

The City of New York
Office of Management and Budget
255 Greenwich Street - New York, New York 10007 - 2146
(212) 788-5900

Dean Fuleihan
Director

April 26, 2016

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. 16-3 to the Financial Plan for the City and Covered Organizations for fiscal years 2016-2020 (the "Modification") as such plan relates to fiscal year 2016. The fiscal year 2016 Financial Plan has been prepared in accordance with generally accepted accounting principles ("GAAP") except for the application of Statement No. 49 of the Government Accounting Standards Board ("GASB 49"), and with the exception of that portion of the Modification related to Covered Organizations, which are prepared on a cash basis. The Modification as it relates to the City is attached hereto as Exhibit A. The Plans for the Covered Organizations which require modification will be forwarded to you under separate cover.

The City hereby certifies that, in its judgment, 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 'D. Fuleihan', written in a cursive style.

Dean Fuleihan

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EXHIBIT A

CITY OF NEW YORK - FINANCIAL PLAN

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FY 2016 Financial Plan Revenues and Expenditures
(\$ in millions)

REVENUES	Plan	Revised Plan	Increase/ (Decrease)
Taxes			
General Property Tax	\$ 22,556	\$ 22,815	\$ 259
Other Taxes	29,804	29,873	69
Tax Audit Revenue	995	1,060	65
Subtotal: Taxes	\$ 53,355	\$ 53,748	\$ 393
Miscellaneous Revenues	6,917	7,070	153
Unrestricted Intergovernmental Aid	4	6	2
Less: Intra-City Revenue	(2,001)	(1,983)	18
Disallowances Against Categorical Grants	(15)	(15)	-
Subtotal: City Funds	\$ 58,260	\$ 58,826	\$ 566
Other Categorical Grants	763	705	(58)
Inter-Fund Revenues	606	583	(23)
Federal Categorical Grants	8,664	8,467	(197)
State Categorical Grants	13,416	13,485	69
Total Revenues	\$ 81,709	\$ 82,066	\$ 357
EXPENDITURES			
Personal Service			
Salaries and Wages	\$ 25,601	\$ 25,364	\$ (237)
Pensions	9,343	9,288	(55)
Fringe Benefits	9,318	9,250	(68)
Retiree Health Benefits Trust	-	250	250
Subtotal - Personal Service	\$ 44,262	\$ 44,152	\$ (110)
Other Than Personal Service			
Medical Assistance	6,078	5,817	(261)
Public Assistance	1,481	1,481	-
All Other	26,811	26,811	-
Subtotal - Other Than Personal Service	\$ 34,370	\$ 34,109	\$ (261)
Debt Service ^{1,2,3}	6,110	6,009	(101)
Debt Defeasances ¹	(103)	(103)	-
FY 2015 Budget Stabilization ²	(3,524)	(3,524)	-
FY 2016 Budget Stabilization ³	2,295	3,356	1,061
Capital Stabilization Reserve	-	-	-
General Reserve	300	50	(250)
Subtotal	\$ 83,710	\$ 84,049	\$ 339
Less: Intra-City Expenses	(2,001)	(1,983)	18
Total Expenditures	\$ 81,709	\$ 82,066	\$ 357
Gap To Be Closed	\$ -	\$ -	\$ -

¹ Includes Debt Defeasances of TFA in Fiscal Year 2013 of \$196 million impacting Fiscal Year 2014 through Fiscal Year 2016.

² Fiscal Year 2015 Budget Stabilization totals \$3.601 billion, including GO of \$1.976 billion, TFA-PIT of \$1.501 billion, TFA-BARBs of \$77 million, and net equity contribution in bond refunding of \$47 million.

³ Fiscal Year 2016 Budget Stabilization totals \$3.356 billion, including GO of \$1.660 billion and TFA-PIT of \$1.696 billion.

**New York City Financial Plan
FY 2016 Projections of Cash Sources and Uses
(\$ in millions)**

Sources of Cash	Plan	Revised Plan	Increase/ (Decrease)
Funds Provided/(Used) from Operations	\$ 2,279	\$ 2,507	\$ 228
Proceeds from Seasonal Borrowings	-	-	-
Capital Plan Funding Sources (see Exhibit A-3)	8,385	8,288	(97)
Total Sources of Cash	\$ 10,664	\$ 10,795	\$ 131
Uses of Cash			
Capital Disbursements	\$ 8,385	\$ 8,288	\$ (97)
Repayment of Seasonal Borrowings	-	-	-
Total Uses of Cash	\$ 8,385	\$ 8,288	\$ (97)
Net Sources/(Uses) of Cash	\$ 2,279	\$ 2,507	\$ 228
Cash Balance - Beginning of Period	\$ 9,502	\$ 9,502	-
Cash Balance - End of Period	\$ 11,781	\$ 12,009	\$ 228

**New York City Financial Plan
FY 2016 Capital Plan Funding Sources
(\$ in millions)**

Sources of Capital Cash	Plan	Revised Plan	Increase/ (Decrease)
New York City General Obligation Bonds	\$ 1,100	\$ -	\$ (1,100)
Other Long-Term Sources:			
TFA-PIT	3,950	3,650	(300)
Water Authority	1,404	1,124	(280)
Subtotal Long-Term Sources	\$ 6,454	\$ 4,774	\$ (1,680)
Education Capital Plan			
TFA - Building Aid Revenue Bonds	683	993	310
Other State Funded Financing	78	-	(78)
Change in Non-City Cash	-	-	-
Other Non-City Funds	711	796	85
Subtotal Reimbursable Capital	\$ 1,472	\$ 1,789	\$ 317
Financial Plan Adjustment	459	1,725	1,266
Total Capital Plan Funding Sources	\$ 8,385	\$ 8,288	\$ (97)

**New York City Financial Plan
FY 2016 Borrowing Schedule
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment	-	-	-	-	-
Total Short-Term Borrowing (Repayment)	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Borrowing:					
New York City General Obligation	\$ -	\$ -	\$ -	\$ -	\$ -
Transitional Financial Authority (TFA-PIT)	1,150	600	1,150	750	3,650
Water Authority ¹	620	-	200	304	1,124
Total Borrowing to Finance City Capital Program	\$ 1,770	\$ 600	\$ 1,350	\$ 1,054	\$ 4,774

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper, Bond Anticipation Notes, releases from debt service reserve funds, 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
FY 2016 Capital Plan
(\$ in millions)**

Projected Capital Commitments

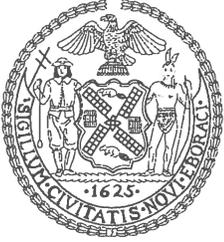
	Plan	Revised Plan	Change
City	\$ 10,171	\$ 9,378	\$ (793)
Non-City	1,985	1,685	(300)
Total	<u>\$ 12,156</u>	<u>\$ 11,063</u>	<u>\$ (1,093)</u>

Projected Capital Expenditures

	Plan	Revised Plan	Change
City	\$ 6,913	\$ 6,499	\$ (414)
Non-City ¹	1,472	1,789	317
Total	<u>\$ 8,385</u>	<u>\$ 8,288</u>	<u>\$ (97)</u>

Notes:

1. Includes Federal, State and other Reimbursable Capital.



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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 2017-2020 (the "Plan"). The Plans for the Covered Organizations will be forwarded to you under separate cover.

The Four Year Financial Plan has been prepared, in accordance with generally accepted accounting principles ("GAAP") except for the application of Statement No. 49 of the Government Accounting Standards Board ("GASB 49"), and 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 judgment, the Plan 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 "D. Fuleihan".

Dean Fuleihan

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

REVENUES	FY 2017	FY 2018	FY 2019	FY 2020
Taxes				
General Property Tax	\$ 23,981	\$ 25,397	\$ 26,900	\$ 28,165
Other Taxes	29,948	31,105	32,101	33,208
Tax Audit Revenue	714	714	714	714
Subtotal: Taxes	\$ 54,643	\$ 57,216	\$ 59,715	\$ 62,087
Miscellaneous Revenues	6,500	6,432	6,577	6,777
Unrestricted Intergovernmental Aid	-	-	-	-
Less: Intra-City Revenue	(1,763)	(1,764)	(1,758)	(1,765)
Disallowances Against Categorical Grants	(15)	(15)	(15)	(15)
Subtotal: City Funds	\$ 59,365	\$ 61,869	\$ 64,519	\$ 67,084
Other Categorical Grants	851	834	832	828
Inter-Fund Revenues	645	643	582	581
Federal Categorical Grants	7,677	6,811	6,680	6,618
State Categorical Grants	13,682	14,291	14,761	15,247
Total Revenues	\$ 82,220	\$ 84,448	\$ 87,374	\$ 90,358
EXPENDITURES				
Personal Service				
Salaries and Wages	\$ 26,153	\$ 27,555	\$ 29,086	\$ 29,590
Pensions	9,422	9,710	9,853	9,785
Fringe Benefits	9,862	10,411	11,088	11,874
Retiree Health Benefits Trust	-	-	-	-
Subtotal: Personal Service	\$ 45,437	\$ 47,676	\$ 50,027	\$ 51,249
Other Than Personal Service				
Medical Assistance	5,915	5,915	5,915	5,915
Public Assistance	1,584	1,602	1,613	1,624
All Other	26,275	25,758	26,050	26,440
Subtotal: Other Than Personal Service	\$ 33,774	\$ 33,275	\$ 33,578	\$ 33,979
Debt Service ^{1,2,3}	6,628	6,996	7,504	8,164
Debt Defeasances ¹	-	-	-	-
FY 2015 Budget Stabilization ²	-	-	-	-
FY 2016 Budget Stabilization ³	(3,356)	-	-	-
Capital Stabilization Reserve	500	-	-	-
General Reserve	1,000	1,000	1,000	1,000
Subtotal	\$ 83,983	\$ 88,947	\$ 92,109	\$ 94,392
Less: Intra-City Expenses	(1,763)	(1,764)	(1,758)	(1,765)
Total Expenditures	\$ 82,220	\$ 87,183	\$ 90,351	\$ 92,627
Gap To Be Closed	\$ -	\$ (2,735)	\$ (2,977)	\$ (2,269)

¹ Includes Debt Defeasances of TFA in Fiscal Year 2013 of \$196 million impacting Fiscal Year 2014 through Fiscal Year 2016.

² Fiscal Year 2015 Budget Stabilization totals \$3.601 billion, including GO of \$1.976 billion, TFA-PIT of \$1.501 billion, TFA-BARBs of \$77 million, and net equity contribution in bond refunding of \$47 million.

³ Fiscal Year 2016 Budget Stabilization totals \$3.356 billion, including GO of \$1.660 billion and TFA-PIT of \$1.696 billion.

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

Sources of Cash	FY 2017	FY 2018	FY 2019	FY 2020
Funds Provided/(Used) from Operations	\$ -	\$ -	\$ -	\$ -
Proceeds from Seasonal Borrowings	2,400	2,400	2,400	2,400
Capital Plan Funding Sources (see Exhibit A-3)	9,299	10,876	11,727	11,477
Total Sources of Cash	\$ 11,699	\$ 13,276	\$ 14,127	\$ 13,877
Uses of Cash				
Capital Disbursements	\$ 9,299	\$ 10,876	\$ 11,727	\$ 11,477
Repayment of Seasonal Borrowings	2,400	2,400	2,400	2,400
Total Uses of Cash	\$ 11,699	\$ 13,276	\$ 14,127	\$ 13,877
Net Sources/(Uses) of Cash	\$ -	\$ -	\$ -	\$ -
Cash Balance - Beginning of Period	\$ 12,009	\$ 12,009	\$ 12,009	\$ 12,009
Cash Balance - End of Period	\$ 12,009	\$ 12,009	\$ 12,009	\$ 12,009

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

Sources of Capital Cash	FY 2017	FY 2018	FY 2019	FY 2020
New York City General Obligation Bonds	\$ 2,250	\$ 3,650	\$ 4,040	\$ 4,120
Other Long-Term Sources:				
TFA-PIT	3,375	3,650	4,040	4,120
Water Authority	2,083	1,760	1,808	1,770
Subtotal Long-Term Sources	\$ 7,708	\$ 9,060	\$ 9,888	\$ 10,010
Four Year Education Capital Plan				
TFA - Building Aid Revenue Bonds	533	217	178	60
Other State Funded Financing	78	150	180	107
Change in Non-City Cash	-	-	-	-
Other Non-City Funds	853	1,206	1,221	1,056
Subtotal Reimbursable Capital	\$ 1,464	\$ 1,573	\$ 1,579	\$ 1,223
Financial Plan Adjustment	127	243	260	244
Total Capital Plan Funding Sources	\$ 9,299	\$ 10,876	\$ 11,727	\$ 11,477

**New York City Financial Plan
FY 2017 Borrowing Schedule
(\$ in millions)**

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Financing
Short-Term Borrowing:					
Borrowing	\$ -	\$ 2,400	\$ -	\$ -	\$ 2,400
Repayment	-	-	-	(2,400)	(2,400)
Total Short-Term Borrowing (Repayment)	\$ -	\$ 2,400	\$ -	\$ (2,400)	\$ -
Capital Borrowing:					
New York City General Obligation	\$ 1,125	\$ -	\$ 1,125	\$ -	\$ 2,250
Transitional Financial Authority (TFA-PIT)	1,125	-	1,125	1,125	3,375
Water Authority ¹	850	400	800	33	2,083
Total Borrowing to Finance City Capital Program	\$ 3,100	\$ 400	\$ 3,050	\$ 1,158	\$ 7,708

Notes:

1. Excludes costs of issuance and reserve fund allocations and reflects Water Authority Commercial Paper, Bond Anticipation Notes, releases from debt service reserve funds, 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 2017	FY 2018	FY 2019	FY 2020	Total
City	\$ 13,526	\$ 10,934	\$ 10,420	\$ 9,822	\$ 44,702
Non-City	2,797	1,885	886	479	6,047
Total	<u>\$ 16,323</u>	<u>\$ 12,819</u>	<u>\$ 11,306</u>	<u>\$ 10,301</u>	<u>\$ 50,749</u>

Projected Capital Expenditures

	FY 2017	FY 2018	FY 2019	FY 2020	Total
City	\$ 7,835	\$ 9,303	\$ 10,148	\$ 10,254	\$ 37,540
Non-City ¹	1,464	1,573	1,579	1,223	5,839
Total	<u>\$ 9,299</u>	<u>\$ 10,876</u>	<u>\$ 11,727</u>	<u>\$ 11,477</u>	<u>\$ 43,379</u>

Notes:

1. Includes Federal, State and other Reimbursable Capital.