

III. MTA Consolidated 2005-2008 Financial Plan

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005-2008
MTA Consolidated Statement Of Operations By Category
Non-Reimbursable
2004 - 2008
(\$ in millions)

Line Number	Non-Reimbursable	2004 Final Estimate	2005 Adopted Budget	2006	2007	2008
12	<u>Operating Revenue</u>					
13	Farebox Revenue	\$3,427	\$3,619	\$3,692	\$3,735	\$3,771
14	Toll Revenue	1,090	1,193	1,224	1,227	1,229
15	Other Revenue (Excludes B&T Investment Income for Capital)	332	332	350	360	370
16	Capital and Other Reimbursements	23	27	29	30	32
17	Total Operating Revenue	\$4,872	\$5,171	\$5,295	\$5,352	\$5,403
19	<u>Operating Expense</u>					
20	Labor Expenses:					
21	Payroll	\$3,263	\$3,335	\$3,380	\$3,450	\$3,513
22	Overtime	353	337	342	348	356
23	Health & Welfare	722	810	887	974	1,065
24	Pensions	486	638	729	753	755
25	Other-Fringe Benefits	358	370	379	389	398
26	Reimbursable Overhead	(247)	(239)	(242)	(245)	(248)
27	Sub-total Labor Expenses	\$4,935	\$5,250	\$5,474	\$5,669	\$5,839
29	Non-Labor Expenses:					
30	Traction and Propulsion Power	203	257	261	262	264
31	Fuel for Buses and Trains	89	96	92	90	91
32	Insurance	34	35	35	38	41
33	Claims	136	137	143	149	156
34	Paratransit Service Contracts	137	166	194	227	265
35	Maintenance and Other Operating Contracts	433	497	504	513	517
36	Professional Service Contracts	187	190	180	181	184
37	Materials & Supplies	371	410	406	448	466
38	Other Business Expenses	101	107	103	109	112
39	Sub-total Non-Labor Expenses	\$1,691	\$1,895	\$1,918	\$2,017	\$2,096
41	Other Expense Adjustments:					
42	Other	(\$6)	(\$11)	(\$6)	(\$7)	(\$8)
43	General Reserve	0	40	40	40	40
44	Sub-total Other Expense Adjustments	(\$6)	\$29	\$34	\$33	\$32
46	Total Operating Expense Before Depreciation	\$6,620	\$7,175	\$7,426	\$7,719	\$7,967
48	Depreciation	\$1,343	\$1,495	\$1,626	\$1,738	\$1,836
50	Total Operating Expense (Excluding B&T Depreciation)	\$7,922	\$8,624	\$9,002	\$9,402	\$9,744
52	Less: B&T Depreciation	\$42	\$46	\$50	\$54	\$59
54	Net Operating Deficit Before Subsidies and Debt Service	(\$3,049)	(\$3,453)	(\$3,707)	(\$4,050)	(\$4,341)
56	Dedicated Taxes and State/Local Subsidies	\$2,595	\$2,647	\$2,655	\$2,749	\$2,791
57	Debt Service (excludes Service Contract Bonds)	(856)	(1,208)	(1,401)	(1,525)	(1,631)
59	Net Deficit After Subsidies and Debt Service	(\$1,310)	(\$2,014)	(\$2,453)	(\$2,826)	(\$3,181)
61	Conversion to Cash Basis: Depreciation	\$1,343	\$1,495	\$1,626	\$1,738	\$1,836
62	Conversion to Cash Basis: All Other	281	130	13	(17)	(53)
63	Net Cash Balance from Previous Year	151	466	76	0	0
65	Baseline Net Cash Balance	\$466	\$76	(\$737)	(\$1,105)	(\$1,398)
67	<u>GAP CLOSING ACTIONS:</u>					
69	PEG Implementation Provision	\$0	(\$20)	(\$30)	\$0	\$0
70	July Plan 2006 Program to Eliminate the Gap	0	0	165	168	167
71	Unspecified PEGs	0	0	16	7	(2)
72	2007 Increased Fare and Toll Yields	0	0	0	240	242
73	Net Cash Balance from Previous Year (Gap Actions only)	0	0	(20)	0	0
75	Net Cash Surplus/(Deficit)	\$466	\$56	(\$607)	(\$689)	(\$991)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005 - 2008
MTA Consolidated Accrued Statement of Operations By Agency
2004 - 2008
(\$ in millions)

Non-Reimbursable	2004	2005	2006	2007	2008
	Final	Adopted			
	<u>Estimate</u>	<u>Budget</u>			
<u>Total Operating Revenue</u>					
Bridges and Tunnels (Excludes Investment Income)	\$1,122	\$1,236	\$1,275	\$1,280	\$1,283
Capital Construction Company	0	0	0	0	0
Long Island Bus	41	43	43	43	43
Long Island Rail Road	440	466	476	484	490
Metro-North Railroad	436	460	470	476	481
MTA Headquarters	17	18	18	18	18
New York City Transit	2,811	2,944	3,007	3,046	3,082
Staten Island Railway	5	6	6	6	6
First Mutual Transportation Assurance Company	0	0	0	0	0
Total	\$4,872	\$5,171	\$5,295	\$5,352	\$5,403
<u>Total Operating Expenses before Depreciation</u> ¹					
Bridges and Tunnels	\$329	\$363	\$385	\$408	\$422
Capital Construction Company	0	0	0	0	0
Long Island Bus	100	106	109	112	115
Long Island Rail Road	911	943	983	1,029	1,106
Metro-North Railroad	705	761	783	807	836
MTA Headquarters	225	229	225	231	237
New York City Transit	4,320	4,721	4,884	5,075	5,196
Staten Island Railway	27	27	28	30	30
First Mutual Transportation Assurance Company	9	(4)	(5)	(6)	(7)
Other	(6)	29	34	33	32
Total	\$6,620	\$7,175	\$7,426	\$7,719	\$7,967
<u>Depreciation</u>					
Bridges and Tunnels	\$42	\$46	\$50	\$54	\$59
Capital Construction Company	0	0	0	0	0
Long Island Bus	0	0	0	0	0
Long Island Rail Road	229	260	272	269	253
Metro-North Railroad	161	184	194	200	207
MTA Headquarters	13	13	13	13	13
New York City Transit	891	982	1,087	1,191	1,293
Staten Island Railway	7	10	10	10	10
First Mutual Transportation Assurance Company	0	0	0	0	0
Total	\$1,343	\$1,495	\$1,626	\$1,738	\$1,836
<u>Net Operating Income/(Deficit)</u>					
Bridges and Tunnels (Excludes Depreciation)	\$793	\$873	\$891	\$871	\$861
Capital Construction Company	0	0	0	0	0
Long Island Bus	(60)	(63)	(66)	(69)	(72)
Long Island Rail Road	(700)	(737)	(779)	(814)	(869)
Metro-North Railroad	(430)	(485)	(507)	(531)	(562)
MTA Headquarters	(221)	(224)	(220)	(226)	(232)
New York City Transit	(2,400)	(2,759)	(2,964)	(3,220)	(3,406)
Staten Island Railway	(30)	(32)	(33)	(34)	(35)
First Mutual Transportation Assurance Company	(9)	4	5	6	7
Other	6	(29)	(34)	(33)	(32)
Total	(\$3,049)	(\$3,453)	(\$3,707)	(\$4,050)	(\$4,341)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005-2008
MTA Consolidated Cash Receipts and Expenditures 2004 - 2008
(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2004 Final Estimate	2005 Adopted Budget	2006	2007	2008
9						
10						
11	Receipts					
12	Farebox Revenue	\$3,461	\$3,664	\$3,737	\$3,793	\$3,818
13	Vehicle Toll Revenue	0	0	0	0	0
14	Other Operating Revenue	478	333	345	355	365
15	Investment Income	0	5	5	6	6
16	Capital and Other Reimbursements	1,144	1,152	1,166	1,178	1,188
17	Total Receipts	\$5,083	\$5,154	\$5,254	\$5,331	\$5,377
18						
19	Expenditures					
20	<u>Labor:</u>					
21	Payroll	\$3,570	\$3,662	\$3,696	\$3,768	\$3,839
22	Overtime	406	382	388	395	403
23	Health and Welfare	727	823	902	988	1,078
24	Pensions	401	481	719	775	783
25	Other Fringe Benefits	452	458	465	477	490
26	Reimbursable Overhead	0	0	0	0	0
27	Total Labor Expenditures	\$5,557	\$5,806	\$6,171	\$6,403	\$6,593
28						
29	<u>Non-Labor:</u>					
30	Traction and Propulsion Power	\$203	\$257	\$261	\$262	\$264
31	Fuel for Buses and Trains	87	96	92	90	91
32	Insurance	48	40	38	41	48
33	Claims	105	123	127	133	140
34	Paratransit Service Contracts	134	163	190	227	265
35	Maintenance and Other Operating Contracts	374	418	410	398	410
36	Professional Service Contracts	205	227	204	205	200
37	Materials & Supplies	463	507	512	553	570
38	Other Business Expenditures	118	120	115	130	124
39	Total Non-Labor Expenditures	\$1,737	\$1,951	\$1,948	\$2,039	\$2,111
40						
41	<u>Other Expenditure Adjustments:</u>					
42	Other	\$3	\$27	\$28	\$27	\$28
43	General Reserve	0	40	40	40	40
44	Total Other Expenditure Adjustments	\$3	\$67	\$68	\$67	\$68
45						
46	Total Expenditures	\$7,296	\$7,824	\$8,186	\$8,510	\$8,771
47						
48	Net Cash Deficit Before Subsidies and Debt Service	(\$2,213)	(\$2,669)	(\$2,932)	(\$3,179)	(\$3,394)
49						
50	Dedicated Taxes and State/Local Subsidies	\$2,971	\$3,024	\$3,046	\$3,112	\$3,126
51	Debt Service (excludes Service Contract Bonds)	(444)	(744)	(928)	(1,038)	(1,129)
52						
53	Net Cash Balance from Previous Year	151	466	76	0	0
54						
55	Baseline Net Cash Surplus/(Deficit)	\$466	\$76	(\$737)	(\$1,105)	(\$1,398)
56						
57	<u>GAP CLOSING ACTIONS:</u>					
58	PEG Implementation Provision	0	(20)	(30)	0	0
59	July Plan 2006 Program to Eliminate the Gap	0	0	165	168	167
60	Unspecified PEGs	0	0	16	7	(2)
61	2007 Increased Fare and Toll Yields	0	0	0	240	242
62						
63	Net Cash Balance from Previous Year (Gap Actions only)	0	0	(20)	0	0
64						
65	Net Cash Surplus/(Deficit)	\$466	\$56	(\$607)	(\$689)	(\$991)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005 - 2008
MTA Consolidated Cash Statement of Operations By Agency
2004 - 2008
(\$ in millions)

	2004 Final <u>Estimate</u>	2005 Adopted <u>Budget</u>	2006 <u>Plan</u>	2007 <u>Plan</u>	2008 <u>Plan</u>
<u>Total Receipts</u>					
Capital Construction Company	\$13	\$32	\$30	\$31	\$32
Long Island Bus	46	48	48	48	48
Long Island Rail Road	641	667	704	714	724
Metro-North Railroad	597	654	670	680	680
MTA Headquarters	53	56	57	58	59
New York City Transit	3,727	3,686	3,731	3,786	3,821
Staten Island Railway	6	7	7	7	7
First Mutual Transportation Assurance Company	0	5	5	6	6
Total	\$5,083	\$5,154	\$5,254	\$5,331	\$5,377
<u>Total Expenditures</u>					
Capital Construction Company	\$13	\$32	\$30	\$31	\$32
Long Island Bus	101	110	114	117	120
Long Island Rail Road	1,073	1,080	1,172	1,222	1,301
Metro-North Railroad	866	955	990	1,019	1,047
MTA Headquarters	254	268	264	271	278
New York City Transit	4,965	5,288	5,523	5,757	5,900
Staten Island Railway	29	28	29	31	32
First Mutual Transportation Assurance Company	(7)	(4)	(4)	(5)	(5)
Other	3	67	68	67	68
Total	\$7,296	\$7,824	\$8,186	\$8,510	\$8,771
<u>Net Operating Surplus/(Deficit)</u>					
Capital Construction Company	(\$0)	(\$0)	\$0	\$0	(\$0)
Long Island Bus	(\$55)	(\$63)	(\$65)	(\$69)	(\$72)
Long Island Rail Road	(\$432)	(\$412)	(\$468)	(\$508)	(\$577)
Metro-North Railroad	(\$269)	(\$302)	(\$320)	(\$338)	(\$366)
MTA Headquarters	(\$201)	(\$211)	(\$207)	(\$213)	(\$219)
New York City Transit	(\$1,238)	(\$1,602)	(\$1,792)	(\$1,970)	(\$2,079)
Staten Island Railway	(\$22)	(\$22)	(\$23)	(\$24)	(\$25)

Reconciliation to the December Plan

The February Plan contains year-end closing net positive cash balances of \$466 million in the 2004 Final Estimate and \$56 million in the 2005 Adopted Budget. The 2006, 2007 and 2008 projections, including proposed gap closing actions beginning in 2006, reflect year-end cash deficits of \$607 million, \$689 million and \$991 million, respectively. These ending cash balances vary slightly from the December Plan reflecting the results of technical adjustments made in allocating the Board-approved gap closing actions to the MTA baseline budget.

As shown on the following table, the net changes from the December Plan to the February Plan worsened the year-end cash position by \$13 million in 2005, \$21 million in 2006 (including the worsening effect of the 2005 carryover), \$6 million in 2007 and \$4 million in 2008. The major change driving the variances in 2005 and 2006 is a technical correction made in the February plan to properly reflect the Bridges and Tunnels Operating Surplus cash transfer. This correction worsened the cash value of the toll increase and B&T PEGs by \$11 million in 2005 and \$4 million in 2006. (Further discussion of this item is included in the Subsidies Assumptions section of this report.)

Subsidy from the Connecticut Department of Transportation, CDOT, was also affected by allocation of the fare increase and the PEGs, albeit minimally. The net change to CDOT was a slight reduction of \$2 million annually.

Another change with minimal net impact – approximately \$1 million, involved shifting MTA Inspector General costs to MTA Headquarters. Full funding for the Inspector General was included in the December Plan, with the costs split 70% to NYCT and 30% to the Commuter Railroads. Since the Inspector General's office was established, this same split has been used. Over the years, the focus of the Inspector General's office has become broader and is not limited to NYCT and the Commuter Railroads. As a result, it was determined that the broader corporate focus of the Inspector General is more properly funded by MTA Headquarters. The minimal impact of this shift affects the allocation of Mortgage Recording Tax funds, which is the sole funds source for MTA Headquarters. (Further discussion of this item is included in the Subsidies Assumptions section of this report.)

Other minor changes, detailed in the Agency sections of this report (Section VIII), reflect technical adjustments affecting shifting below-the-line gap closing actions into the baseline (fare Increases and PEGs), reallocating items from one line-item to another or adjusting non-reimbursable/reimbursable items that had no impact on bottom-line cash.

Note that the following reconciliation table shows that the December Plan's Baseline closing cash balances have been restated in the February Plan to only include the 2005 budget actions approved by the MTA Board in December.

Excluded from the baseline are the 2006 and 2007 proposed gap closing actions, e.g., 2006 PEGs and the 2007 Increased Fare/Toll Yields. These post-2005 actions remain below the line as gap-closing proposals that have not yet been submitted for approval by the MTA Board. Also retained below the line is an unallocated provision of \$20 million in 2005 and \$30 million in 2006 to cover any shortfalls in achieving the targeted PEG savings. This provision also had been included in the July, November and December Plans.

Metropolitan Transportation Authority
February Financial Plan 2005 - 2008
MTA Consolidated December Financial Plan Compared with February Financial Plan
Cash Reconciliation 2004 - 2008
(\$ in millions)

	Favorable/(Unfavorable)				
	2004	2005	2006	2007	2008
December Plan Baseline Net Cash Balance	\$647	(\$101)	(\$1,261)	(\$1,534)	(\$1,878)
December Plan 2005 Gap Closing Actions:					
2005 Program to Eliminate the Gap (PEGs)	\$20	\$117	\$134	\$143	\$191
2005 Fare Increase ¹	0	234	291	293	294
Real Estate Stabilization Account	(200)	0	0	0	0
Net Cash Balance from Previous Year (Gap Actions Only)	0	(180)	70	0	0
December Plan Net Cash Surplus/(Deficit)-Before Post-2005 Gap closing Actions	\$466	\$70	(\$766)	(\$1,098)	(\$1,394)
Impact of Gap Closing Actions					
2005 Fare/Toll - Increase to Baseline ¹	\$0	\$234	\$290	\$292	\$294
2005 Fare/Toll - Decrease from Gap Closing Actions	0	(234)	(291)	(293)	(294)
2005 Program to Eliminate the Gap - Increase to Baseline	20	139	168	146	190
2005 Program to Eliminate the Gap - Decrease from Gap Closing Actions	(20)	(137)	(164)	(143)	(191)
Impact of Technical Adjustments					
B&T Cash Effect of Toll Increase	0	(11)	(4)	(0)	(0)
Impact of Fare Increase/PEGs on Connecticut Department of Transportation	0	(2)	(2)	(2)	(2)
Inspector General Expenses to MTAHQ	0	(10)	(11)	(11)	(11)
MRT Transfer Net Effect of Inspector General Shift	0	(1)	(4)	(5)	0
NYCT Inspector General Effect	0	6	6	6	6
CRR Inspector General Effect	0	4	4	5	5
Other Technical/Rounding	0	(3)	4	(2)	(1)
Total Changes	\$0	(\$13)	(\$1)	(\$6)	(\$4)
Unallocated PEG Implementation Provision	0	20	30	0	0
February Plan Baseline Net Cash Balance	\$466	\$76	(\$737)	(\$1,105)	(\$1,398)
GAP CLOSING ACTIONS:					
PEG Implementation Provision	0	(20)	(30)	0	0
July Plan 2006 Program to Eliminate the Gap	0	0	165	168	167
Unspecified PEGs	0	0	16	7	(2)
2007 Increased Fare and Toll Yields	0	0	0	240	242
Net Cash Balance from Previous Year (Gap Actions Only)	0	0	(20)	0	0
February Plan Net Cash Surplus/(Deficit)	\$466	\$56	(\$607)	(\$689)	(\$991)

Note:

The 2005 Fare Increase includes the increase to express bus fare.

NON-REIMBURSABLE	2005 ADOPTED BUDGET					2006				
	Adjustments				Feb. Fin. Plan	Adjustments				Feb. Fin. Plan
	Dec. Fin. Plan	Impact of Fare Inc.	PEGs	Technical		Dec. Fin. Plan	Impact of Fare Inc.	PEGs	Technical	
Revenue										
Farebox Revenue	\$3,486	\$136	(\$2)	\$0	\$3,619	\$3,531	\$165	(\$5)	\$0	\$3,692
Vehicle Toll Revenue	1,095	98	0	0	1,193	1,099	125	0	0	1,224
Other Operating Revenue	324	0	8	0	332	336	0	15	0	350
Capital and Other Reimbursements	27	0	0	0	27	29	0	0	0	29
Total Revenue	\$4,932	\$234	\$5	\$0	\$5,171	\$4,995	\$290	\$10	\$0	\$5,295
Expenses										
Labor:										
Payroll	\$3,378	\$0	(\$51)	\$8	\$3,336	\$3,441	\$0	(\$69)	\$8	\$3,380
Overtime	345	0	(8)	(1)	337	357	0	(14)	(1)	342
Health and Welfare	831	0	(21)	0	810	913	0	(26)	0	887
Pensions	641	0	(3)	0	638	736	0	(6)	0	730
Other Fringe Benefits	375	0	(7)	2	370	385	0	(9)	2	378
Reimbursable Overhead	(231)	0	(0)	(9)	(241)	(234)	0	0	(9)	(243)
Total Labor Expenses	\$5,339	\$0	(\$89)	\$0	\$5,250	\$5,598	\$0	(\$125)	\$0	\$5,474
Non-Labor:										
Traction and Propulsion Power	\$262	\$0	(\$2)	(\$3)	\$257	\$266	\$0	(\$2)	(\$3)	\$261
Fuel for Buses and Trains	98	0	(0)	(1)	96	95	0	(2)	(1)	92
Insurance	74	0	0	(39)	35	79	0	0	(43)	35
Claims	104	0	(2)	35	137	107	0	(2)	38	143
Paratransit Service Contracts	169	0	0	(3)	166	197	0	0	(3)	194
Maintenance and Other Operating Contracts	505	0	(12)	4	497	508	0	(7)	3	504
Professional Service Contracts	207	0	(12)	(5)	190	197	0	(12)	(5)	180
Materials & Supplies	426	0	(15)	(0)	410	412	0	(6)	(0)	406
Other Business Expenses	95	0	(2)	14	107	91	0	(2)	14	103
Total Non-Labor Expenses	\$1,940	\$0	(\$45)	(\$0)	\$1,895	\$1,952	\$0	(\$34)	(\$1)	\$1,918
Other Expenses Adjustments:										
Other	29	0	0	0	29	34	0	0	0	34
Total Other Expense Adjustments	\$29	\$0	\$0	\$0	\$29	\$34	\$0	\$0	\$0	\$34
Total Expenses before Depreciation	\$7,308	\$0	(\$134)	\$0	\$7,175	\$7,585	\$0	(\$158)	(\$1)	\$7,426
Depreciation	1,495	0	0	0	1,495	1,626	0	0	0	1,626
Total Expenses (excludes B&T Depreciation)	\$8,758	\$0	(\$134)	\$0	\$8,624	\$9,161	\$0	(\$158)	(\$1)	\$9,002
Baseline Net Surplus/ (Deficit) before Subsidies and Debt Service	(\$3,826)	\$234	\$139	(\$0)	(\$3,453)	(\$4,166)	\$290	\$168	\$1	(\$3,707)
Dedicated Taxes and State/ Local Subsidies	\$2,652	\$0	\$0	(\$5)	\$2,647	\$2,664	\$0	\$0	(\$9)	\$2,655
Total Debt Service	(1,208)			0	(1,208)	(1,401)			0	(1,401)
Net Deficit After Subsidies and Debt Service	(\$2,382)	\$234	\$139	(\$5)	(\$2,014)	(\$2,903)	\$290	\$168	(\$8)	(\$2,453)
Conversion to Cash Basis	1,634			(9)	1,625	1,642			(3)	1,639
Net Cash Balance from Previous Year	647			(181)	466	0			76	76
Adjusted Net Cash Surplus/(Deficit)	(\$101)	\$234	\$139	(\$196)	\$76	(\$1,261)	\$290	\$168	\$65	(\$737)
GAP CLOSING ACTIONS:										
2005 Program to Eliminate the Gap	138	0	(138)	0	0	164	0	(164)	0	0
PEG Implementation Provision	(20)	0	0	0	(20)	(30)	0	0	0	(30)
2006 Program to Eliminate the Gap	0	0	0	0						

METROPOLITAN TRANSPORTATION AUTHORITY
FEBRUARY FINANCIAL PLAN 2005 - 2008
BUDGET RECONCILIATION of 2005-2008 FINANCIAL PLANS
(\$in millions)

NON-REIMBURSABLE	2007					2008				
	Adjustments				Feb. Fin. Plan	Adjustments				Feb. Fin. Plan
	Dec. Fin. Plan	Fare Inc.	PEGs	Technical		Dec. Fin. Plan	Fare Inc.	PEGs	Technical	
Revenue										
Farebox Revenue	\$3,578	\$167	(\$10)	\$0	\$3,735	\$3,614	\$168	(\$10)	\$0	\$3,771
Vehicle Toll Revenue	1,101	126	0	0	1,227	1,104	126	0	0	1,229
Other Operating Revenue	346	0	14	(0)	360	356	0	14	0	370
Capital and Other Reimbursements	30	0	0	0	30	32	0	0	0	32
Total Revenue	\$5,056	\$292	\$4	(\$0)	\$5,352	\$5,105	\$294	\$4	\$0	\$5,403
Expenses										
Labor:										
Payroll	\$3,510	\$0	(\$67)	\$8	\$3,451	\$3,582	\$0	(\$76)	\$8	\$3,514
Overtime	360	(0)	(11)	(1)	348	370	0	(13)	(1)	356
Health and Welfare	1,000	0	(26)	0	974	1,093	0	(27)	0	1,066
Pensions	759	0	(6)	0	753	762	0	(6)	0	756
Other Fringe Benefits	395	0	(9)	2	389	405	0	(10)	2	397
Reimbursable Overhead	(237)	0	0	(9)	(246)	(240)	0	0	(9)	(249)
Total Labor Expenses	\$5,788	(\$0)	(\$119)	\$0	\$5,669	\$5,973	\$0	(\$134)	\$0	\$5,839
Non-Labor:										
Traction and Propulsion Power	\$267	\$0	(\$2)	(\$3)	\$262	\$269	\$0	(\$2)	(\$3)	\$264
Fuel for Buses and Trains	94	0	(3)	(2)	90	95	0	(3)	(2)	91
Insurance	86	0	0	(48)	38	95	0	0	(57)	37
Claims	109	0	(2)	42	149	112	0	(2)	50	160
Paratransit Service Contracts	229	0	0	(3)	227	267	0	0	(2)	265
Maintenance and Other Operating Contracts	517	0	(7)	3	513	524	0	(11)	3	517
Professional Service Contracts	199	0	(13)	(5)	181	203	0	(13)	(5)	184
Materials & Supplies	443	0	5	(0)	448	486	0	(20)	(0)	466
Other Business Expenses	97	0	(2)	14	109	100	0	(2)	15	112
Total Non-Labor Expenses	\$2,041	\$0	(\$23)	(\$1)	\$2,017	\$2,150	\$0	(\$53)	(\$2)	\$2,096
Other Expenses Adjustments:										
Other	(7)	0	0	0	(7)	(8)	0	0	0	(8)
General Reserve	40	0	0	0	40				40	40
Total Other Expense Adjustments	\$33	\$0	\$0	\$0	\$33	(\$8)	\$0	\$0	\$40	\$32
Total Expenses before Depreciation	\$7,861	(\$0)	(\$141)	(\$1)	\$7,719	\$8,115	\$0	(\$186)	(\$2)	\$7,927
Depreciation	1,738	0	0	0	1,738	1,836	0	0	0	1,836
Total Operating Expense (excluding B&T Depreciation)	9,545	(0)	(141)	(1)	9,402	9,892	0	(186)	(2)	9,704
Baseline Net Surplus/ (Deficit) before Subsidies and Debt Service	(\$4,489)	\$292	\$146	\$1	(\$4,050)	(\$4,787)	\$294	\$190	\$2	(\$4,301)
Dedicated Taxes and State/ Local Subsidies	\$2,759	\$0	\$0	(\$10)	\$2,749	\$2,796	\$0	\$0	(\$4)	\$2,791
Total Debt Service (excludes Service Contract Bonds)	(1,525)	0	0	0	(1,525)	(1,631)	0	0	0	(1,631)
Net Deficit After Subsidies and Debt Service	(\$3,255)	\$292	\$146	(\$9)	(\$2,826)	(\$3,662)	\$294	\$190	(\$3)	(\$3,181)
Total Conversion to Cash Basis	1,721	0	0	(0)	1,721	1,784	0	0	(1)	1,783
Net Cash Balance from Previous Year	0	0	0	0	0	0	0	0	0	0
Adjusted Net Cash Surplus/(Deficit)	(\$1,534)	\$292	\$146	(\$9)	(\$1,105)	(\$1,878)	\$294	\$190	(\$4)	(\$1,398)
GAP CLOSING ACTIONS										
2005 Program to Eliminate the Gap	143	0	(143)	0	0	191	0	(191)	0	0
PEG Implementation Provision	0	0	0	0	0	0	0	0	0	0
2006 Program to Eliminate the Gap	167	0	0	1	168	166	0	1	0	167
Unspecified PEGs	7	0	0	0	7	(2)	0	0	0	(2)
2005 Fare Increase	293	(293)	0	0	0	294	(294)	0	0	0
2007 Increased Fare and Toll Yields	240	0	0	0	240	242	0	0	0	242
Net Cash Balance from Previous Year (Gap Actions only)	0	0	0	0	0	0	0	0	0	0
Stabilization Reserve	0	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	(\$684)	(\$1)	\$3	(\$8)	(\$689)	(\$988)	(\$0)	\$1	(\$4)	(\$991)

NOTE: Differences are due to rounding

METROPOLITAN TRANSPORTATION AUTHORITY
Consolidated Summary of Subsidy Allocation By Agency - Cash Basis
2004 - 2008
(\$ in millions)

	2004 Final <u>Estimate</u>	2005 Adopted <u>Budget</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<i>Dedicated Taxes</i>					
New York City Transit	\$1,372	\$1,349	\$1,356	\$1,414	\$1,430
Commuter Railroads	383	413	420	431	442
Long Island Bus	28	32	38	38	36
Staten Island Railway	2	2	2	2	2
MTA Headquarters	432	233	229	235	241
General Reserve	0	40	40	40	40
Real Estate Stabilization Reserve	(200)	0	0	0	0
	\$2,017	\$2,068	\$2,085	\$2,160	\$2,191
<i>State and Local Subsidies</i>					
New York City Transit	\$316	\$316	316	316	316
Commuter Railroads	238	244	239	259	268
Long Island Bus	14	13	13	13	13
Staten Island Railway	1	1	1	1	1
	\$569	\$575	\$570	\$590	\$599
Total Dedicated Taxes & State and Local Subsidies	\$2,586	\$2,643	\$2,655	\$2,750	\$2,790

Metropolitan Transportation Authority
Summary of Total Budgeted Debt Service
2004 - 2008
(\$ in millions)

Line Number		FORECAST				
		2004	2005	2006	2007	2008
9	<u>New York City Transit:</u>					
10						
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$243.599	\$246.553	\$246.849	\$246.174	\$246.033
12	Debt Service on Additional Transportation Revenue Bonds Supporting Existing Capital Programs	0.837	51.025	125.319	185.922	227.988
13	Debt Service on Transportation Revenue Bonds Supporting Future Capital Plan (2005-2009)	0.000	0.669	3.381	10.252	24.145
14	2 Broadway Certificates of Participation - NYCT Lease Portion	19.048	20.426	17.516	17.518	19.221
15	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	1.913	2.052	1.759	1.759	1.931
16	Transportation Resolution Commercial Paper	4.569	15.633	20.503	20.503	20.503
17	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	128.368	155.882	155.899	155.878	155.870
18	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs	0.000	13.394	37.669	57.460	71.193
19	Debt Restructuring Savings Offset (Deferred Gain)	(26.000)	0.000	0.000	0.000	0.000
20	<u>Prepayment Effect on Transportation Revenue Bonds</u>	<u>(30.000)</u>	<u>(16.700)</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
21	<i>Sub-Total MTA Paid Debt Service</i>	<i>\$342.334</i>	<i>\$488.933</i>	<i>\$608.895</i>	<i>\$695.466</i>	<i>\$766.883</i>
22						
23	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$132.119	\$148.006	\$147.696	\$148.027	\$148.001
24	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	77.313	85.797	85.720	85.658	85.751
25	<u>Debt Service on Additional TBTA (B&T) Bonds Supporting Existing Capital Programs</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
26	<i>Sub-Total B&T Paid Debt Service</i>	<i>\$209.432</i>	<i>\$233.802</i>	<i>\$233.416</i>	<i>\$233.685</i>	<i>\$233.752</i>
27						
28						
29	Total NYCT Debt Service	\$551.766	\$722.735	\$842.311	\$929.151	\$1,000.634
30						
31	<u>Commuter Railroads:</u>					
32						
33	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$148.019	\$187.213	\$187.438	\$186.925	\$186.818
34	Debt Service on Additional Transportation Revenue Bonds Supporting Existing Capital Programs	1.174	32.547	64.431	86.570	101.830
35	Debt Service on Transportation Revenue Bonds Supporting Future Capital Plan (2005-2009)	0.000	0.223	1.127	3.417	8.048
36	Transportation Resolution Commercial Paper	2.372	7.479	9.809	9.809	9.809
37	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	25.824	30.475	30.479	30.475	30.473
38	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs	0.000	12.751	25.502	25.502	25.502
39	Debt Restructuring Savings Offset (Deferred Gain)	(26.000)	0.000	0.000	0.000	0.000
40	<u>Prepayment Effect on Transportation Revenue Bonds</u>	<u>(49.700)</u>	<u>(15.300)</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
41	<i>Sub-Total MTA Paid Debt Service</i>	<i>\$101.690</i>	<i>\$255.388</i>	<i>\$318.787</i>	<i>\$342.699</i>	<i>\$362.481</i>
42						
43	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$59.136	\$66.247	\$66.109	\$66.257	\$66.245
44	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	33.968	37.695	37.662	37.634	37.675
45	<u>Debt Service on Additional TBTA (B&T) Bonds Supporting Existing Capital Programs</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
46	<i>Sub-Total B&T Paid Debt Service</i>	<i>\$93.105</i>	<i>\$103.943</i>	<i>\$103.770</i>	<i>\$103.891</i>	<i>\$103.920</i>
47						
48	Total CRR Debt Service	\$194.794	\$359.331	\$422.557	\$446.590	\$466.401
49						
50	<u>Bridges and Tunnels:</u>					
51						
52	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$71.755	\$80.383	\$80.215	\$80.395	\$80.380
53	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	30.540	33.891	33.861	33.836	33.873
54	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Existing Capital Programs	0.000	3.884	12.521	20.969	24.663
55	Debt Service on TBTA (B&T) General Revenue Bonds Supporting Future Capital Plan (2005-2009)	0.000	0.617	2.924	8.243	18.447
56	2 Broadway Certificates of Participation - TBTA Lease Portion	2.856	3.062	2.626	2.626	2.882
57	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	3.910	4.192	3.595	3.595	3.945
58						
59	Total Debt Service	\$109.061	\$126.030	\$135.742	\$149.666	\$164.190
60						
61	<u>MTA Total:</u>					
62						
63	Budgeted Gross Debt Service for Existing Bonds	\$950.642	\$1,072.142	\$1,071.928	\$1,071.259	\$1,071.119
64	Debt Service on Additional Transportation Revenue Bonds Supporting Existing Capital Programs	2.011	83.571	189.750	272.492	329.818
65	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs	0.000	26.145	63.171	82.962	96.695
66	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Existing Capital Programs	0.000	3.884	12.521	20.969	24.663
67	Debt Service on Bonds Supporting 2005-2009 Capital Plan Transportation & TBTA	0.000	1.509	7.432	21.913	50.640
68	2 Broadway Certificates of Participation	27.727	29.732	25.496	25.500	27.979
69	Transportation Resolution Commercial Paper	6.941	23.112	30.312	30.312	30.312
70	Debt Restructuring Savings Offset (Deferred Gain)	(52.000)	0.000	0.000	0.000	0.000
71	Prepayment Effect on Transportation Revenue Bonds	(79.700)	(32.000)	0.000	0.000	0.000
72						
73	Total Debt Service	\$855.621	\$1,208.096	\$1,400.610	\$1,525.407	\$1,631.226

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005 - 2008
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents by Function and Agency
(\$ in millions)

Function	2004 Final Estimate	2005 Adopted Budget	2006	2007	2008
<i>Administration</i>	4,421	4,308	4,306	4,291	4,291
NYC Transit	2,293	2,214	2,239	2,223	2,223
Long Island Rail Road	658	648	620	620	620
Metro-North Railroad	545	530	532	533	533
Bridges & Tunnels	149	148	148	148	148
Headquarters	635	627	626	626	626
Long Island Bus	98	91	91	91	91
Staten Island Railway	31	31	31	31	31
Capital Construction Company	12	19	19	19	19
<i>Operations</i>	28,528	27,952	27,567	27,587	27,643
NYC Transit	22,791	22,322	21,964	21,979	22,014
Long Island Rail Road	2,056	2,053	2,042	2,042	2,042
Metro-North Railroad	2,005	1,907	1,891	1,896	1,917
Bridges & Tunnels	799	798	798	798	798
Headquarters	0	0	0	0	0
Long Island Bus	777	775	775	775	775
Staten Island Railway	100	97	97	97	97
Capital Construction Company	0	0	0	0	0
<i>Maintenance</i>	28,075	27,667	27,942	28,221	27,994
NYC Transit	20,539	20,156	20,196	20,429	20,179
Long Island Rail Road	3,588	3,499	3,709	3,741	3,762
Metro-North Railroad	3,149	3,216	3,236	3,247	3,249
Bridges & Tunnels	383	386	389	389	389
Headquarters	0	0	0	0	0
Long Island Bus	259	259	259	259	259
Staten Island Railway	157	151	153	156	156
Capital Construction Company	0	0	0	0	0
<i>Engineering/Capital</i>	2,049	2,127	2,129	2,129	2,129
NYC Transit	1,566	1,566	1,566	1,566	1,566
Long Island Rail Road	111	111	111	111	111
Metro-North Railroad	116	114	116	116	116
Bridges & Tunnels	187	186	186	186	186
Headquarters	0	0	0	0	0
Long Island Bus	19	19	19	19	19
Staten Island Railway	0	0	0	0	0
Capital Construction Company	50	131	131	131	131
<i>Public Safety</i>	1,625	1,631	1,631	1,595	1,594
NYC Transit	577	579	579	543	542
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	293	297	297	297	297
Headquarters	727	727	727	727	727
Long Island Bus	3	3	3	3	3
Staten Island Railway	25	25	25	25	25
Capital Construction Company	0	0	0	0	0

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2005 - 2008
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents by Function and Agency
(\$ in millions)

Baseline Total Positions	64,698	63,685	63,575	63,823	63,651
NYC Transit	47,766	46,837	46,544	46,740	46,524
Long Island Rail Road	6,413	6,311	6,482	6,514	6,535
Metro-North Railroad	5,815	5,767	5,775	5,792	5,815
Bridges & Tunnels	1,811	1,815	1,818	1,818	1,818
Headquarters	1,362	1,354	1,353	1,353	1,353
Long Island Bus	1,156	1,147	1,147	1,147	1,147
Staten Island Railway	313	304	306	309	309
Capital Construction Company	62	150	150	150	150
<i>Non-Reimbursable</i>	57,446	56,969	56,719	57,012	56,850
<i>Reimbursable</i>	7,252	6,716	6,856	6,811	6,801
<i>Total Full-Time</i>	64,330	63,390	63,287	63,535	63,363
<i>Total Full-Time-Equivalents</i>	368	295	288	288	288
Impact of:					
2006 Program to Eliminate the Gap	0	0	(2,264)	(2,287)	(2,264)
Total Positions	64,698	63,685	61,311	61,536	61,387
<i>Non-Reimbursable</i>	57,446	56,969	54,455	54,725	54,586
<i>Reimbursable</i>	7,252	6,716	6,856	6,811	6,801
<i>Total Full-Time</i>	64,330	63,390	61,023	61,248	61,099
<i>Total Full-Time-Equivalents</i>	368	295	288	288	288

METROPOLITAN TRANSPORTATION AUTHORITY
FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS
ANNUAL BUDGET and FORECASTS
2005 - 2008

FAREBOX RECOVERY RATIOS

	<u>2005</u> <u>Budget</u>	<u>2006</u> <u>Forecast</u>	<u>2007</u> <u>Forecast</u>	<u>2008</u> <u>Forecast</u>
New York City Transit	45.6%	44.0%	42.2%	40.9%
Staten Island Railway	12.8%	12.9%	12.6%	12.4%
Long Island Rail Road	32.9%	32.1%	31.6%	30.6%
Metro-North Railroad	41.6%	40.9%	40.0%	38.7%
Long Island Bus	<u>35.3%</u>	<u>34.6%</u>	<u>33.9%</u>	<u>33.2%</u>
MTA Total Agency Average	42.9%	41.6%	40.1%	38.9%

FAREBOX OPERATING RATIOS

	<u>2005</u> <u>Budget</u>	<u>2006</u> <u>Forecast</u>	<u>2007</u> <u>Forecast</u>	<u>2008</u> <u>Forecast</u>
New York City Transit	59.6%	58.7%	57.0%	56.2%
Staten Island Railway	18.1%	18.0%	17.5%	17.1%
Long Island Rail Road	46.5%	45.6%	44.3%	41.8%
Metro-North Railroad	56.4%	55.9%	54.9%	53.6%
Long Island Bus	<u>36.2%</u>	<u>35.4%</u>	<u>34.8%</u>	<u>34.0%</u>
MTA Total Agency Average	56.7%	55.9%	54.4%	53.2%

Note:

Does not include 2006 PEGs or 2007 fare/toll increase.