

MTA BRIDGES AND TUNNELS

Metropolitan Transportation Authority
MTA Bridges and Tunnels
Reconciliation of 2004 Preliminary Budget with Revised 2003 Budget
(\$ in millions)

	Variance: favorable / (unfavorable)		
	2003	2004	Two-Year Total
Net Operating Income Target - Approved March 2003 Plan	\$681.4	\$728.3	\$1,409.7
<i>Eliminate Unspecified PEG for 2004 - March 2003 Plan</i>	<i>\$0.0</i>	<i>(\$8.0)</i>	<i>(\$8.0)</i>
Adjusted Net Operating Income - March 2003 Plan	\$681.4	\$720.3	\$1,401.7
2004 Unspecified PEG Now Identified	\$0.0	\$8.0	\$8.0
Additional Operating PEG (includes revenue)	<u>17.3</u>	<u>43.6</u>	<u>60.9</u>
Total Operating PEG	\$17.3	\$51.6	\$69.0
New Needs	<u>(\$5.1)</u>	<u>(\$16.0)</u>	<u>(\$21.1)</u>
Total New Needs and Other Adjustments	(\$5.1)	(\$16.0)	(\$21.1)
Baseline Net Operating Income - July 2003 Plan	\$693.6	\$755.9	\$1,449.6
<i>variance: compared with Approved March 2003 Plan</i>	<i>\$12.3</i>	<i>\$27.6</i>	<i>\$39.9</i>

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
Revenues						
Toll Revenue	986,822	994,429	7,607	1,046,724	1,058,498	11,774
Other Income	6,733	44,022	37,289	7,308	34,983	27,675
Interest Income	6,450	6,450	0	6,450	6,450	0
Total Revenues	1,000,005	1,044,901	44,896	1,060,482	1,099,931	39,449
Personnel Expenses						
Employee Salaries-Regular	102,805	102,669	136	104,048	108,327	(4,279)
Employee Salaries-Overtime	23,439	26,307	(2,868)	23,794	23,488	306
Fringe Benefits	38,023	37,508	515	41,181	43,706	(2,525)
Total Personnel Expenses	164,267	166,484	(2,217)	169,023	175,521	(6,498)
Other than Personnel Services						
Outside Technical & Maintenance Services	93,771	93,453	318	102,247	84,170	18,077
Bridge Painting	29,500	29,500	0	29,000	19,500	9,500
Major Maintenance	25,092	25,092	0	22,945	28,378	(5,433)
2 Broadway Operating Expenses	9,588	9,577	11	9,879	9,743	136
Maint. of Toll Equipment	7,552	6,779	773	7,646	6,800	846
Power	4,530	4,530	0	4,589	4,299	290
Supplies	4,681	5,020	(339)	4,829	4,632	197
Equipment Purchases	2,664	2,762	(98)	3,387	3,115	272
Maintenance Materials	3,417	3,371	46	3,382	3,214	168
Insurance	9,339	9,339	0	9,443	9,443	0
Other	3,334	3,296	38	3,306	3,760	(454)
Total Other Than Personnel	193,468	192,720	748	200,653	177,054	23,599
Total Operating Expenses	357,735	359,204	(1,469)	369,676	352,575	17,101
Less: Capital & Other Reimbursements	39,101	7,910	(31,191)	29,511	8,549	(20,962)
Net Operating Expenses	318,634	351,294	(32,660)	340,165	344,026	(3,861)
Net Operating Income	681,371	693,607	12,236	720,317	755,905	35,588
Total Revenues	1,000,005	1,044,901	44,896	1,060,482	1,099,931	39,449
Net Operating Expenses	318,634	351,294	(32,660)	340,165	344,026	(3,861)
Net Operating Income	681,371	693,607	12,236	720,317	755,905	35,588
Additional Agency PEG	0	0	0	8,000	0	(8,000)
Net Operating Income	681,371	693,607	12,236	728,317	755,905	27,588

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
Net Operating Income	681,371	693,607	12,236	728,317	755,905	27,588
<u>Deductions from Operating Income:</u>						
Capitalized Assets	10,533	6,673	3,860	12,206	12,206	0
Reserves	11,467	11,467	0	14,140	14,140	0
Debt Service	343,029	343,906	(877)	459,283	423,251	36,032
Total Deduction from Operating Income	365,029	362,046	2,983	485,629	449,597	36,032
Income Available For Distribution	316,342	331,561	15,219	242,688	306,308	63,620
Distributable To:						
M.T.A. - Investment Income	6,450	6,450	0	6,450	6,450	0
M.T.A. - Distributable Income	195,312	200,397	5,085	180,035	203,533	23,498
N.Y.C.T. - Distributable Income	114,580	124,714	10,134	56,203	96,325	40,122
Total Distributable Income	316,342	331,561	15,219	242,688	306,308	63,620
Actual Cash Transfers:						
M.T.A. - Investment Income	14,727	14,727	0	6,450	6,450	0
M.T.A. - Transfers	236,110	240,686	4,576	181,563	203,220	21,657
N.Y.C.T. - Transfers	194,411	203,532	9,121	62,041	99,164	37,123
Total Cash Transfers	445,249	458,946	13,697	250,053	308,833	58,780
<u>ADJUSTED NET OPERATING INCOME</u>						
Total Revenues	1,000,005	1,044,901	44,896	1,060,482	1,099,931	39,449
Less: Investment Income	6,450	6,450	0	6,450	6,450	0
Net Operating Expenses	318,634	351,294	(32,660)	340,165	344,026	(3,861)
Capitalized Assets	10,533	6,673	3,860	12,206	12,206	0
Reserves	11,467	11,467	0	14,140	14,140	0
Total Deduction from Net Operating Income:	347,084	375,884	(28,800)	372,961	376,822	(3,861)
Adjusted Net Operating Income	652,921	669,017	16,096	687,521	723,109	35,588
Additional Agency PEG	0	0	0	8,000	0	(8,000)
Adj Net Operating Inc with GAP Closing	652,921	669,017	16,096	695,521	723,109	27,588

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
Adj Net Operating Inc with GAP Closing	652,921	669,017	16,096	695,521	723,109	27,588
<u>SUPPORT TO MASS TRANSIT</u>						
Total Revenues	1,000,005	1,044,901	44,896	1,060,482	1,099,931	39,449
Less: Net Operating Expenses	318,634	351,294	(32,660)	340,165	344,026	(3,861)
Additional Agency PEG	0	0	0	8,000	0	(8,000)
Net Operating Income	681,371	693,607	12,236	728,317	755,905	27,588
Deductions from Operating Income:						
B&T Debt Service	77,658	78,411	(753)	90,473	90,848	(375)
Capitalized Assets	10,533	6,673	3,860	12,206	12,206	0
Reserves	11,467	11,467	0	14,140	14,140	0
Total Deductions from Operating Income:	99,658	96,551	3,107	116,819	117,194	(375)
Total Available for Mass Transit	581,713	597,056	15,343	611,498	638,711	27,213

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

Reconciliation of Revised 2003 Budget to 2003 Mid-Year Forecast

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
<u>Revenues</u>					
Toll Revenue	\$986,822	\$994,429	\$7,607	\$7,607	Higher toll revenues resulting from greater than planned traffic levels through mid-June are expected to continue (\$8,786K) except at the Verrazano-Narrows Bridge where the expected lifting of restrictions in July 2003 on 2- and 3-axle trucks at the Holland Tunnel will result in lower truck traffic (-\$1,179K).
Other Income	\$6,733	\$44,022	\$37,289	\$25,804	Reclassification of 2003 security-related reimbursements from Capital & Other Reimbursements.
				\$10,500	Reclassification of 2002 security-related reimbursements from Capital & Other Reimbursements.
				\$1,140	Increase in miscellaneous E-ZPass fees associated with the tag replacement program and collections on revoked accounts.
				\$345	Income from fees paid by the Port Authority for B&T E-ZPass Plus customer usage at the three metropolitan area airport parking lots.
				(\$500)	Lower daily receipts from parking fees at the Battery Parking Garage.
Interest Income	\$6,450	\$6,450	\$0	\$0	No change in 2003
<u>Total Revenues</u>	\$1,000,005	\$1,044,901	\$44,896		
<u>Personnel Expenses</u>					
Employee Salaries-Regular	\$102,805	\$102,669	\$136	\$470	Re-estimate of salary and wage increases for represented and non-represented employees.
				(\$311)	Salaries for the hire of 35 BTOs for perimeter security for field deployment by the fourth quarter of 2003. (Offset by corresponding savings in overtime and fringe benefits - see below.)
				(\$23)	Other
Employee Salaries-Overtime	\$23,439	\$26,307	(\$2,868)	\$885	Overtime savings from the hire of 35 BTOs for perimeter security for field deployment by the fourth quarter of 2003.
				\$246	The result of re-estimated salary and wage increases on overtime for represented and non-represented employees.
				(\$3,997)	Additional overtime expenditures primarily due to unbudgeted orange and yellow alert status. (Orange alert was budgeted at 36 days; the revised budget increases to 87 orange alert days).
				(\$2)	Other

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
Fringe Benefits	\$38,023	\$37,508	\$515		
				\$672	The result of re-estimated salary and wage increases on fringe benefits for represented and non-represented employees.
				\$353	Revised estimate for pension expenditures from NYCERS based on actuals through June 2003.
				(\$400)	Fringe benefits for overtime expenditures due to increased orange and yellow alert status.
				(\$20)	Increase in fringe benefits from the hire of 35 BTOs for perimeter security.
				(\$90)	Other
Total Personnel Expenses	\$164,267	\$166,484	(\$2,217)		
<u>Other Than Personnel Exp.</u>					
Outside Tech. & Maint. Services	\$93,771	\$93,453	\$318		
				\$384	Lower expenditures for E-ZPass tags that resulted from an analysis of new account growth rates, tags returned, existing inventories, and tags needed for the B&T E-ZPass tag swap program.
				\$369	Re-estimate of B&T's preventive maintenance for electrical distribution systems.
				\$339	Revised estimate for bond insurance fees.
				\$234	Savings realized from planning studies including Environmental Assessment and Origin and Destination studies.
				(\$902)	Increase in credit card fee expenditures associated with both E-ZPass and E-ZPass Plus programs.
				(\$106)	Other
Bridge Painting	\$29,500	\$29,500	\$0	\$0	No change in 2003.
Major Maintenance	\$25,092	\$25,092	\$0	\$0	No change in 2003.
2 Broadway Operating Exp.	\$9,588	\$9,577	\$11	\$11	Decrease in 2 Broadway miscellaneous expenditures.
Maint. of Toll Equipment	\$7,552	\$6,779	\$773		
				\$694	A new contract for toll equipment maintenance has resulted in lower than planned expenditures.
				\$79	Other
Power	\$4,530	\$4,530	\$0	\$0	No change in 2003.

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2003 Budget	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
Supplies	\$4,681	\$5,020	(\$339)		
				(\$265)	Increase in purchase of firearms, clothing and equipment related to the hiring of additional security staff.
				(\$147)	Revised estimate for procurement credit card-related purchases.
				\$73	Other
Equipment Purchases	\$2,664	\$2,762	(\$98)		
				(\$200)	Revised estimate for automotive equipment.
				\$44	Revised estimate for security surveillance equipment.
				\$58	Other
Maintenance Materials	\$3,417	\$3,371	\$46		
				\$56	Lower expenditures for traffic cones based on current inventory.
				(\$10)	Other
Insurance	\$9,339	\$9,339	\$0		
				\$0	No change in 2003.
Other	\$3,334	\$3,296	\$38		
				\$99	Savings in photo and reproduction services and publications.
				\$40	Savings in postage.
				\$36	Savings in mail/delivery services.
				\$29	Re-estimate in the amount of advertising.
				(\$339)	Increase in miscellaneous E-ZPass expenditures.
				\$173	Other
Total OTPS	\$193,468	\$192,720	\$748		
<u>Capital & Other Reimb.</u>					
Capital & Other Reimbursements	\$39,101	\$7,910	\$31,191	\$31,191	Reimbursement for security expenditures moved to Other Income.
Net Operating Expenses	\$318,634	\$351,294	\$32,660		
NET OPERATING INCOME	\$681,371	\$693,607	\$12,236		

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

Reconciliation of Revised 2004 Projection to 2004 Preliminary Budget

	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
<u>Revenues</u>					
Toll Revenue	\$1,046,724	\$1,058,498	\$11,774	\$11,774	Higher toll revenues resulting from greater than planned traffic levels through mid-June 2003 are expected to continue (\$14,131K) except at the Verrazano-Narrows Bridge where the expected lifting of restrictions in July 2003 on 2- and 3-axle trucks at the Holland Tunnel will result in lower truck traffic (-\$2,357K)
Other Income	\$7,308	\$34,983	\$27,675	\$26,195	Reclassification of 2004 security-related reimbursements from Capital & Other Reimbursements.
				\$1,140	Increase in miscellaneous E-ZPass fees associated with the tag replacement program and collections on revoked accounts.
				\$840	Income from fees paid by the Port Authority for B&T E-ZPass Plus customer usage at the three metropolitan area airport parking lots.
				(\$500)	Lower daily receipts from parking fees at the Battery Parking Garage.
Interest Income	\$6,450	\$6,450	\$0	\$0	No change in 2004
Total Revenues	\$1,060,482	\$1,099,931	\$39,449		
<u>Personnel Expenses</u>					
Employee Salaries-Regular	\$104,048	\$108,327	(\$4,279)	\$106	Lower Temp BTO salaries associated with BTO training relief.
				(\$2,208)	Hiring of 61 personnel for security positions, which is partially offset by savings in overtime and fringe benefits (see below).
				(\$1,336)	Re-estimate of future wage increases for represented and non-represented employees.
				(\$720)	Step-up increases for 2002 BTO hires.
				(\$79)	Salary for one Network Security Analyst to meet the additional requirements that are being developed through an MTA all-agency network security policy.
				(\$50)	Salary for one Accountant to assist with new accounting requirements including producing quarterly financial statements.
				\$8	Other

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
Employee Salaries-Overtime	\$23,794	\$23,488	\$306		
				\$5,188	Savings from converting overtime into 61 additional security positions.
				(\$4,217)	Higher overtime for additional orange and additional yellow alert status.
				(\$684)	Higher BTO overtime associated with BTO training relief.
				(\$256)	The result of re-estimated salary and wage increases on overtime for represented and non-represented employees.
				\$275	Other
Fringe Benefits	\$41,181	\$43,706	(\$2,525)		
				\$882	Revised estimate for 2004 pension expenditures.
				\$519	Savings in fringe benefits from converting overtime into 61 additional security positions.
				(\$843)	Fringe benefits associated with the salaries for 61 additional security personnel.
				(\$544)	Fringe benefits associated with the re-estimation of future wage increases for represented and non-represented employees.
				(\$422)	Fringe benefits for additional orange and additional yellow alert overtime.
				(\$275)	Fringe benefits for step-up increases for 2002 BTO hires.
				(\$50)	Fringe benefits for two new positions.
				(\$1,792)	Fringe rate increases for medical expenses (for all other employees not incorporated above), based on NYSHIP estimates.
Total Personnel Expenses	\$169,023	\$175,521	(\$6,498)		
<u>Other Than Personnel Exp.</u>					
Outside Tech. & Maint. Service	\$102,247	\$84,170	\$18,077		
				\$16,620	Lower expenditures for E-ZPass tags that resulted from an analysis of new account growth rates, tags returned, existing inventories, and tags needed for the B&T E-ZPass tag swap program.
				\$2,981	B&T's share of expenditures to operate the E-ZPass New York Customer Service Center are projected to be lower than originally planned.
				(\$1,667)	Increase in credit card fee expenditures associated with both the E-ZPass and E-ZPass Plus programs.
				\$143	Other
Bridge Painting	\$29,000	\$19,500	\$9,500		
				\$9,500	Painting rescheduled at Throgs Neck Bridge until cable rewrapping capital project is completed.
Major Maintenance	\$22,945	\$28,378	(\$5,433)		
				(\$5,433)	Increases in various major maintenance projects.
2 Broadway Operating Exp.	\$9,879	\$9,743	\$136		
				\$136	Decrease in 2 Broadway miscellaneous expenditures.

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)	Variance	Variance Explanations
Maint. of Toll Equipment	\$7,646	\$6,800	\$846	\$839	A new contract for toll equipment maintenance has resulted in lower than planned expenditures.
				\$7	Other
Power	\$4,589	\$4,299	\$290	\$276	Lower expected electrical expenditures from the New York Power Authority (NYPA).
				\$14	Other
Supplies	\$4,829	\$4,632	\$197	\$93	Lower expected expenditures for fuel oil and auto parts.
				\$104	Other
Equipment Purchases	\$3,387	\$3,115	\$272	\$136	Reduction in computer hardware purchases.
				\$56	Reduction in purchase of office equipment.
				\$45	Savings in furniture expenditures.
				\$35	Other
Maintenance Materials	\$3,382	\$3,214	\$168	\$44	Savings in general maintenance materials.
				\$53	Savings in purchases for hardware, tools and HVAC materials.
				\$71	Other
Insurance	\$9,443	\$9,443	\$0	\$0	No change in 2004.
Other	\$3,306	\$3,760	(\$454)	\$93	Re-estimate in the amount of advertising.
				\$73	Savings in miscellaneous communications expenditures.
				\$39	Savings in mail/delivery services.
				(\$339)	Increase in miscellaneous E-ZPass expenditures.
				(\$311)	Increase in expenditures for an emergency back-up phone system.
				\$30	Other
Total OTPS	\$200,653	\$177,054	\$23,599		

MTA BRIDGES AND TUNNELS
TABLE 1 - 2003-2004 FINANCIAL PLAN
(\$ in thousands)

	Revised 2004 Projection	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
<u>Capital & Other Reimb.</u>			
Capital & Other Reimbursements	\$29,511	\$8,549	\$20,962
Net Operating Expenses	\$340,165	\$344,026	\$3,861
Additional Agency PEG	\$8,000	\$0	(\$8,000)
NET OPERATING INCOME	\$728,317	\$755,905	\$27,588

Variance	Variance Explanations
\$20,962	Reimbursement for security expenditures moved to Other Income.
(\$8,000)	PEG incorporated in 2004 revenues and expenses.

MTA Bridges and Tunnels
Plan-to-Plan Changes *
Favorable / (Unfavorable)
(\$ in millions)

	<u>2003</u>	<u>2004</u>	<u>Total</u>
Operating Surplus Transfer - Approved March Plan	\$432.8	\$275.4	\$708.3
Toll Revenue	7.6	11.8	19.4
Other Revenue	37.3	27.7	65.0
Expenses	(1.5)	9.1	7.6
Other Charges	(31.2)	(21.0)	(52.2)
B&T Debt Service	(0.8)	(0.4)	(1.1)
Debt Service for the Benefit of Mass Transit	(0.1)	36.4	36.3
Other	0.0	(4.9)	(4.9)
Operating Surplus Transfer - July Plan	\$444.2	\$334.2	\$778.4

* This includes New Needs (\$21.1 million) and PEGs (\$68.9 million), resulting in a net benefit of \$47.8 million.

MTA BRIDGES AND TUNNELS
TABLE 1 - 2002-2004 FINANCIAL PLAN
(\$ in thousands)

	2002 Actuals	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
<u>Revenues</u>					
Toll Revenue	933,134	994,429	61,295	1,058,498	64,069
Other Income	6,627	44,022	37,395	34,983	(9,039)
Interest Income	14,727	6,450	(8,277)	6,450	0
Total Revenues	954,488	1,044,901	90,413	1,099,931	55,030
<u>Personnel Expenses</u>					
Employee Salaries-Regular	94,029	102,669	(8,640)	108,327	(5,658)
Employee Salaries-Overtime	24,726	26,307	(1,581)	23,488	2,819
Fringe Benefits	31,668	37,508	(5,840)	43,706	(6,198)
Total Personnel Expenses	150,423	166,484	(16,061)	175,521	(9,037)
<u>Other than Personnel Services</u>					
Outside Technical & Maintenance Services	78,224	93,453	(15,229)	84,170	9,283
Bridge Painting	20,591	29,500	(8,909)	19,500	10,000
Major Maintenance	14,172	25,092	(10,920)	28,378	(3,286)
2 Broadway Operating Expenses	10,006	9,577	429	9,743	(166)
Maint. of Toll Equipment	6,670	6,779	(109)	6,800	(21)
Power	4,006	4,530	(524)	4,299	231
Supplies	4,522	5,020	(498)	4,632	389
Equipment Purchases	3,088	2,762	326	3,115	(353)
Maintenance Materials	2,419	3,371	(952)	3,214	157
Insurance	10,633	9,339	1,294	9,443	(104)
Other	4,898	3,296	1,602	3,760	(464)
Total Other Than Personnel	159,229	192,720	(33,491)	177,054	15,665
Total Operating Expenses	309,652	359,204	(49,552)	352,575	6,628
Less: Capital & Other Reimbursements	9,456	7,910	1,546	8,549	(639)
Net Operating Expenses	300,196	351,294	(51,098)	344,026	7,267
Net Operating Income	654,292	693,607	39,315	755,905	62,297
Total Revenues	954,488	1,044,901	90,413	1,099,931	55,030
Net Operating Expenses	300,196	351,294	(51,098)	344,026	7,267
Net Operating Income	654,292	693,607	39,315	755,905	62,297
Additional Agency PEG	0	0	0	0	0
Net Operating Income	654,292	693,607	39,315	755,905	62,297

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(\$ in thousands)

	2002 Actuals	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
Net Operating Income	654,292	693,607	39,315	755,905	62,297
<u>Deductions from Operating Income:</u>					
Capitalized Assets	5,132	6,673	(1,541)	12,206	(5,533)
Reserves	6,670	11,467	(4,797)	14,140	(2,673)
Debt Service	379,560	343,906	35,654	423,251	(79,345)
Total Deduction from Operating Income	391,362	362,046	29,316	449,597	(87,551)
Income Available For Distribution	262,930	331,561	68,631	306,308	(25,254)
Distributable To:					
M.T.A. - Investment Income	14,727	6,450	(8,277)	6,450	0
M.T.A. - Distributable Income	144,241	200,397	56,157	203,533	3,136
N.Y.C.T. - Distributable Income	103,963	124,714	20,752	96,325	(28,390)
Total Distributable Income	262,930	331,561	68,631	306,308	(25,254)
Actual Cash Transfers:					
M.T.A. - Investment Income	23,772	14,727	(9,045)	6,450	(8,277)
M.T.A. - Transfers	145,520	240,638	(95,118)	203,219	37,419
N.Y.C.T. - Transfers	105,499	203,495	(97,996)	99,164	104,331
Total Cash Transfers	274,791	458,860	(202,159)	308,833	133,473
<u>ADJUSTED NET OPERATING INCOME</u>					
Total Revenues	954,488	1,044,901	90,413	1,099,931	55,030
Less: Investment Income	14,727	6,450	(8,277)	6,450	0
Net Operating Expenses	300,196	351,294	(51,098)	344,026	7,267
Capitalized Assets	5,132	6,673	(1,541)	12,206	(5,533)
Reserves	6,670	11,467	(4,797)	14,140	(2,673)
Total Deduction from Net Operating Income	326,725	375,884	(49,159)	376,822	(939)
Adjusted Net Operating Income	627,763	669,017	41,254	723,109	54,091
Additional Agency PEG	0	0	0	0	0
Adj Net Operating Inc with GAP Closing	627,763	669,017	41,254	723,109	54,091

MTA BRIDGES AND TUNNELS
TABLE 1 - 2002-2004 FINANCIAL PLAN
(\$ in thousands)

	2002 Actuals	2003 Mid-Year Forecast	Variance: Favorable/ (Unfavorable)	2004 Preliminary Budget	Variance: Favorable/ (Unfavorable)
Adj Net Operating Inc with GAP Closing	627,763	669,017	41,254	723,109	54,091
<u>SUPPORT TO MASS TRANSIT</u>					
Total Revenues	954,488	1,044,901	90,413	1,099,931	55,030
Less: Net Operating Expenses	300,196	351,294	(51,098)	344,026	7,267
Additional Agency PEG	0	0	0	0	0
Net Operating Income	654,292	693,607	39,315	755,905	62,297
Deductions from Operating Income:					
B&T Debt Service	114,276	78,411	35,865	90,848	(12,437)
Capitalized Assets	5,132	6,673	(1,541)	12,206	(5,533)
Reserves	6,670	11,467	(4,797)	14,140	(2,673)
Total Deductions from Operating Income:	126,078	96,551	29,527	117,194	(20,643)
Total Available for Mass Transit	528,214	597,056	68,842	638,711	41,654

MTA Bridges and Tunnels

2003-2004 July Plan Submission

Program to Eliminate the Gap (PEGs)

(Dollars in Thousands)

	<i>Favorable/(Unfavorable) (*)</i>	
	2003 Mid-Year Forecast	2004 Preliminary Budget
<u>Administration</u>		
♦ Net increase in miscellaneous E-ZPass fees associated with the tag replacement program and collections on revoked accounts.	\$1,101	\$1,101
♦ Net income from fees paid by the Port Authority for B&T E-ZPass Plus customer usage at the three metropolitan area airport parking lots.	\$108	\$249
♦ Re-estimate of salary and wage increases for represented and non-represented employees.	\$1,388	\$0
♦ Lower expenditures for E-ZPass tags that resulted from an analysis of new account growth rates, tags returned, existing inventories, and tags needed for the B&T E-ZPass tag swap program.	\$384	\$16,620
♦ B&T's share of costs to operate the E-ZPass New York Customer Service Center are projected to be lower than originally planned.	\$0	\$2,981
♦ Timing and Other Adjustments	\$5,462	\$5,885
<i>Subtotal Administration:</i>	\$8,443	\$26,836
<u>Maintenance</u>		
♦ A new contract for toll equipment maintenance has resulted in lower than planned costs.	\$694	\$839
♦ Rescheduling of Throgs Neck Bridge painting to coincide with the completion of the cable re-wrapping capital project.	\$0	\$9,500
<i>Subtotal Maintenance:</i>	\$694	\$10,339
<u>Safety and Security</u>		
♦ Security deployment efficiencies.	\$554	\$2,657
<i>Subtotal Safety and Security:</i>	\$554	\$2,657
<u>Revenue</u>		
♦ Higher toll revenues resulting from greater than planned traffic levels through mid-June are expected to continue (\$8,786K in 2003 and \$14,131K in 2004) except at the Verrazano-Narrows Bridge where the expected lifting of restrictions on 2- and 3- axle trucks in July 2003 at the Holland Tunnel will result in lower truck traffic (-\$1,179K in 2003 and -\$2,357K in 2004).	\$7,607	\$11,774
<i>Subtotal Revenue:</i>	\$7,607	\$11,774
<i>Total:</i>	\$17,298	\$51,606

(*) Variances are against the 2003 March Plan.

MTA Bridges and Tunnels 2003-2004 July Plan Submission

New Needs (Dollars in Thousands)

Administration

Personnel Services

- ♦ Re-estimate of future wage increases for represented and non-represented employees.
- ♦ Increase in medical costs, based on latest NYSHIP estimates of 2004 rate increases.
- ♦ Salary and fringe benefits for one accountant to assist with new accounting requirements including producing quarterly financial statements.

OTPS

- ♦ Increase in credit card expenditures associated with higher E-ZPass traffic.

Subtotal Administration:

Maintenance

- ♦ Additional expenditures for various Major Maintenance projects.

Subtotal Maintenance:

Safety/Security

- ♦ Salaries and overtime associated with increased security coverage (61 positions)
- ♦ Salary and fringe benefits for a Network Security Analyst to meet the additional requirements that are being developed through an MTA all-agency network security policy.

Subtotal Safety/Security:

Total:

<i>Favorable/(Unfavorable) (*)</i>	
2003 Mid-Year Forecast	2004 Preliminary Budget
\$0	(\$2,136)
\$0	(\$2,360)
\$0	(\$73)
(\$665)	(\$1,076)
(\$665)	(\$5,645)
\$0	(\$5,433)
\$0	(\$5,433)
(\$4,397)	(\$4,827)
\$0	(\$113)
(\$4,397)	(\$4,940)
(\$5,062)	(\$16,018)

(*) Variances are against the 2003 March Plan

MTA BRIDGES AND TUNNELS

Headcount Chart

	2003 Mid-Year Forecast	2004 Preliminary Budget
<i>Department</i>	# Pos.	# Pos.
<i>Executive</i>	3	3
<i>EEO/AA</i>	1	1
<i>Law</i>	10	10
<i>Engineering & Construction</i>	168	168
<i>Procurement & Materials</i>	55	55
<i>Labor Relations</i>	5	5
<i>Internal Security</i>	62	63
<i>Health & Safety</i>	10	10
<i>Technology</i>	51	52
<i>Total CFO:</i>	94	95
<i>Total Staff Services:</i>	50	50
<i>Total Operations:</i>	1,140	1,200
<i>Total Maintenance:</i>	91	91
B&T TOTAL	1,740	1,803



Bridges and Tunnels

2003 Mid-Year Forecast and 2004 Preliminary Budget

July 2003



Financial Plan Summary

- Continues security, safety and customer service initiatives as approved by the Board in March.
- No service reductions.
- Provides Support to Mass Transit of \$1.236 billion, exceeding 2003-2004 goal by \$42.6 million.

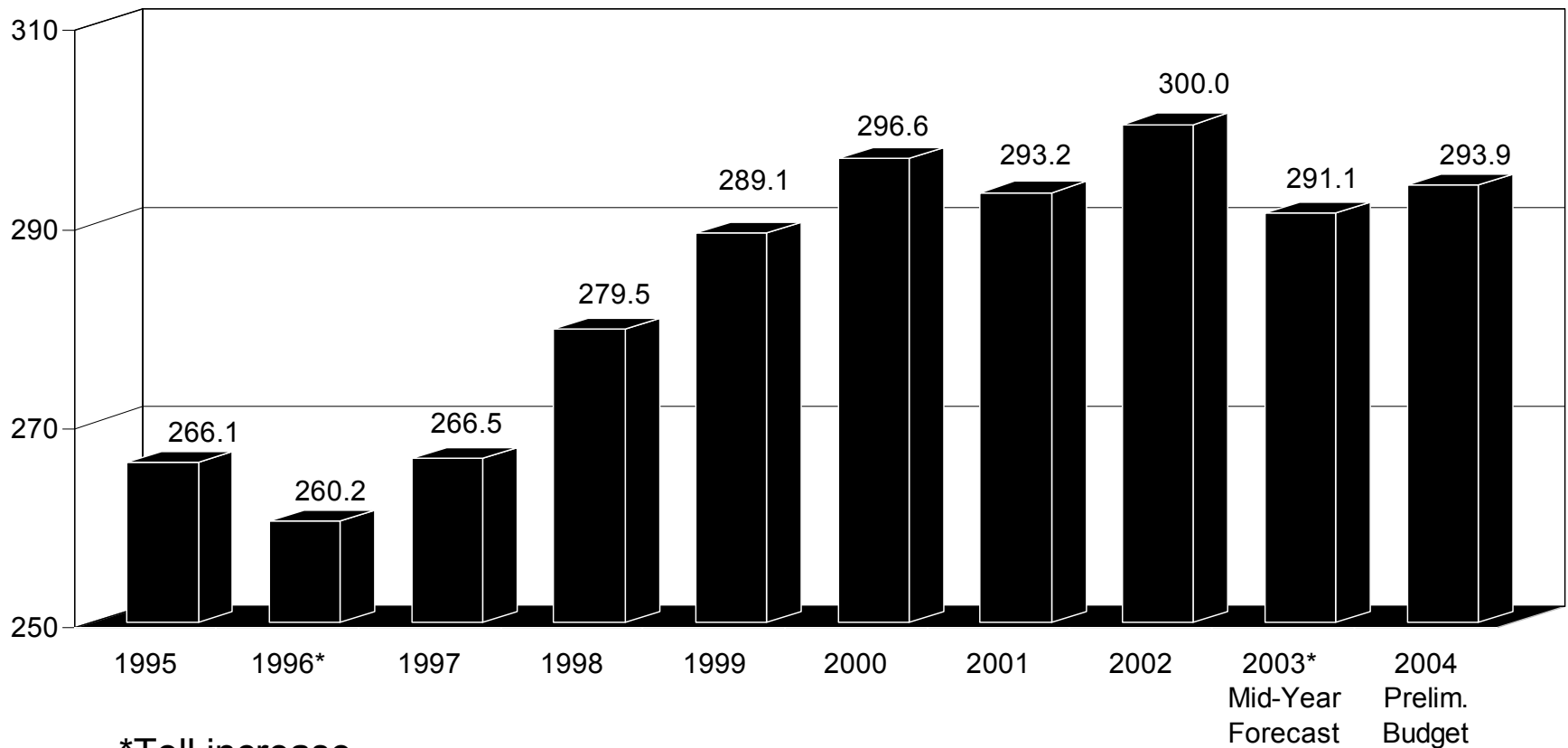


Traffic Assumptions

- 2003 volumes are expected to be below the record levels of 2002 due to:
 - economic conditions
 - unfavorable weather,
 - lifting of 2- and 3-axle truck restrictions at the Holland Tunnel in July, and
 - consumer choices influenced by the toll increase.
- City restrictions on single occupancy vehicles at the Brooklyn-Battery Tunnel are expected to continue through 2004.
- Traffic is forecast to increase by 1.0% in 2004.



1995-2004 Paid Traffic Volume (in millions)



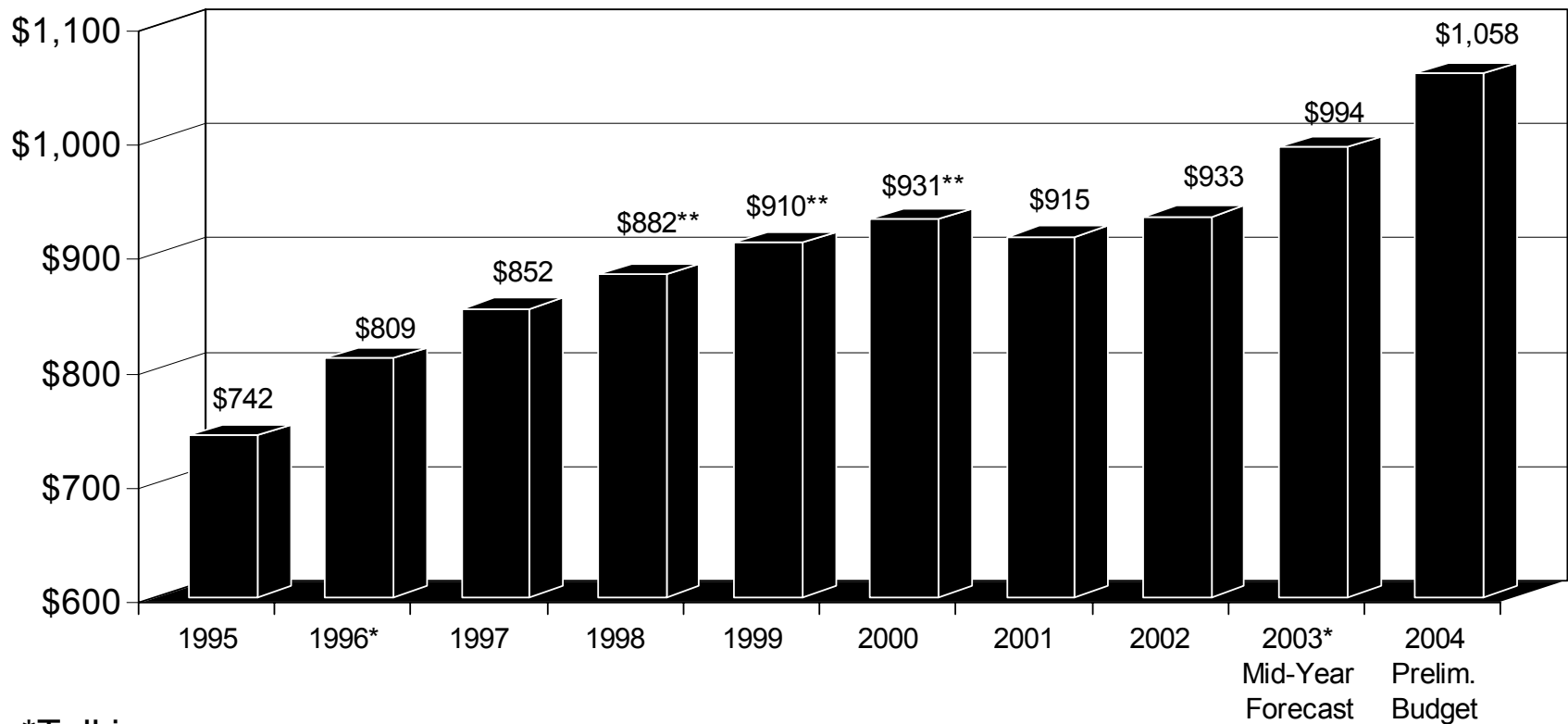


Toll Revenue Assumptions

- The toll increase, which was effective May 18, 2003, is expected to generate an additional \$61 million in 2003 and \$125 million in 2004 versus the 2002 Actuals.



1995-2004 Toll Revenues (\$ in millions)



*Toll increase.

**Excludes token write-offs of \$2.5 million in both 1998 and 1999, and \$9.7 million in 2000.



Major Adjustments to Financial Plan (\$ in millions)

	<u>2003</u>	<u>2004</u>
March Plan Support to Mass Transit	\$581.7	\$611.5
Adjustments to March Plan: Better/(Worse)		
Toll Revenues	7.6	11.8
Re-estimates of salary and wage increases	1.4	(2.1)
Higher NYSHIP estimates for medical coverage	0.0	(2.4)
E-ZPass tags	0.4	16.6
E-ZPass credit card fees	(0.7)	(1.1)
Rescheduling of bridge painting	0.0	9.5
Major Maintenance	0.0	(5.4)
Maintenance of toll equipment	0.7	0.9
Capitalized Assets	3.9	0.0
Other	2.1	(0.6)
July Plan Support to Mass Transit	\$597.1	\$638.7



Bridges and Tunnels

2003-2004 Plan Summary

(\$ in millions)

	2003 Mid-Year Forecast	2004 Preliminary Budget
Revenues	\$1,044.9	\$1,099.9
Net Operating Expenses	<u>(351.3)</u>	<u>(344.0)</u>
Net Operating Income	\$693.6	\$755.9
Other Deductions ¹	<u>(96.5)</u>	<u>(117.2)</u>
Total Support to Mass Transit	\$597.1	\$638.7
2003-2004 Total Support to Mass Transit		\$1,235.8

¹Other deductions include Capitalized Assets, Reserves, and B&T Debt Service.