



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

October 26, 2007

**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. 08-1 to the Financial Plan for the City and Covered Organizations for fiscal years 2008-2011 (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 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 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**

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

<b>REVENUES</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Taxes				
General Property Tax	\$ 12,984	\$ 14,100	\$ 15,186	\$ 16,171
Other Taxes	22,215	21,456	22,221	22,696
Discretionary Transfers <sup>1</sup>	546	-	-	-
Tax Audit Revenue	659	559	560	560
Tax Reduction Program	(68)	(239)	(283)	(301)
Subtotal: Taxes	\$ 36,336	\$ 35,876	\$ 37,684	\$ 39,126
Miscellaneous Revenues	6,063	5,084	5,101	5,134
Unrestricted Intergovernmental Aid	340	340	340	340
Less: Intra-City Revenue	(1,457)	(1,367)	(1,368)	(1,368)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 41,267	\$ 39,918	\$ 41,742	\$ 43,217
Other Categorical Grants	1,067	1,007	1,012	1,014
Inter-Fund Revenues	436	411	403	398
Total City Funds & Inter-Fund Revenues	\$ 42,770	\$ 41,336	\$ 43,157	\$ 44,629
Federal Categorical Grants	5,606	5,373	5,358	5,344
State Categorical Grants	10,958	11,424	12,289	12,733
Total Revenues	\$ 59,334	\$ 58,133	\$ 60,804	\$ 62,706
<b>EXPENDITURES</b>				
Personal Service				
Salaries and Wages	\$ 21,189	\$ 22,323	\$ 24,082	\$ 25,353
Pensions	5,728	6,265	6,318	6,404
Fringe Benefits	6,406	6,815	7,282	7,795
Subtotal - Personal Service	\$ 33,323	\$ 35,403	\$ 37,682	\$ 39,552
Other Than Personal Service				
Medical Assistance	5,797	5,602	5,756	5,916
Public Assistance	1,187	1,187	1,187	1,187
Pay-As-You-Go Capital	100	200	200	200
All Other <sup>1</sup>	18,044	17,547	17,971	18,376
Subtotal - Other Than Personal Service	\$ 25,128	\$ 24,536	\$ 25,114	\$ 25,679
General Obligation, Lease and MAC Debt Service <sup>1, 2, 3</sup>	3,837	3,896	4,247	5,002
FY2007 Budget Stabilization & Discretionary Transfers <sup>1</sup>	(4,052)	-	-	-
FY2008 Budget Stabilization <sup>2</sup>	2,255	(2,255)	-	-
FY2009 Budget Stabilization <sup>3</sup>	-	350	(350)	-
General Reserve	300	300	300	300
Subtotal	\$ 60,791	\$ 62,230	\$ 66,993	\$ 70,533
Less: Intra-City Expenses	(1,457)	(1,367)	(1,368)	(1,368)
Total Expenditures	\$ 59,334	\$ 60,863	\$ 65,625	\$ 69,165
<b>Gap To Be Closed</b>	\$ -	\$ (2,730)	\$ (4,821)	\$ (6,459)

<sup>1</sup>. Fiscal Year 2007 Budget Stabilization and Discretionary Transfers total \$4.663 billion, including prepayments of subsidies of \$639 million, Budget Stabilization of \$3.313 billion, lease debt service of \$100 million, \$65 million in debt retirement and a TFA grant which increases FY 2008 revenues by \$546 million.

<sup>2</sup>. Fiscal Year 2008 Budget Stabilization totals \$2.255 billion.

<sup>3</sup>. Fiscal Year 2009 Budget Stabilization totals \$350 million.

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

<b>Sources of Cash</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
From Operations:				
Surplus/(Deficit)	\$ (413)	\$ -	\$ -	\$ -
Provision for disallowances of aid revenues	15	15	15	15
Disallowances Paid	(15)	(15)	(15)	(15)
Funds Provided/(Used) from Operations	\$ (413)	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	-	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	8,584	9,846	10,635	10,853
Total Sources	<u>\$ 8,171</u>	<u>\$ 12,246</u>	<u>\$ 13,035</u>	<u>\$ 13,253</u>
<b>Uses of Cash</b>				
Capital Disbursements	8,584	9,846	10,635	10,853
Repayment of Seasonal Borrowings	-	2,400	2,400	2,400
Total Uses	<u>\$ 8,584</u>	<u>\$ 12,246</u>	<u>\$ 13,035</u>	<u>\$ 13,253</u>
Net Sources/(Uses) of Cash	\$ (413)	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 4,473	\$ 4,060	\$ 4,060	\$ 4,060
Cash Balance - End of Period	\$ 4,060	\$ 4,060	\$ 4,060	\$ 4,060

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

<b>Sources of Capital Cash</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
New York City General Obligation Bonds	3,965	4,730	6,620	6,470
Other Long-Term Sources:				
Transitional Finance Authority	-	-	-	-
Water Authority	2,007	2,217	2,149	2,139
Pay-As-You-Go Capital	100	200	200	200
Total Long-Term Sources	6,072	7,147	8,969	8,809
Five Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	1,394	1,394	698	-
DASNY	823	222	-	-
Other Non-City Funds	687	907	875	1,950
Reimbursable Capital	2,904	2,523	1,573	1,950
Changes in Restricted Cash	(392)	176	93	94
Total Capital Plan Funding Sources	8,584	9,846	10,635	10,853

**New York City Financial Plan**  
**Fiscal Year 2008 Borrowing Schedule**  
(\$ in millions)

	<b>First Quarter</b>	<b>Second Quarter</b>	<b>Third Quarter</b>	<b>Fourth Quarter</b>	<b>Total Financing</b>
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ -	\$ 1,865	\$ 1,400	\$ 700	\$ 3,965
Transitional Finance Authority <sup>1</sup>	-	-	-	-	-
Water Authority <sup>1</sup>	-	800	750	457	2,007
Pay-As-You-Go Capital	-	-	-	100	100
Total Borrowing to Finance City Capital Program	\$ -	\$ 2,665	\$ 2,150	\$ 1,257	\$ 6,072

## 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 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 10,558	\$ 11,060	\$ 8,067	\$ 7,356	\$ 37,041
Non-City	4,068	2,939	1,531	1,514	10,052
Total	<u>\$ 14,626</u>	<u>\$ 13,999</u>	<u>\$ 9,598</u>	<u>\$ 8,870</u>	<u>\$ 47,093</u>

**Projected Capital Expenditures**

	FY 2008	FY 2009	FY 2010	FY 2011	Total
City	\$ 5,680	\$ 7,323	\$ 9,062	\$ 8,903	\$ 30,968
Non-City <sup>1</sup>	2,904	2,523	1,573	1,950	8,950
City-administered Capital Plan	<u>\$ 8,584</u>	<u>\$ 9,846</u>	<u>\$ 10,635</u>	<u>\$ 10,853</u>	<u>\$ 39,918</u>
Total Capital Plan Expenditures	<u>\$ 8,584</u>	<u>\$ 9,846</u>	<u>\$ 10,635</u>	<u>\$ 10,853</u>	<u>\$ 39,918</u>

## Notes:

1. Includes Federal, State and other Reimbursable Capital.