

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

February 13, 2006

Mr. Jeffrey Sommer  
First Deputy Director  
Financial Control Board  
123 William Street, 23<sup>rd</sup> Floor  
New York, New York 10038

Dear Mr. Sommer:

Enclosed is a revision to Exhibit A-1 of Modification No. 06-2, submitted on February 1<sup>st</sup>, to reflect a reclassification of the Tax Reduction Program.

Also enclosed please find Exhibits B1-B8 on behalf of the Covered Organizations.

Yours truly,

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

for Mark Page

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A-1 Projection of Revenues and Expenditures - Revised

### **EXHIBIT B COVERED ORGANIZATIONS - FINANCIAL PLAN**

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B-2 New York City Educational Construction Fund  
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**Five Year Financial Plan Revenues and Expenditures**  
(\$ in millions)

<b>REVENUES</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Taxes					
General Property Tax	\$ 12,434	\$ 12,780	\$ 13,686	\$ 14,361	\$ 15,039
Other Taxes <sup>1</sup>	19,347	18,866	18,632	19,663	20,756
Tax Audit Revenue	512	509	509	509	510
Tax Reduction Program	-	-	(256)	(256)	(256)
Miscellaneous Revenues	5,034	4,646	5,031	4,621	4,641
Unrestricted Intergovernmental Aid	490	340	340	340	340
Anticipated Federal & State Aid	-	350	250	250	250
FY 2005 Discretionary Transfer <sup>1</sup>	947	-	-	-	-
Less Intra-City Revenue	(1,428)	(1,284)	(1,282)	(1,284)	(1,285)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 37,321	\$ 36,192	\$ 36,895	\$ 38,189	\$ 39,980
Other Categorical Grants	947	915	926	941	945
Inter-Fund Revenues	373	365	346	346	346
Total City Funds & Inter-Fund Revenues	\$ 38,641	\$ 37,472	\$ 38,167	\$ 39,476	\$ 41,271
Federal Categorical Grants	5,608	4,911	4,900	4,899	4,902
State Categorical Grants	9,559	9,822	9,937	9,965	10,001
Total Revenues	\$ 53,808	\$ 52,205	\$ 53,004	\$ 54,340	\$ 56,174
<b>EXPENDITURES</b>					
Personal Service					
Salaries and Wages	\$ 18,804	\$ 18,955	\$ 19,166	\$ 19,308	\$ 19,522
Pensions	4,017	4,886	5,610	5,846	5,712
Fringe Benefits	6,655	6,928	6,270	6,592	6,854
Subtotal - Personal Service	\$ 29,476	\$ 30,769	\$ 31,046	\$ 31,746	\$ 32,088
Other Than Personal Service					
Medical Assistance	4,463	4,950	5,097	5,236	5,413
Public Assistance	2,446	2,441	2,445	2,445	2,445
Pay-As-You-Go Capital	200	200	200	200	200
All Other <sup>1</sup>	14,596	14,076	14,182	14,357	14,543
Subtotal - Other Than Personal Service	\$ 21,705	\$ 21,667	\$ 21,924	\$ 22,238	\$ 22,601
Debt Service <sup>1</sup>	3,273	3,997	4,453	4,840	5,181
FY2005 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(2,582)	-	-	-	-
FY2006 Budget Stabilization and Discretionary Transfers <sup>2</sup>	3,254	(3,254)	-	-	-
MAC Debt Service/Administrative Expenses	10	10	10	-	-
General Reserve	100	300	300	300	300
Subtotal	\$ 55,236	\$ 53,489	\$ 57,733	\$ 59,124	\$ 60,170
Less Intra-City Expenses	(1,428)	(1,284)	(1,282)	(1,284)	(1,285)
Total Expenditures	\$ 53,808	\$ 52,205	\$ 56,451	\$ 57,840	\$ 58,885
<b>Gap To Be Closed</b>	\$ -	\$ -	\$ (3,447)	\$ (3,500)	\$ (2,711)

<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 \$3.254 billion.

**CITY UNIVERSITY CONSTRUCTION FUND**  
**FINANCIAL PLAN FOR FISCAL YEARS 2006 - 2010**  
(\$ in thousands)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<b>REVENUES</b>					
State	\$ 298,529	\$ 346,530	\$ 299,510	\$ 343,437	\$ 261,328
City	37,574	35,063	38,574	39,252	25,903
Investment Income	5,000	5,000	5,000	5,000	5,000
Swap Receipt Credits	<u>8,826</u>	<u>8,826</u>	<u>8,826</u>	<u>8,826</u>	<u>8,826</u>
Total	\$ 349,929	\$ 395,419	\$ 351,909	\$ 396,515	\$ 301,056
<b>EXPENDITURES</b>					
Debt Service	\$ 322,179	\$ 372,209	\$ 327,789	\$ 371,438	\$ 274,975
Administrative Cost	<u>24,350</u>	<u>19,810</u>	<u>20,720</u>	<u>21,677</u>	<u>22,681</u>
Total	\$ 346,529	\$ 392,019	\$ 348,509	\$ 393,115	\$ 297,656
Surplus/ (Deficit)	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400	\$ 3,400
Cash Flow Adjustment	<u>16,351</u>	<u>19,751</u>	<u>23,153</u>	<u>26,553</u>	<u>29,953</u>
Adjusted Surplus/ (Deficit)	\$ 19,751	\$ 23,153	\$ 26,553	\$ 29,953	\$ 33,353

**NYC EDUCATIONAL CONSTRUCTION FUND**  
**Five year Budget**  
(\$ in '000)

	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>
<b>RECEIPTS</b>					
<b>NON-SCHOOL RENTALS &amp; TAX PAYMENTS</b>	20,058.0	20,410.0	13,404.0	16,487.0	14,999.0
<b>INTEREST INCOME</b>	1,579.0	1,626.4	1,675.2	1,725.4	1,777.2
<b>TOTAL</b>	21,637.0	22,036.4	15,079.2	18,212.4	16,776.2
<b>DISBURSEMENTS</b>					
<b>PERSONAL SERVICE (INCL. HEALTH, RETIREMENT--ETC.)</b>	413.0	425.4	438.2	451.3	464.8
<b>OTHER THAN PERSONAL SERVICES ( Note 1)</b>	360.0	370.8	381.9	393.4	405.2
<b>INSURANCE</b>	755.0	777.7	801.0	825.0	849.8
<b>DEBT SERVICE (Note 2)</b>					
<b>PRINCIPAL</b>	12,185.0	12,095.0	14,325.0	7,915.0	6,610.0
<b>INTEREST</b>	3,639.0	3,365.0	3,492.0	4,169.0	3,833.0
<b>TOTAL</b>	17,352.0	17,033.8	19,438.1	13,753.7	12,162.8
<b>SURPLUS/(DEFICIT)</b>	<b>4,285.0</b>	<b>5,002.5</b>	<b>(4,358.9)</b>	<b>4,458.7</b>	<b>4,613.4</b>

**NOTES:**

- 1) OTPS includes the following: Operations, Legal & Development Fees, and Related Fees  
2) Debt Service pertains to the 2005 A Series Revenue Bond Issue in Original Amounts of \$99,140,000  
Replacing Revenue Bonds 1994 and 1996.

**NYC Health & Hospitals Corporation - January FY07 Budget**  
**Accrual Based Financial Plan**  
(\$s in millions)

**EXHIBIT B-3**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>OPERATING REVENUES</b>					
<b>Third Party Revenue</b>					
Medicaid Fee for Service	1,676.5	1,714.2	1,748.5	1,783.5	1,819.2
Medicare	693.4	674.2	694.5	715.3	736.8
MetroPlus	525.7	577.3	610.8	610.8	610.8
Other Third Party	603.8	618.9	634.4	650.2	666.5
Self-Pay	28.0	28.0	28.0	28.0	28.0
Bad Debt and Charity Care (pools)	637.6	594.1	594.1	594.1	594.1
<b>Subtotal: Third Party Revenue</b>	<b>4,165.1</b>	<b>4,206.8</b>	<b>4,310.3</b>	<b>4,382.0</b>	<b>4,455.4</b>
<b>Funds Appropriated by the City</b>					
Non-Cash Paid by City					
Interest on Debt Service (GO, HFA & DASNY)	56.5	62.2	57.1	52.2	52.2
Other	1.7	1.7	1.7	1.7	1.7
Cash Received for Services					
Prisoner/Uniform Services	52.6	52.6	52.6	52.6	52.6
Other City Services	14.6	8.5	6.7	6.7	6.7
Unrestricted City Services	26.6	15.2	5.7	3.2	3.2
Reimbursement for HHC Debt Services	92.9	90.9	87.4	82.7	82.7
Adjustment for Prepayment	(172.0)	0.0	0.0	0.0	0.0
<b>Subtotal: Funds Appropriated by the City</b>	<b>72.8</b>	<b>231.1</b>	<b>211.2</b>	<b>199.1</b>	<b>199.1</b>
<b>Grants (including CHP)</b>	<b>264.8</b>	<b>253.8</b>	<b>177.3</b>	<b>169.5</b>	<b>169.5</b>
<b>Other Revenue</b>	<b>53.4</b>	<b>54.8</b>	<b>56.1</b>	<b>57.5</b>	<b>59.3</b>
<b>TOTAL OPERATING REVENUES</b>	<b>4,556.1</b>	<b>4,746.5</b>	<b>4,754.9</b>	<b>4,808.1</b>	<b>4,883.2</b>
<b>OPERATING EXPENSES</b>					
Personal Services	2,126.9	2,128.8	2,182.6	2,237.8	2,294.1
Fringe Benefits	715.8	783.1	861.4	913.1	931.4
Other Than Personal Services	1,184.8	1,214.4	1,244.8	1,275.9	1,307.8
Medical Malpractice	185.9	189.9	189.9	189.9	189.9
Affiliations	643.1	661.8	694.9	729.6	751.5
Depreciation	200.0	210.0	220.0	230.0	240.0
<b>TOTAL OPERATING EXPENSES</b>	<b>5,056.6</b>	<b>5,188.0</b>	<b>5,393.6</b>	<b>5,576.4</b>	<b>5,714.7</b>
<b>TOTAL OPERATING INCOME/(LOSS)</b>	<b>(500.4)</b>	<b>(441.5)</b>	<b>(638.7)</b>	<b>(768.2)</b>	<b>(831.5)</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
Interest Income	9.9	8.9	8.4	6.9	5.5
Interest Expense	(82.4)	(77.3)	(72.6)	(67.7)	(62.9)
<b>Total Non-Operating Expenses (net)</b>	<b>(72.5)</b>	<b>(68.4)</b>	<b>(64.2)</b>	<b>(60.8)</b>	<b>(57.4)</b>
<b>PROFIT/(LOSS) BEFORE OTH. CHGS. IN NET ASSETS</b>	<b>(572.9)</b>	<b>(510.0)</b>	<b>(702.8)</b>	<b>(829.1)</b>	<b>(888.9)</b>
State/Federal Actions	510.0	382.0	507.0	607.0	642.0
PS / OTPS Productivity Savings	25.0	85.0	110.0	130.0	150.0
Revenue Maximization with City Agencies	27.0	22.0	20.0	22.0	24.0
HHC Revenue Re-Engineering	25.0	35.0	75.0	75.0	75.0
<b>PROFIT/(LOSS) AFTER BELOW LINE ACTIONS</b>	<b>14.1</b>	<b>14.0</b>	<b>9.2</b>	<b>4.9</b>	<b>2.1</b>

**NEW YORK CITY HOUSING AUTHORITY**  
**Four -Year Financial Plan**

FY2005 - FY2009  
(In Thousands of Dollars)

	2006	2007	2008	2009
<b>Revenues</b>				
<b>Revenue from Operations:</b>				
Basic Dwelling Rent	673,102	686,564	686,564	686,564
Other Revenue from Operations	24,921	27,201	27,201	27,201
<b>Total Revenue from Operations</b>	<b>\$ 698,023</b>	<b>\$ 713,765</b>	<b>\$ 713,765</b>	<b>\$ 713,765</b>
<b>Subsidies:</b>				
Federal	852,689	887,595	905,057	905,058
Section 8 NC	6,062	6,062	6,062	6,062
Debt Service	2,917	2,489	2,071	1,613
HCVP Section 8	817,559	817,559	817,559	817,559
<b>Total Revenue from Operations &amp; Subsidies</b>	<b>\$ 1,679,227</b>	<b>\$ 1,713,705</b>	<b>\$ 1,730,749</b>	<b>\$ 1,730,292</b>
Federal Categorical Grants	6,924	2,762	2,628	2,628
State Categorical Grants	37	-	-	-
City Categorical Grants	30,513	30,075	30,075	30,075
Capital Grant	74,077	75,478	75,478	75,478
<b>Total Revenues</b>	<b>\$ 2,488,801</b>	<b>\$ 2,535,785</b>	<b>\$ 2,552,695</b>	<b>\$ 2,552,238</b>
<b>Financial Plan Savings</b>	190,054	14,585	14,585	14,584
<b>Total Revenues</b>	<b>\$ 2,678,855</b>	<b>\$ 2,550,370</b>	<b>\$ 2,567,280</b>	<b>\$ 2,566,822</b>
<b>Expenditures</b>				
<b>Personal Service:</b>				
Salary	662,844	654,210	654,210	654,210
Fringe	348,298	371,004	389,633	389,633
<b>Total Personal Service</b>	<b>\$ 1,011,142</b>	<b>\$ 1,025,214</b>	<b>\$ 1,043,843</b>	<b>\$ 1,043,843</b>
<b>Other Than Personal Service:</b>				
Supplies	26,427	26,108	26,108	26,110
Contracts	246,269	249,309	249,155	249,154
Section 8 Payments	751,477	751,477	751,477	751,477
Payment in Lieu of Taxes	26,585	26,585	26,585	26,585
Debt Service	3,258	2,801	2,353	1,864
Utilities	527,191	533,408	539,994	539,994
All Other	86,506	84,661	84,314	83,147
<b>Total Expenditures</b>	<b>\$ 2,678,855</b>	<b>\$ 2,699,563</b>	<b>\$ 2,723,829</b>	<b>\$ 2,722,174</b>
<b>Gap To Be Closed</b>	<b>\$ -</b>	<b>\$ 149,193</b>	<b>\$ 156,549</b>	<b>\$ 155,352</b>

**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCES**  
**Fiscal Years 2006 through 2010**  
**(000) Amounts in thousands**

<b>CATEGORIES:</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>REVENUES:</b>					
Application Fees	240	240	240	240	240
Financed Project Fees	16,824	4,799	2,350	18,826	2,350
Compliance Fees	1,200	335	165	1,318	165
Miscellaneous	300	95	47	376	47
Interest Income	500	144	70	565	70
<b>TOTAL REVENUES</b>	<b>19,064</b>	<b>5,613</b>	<b>2,872</b>	<b>21,325</b>	<b>2,872</b>
<b>EXPENDITURES:</b>					
OTPS (NOTE 1)	14,149	6,852	6,852	6,852	6,852
<b>TOTAL EXPENDITURES</b>	<b>14,149</b>	<b>6,852</b>	<b>6,852</b>	<b>6,852</b>	<b>6,852</b>
<b>SURPLUS/(DEFICIT)</b>	<b>4,915</b>	<b>(1,239)</b>	<b>(3,980)</b>	<b>14,473</b>	<b>(3,980)</b>
<b>FUND BALANCE (Beginning of Period)</b>	<b>34,325</b>	<b>39,239</b>	<b>38,001</b>	<b>34,022</b>	<b>28,959</b>
<b>FUND BALANCE (End of Period)</b>	<b>39,239</b>	<b>38,001</b>	<b>34,022</b>	<b>48,496</b>	<b>24,979</b>

**Note 1:** This amount also includes projects approved by the IDA Board to fund special economic activities related to the City's long-term future economic development.



**NEW YORK CITY OFF TRACK BETTING CORPORATION**  
**FINANCIAL PLAN SUBMISSION JANUARY 2006**  
**FISCAL YEAR 2006 THRU FISCAL YEAR 2010**  
**(IN MILLIONS)**

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
<b>GROSS HANDLE</b>	<u>\$1,060.0</u>	<u>\$1,007.0</u>	<u>\$1,017.0</u>	<u>\$1,027.0</u>	<u>\$1,037.0</u>
TOTAL REVENUE	255.4	242.7	245.1	247.6	250.0
COMPENSATION TO THE RACING INDUSTRY	<u>98.8</u>	<u>93.9</u>	<u>94.8</u>	<u>95.8</u>	<u>96.7</u>
<b>EXPENDITURES:</b>					
PERSONAL SERVICES	90.6	90.9	96.6	94.1	96.1
OTHER THAN PERSONAL SERVICES	38.3	38.0	40.0	42.2	44.5
TOTAL EXPENDITURES	<u>129.0</u>	<u>129.0</u>	<u>136.6</u>	<u>136.3</u>	<u>140.5</u>
SURPLUS	27.6	19.8	13.7	15.5	12.8
PAYMENTS TO NEW YORK CITY REGIONAL OTB COMMUNITIES	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>
GROSS SURPLUS	<u>30.1</u>	<u>22.3</u>	<u>16.2</u>	<u>18.1</u>	<u>15.4</u>
<b>PAYMENTS TO GOVERNMENTS:</b>					
PAYMENTS TO NEW YORK STATE	11.4	10.9	11.0	11.1	11.2
PAYMENTS TO LOCAL GOVERNMENTS	2.6	2.4	2.5	2.5	2.5
PAYMENTS TO SRWB - REGULATORY FEE	5.3	5.0	5.1	5.1	5.2
SURCHARGE REVENUE FOR NYC	17.6	16.7	16.9	17.0	17.2
RESIDUAL REVENUE/(LOSS) FOR NYC	(13.1)	(18.9)	(25.4)	(24.0)	(27.2)
CAPITAL ACQUISITION FUND	4.0	3.8	3.8	3.8	3.9
PAYMENTS	<u>27.7</u>	<u>19.9</u>	<u>13.8</u>	<u>15.6</u>	<u>12.8</u>
PAYMENTS TO NEW YORK CITY REGIONAL OTB COMMUNITIES	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.6</u>	<u>2.6</u>
TOTAL PAYMENTS	<u>\$30.2</u>	<u>\$22.4</u>	<u>\$16.3</u>	<u>\$18.2</u>	<u>\$15.4</u>

**STATEN ISLAND RAILWAY (SIRTOA)  
2006-2009 FINANCIAL PLAN  
(Calendar Years; \$ in Millions)**

**EXHIBIT B-7**

<b>REVENUES</b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
<b>Operating Revenue</b>					
Farebox Revenue	\$3.214	\$3.342	\$3.682	\$3.718	\$3.725
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$2.004	\$2.004	\$2.004	\$2.004	\$2.004
Capital and Other Reimbursements	\$1.025	\$1.054	\$1.087	\$1.129	\$1.146
<b>Total Revenue</b>	<b>\$6.243</b>	<b>\$6.400</b>	<b>\$6.773</b>	<b>\$6.851</b>	<b>\$6.875</b>
<b>Subsidies</b>					
Metro Account Tax Subsidy	\$1.913	\$2.514	\$2.606	\$2.520	\$2.589
Federal Operating Assistance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
State 18b Operating Assistance	\$0.492	\$0.492	\$0.492	\$0.492	\$0.492
City 18b Operating Assistance	\$0.492	\$0.492	\$0.492	\$0.492	\$0.492
MTA Subsidy	\$17.701	\$17.939	\$18.105	\$18.004	\$18.104
Mortgage Recording Tax	\$0.336	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Tax &amp; Operating Assistance</b>	<b>\$20.934</b>	<b>\$21.437</b>	<b>\$21.695</b>	<b>\$21.508</b>	<b>\$21.677</b>
<b>Total Operating Revenue &amp; Subsidies</b>	<b>\$27.177</b>	<b>\$27.837</b>	<b>\$28.468</b>	<b>\$28.359</b>	<b>\$28.552</b>
<b>EXPENSES</b>					
<b>Operating Expenses (Nonreimbursable)</b>					
<b>Personal Services</b>					
Payroll	\$14.645	\$14.744	\$15.215	\$15.686	\$16.197
Overtime	\$0.720	\$0.698	\$0.717	\$0.740	\$0.764
<b>Total Salaries &amp; Wages</b>	<b>\$15.365</b>	<b>\$15.442</b>	<b>\$15.932</b>	<b>\$16.426</b>	<b>\$16.961</b>
Health and Welfare	\$2.811	\$3.014	\$3.303	\$3.604	\$3.933
Pensions	\$1.635	\$1.746	\$1.814	\$1.760	\$1.991
Other Fringe Benefits	\$1.281	\$1.301	\$1.342	\$1.382	\$1.426
<b>Total Fringe Benefits</b>	<b>\$5.727</b>	<b>\$6.061</b>	<b>\$6.459</b>	<b>\$6.746</b>	<b>\$7.350</b>
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Labor Expenses</b>	<b>\$21.092</b>	<b>\$21.503</b>	<b>\$22.391</b>	<b>\$23.172</b>	<b>\$24.311</b>
<b>Non-Labor</b>					
Traction and Propulsion Power	\$1.550	\$1.746	\$1.741	\$1.749	\$1.777
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$0.168	\$0.182	\$0.201	\$0.222	\$0.244
Claims	\$0.230	\$0.235	\$0.239	\$0.244	\$0.249
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Mtce. And Other Operating Contracts	\$2.006	\$2.232	\$2.247	\$2.272	\$2.315
Professional Service Contracts	\$0.319	\$0.319	\$0.325	\$0.331	\$0.338
Materials & Supplies	\$0.811	\$0.939	\$0.959	\$0.972	\$0.982
Other Business Expenses	\$0.005	\$0.005	\$0.005	\$0.005	\$0.005
<b>Total Non-Labor Expenses</b>	<b>\$5.089</b>	<b>\$5.658</b>	<b>\$5.717</b>	<b>\$5.795</b>	<b>\$5.910</b>
<b>Total Expense before Depreciation</b>	<b>\$26.181</b>	<b>\$27.161</b>	<b>\$28.108</b>	<b>\$28.967</b>	<b>\$30.221</b>
Depreciation	\$10.337	\$10.337	\$10.337	\$10.337	\$10.337
<b>Total Reimbursable Expenses</b>	<b>\$1.025</b>	<b>\$1.054</b>	<b>\$1.087</b>	<b>\$1.129</b>	<b>\$1.146</b>
<b>TOTAL EXPENSES</b>	<b>\$37.543</b>	<b>\$38.552</b>	<b>\$39.532</b>	<b>\$40.433</b>	<b>\$41.704</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$10.366)</b>	<b>(\$10.715)</b>	<b>(\$11.064)</b>	<b>(\$12.074)</b>	<b>(\$13.152)</b>
2006 Program to Eliminate the Gap	\$0.035	\$0.384	\$0.495	\$0.512	\$0.530
Post-2006 Program to Eliminate the Gap	\$0.000	\$0.000	\$0.239	\$1.225	\$2.285
Operating Cash Flow Adjustment	(\$0.006)	(\$0.006)	(\$0.007)	\$0.000	\$0.000
Depreciation Adjustment	\$10.337	\$10.337	\$10.337	\$10.337	\$10.337
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

NOTE: The Calendar Year is the Fiscal Year used by MTA-Staten Island Railway.

SOURCES: MTA 2006 Final Proposed Budget November Financial Plan 2006-2009, approved by the MTA Board on December 14, 2005.

**NEW YORK CITY TRANSIT**  
**2005-2008 FINANCIAL PLAN SUMMARY**  
**(Calendar Years; \$ in Millions)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES</b>					
Operating Revenue					
Farebox Revenue	\$2,704.5	\$2,788.2	\$2,816.0	\$2,846.4	\$2,853.8
Other Operating Revenue	255.6	250.8	260.1	270.0	280.7
<b>Total Operating Revenue</b>	<b>\$2,960.1</b>	<b>\$3,039.0</b>	<b>\$3,076.1</b>	<b>\$3,116.4</b>	<b>\$3,134.4</b>
<b>Capital &amp; Police Reimbursement</b>	<b>\$755.7</b>	<b>\$765.8</b>	<b>\$736.1</b>	<b>\$748.0</b>	<b>\$752.0</b>
<b>Subsidies</b>					
Bridges & Tunnels Surplus Transfer	\$198.8	\$156.1	\$142.8	\$133.9	\$118.7
Operating Assistance	316.4	316.4	316.4	316.4	316.4
Tax-Supported Subsidies	1,920.1	1,689.1	1,772.1	1,756.0	1,771.4
<b>Total Subsidies</b>	<b>2,435.2</b>	<b>2,161.6</b>	<b>2,231.3</b>	<b>2,206.2</b>	<b>2,206.5</b>
<b>TOTAL REVENUES AND SUBSIDIES</b>	<b>\$6,151.1</b>	<b>\$5,966.4</b>	<b>\$6,043.5</b>	<b>\$6,070.6</b>	<b>\$6,092.9</b>
<b>EXPENSES</b>					
<b>Nonreimbursable Expenses</b>					
<b>Personal Services</b>					
Salaries and Wages	\$2,627.9	\$2,668.6	\$2,723.2	\$2,812.7	\$2,882.5
Fringe Benefits	\$1,230.7	\$1,371.8	\$1,450.3	\$1,525.4	\$1,595.0
Reimbursable Overhead	(\$144.2)	(\$158.2)	(\$153.8)	(\$156.0)	(\$155.0)
<b>Total Personal Services</b>	<b>\$3,714.4</b>	<b>\$3,882.2</b>	<b>\$4,019.7</b>	<b>\$4,182.1</b>	<b>\$4,322.5</b>
<b>OTPS</b>	<b>\$1,053.9</b>	<b>\$1,122.8</b>	<b>\$1,162.0</b>	<b>\$1,197.5</b>	<b>\$1,258.8</b>
<b>Debt Service<sup>(1)</sup></b>	<b>\$444.5</b>	<b>\$568.6</b>	<b>\$648.2</b>	<b>\$743.0</b>	<b>\$869.5</b>
<b>Depreciation</b>	<b>\$962.3</b>	<b>\$1,074.5</b>	<b>\$1,228.1</b>	<b>\$1,381.7</b>	<b>\$1,535.3</b>
<b>Total Nonreimbursable Expenses</b>	<b>\$6,175.2</b>	<b>\$6,648.1</b>	<b>\$7,058.0</b>	<b>\$7,504.3</b>	<b>\$7,986.2</b>
<b>Total Reimbursable Expenses</b>	<b>\$755.7</b>	<b>\$765.8</b>	<b>\$736.1</b>	<b>\$748.0</b>	<b>\$752.0</b>
<b>TOTAL EXPENSES</b>	<b>\$6,930.9</b>	<b>\$7,413.9</b>	<b>\$7,794.1</b>	<b>\$8,252.3</b>	<b>\$8,738.2</b>
<b>BALANCE BEFORE OTHER MTA ACTIONS AND CASH FLOW ADJUSTMENTS</b>					
	<b>(\$779.8)</b>	<b>(\$1,447.4)</b>	<b>(\$1,750.6)</b>	<b>(\$2,181.6)</b>	<b>(\$2,645.3)</b>
Financial Stabilization Program	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
MTA Program to Eliminate GAP <sup>(2)</sup>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>OTHER ACTIONS AVAILABLE TO OFFSET OUTYEAR BUDGET GAPS<sup>(3)</sup></b>					
	\$0.0	\$0.0	\$0.0	\$650.5	\$1,020.1
<b>SUBSIDY CASH FLOW ADJUSTMENTS<sup>(4)</sup></b>					
	\$203.4	\$101.7	\$64.4	\$45.2	\$47.5
<b>DEPRECIATION ADJUSTMENT</b>					
	\$962.3	\$1,074.5	\$1,228.1	\$1,381.7	\$1,535.3
<b>CASH SURPLUS FROM PREVIOUS YEAR</b>					
	\$367.8	\$759.0	\$506.1	\$69.4	\$0.0
<b>SURPLUS / ( DEFICIT)</b>	<b>\$759.0</b>	<b>\$506.1</b>	<b>\$69.4</b>	<b>\$0.0</b>	<b>\$0.0</b>

NOTE: The Calendar Year is the Fiscal Year used by MTA-New York City Transit

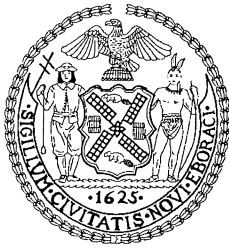
SOURCE: MTA 2006 Final Proposed Budget November Financial Plan 2006-2009, adopted by the MTA Board on December 14, 2005.

(1) Debt Service includes NYCT Base Debt Service plus Debt Service assumed by the MTA on behalf of NYCT.

(2) MTA PEGs (Program to Eliminate the Gap) includes various initiatives included in the MTA 2006 Final Proposed Budget approved by the MTA Board on December 14, 2005.

(3) Includes items not yet provided by the MTA. Typically includes Increased Ridership, Fare Collection, Expense Reductions, Management Initiatives, Cash Reserve, & Other Governmental

(4) Includes Operating Cash Flow Adjustments and Subsidy/Debt Service Cash Flow Adjustments.



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

February 1, 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. 06-2 to the Financial Plan for the City and Covered Organizations for fiscal years 2006-2010 (the "Modification"). The Modification as it relates to the City is attached hereto as Exhibit A. Any Covered Organization which requires modification will be forwarded to you under separate cover.

The Five 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 certain 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

A-1	Projection of Revenues and Expenditures
A-2	Projections 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)

<b>REVENUES</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
Taxes					
General Property Tax	\$ 12,434	\$ 12,780	\$ 13,686	\$ 14,361	\$ 15,039
Other Taxes <sup>1</sup>	19,347	18,866	18,376	19,407	20,500
Tax Audit Revenue	512	509	509	509	510
Miscellaneous Revenues	5,034	4,646	5,031	4,621	4,641
Unrestricted Intergovernmental Aid	490	340	340	340	340
Anticipated Federal & State Aid	-	350	250	250	250
FY 2005 Discretionary Transfer <sup>1</sup>	947	-	-	-	-
Less Intra-City Revenue	(1,428)	(1,284)	(1,282)	(1,284)	(1,285)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 37,321	\$ 36,192	\$ 36,895	\$ 38,189	\$ 39,980
Other Categorical Grants	947	915	926	941	945
Inter-Fund Revenues	373	365	346	346	346
Total City Funds & Inter-Fund Revenues	\$ 38,641	\$ 37,472	\$ 38,167	\$ 39,476	\$ 41,271
Federal Categorical Grants	5,608	4,911	4,900	4,899	4,902
State Categorical Grants	9,559	9,822	9,937	9,965	10,001
Total Revenues	\$ 53,808	\$ 52,205	\$ 53,004	\$ 54,340	\$ 56,174
<b>EXPENDITURES</b>					
Personal Service					
Salaries and Wages	\$ 18,804	\$ 18,955	\$ 19,166	\$ 19,308	\$ 19,522
Pensions	4,017	4,886	5,610	5,846	5,712
Fringe Benefits	6,655	6,928	6,270	6,592	6,854
Subtotal - Personal Service	\$ 29,476	\$ 30,769	\$ 31,046	\$ 31,746	\$ 32,088
Other Than Personal Service					
Medical Assistance	4,463	4,950	5,097	5,236	5,413
Public Assistance	2,446	2,441	2,445	2,445	2,445
Pay-As-You-Go Capital	200	200	200	200	200
All Other <sup>1</sup>	14,596	14,076	14,182	14,357	14,543
Subtotal - Other Than Personal Service	\$ 21,705	\$ 21,667	\$ 21,924	\$ 22,238	\$ 22,601
Debt Service <sup>1</sup>	3,273	3,997	4,453	4,840	5,181
FY2005 Budget Stabilization and Discretionary Transfers <sup>1</sup>	(2,582)	-	-	-	-
FY2006 Budget Stabilization and Discretionary Transfers <sup>2</sup>	3,254	(3,254)	-	-	-
MAC Debt Service/Administrative Expenses	10	10	10	-	-
General Reserve	100	300	300	300	300
Subtotal	\$ 55,236	\$ 53,489	\$ 57,733	\$ 59,124	\$ 60,170
Less Intra-City Expenses	(1,428)	(1,284)	(1,282)	(1,284)	(1,285)
Total Expenditures	\$ 53,808	\$ 52,205	\$ 56,451	\$ 57,840	\$ 58,885
<b>Gap To Be Closed</b>	\$ -	\$ -	\$ (3,447)	\$ (3,500)	\$ (2,711)

<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 \$3.254 billion.

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

<b>Sources of Cash</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
From Operations:					
Surplus/(Deficit)	\$ (2,936)	\$ -	\$ -	\$ -	\$ -
Provision for disallowances of aid revenues	15	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (2,936)	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	6,645	7,444	8,441	8,690	7,846
<b>Total Sources</b>	<b>\$ 3,709</b>	<b>\$ 9,844</b>	<b>\$ 10,841</b>	<b>\$ 11,090</b>	<b>\$ 10,246</b>
<b>Uses of Cash</b>					
Capital Disbursements	6,645	7,444	8,441	8,690	7,846
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400	2,400
<b>Total Uses</b>	<b>\$ 6,645</b>	<b>\$ 9,844</b>	<b>\$ 10,841</b>	<b>\$ 11,090</b>	<b>\$ 10,246</b>
Net Sources/(Uses) of Cash	\$ (2,936)	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 7,555	\$ 4,619	\$ 4,619	\$ 4,619	\$ 4,619
Cash Balance - End of Period	\$ 4,619	\$ 4,619	\$ 4,619	\$ 4,619	\$ 4,619

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

<b>Sources of Capital Cash</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
New York City General Obligation Bonds	\$ 4,460	\$ 4,740	\$ 5,200	\$ 4,910	\$ 4,500
Other Long-Term Sources:					
Water Authority	1,747	1,579	1,540	1,546	1,391
Pay-As-You-Go Capital	0	200	200	200	200
Total Long-Term Sources	\$ 6,207	\$ 6,519	\$ 6,940	\$ 6,656	\$ 6,091
Receipt of Federal, State and other Reimbursable Capital	544	803	1,416	1,934	1,855
Changes in Restricted Cash	(106)	122	85	100	(100)
Total Capital Plan Funding Sources	<u>\$ 6,645</u>	<u>\$ 7,444</u>	<u>\$ 8,441</u>	<u>\$ 8,690</u>	<u>\$ 7,846</u>



**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	\$ -	\$ 1,888	\$ 875	\$ 4,460
Water Authority <sup>1</sup>	0	800	272	675	1,747
<b>Total Borrowing to finance City Capital Program</b>	<b>\$ 1,697</b>	<b>\$ 800</b>	<b>\$ 2,160</b>	<b>\$ 1,550</b>	<b>\$ 6,207</b>

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper and revenue issued to finance the water and sewer system's capital program. Amounts do not include revenue bonds issued to permanent financing previously issued commercial paper.

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

**Projected Capital Commitments**

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
City	\$ 7,101	\$ 8,865	\$ 7,135	\$ 5,548	\$ 4,845	\$ 33,494
Non-City	1,099	2,818	2,585	2,603	159	9,264
<b>Total</b>	<b>\$ 8,200</b>	<b>\$ 11,683</b>	<b>\$ 9,720</b>	<b>\$ 8,151</b>	<b>\$ 5,004</b>	<b>\$ 42,758</b>

**Projected Capital Expenditures**

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	Total
City	\$ 6,101	\$ 6,641	\$ 7,025	\$ 6,756	\$ 5,991	\$ 32,514
Non-City <sup>1</sup>	544	803	1,416	1,934	1,855	6,552
<b>Total Capital Plan Expenditures</b>	<b>\$ 6,645</b>	<b>\$ 7,444</b>	<b>\$ 8,441</b>	<b>\$ 8,690</b>	<b>\$ 7,846</b>	<b>\$ 39,066</b>

## Notes:

1. Includes Federal, State and other Reimbursable Capital.