	\$ -	\$ 2,000
Transitional Finance Authority (1)	750	600	600	0	1,950
Water Authority (2)	500	0	399	661	1,560
TSASC	0	0	545	0	545
Total Borrowing to finance City Capital Program	\$ 1,250	\$ 2,250	\$ 1,894	\$ 661	\$ 6,055

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) 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

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Total</u>
City	\$ 6,011	\$ 5,945	\$ 5,917	\$ 4,997	\$ 5,796	\$ 28,666
Non-City	901	632	373	306	205	2,417
Total	<u>\$ 6,912</u>	<u>\$ 6,577</u>	<u>\$ 6,290</u>	<u>\$ 5,303</u>	<u>\$ 6,001</u>	<u>\$ 31,083</u>

Projected Capital Expenditures

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>Total</u>
City	\$ 4,942	\$ 4,804	\$ 5,249	\$ 5,407	\$ 5,095	\$ 25,497
Non-City (1)	560	591	586	487	366	2,590
City-administered Capital Plan	<u>\$ 5,502</u>	<u>\$ 5,395</u>	<u>\$ 5,835</u>	<u>\$ 5,894</u>	<u>\$ 5,461</u>	<u>\$ 28,087</u>
DASNY (2)	130	278	363	414	404	\$ 1,589
Total Capital Plan Expenditures	<u>\$ 5,632</u>	<u>\$ 5,673</u>	<u>\$ 6,198</u>	<u>\$ 6,308</u>	<u>\$ 5,865</u>	<u>\$ 29,676</u>

- Notes: (1) Includes Pay-as-you-go and Federal, State and other Reimbursable Capital
- (2) 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.