

**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**  
**(2021 ADS First Quarterly Update)**  
**August 3, 2021**

**This Metropolitan Transportation Authority (MTA) Annual Disclosure Statement Update (including Attachment A hereto, the First Quarterly Update), dated August 3, 2021, is the first quarterly update to the Annual Disclosure Statement (the ADS) of MTA, dated April 30, 2021, as supplemented on June 3, 2021, and contains information only through its date. MTA expects to file this First Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete July Plan hereinafter referred to, is also posted on the MTA website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this First Quarterly Update is accurate as of its date. MTA retains the right to update and supplement specific information contained herein as events warrant.**

**The factors affecting MTA’s financial condition are complex. This First Quarterly Update contains forecasts, projections, and estimates that are based on expectations and assumptions that existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements”, as such term is defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “calculate”, “budget,” “project,” “forecast,” “anticipate” or other similar words. The forward looking statements contained herein are based on MTA’s expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections, calculations and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions including climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; impediments to the regulations; litigation; actions by the federal government to reduce or disallow expected aid, including federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to MTA; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of MTA. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. Such forward-looking statements speak only as of the date of this First Quarterly Update.**

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## **Introduction**

This update, dated August 3, 2021 (First Quarterly Update), is the first quarterly update to the Annual Disclosure Statement (ADS) of the Metropolitan Transportation Authority (MTA), dated April 30, 2021, as supplemented on June 3, 2021. This First Quarterly Update contains information only through August 3, 2021, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this First Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA’s 2021-2024 Financial Plan released by MTA in February 2021 (February Plan), made since the date of the ADS, to reflect provisions of the 2021 MTA July Financial Plan presented to the MTA Board on July 21, 2021 (July Plan). The complete July Plan is posted on MTA’s website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA’s website or any other website is included by specific cross-reference herein. The updated information reflected in the July Plan includes the 2021 Mid-Year Forecast, the 2022 Preliminary Budget and a Financial Plan for fiscal years 2022 through 2025.
2. **Attachment A** to this First Quarterly Update, which presents the consolidated July Plan in tabular form and includes Financial Plan tables that summarize MTA’s July Plan projected receipts and expenditures for fiscal years, 2021, 2022 (preliminary budget) through 2025, in each case prepared by MTA management.

## **Overview**

This First Quarterly Update discusses important features of July Plan derived from the 2021 Mid-Year Forecast, the 2022 Preliminary Budget, the 2022-2025 Financial Plan, and all relevant financial tables and reconciliations to the February Plan.

The July Plan, as with all plans beginning with the 2020 July Plan, reflects the impact the novel coronavirus outbreak and the ensuing pandemic has had on the MTA region, forcing MTA to focus on financial survival while at the same time providing service needed to keep the region moving during the height of the pandemic, during this late-pandemic period, and eventually under a post-pandemic “new normal”.

## **The February Plan**

The February Plan projected a cash balance of \$5 million in 2021, with deficits of \$3.129 billion in 2022, \$2.441 billion in 2023, and \$2.403 billion in 2024, resulting in a cumulative deficit of \$7.972 billion. Incorporated in these figures were assumptions of ridership and traffic recovery from the pandemic based on the “worst case” scenario for ridership and the midpoint of the “best

case” and “worst case” scenarios for traffic that were developed for MTA by McKinsey & Company (McKinsey). Also included were four percent yield increases from fare and toll rate changes proposed for 2021 and 2023, subject to MTA Board approval.

The February Plan included actions to help reduce deficits MTA is facing. The 2019 General Reserve of \$165 million and the 2020 General Reserve of \$170 million were unexpended and reserved for use in 2021. Annual Committed to Capital transfers, operating funds earmarked for capital use, were suspended through 2023, retaining in the operating budget \$187 million in 2020, \$181 million in 2021, \$120 million in 2022 and \$114 million in 2023. The Mansion Tax and the Internet Marketplace Tax, “lockbox” funds restricted for capital, were redirected to the operating budget, as permitted through 2021 under Public Authorities Law 553-j: \$440 million was used in 2020, with another \$525 million budgeted in 2021.

Agency-identified savings in overtime, consulting services and other non-personnel expenses were expected to total \$570 million in 2021, \$473 million in 2022, \$442 million in 2023, and \$448 million in 2024. The February Plan included the aligning of service with ridership levels, with service reductions of 40% percent for the subway and bus systems and 50% for the commuter railroads, which could accommodate anticipated ridership levels in 2022 and yield savings of \$1.27 billion through 2024. Accompanying the service reductions would be workforce impacts estimated to be 9,367 positions. The February Plan proposed service reductions focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service responsive to current and projected ridership. It was intended that service would be restored as ridership levels improve, and savings were projected to be \$696 million in 2023 and \$559 million in 2024. MTA also proposed a permanent wage freeze for all employees, both represented and non-represented, through 2022 which was estimated to save \$309 million in 2022, \$315 million in 2023 and \$322 million in 2024.

To cover the budget deficits, MTA was granted the authority by the 2020-2021 State Enacted Budget to borrow up to \$10 billion in deficit financing through December 2022. MTA utilized the Federal Reserve’s Municipal Liquidity Facility (MLF), which was established as a source of emergency financing for state and local governments and public entities to ensure their access to credit during the COVID pandemic, to borrow the maximum \$2.9 billion allowed MTA under the program before the lending window closed at the end of 2020. The February Plan anticipated using \$1.65 billion in 2021 in MLF deficit financing proceeds, with the remaining \$1.25 billion to be used in 2022. MTA expects to issue long-term bonds in 2023 to repay in full the MLF loan.

The February Plan also assumed reimbursement from the Federal Emergency Management Agency (FEMA) for the estimated \$293 million in direct COVID-related expenses incurred from the start of the pandemic through the end of August 2020, the cut-off date originally established by FEMA. FEMA typically reimburses 75% of local claim amounts, with the remaining portion covered by the State; however, with the State experiencing fiscal stress, MTA expects to receive \$220 million in 2021, assuming the remaining 25% will not be received.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law on December 27, 2020, and analysis of the statute’s provisions indicate MTA will receive \$4.0 billion in new federal aid, which was included in the February Plan. At the time the February Plan was presented, the American Rescue Plan Act of 2021 had not been enacted.



## The February Plan

(dollars in millions)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Plan Deficit</u>
<b>Preliminary February Financial Plan <sup>1</sup></b>	<b>\$514</b>	<b>(\$5,645)</b>	<b>(\$4,693)</b>	<b>(\$3,452)</b>	<b>(\$3,283)</b>	<b>(\$17,073) <sup>2</sup></b>
Proceeds of MLF Deficit Bonding	\$0	\$1,650	\$1,250	\$0	\$0	\$2,900
CRRSAA Federal Aid	0	4,000	0	0	0	4,000
Additional Federal Aid	0	0	0	0	0	0
Service Reductions <sup>3</sup>	0	0	0	696	559	1,255
Wage Freeze (Rep/Non-Rep through 2022) <sup>4</sup>	0	0	309	315	322	946
Change in Prior Year Cash Balance	0	0	5	0	0	N/A
<b>February Financial Plan</b>	<b>\$514</b>	<b>\$5</b>	<b>(\$3,129)</b>	<b>(\$2,441)</b>	<b>(\$2,403)</b>	<b>(\$7,972) <sup>2</sup></b>

1 Reflects fare and toll increases in 2021 and 2023.

2 Since operating balances roll into subsequent years to reduce deficits, the total deficit over the Plan period is the total of annual deficits only.

3 Service reductions tie to the McKinsey "worst case" updated ridership projections.

4 Includes TWU Local 100.

However, even with the \$2.9 billion in deficit bonding, the \$4 billion in CRRSAA federal aid, the assumed service reductions and permanent wage freeze, MTA was still projecting in the February Plan a cumulative deficit of nearly \$8 billion through 2024.

### The July Plan and Changes to the February Plan

The first significant financial development since the February Plan was the March 11, 2021 signing into law by President Biden of the American Rescue Plan Act of 2021 (ARPA). The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including public health and economic impacts. While funding has yet to come to MTA, it is estimated MTA will receive about \$6.5 billion from ARPA, and this is incorporated into the July Plan.

The second significant development has been the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA continues to adjust service levels as it moves into the late-pandemic period and ridership levels continue to show improvement, although ridership remains significantly below pre-pandemic levels. MTA New York City Subway resumed 24 hours a day service on May 17, 2021, after subway service was shut down overnight for over a year to allow for thorough disinfecting of the system and other enhancements. MTA Long Island Rail Road currently operates on an 83% pre-pandemic service level. MTA Metro-North Railroad currently operates on a 67% pre-pandemic service level but plans to restore service on August 29, 2021 to 83% during the week and 70% on weekends relative to pre-pandemic levels.

In the February Plan, ridership was based on the "worst case" scenario developed for MTA by McKinsey, while vehicular traffic at MTA Bridges and Tunnels facilities was based on the midpoint between McKinsey's "best case" and "worst case" scenarios. Since the beginning of 2021, consolidated MTA ridership has been tracking consistent with the midpoint between the McKinsey

scenarios, while MTA Bridges and Tunnels vehicular traffic has been consistently close to the McKinsey “best case” scenario as restrictions were eased and removed. These factors have led MTA to revise utilization projections for the July Plan: MTA Bridges and Tunnels utilization is now based on the McKinsey “best case” scenario, and ridership, with the exception of MTA Staten Island Railway ridership, is based on the midpoint of the McKinsey scenarios. MTA Staten Island Railway ridership continues to lag and is being projected under the “worst case” scenario. These overall projected improvement (notwithstanding the MTA Staten Island Railway’s negative forecast) would result in \$3.7 billion in additional farebox revenue and \$799 million in additional toll revenue through 2024 when compared with the February Plan.

Despite these positive developments, ridership remains below pre-pandemic levels and McKinsey’s most recent analysis projects a “new normal” ridership level of between 82% and 91% of pre-pandemic levels, the result of continuation of hybrid work schedules, with fewer days per week traveling to an office location, increased online shopping at the expense of brick and mortar locations, slower return of tourism, and increases in alternative travel, such as walking and bicycling.

The increases in ridership and traffic recovery also favorably impact, by \$153 million through 2024, the estimated farebox and toll revenue generated from the proposed 2021 fare increase and from the 2023 fare and toll increases. Additionally, the 2021 toll increase that went into effect in mid-April increased toll rates by six percent, above the four percent assumed in the February Plan, and is expected to generate about \$175 million over the February Plan estimate.

In addition to farebox and toll revenue, Agency re-estimates include \$268 million in “New Needs” expenses, partially offset by an increase of \$94 million from savings programs. Other Agency re-estimates are \$71 million unfavorable compared with the February Plan.

State and local subsidy and dedicated tax receipts also have improved, with revenue \$1.4 billion higher through 2024 compared with the February Plan. However, the impact on the operating budget is less, as Capital Lockbox revenues, including the Mansion Tax and the Internet Marketplace Tax, are being redirected back to provide support for the Capital Program, reducing overall subsidies available to cover the operating budget by an estimated \$515 million.

Committed to Capital support through 2023, which was scaled back at the start of the pandemic, is also being restored, by \$367 million in 2021, \$120 million in 2022 and \$114 million in 2023.

Projected debt service expenses in the July Plan are favorable compared with the February Plan by \$293 million, reflecting the use of highly rated Payroll Mobility Tax (PMT) bonds versus Transportation Revenue Bonds (TRB), lower interest rates in general, and federal operating support to MTA alleviating near term deficits. The coverage period for reimbursement of COVID-related expenses from the FEMA was extended from September 2020 to September 2021, and MTA estimates its additional reimbursement from claims during this extended period will come to \$140 million, which is expected to be realized in 2022.

These changes result in a cumulative July Plan deficit of \$10.0 billion. ARPA federal aid, the deferred 2021 fare increase, the use of \$1.3 billion of proceeds from MLF deficit bonds, the assumed “right-sizing” service reductions and a two-year wage freeze, however, are projected to result in financial balance through the July Plan period.



## The July Plan

(dollars in millions)

	2021	2022	2023	2024	2025	Plan Deficit
<b>Preliminary July Financial Plan<sup>1</sup></b>	<b>(\$39)</b>	<b>(\$2,842)</b>	<b>(\$2,125)</b>	<b>(\$2,344)</b>	<b>(\$2,655)</b>	<b>(\$10,005)</b>
American Rescue Plan Act (ARPA) Federal Aid	\$22	\$2,492	\$1,527	\$1,740	\$719	\$6,500
2021 Fare Increase	17	178	204	207	213	819
Service Reductions <sup>2</sup>	0	0	220	206	206	632
Two-Year Wage Freeze (Rep/Non-Rep through 2022) <sup>3</sup>	0	171	174	191	198	734
Proceeds of MLF Deficit Bonding	0	0	0	0	1,319	1,319
Change in Prior Year Cash Balance	0	0	0	0	0	N/A
<b>July Financial Plan</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

1 Only reflects fare and toll increases in 2023 and 2025.

2 Service reductions tie to the McKinsey midpoint between the "best case" and "worst case" ridership projections.

3 TWU Local 100 and all other settled contracts honored. Assumes contracts for all other pattern-following bargaining units conform to the first two years of the TWU Local 100 contract, followed by two years of a wage freeze.

As indicated in the chart above, the July Plan relies not only on federal aid and deficit financing to close the budget gaps, but three significant policy choices available to MTA at the direction of the MTA Board: a fare increase in 2021, the "right-sizing" of service, and implementation of a two-year wage freeze.

*American Rescue Plan Act of 2021 (ARPA) Federal Aid.* With the enactment of ARPA, MTA expects to receive about \$6.5 billion in additional federal aid, in addition to the \$4 billion from the CARES Act and \$4 billion from CRRSAA, which are included in the July Plan. Release of such funds by the Federal Transit Administration is awaiting agreement of the final allocation of CRRSAA and ARPA monies among the states of New York, New Jersey and Connecticut. Approximately \$700 million of the amounts proposed to be allocated to MTA remains under further negotiation.

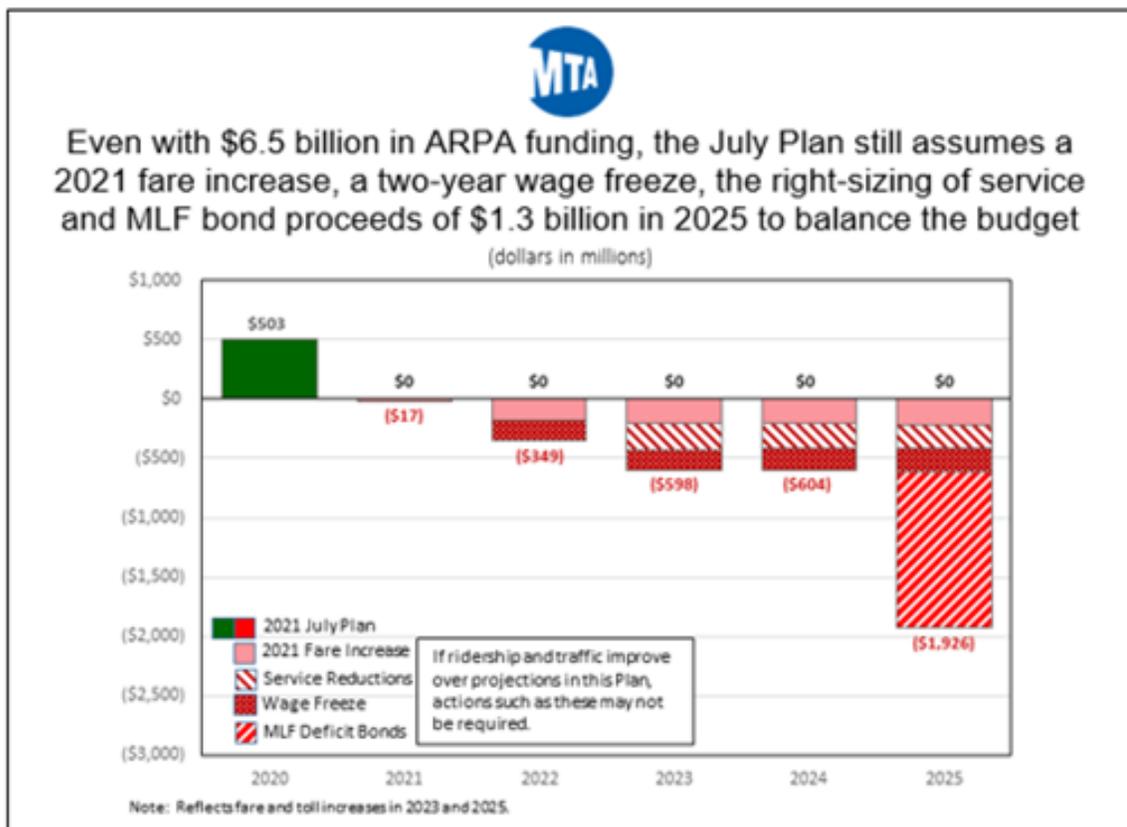
*2021 Fare Increase.* A four percent increase in farebox revenue derived from a fare rate increase was originally proposed for implementation in March 2021, but a decision was deferred by the MTA Board. The July Plan proposes a similar increase for implementation in November. Should the fare increase not be implemented, \$819 million in anticipated revenue over the July Plan period would not be available to cover expenses.

*Service Reductions.* In the February Plan, MTA had proposed service reductions to align with the post-pandemic "new normal" ridership levels based on the McKinsey "worst case" scenario. The proposed service reductions focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service in response to current and projected ridership. Service would be restored as ridership levels improve, and savings would be \$696 million in 2023 and \$559 million in 2024. With ridership trending on a path consistent with the midpoint between the McKinsey "best case" and "worst case" scenarios, service reductions have been scaled back and the accompanying expense savings is reduced to \$220 million in 2023 and \$206 million in 2024 and 2025.

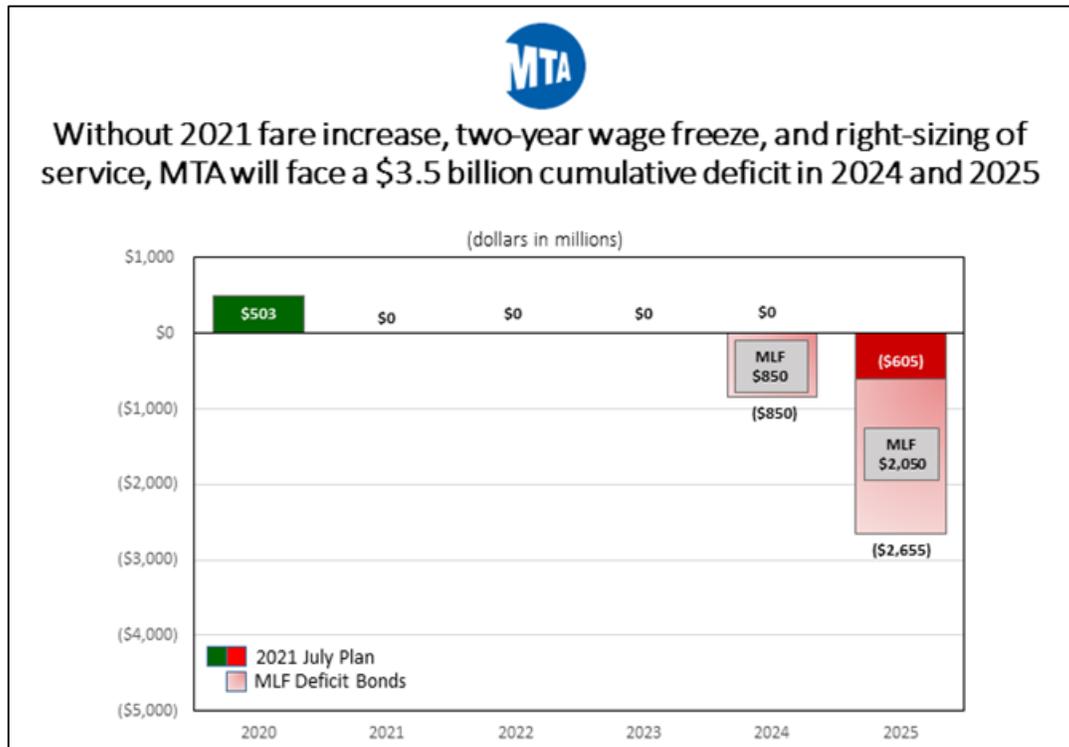
*Two-Year Wage Freeze.* In the February Plan, MTA had proposed a wage freeze through 2022 for all employees, both represented and non-represented, saving an estimated \$309 million in

2022, \$315 million in 2023 and \$322 million in 2024. With the expected availability of ARPA federal aid, this proposed action has been revised. MTA expects to fully honor the TWU Local 100 contract, a four-year contract that runs from mid-May 2019 through mid-May 2022, as well as all other settled contracts. Bargaining units that typically follow the TWU pattern settlements have either entered into two-year agreements similar to the first two years of the current TWU contract or are assumed to do so, and those two-year contract costs are reflected in the July Plan, but followed by a “pause” until MTA’s financial picture better becomes clearer. Non-represented employees also would not have wage increases for two years, in 2021 and 2022. Revised savings from this policy action are estimated to be \$171 million in 2022, \$174 million in 2023, \$191 million in 2024 and \$198 million in 2025.

*Proceeds of MLF Deficit Bonding.* To cover the budget deficits, MTA was been granted the authority by the 2020-2021 State Enacted Budget to borrow up to \$10 billion in deficit financing through December 2022. MTA utilized the MLF, which the Federal Reserve established as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID pandemic, to borrow the maximum \$2.9 billion allowed MTA under the program before the lending window closed at the end of 2020. The MLF loan is due for repayment in 2023, and MTA expects to issue long-term bonds in 2023 to repay the Federal Reserve in full. In the February Plan, it was anticipated MTA would use \$1.65 billion of MLF deficit financing proceeds in 2021, and the remaining \$1.25 billion in 2022. The July Plan, with the anticipated infusion of the \$6.5 billion in federal aid from ARPA, \$819 million from the proposed 2021 fare increase, and savings of \$632 million and \$734 million from the service reductions and two-year wage freeze, respectively, can delay using the proceeds of MLF deficit bonding until 2025, at which point \$1.3 billion would be needed to close the projected 2025 deficit.



Should the assumed policy actions not be implemented, ARPA federal aid would need to be used earlier in the July Plan period, all \$2.9 billion of proceeds of MLF deficit bonding would be used, and a projected deficit of \$605 million would remain in 2025. This would leave MTA facing a \$3.5 billion cumulative deficit in 2024 and 2025.



### Summary of July Plan Conclusions

In total, the cumulative impact of the changes since the February Plan is a projected balanced budget through 2025. However, as noted above, despite the anticipated receipt of an additional \$6.5 billion in federal aid from ARPA, the July Plan is only balanced assuming the 2021 fare increase is implemented, service is right-sized, a two-year wage freeze is implemented, and \$1.3 billion in MLF deficit bonding proceeds will be required to close the projected 2025 deficit.

### Challenges and Significant Risks Remain

There are a variety of challenges and significant risks affecting MTA and implementation of the July Plan and the ability to fully address the serious deficits still projected in the July Plan:

- *Receipt of Projected Levels of Federal Aid.* MTA management projects the receipt of \$6.5 billion in ARPA federal aid over the July Plan period. Receipt of such funds, as well as the \$4 billion in CRRSAA federal aid, is critical to the fiscal balance projected in the July Plan.

- *Continued Aggressive Cost Cutting.* MTA must remain focused on existing cost control efforts. Further savings must be identified to create the financial flexibility necessary to cover the cost of long-term deficit financing. Remaining transformation savings actions still must be identified, or the July Plan would worsen by an estimated \$619 million over the July Plan period.
- *Implementation of Biennial Fare and Toll Increases (2021, 2023, 2025).* While MTA works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs (“Farebox Operating Ratio”) and a little more than a third of total expenses, including capital costs (“Farebox Recovery Ratio”). Moreover, many costs are dependent on pricing factors outside MTA’s direct control (e.g., energy, health & welfare and pensions) and many costs are increasing at a rate above the assumed annual increase in fares and tolls of approximately two percent. The July Plan assumes a combined \$1.9 billion in additional fare and toll revenue from the projected 2021 fare increase and from the projected 2023 and 2025 fare and toll increases.
- *Achieving Affordable Wage Settlements.* MTA management is committed to honoring the terms of its existing contracts. The proposed two-year wage freeze essentially pauses wage increases for the represented workers who have followed the TWU Local 100 contract in the past while MTA determines its financial capacity to negotiate affordable wage settlements with its unions.
- *Aligning Service to “New Normal” Ridership Levels.* McKinsey projects that MTA’s overall ridership may only recover to 82% to 91% of the pre-pandemic level by the mid-2020s, a projection that considers changes in travel behavior as more employers allow their staffs to work remotely, increasing work from home from between one and three days a week, on average, from the pre-pandemic average of a half-day per week, driving down commutation ridership; non-work trips are expected to decline due to reductions in retail and leisure trips. Mode shifts, to automobile and other forms of travel—primarily bicycle and walking for shorter trips—are expected to further reduce overall ridership. The challenge facing MTA is not only to provide the level of service to match the current needs of customers, but also to introduce the appropriate level of service as ridership returns. Simply returning to pre-pandemic service structure and service levels, without appropriately matching service with “new normal” demand, will continue the unsustainable structural fiscal imbalances that must be addressed and corrected. Clearly, if ridership and traffic exceed the forecasts in the July Plan, the financial forecast will be more favorable, assumed policy actions in the July Plan may not be necessary and appropriate actions can be considered in subsequent Financial Plans.
- *Respond to the developing economic environment.* MTA’s finances are highly influenced by local, national and global economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction tax revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the July Plan are unrealized, the July Plan’s projected results could be adversely affected.
- *Cybersecurity Risks.* In the course of its daily business, MTA and its Related Entities collect and store sensitive data, including fare and toll collection data, financial

information, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to many of MTA and its Related Entities' operations, including operations of the Transit and Commuter Systems and MTA Bridges and Tunnels' facilities. Despite security and other technical measures currently in place and those which may be adopted in the future, information technology and infrastructure may be vulnerable to attacks by hackers, nation states or other breaches, including as a result of error, malfeasance or other disruptions or failures. Any such breach, disruption or other failure could compromise MTA services, networks, facility operations and the information stored there could be accessed, disrupted, publicly disclosed, lost or stolen. Any such access, disruption, disclosure, theft or other loss of information could result in disruptions to MTA and its Related Entities' operations and financial or other activities, including as they relate to the Transit and Commuter Systems and MTA Bridges and Tunnels' facilities or otherwise, or legal claims or proceedings, including pursuant to laws that protect the privacy of personal information, or regulatory penalties.

MTA maintains a cybersecurity division within its IT department lead by the MTA Chief Information and Security Officer who reports to the MTA Chief Technology Officer. MTA uses National Institute of Standards and Technology Cybersecurity Framework to measure the maturity of cybersecurity controls and exposure to cyber risks at MTA and its Related Entities. The current focus is on improving detection, response and recovery capabilities along with a continual review of critical controls for systems which process MTA and its Related Entities corporate/IT data. Funding has been provided to cover previously identified cybersecurity investment needs. While the 2021 MTA budget provides \$15.2 million for cybersecurity, an additional \$188.2 million over a four-year period is allocated to strengthen cybersecurity defenses at MTA and its Related Entities.

In 2020, progress was made at MTA and its Related Entities to develop threat detection and monitoring capabilities within the MTA operational technologies environment. The primary risks continue to be from third parties and supply chain, threats from ransomware threat actors, as well as from nation states trying to gain access to MTA's information technology networks.

In April 2021, hackers gained access to three internet connected appliances used for providing remote access to certain MTA employees and contractors. Hackers exploited a flaw in the system that no one was aware of including the manufacturer, and that has since been remedied. According to a forensic audit of that attack conducted by IBM and Mandiant, a national cybersecurity firm, at the request of MTA, the hackers did not make any changes to MTA's operations, compromise any MTA accounts, or collect any employee or customer information. The hackers did not gain access to systems which control train cars. MTA's defense-in-depth approach prevented the hackers from accessing any internal systems. As a precautionary measure, MTA required a migration and password change for 3,700 users – representing five percent of MTA employees and contractors.

While MTA cybersecurity and operational safeguards are periodically tested, no assurances can be given by MTA that such measures will ensure against all potential cybersecurity threats and attacks and accompanying disruptions and costs.

- *Potentially Higher Interest Rates than Forecast.* The July Plan includes interest rate assumptions consistent with the Federal Open Markets Committee’s (FOMC). However, recent actions and policy statements on future actions or a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC’s inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing higher than projected in the July Plan.
- *Central Business District Tolling Program (CBD Tolling Program).* On October 18, 2019, MTA Bridges and Tunnels announced the selection of TransCore to design, build, operate and maintain the toll system equipment and infrastructure required to implement the Central Business District (CBD) Tolling Program in New York City. MTA Bridges and Tunnels will work closely with TransCore and the City’s Department of Transportation to install the toll system and infrastructure for the CBD Tolling Program that is expected to reduce congestion and generate net revenue sufficient to fund an estimated \$15 billion for the MTA 2020-2024 Capital Plan. The City would be the first in North America to have a CBD Tolling Program.

To implement the CBD Tolling Program on federal aid roadways within the CBD, authorization is required from the Federal Highway Administration (FHWA) under its Value Pricing Pilot Program (VPPP). FHWA approval to participate in the VPPP makes this project subject to National Environmental Policy Act review. Once operational, TransCore will continue to be responsible under a contract with MTA Bridges and Tunnels for operating and maintaining the infrastructure and toll system for an additional six years. The contract envisions a future-ready system, which allows for new technologies to be incorporated as technologies advance. The total cost of this design, build, operate and maintain contract is \$507 million, which includes incentive payments to encourage on-time delivery. MTA Bridges and Tunnels has already advanced some of the work on the CBD Tolling Program, within the constraints of federal environmental law, and on February 18, 2021, the MTA Board authorized the issuance of MTA Bridges and Tunnel’s second lien subordinated revenue obligations to finance part of the \$503 million authorized to support the completion of the CBD Tolling Program. Under that authorization, MTA Bridges and Tunnels issued second subordinate revenue bond anticipation notes on June 10, 2021 to provide \$200 million to finance capital costs of the CBD Tolling Program. On March 30, 2021, FHWA determined that an Environmental Assessment (EA) with robust outreach, is the appropriate level of environmental review and engagement required under NEPA. The EA will analyze the potential environmental effects (including traffic, transit, parking, air quality, social, economic) of implementing the CBD Tolling Program and will include outreach to multiple stakeholders, including other agencies, environmental justice communities, various stakeholder groups, tribal nations, and the broader public.

See also “CERTAIN RISK FACTORS” in the ADS.

## **MTA Liquidity Resources.**

As of July 30, 2021 MTA had liquidity resources in the approximate amount of \$4.597 billion, consisting of a current running cash balance of \$1.065 billion, internal available flexible funds totaling \$1.124 billion, PMT working capital BANs, plus interest, totaling \$2.404 billion, and applicable undrawn commercial bank lines of credit totaling approximately \$3.7 million (while total commercial bank lines of credit are \$1.2 billion, \$1.196 billion has been drawn and spent, and MTA terminated the \$950 million syndicated term facility on May 21, 2021). *These funds provide a temporary funding “bridge” to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs. The foregoing liquidity resources do not include federal emergency funding from either the Coronavirus Response and Relief Supplemental Appropriations Act or the American Rescue Plan Act of 2021, none of which has yet been received by MTA.*

## **Governance.**

On June 10, 2021, Governor Cuomo announced the nomination of Sarah E. Feinberg as MTA Board Chair and the appointment of Janno Lieber as the Chief Executive Officer of MTA. Pat Foye, who led MTA as President as well as Chairman and Chief Executive Officer for the past four years resigned effective on July 30, 2021 to become Interim President and Chief Executive Officer of Empire State Development Corporation. Ms. Feinberg resigned as Interim President of MTA New York City Transit on July 30, 2021. Governor Cuomo sponsored legislation in Albany to bifurcate MTA’s leadership, under which MTA New York City Transit Interim President Sarah Feinberg would chair the MTA Board and chief development officer Janno Lieber would become Chief Executive Officer. The legislation passed the State Assembly, but no action has been taken by the State Senate. Effective on July 30, 2021, Janno Lieber will serve as Acting MTA Board Chair and Chief Executive Officer, and Craig Cipriano, Senior Vice President, MTA New York City Transit Department of Buses and President of MTA Bus, was named Acting President of MTA New York City Transit.

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**Attachment A to MTA Annual Disclosure Statement  
First Quarterly Update  
August 3, 2021**

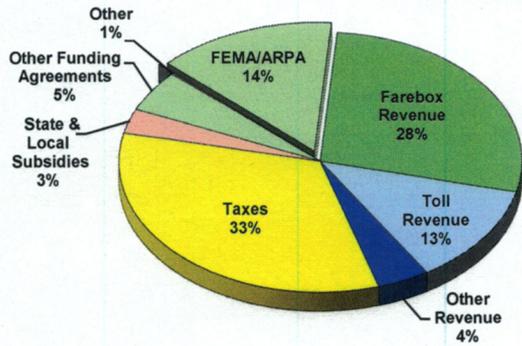
**MTA July Financial Plan**

This **Attachment A** to the 2021 ADS First Quarterly Update sets forth the consolidated July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan, which includes the 2021 Mid-Year Forecast, the 2022 Preliminary Budget and a Financial Plan for the fiscal years 2022 through 2025, in each case prepared by MTA management. The complete July Plan is posted on MTA's website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA's website or any other website is included by specific cross-reference herein.

In general, MTA's July Plan provides the opportunity for MTA to present a revised forecast of the current year's finances and a four-year re-forecast of out-year finances. The July Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings.

**MTA 2022 Preliminary Budget**  
**Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments**  
**Non-Reimbursable**

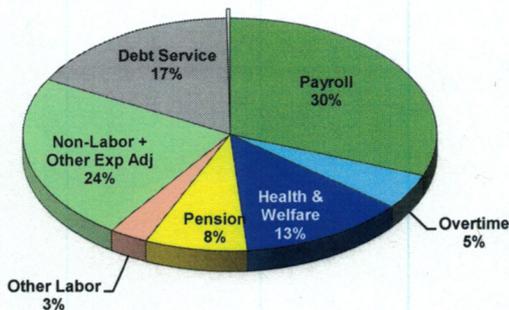
**Where the Dollars Come From ...**



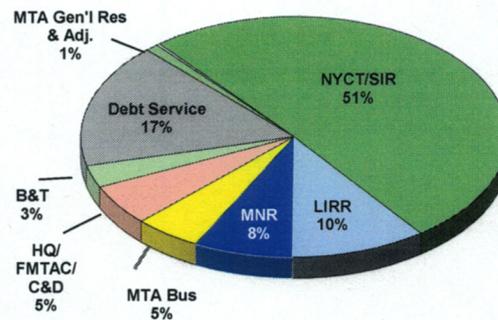
By Revenue Source (\$ in millions)	
Farebox Revenue	\$5,044
Toll Revenue	2,257
Other Revenue	764
Taxes	6,092
State and Local	559
Other Funding Agreements	955
Other <sup>1</sup>	(34)
Proceeds from MLF	0
ARPA/FEMA	2,632
<b>Total<sup>2</sup></b>	<b>\$18,270</b>

**Where the Dollars Go ...**

**By Expense Category**



**By MTA Agency**



By Expense Category <sup>3</sup> includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,604
Overtime	893
Health & Welfare	2,354
Pension	1,451
Other Labor	555
<b>Total Labor</b>	<b>\$10,857</b>
Non-Labor + Other Exp Adj	4,394
Debt Service	3,065
BTL Adjustments for Expenses <sup>4</sup>	(46)
<b>Total<sup>2</sup></b>	<b>\$18,270</b>

By MTA Agency <sup>3</sup> includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$9,320
LIRR	1,881
MNR	1,376
MTABC	928
HQ/FMTAC/C&D	1,017
B&T	549
Debt Service	3,065
MTA Gen'l Res & Adjs	180
BTL Adjustments for Expenses <sup>4</sup>	(46)
<b>Total<sup>2</sup></b>	<b>\$18,270</b>

<sup>1</sup> Includes cash adjustments and prior-year carryover.

<sup>2</sup> Totals may not add due to rounding.

<sup>3</sup> Expenses exclude Depreciation, GASB 75 OPEB Adjustment, GASB 68 Pension Adjustment and Environmental Remediation.

<sup>4</sup> In the pie chart "By Expense Category," the below-the-line adjustments cannot be segmented by Expense Category. The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.  
 In the pie chart "By MTA Agency," the below-the-line adjustments cannot be segmented by Agency. The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.

**Note:** The revenues and expenses reflected in these charts are on an accrued basis.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2022 - 2025**  
**MTA Consolidated Accrued Statement of Operations By Category**  
(\$ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
<b><u>Non-Reimbursable</u></b>						
<b>Operating Revenues</b>						
Farebox Revenue	\$2,623	\$2,826	\$4,859	\$5,398	\$5,483	\$5,478
Toll Revenue	1,640	2,140	2,257	2,268	2,274	2,295
Other Revenue	4,571	669	764	826	857	875
Capital and Other Reimbursements	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$8,835</b>	<b>\$5,635</b>	<b>\$7,881</b>	<b>\$8,492</b>	<b>\$8,614</b>	<b>\$8,649</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$5,306	\$5,363	\$5,604	\$5,709	\$5,855	\$5,997
Overtime	910	986	893	912	931	950
Health and Welfare	1,304	1,430	1,551	1,647	1,753	1,868
OPEB Current Payments	633	741	803	873	947	1,029
Pension	1,510	1,445	1,451	1,470	1,472	1,503
Other Fringe Benefits	790	938	980	1,019	1,053	1,090
Reimbursable Overhead	(380)	(425)	(425)	(416)	(422)	(425)
<b>Total Labor Expenses</b>	<b>\$10,072</b>	<b>\$10,478</b>	<b>\$10,857</b>	<b>\$11,214</b>	<b>\$11,591</b>	<b>\$12,012</b>
<b><u>Non-Labor:</u></b>						
Electric Power	\$385	\$424	\$471	\$484	\$497	\$510
Fuel	103	170	173	170	169	225
Insurance	(5)	32	61	98	118	148
Claims	237	353	436	444	454	468
Paratransit Service Contracts	326	396	519	553	588	625
Maintenance and Other Operating Contracts	772	901	975	997	999	1,028
Professional Services Contracts	447	703	621	572	590	602
Materials and Supplies	543	644	733	717	724	740
Other Business Expenses	152	179	199	219	221	231
<b>Total Non-Labor Expenses</b>	<b>\$2,960</b>	<b>\$3,802</b>	<b>\$4,188</b>	<b>\$4,255</b>	<b>\$4,361</b>	<b>\$4,578</b>
<b><u>Other Expense Adjustments:</u></b>						
Other	\$80	\$37	\$26	\$28	\$23	\$24
General Reserve	335	170	180	190	195	200
<b>Total Other Expense Adjustments</b>	<b>\$415</b>	<b>\$207</b>	<b>\$206</b>	<b>\$218</b>	<b>\$218</b>	<b>\$224</b>
<b>Total Expenses Before Non-Cash Liability Adjs.</b>	<b>\$13,447</b>	<b>\$14,487</b>	<b>\$15,251</b>	<b>\$15,687</b>	<b>\$16,169</b>	<b>\$16,814</b>
Depreciation	\$3,010	\$3,126	\$3,142	\$3,207	\$3,255	\$3,304
GASB 75 OPEB Expense Adjustment	886	1,576	1,619	1,665	1,702	1,739
GASB 68 Pension Expense Adjustment	(65)	7	51	75	(24)	21
Environmental Remediation	122	6	6	6	6	6
<b>Total Expenses After Non-Cash Liability Adjs.</b>	<b>\$17,401</b>	<b>\$19,203</b>	<b>\$20,069</b>	<b>\$20,640</b>	<b>\$21,108</b>	<b>\$21,884</b>
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,954)	(\$4,716)	(\$4,817)	(\$4,953)	(\$4,939)	(\$5,071)
Debt Service (excludes Service Contract Bonds)	2,703	2,843	3,065	3,514	3,560	3,614
<b>Total Expenses with Debt Service</b>	<b>\$16,151</b>	<b>\$17,330</b>	<b>\$18,317</b>	<b>\$19,201</b>	<b>\$19,729</b>	<b>\$20,428</b>
Dedicated Taxes & State and Local Subsidies	\$6,686	\$7,744	\$7,613	\$7,930	\$8,156	\$8,400
<b>Net Surplus/(Deficit) After Subsidies and Debt Service</b>	<b>(\$629)</b>	<b>(\$3,952)</b>	<b>(\$2,823)</b>	<b>(\$2,779)</b>	<b>(\$2,960)</b>	<b>(\$3,379)</b>
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	648	(862)	(34)	280	207	43
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$18</b>	<b>(\$4,814)</b>	<b>(\$2,857)</b>	<b>(\$2,499)</b>	<b>(\$2,752)</b>	<b>(\$3,337)</b>
Below the Line Adjustments	\$0	\$4,311	\$2,857	\$2,499	\$2,752	\$3,337
Prior Year Carryover Balance	485	503	0	0	0	0
<b>Net Cash Balance</b>	<b>\$503</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## METROPOLITAN TRANSPORTATION AUTHORITY

### July Financial Plan 2022-2025

#### Plan Adjustments

(\$ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	Plan 2023	Plan 2024	2025
<b>Cash Balance Before Prior-Year Carry-over</b>	<b>\$18</b>	<b>(\$4,814)</b>	<b>(\$2,857)</b>	<b>(\$2,499)</b>	<b>(\$2,752)</b>	<b>(\$3,337)</b>
<b>Fare/Toll Increases:</b>						
<i>Fare Increase in November 2021 (4% Yield)</i>		\$18	\$184	\$205	\$209	\$208
<i>Fare/Toll Increase in March 2023 (4% Yield)</i>		-	-	261	310	311
<i>Fare/Toll Increase in March 2025 (4% Yield)</i>		-	-	-	-	276
<i>Subsidy Impacts of 2021, 2023 and 2025 Fare/Toll Increases</i>		(1)	(6)	(21)	(17)	(31)
<b>Subtotal</b>		<b>\$17</b>	<b>\$179</b>	<b>\$445</b>	<b>\$501</b>	<b>\$764</b>
<b>MTA Initiatives:</b>						
<i>MTA Transformation Savings - Not Yet Identified</i>		25	146	151	148	148
<b>Subtotal</b>		<b>\$25</b>	<b>\$146</b>	<b>\$151</b>	<b>\$148</b>	<b>\$148</b>
<b>Management and Policy Actions:</b>						
<i>Service Reductions</i>		-	-	\$220	\$206	\$206
<i>Two-Year Freeze (Rep/Non-Rep through 2022) <sup>1</sup></i>		-	171	174	191	198
<b>Subtotal</b>		<b>\$0</b>	<b>\$171</b>	<b>\$394</b>	<b>\$397</b>	<b>\$404</b>
<b>MTA Re-estimates:</b>						
<i>East-Side Access</i>		\$31	\$(7)	\$(58)	\$(75)	\$(60)
<i>Headquarters Call Center</i>		(3)	(0)	1	2	4
<i>State Aid for the 2015-19 Capital Program</i>		-	37	38	38	38
<i>Repayment of Revolving Bank Line of Credit</i>		-	(300)	-	-	-
<b>Subtotal</b>		<b>\$28</b>	<b>(\$271)</b>	<b>(\$19)</b>	<b>(\$35)</b>	<b>(\$18)</b>
<b>Other:</b>						
<i>FEMA Reimbursement</i>		\$220	\$140	-	-	-
<i>CRRSAA Federal Aid</i>		4,000	-	-	-	-
<i>ARPA Federal Aid</i>		22	2,492	1,527	1,740	719
<i>Proceeds of MLF Deficit Bonding</i>		-	-	-	-	1,319
<b>Subtotal</b>		<b>\$4,242</b>	<b>\$2,632</b>	<b>\$1,527</b>	<b>\$1,740</b>	<b>\$2,038</b>
<b>TOTAL ADJUSTMENTS</b>		<b>\$4,311</b>	<b>\$2,857</b>	<b>\$2,499</b>	<b>\$2,752</b>	<b>\$3,337</b>
<i>Prior-Year Carry-Over</i>	485	503	0	0	0	0
<b>Net Cash Surplus/(Deficit)</b>	<b>\$503</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> TWU Local 100 contract, and all other existing contracts honored. Assumes contracts for all other pattern-following bargaining units conform to the first two years of the TWU Local 100 contract, followed by two years of a wage freeze.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2022 - 2025**

**Cash Receipts and Expenditures**

(\$ in millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
<b>Cash Receipts and Expenditures</b>						
<b>Receipts</b>						
Farebox Revenue	\$2,575	\$2,828	\$4,860	\$5,397	\$5,482	\$5,478
Other Revenue	4,569	707	784	847	879	898
Capital and Other Reimbursements	1,931	2,257	2,069	1,994	2,019	2,037
<b>Total Receipts</b>	<b>\$9,075</b>	<b>\$5,792</b>	<b>\$7,713</b>	<b>\$8,239</b>	<b>\$8,380</b>	<b>\$8,412</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Payroll	\$5,793	\$5,971	\$6,156	\$6,217	\$6,372	\$6,668
Overtime	1,107	1,201	1,086	1,087	1,107	1,130
Health and Welfare	1,355	1,487	1,605	1,693	1,800	1,916
OPEB Current Payments	625	730	797	866	941	1,022
Pension	1,537	1,513	1,515	1,522	1,523	1,555
Other Fringe Benefits	547	1,237	1,127	1,016	1,047	1,091
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	(5)	(5)	(5)	(5)	(5)
<b>Total Labor Expenditures</b>	<b>\$10,963</b>	<b>\$12,134</b>	<b>\$12,280</b>	<b>\$12,396</b>	<b>\$12,786</b>	<b>\$13,376</b>
<b>Non-Labor:</b>						
Electric Power	\$404	\$434	\$480	\$493	\$505	\$518
Fuel	112	162	171	168	167	223
Insurance	29	13	70	92	119	153
Claims	240	277	294	300	308	320
Paratransit Service Contracts	344	394	517	551	586	623
Maintenance and Other Operating Contracts	700	871	906	918	924	929
Professional Services Contracts	543	807	651	577	583	614
Materials and Supplies	772	789	870	841	846	862
Other Business Expenses	153	167	178	192	206	223
<b>Total Non-Labor Expenditures</b>	<b>\$3,297</b>	<b>\$3,913</b>	<b>\$4,136</b>	<b>\$4,132</b>	<b>\$4,244</b>	<b>\$4,465</b>
<b>Other Expenditure Adjustments:</b>						
Other	\$147	\$203	\$105	\$97	\$106	\$113
General Reserve	335	170	180	190	195	200
<b>Total Other Expenditure Adjustments</b>	<b>\$482</b>	<b>\$373</b>	<b>\$285</b>	<b>\$287</b>	<b>\$301</b>	<b>\$313</b>
<b>Total Expenditures</b>	<b>\$14,742</b>	<b>\$16,421</b>	<b>\$16,702</b>	<b>\$16,816</b>	<b>\$17,331</b>	<b>\$18,154</b>
<b>Net Cash Balance before Subsidies and Debt Service</b>	<b>(\$5,668)</b>	<b>(\$10,628)</b>	<b>(\$8,989)</b>	<b>(\$8,577)</b>	<b>(\$8,950)</b>	<b>(\$9,742)</b>
Dedicated Taxes & State and Local Subsidies	\$7,714	\$7,930	\$8,461	\$8,741	\$8,898	\$9,093
Debt Service (excludes Service Contract Bonds)	(2,028)	(2,116)	(2,328)	(2,663)	(2,700)	(2,688)
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$18</b>	<b>(\$4,814)</b>	<b>(\$2,857)</b>	<b>(\$2,499)</b>	<b>(\$2,752)</b>	<b>(\$3,337)</b>
Adjustments	\$0	\$4,311	\$2,857	\$2,499	\$2,752	\$3,337
Prior-Year Carryover Balance	485	503	0	0	0	0
<b>Net Cash Balance</b>	<b>\$503</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**July Financial Plan 2022-2025**  
**MTA Consolidated July Financial Plan Compared with February Financial Plan**  
**Cash Reconciliation after Below-the-Line Adjustments**  
(\$ in millions)

	Favorable/(Unfavorable)			
	2021	2022	2023	2024
<b>FEBRUARY FINANCIAL PLAN 2021-2024</b>				
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$5</b>	<b>(\$3,129)</b>	<b>(\$2,441)</b>	<b>(\$2,403)</b>
<b>Agency Baseline Re-estimates</b>	<b>\$1,585</b>	<b>\$1,637</b>	<b>\$1,126</b>	<b>\$648</b>
Revenue				
Farebox Revenue <sup>1</sup>	1,077	1,399	831	395
Toll Revenue <sup>1</sup>	645	154	-	-
April 2021 6% Increase in Toll Revenue	99	141	141	144
Rates & Related Assumptions <sup>2</sup>	156	135	113	110
COVID Impacts (Revenue and Expenditures)	(2)	21	55	(18)
Timing (including 2020)	(294)	(179)	(7)	15
Other Baseline Re-estimates <sup>3</sup>	(95)	(35)	(8)	2
<b>New Needs/Investments</b>	<b>(\$33)</b>	<b>(\$87)</b>	<b>(\$86)</b>	<b>(\$101)</b>
Maintenance	31	(22)	(22)	(22)
Service/Service Support	(12)	(25)	(25)	(26)
Technology Enhancements	(40)	(26)	(24)	(40)
Safety & Security	(3)	(10)	(11)	(10)
All Other New Needs	(10)	(4)	(4)	(3)
<b>Savings Programs</b>	<b>(\$10)</b>	<b>\$34</b>	<b>\$30</b>	<b>\$39</b>
New BRPs and Re-estimates (including ASAs)	(10)	34	30	39
<b>B&amp;T Adjustments</b>	<b>(\$748)</b>	<b>(\$288)</b>	<b>(\$126)</b>	<b>(\$125)</b>
B&T Net Baseline Impacts <sup>4</sup>	(748)	(288)	(126)	(125)
<b>General Reserve <sup>5</sup></b>	<b>(\$335)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Debt Service (Cash)</b>	<b>\$51</b>	<b>\$59</b>	<b>\$92</b>	<b>\$91</b>
<b>Subsidies (Cash)</b>	<b>\$344</b>	<b>\$571</b>	<b>\$578</b>	<b>\$720</b>
Metropolitan Mass Transportation Operating Assist (MMTOA)	154	54	39	106
Petroleum Business Tax (PBT) Receipts	16	19	19	18
Real Estate Taxes	317	375	377	368
Payroll Mobility Tax (PMT)	148	-	-	-
PMT Replacement Funds	20	13	13	13
For-Hire Vehicle (FHV) Surcharge	(43)	(33)	5	5
2020-24 Capital Program Funding from Lockbox for Debt Service	(515)	38	53	57
State Operating Assistance (18-b)	6	-	-	-
Local Operating Assistance (18-b)	(25)	-	-	-
City Subsidy for MTA Bus	(131)	(142)	(8)	(39)
City Subsidy for Staten Island Railway	(21)	5	(6)	(9)
CDOT Subsidy for Metro-North Railroad	36	(13)	5	24
B&T Surplus Transfer	737	369	199	182
Restore Committed to Capital Contribution	(367)	(120)	(114)	-
Other Subsidies and Subsidy Adjustments	12	8	(3)	(4)
<b>Below-the-Line (BTL) Adjustments</b>	<b>(\$848)</b>	<b>\$1,207</b>	<b>\$827</b>	<b>\$1,131</b>
<b>Fare and Toll Increases:</b>				
Adjustments to 2021 and 2023 Fare/Toll Increases	0	57	67	40
Reversal of Toll Increase Incorporated Above-the-Line	(44)	(78)	(85)	(85)
<b>MTA Efficiencies:</b>				
MTA Transformation Savings - Not Yet Identified	-	-	-	-
<b>Management and Policy Actions:</b>				
Service Reductions	-	-	(476)	(353)
Two-Year Freeze (Rep/Non-Rep through 2022)	-	(138)	(141)	(131)
<b>MTA Re-estimates:</b>				
Reversal of Below-the-Line Policy Actions Incorporated Above-the-Line	796	-	-	-
East-Side Access	31	(7)	(58)	(75)
Headquarters Call Center	(3)	(0)	1	2
State Aid for the 2015-19 Capital Program	-	(8)	(8)	(8)
Repayment of Revolving Bank Line of Credit	-	-	-	-
<b>Other:</b>				
FEMA Reimbursement	-	140	-	-
CRRSAA Federal Aid	-	-	-	-
ARPA Federal Aid	22	2,492	1,527	1,740
Proceeds of MLF Deficit Bonding	(1,650)	(1,250)	-	-
<b>Prior Year Carryover</b>	<b>(\$11)</b>	<b>(\$5)</b>	<b>\$0</b>	<b>\$0</b>
<b>JULY FINANCIAL PLAN 2022-2025</b>				
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Totals may not add due to rounding

**Notes to Cash Reconciliation after Below-the-Line Adjustments:**

- <sup>1</sup> In the July Plan, farebox revenue recovery estimates for NYCT Subway and Bus, MTA Bus, Long Island Rail Road and Metro-North Railroad reflect the midpoint between the "best case" and "worst case" McKinsey scenarios. Staten Island Railway reflects the "worst case" scenario, and Bridges & Tunnels toll revenue recovery projections reflect the "best case" scenario.
- <sup>2</sup> Includes plan-to-plan rate adjustments for health & welfare (employees and retirees), pension, electric power, fuel, etc.
- <sup>3</sup> Includes updated operating capital, reimbursable, OTPS adjustments, and cash.
- <sup>4</sup> While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above. To avoid duplication, B&T's baseline impacts are eliminated within this line. Included within B&T's baseline changes in 2021 and 2022 are increased toll revenue and labor expense adjustments. Changes for 2023 and 2024 primarily reflect insurance and changes in rates and related assumptions.
- <sup>5</sup> The 2019 and 2020 unspent General Reserves, which were held in the Plan for cash needs, can now be released with the anticipated receipt of federal ARPA funds and used to pay back a portion of an MTA intercompany loan.

**METROPOLITAN TRANSPORTATION AUTHORITY**

**July Financial Plan 2022 - 2025**

**Consolidated Subsidies**

Cash Basis  
(\$ in Millions)

	Actual 2020	Mid-Year Forecast 2021	Preliminary Budget 2022	2023	2024	2025
<b>MMTOA, PBT &amp; Real Estate Taxes</b>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$1,564.0	\$2,247.5	\$1,924.0	\$1,983.6	\$2,047.4	\$2,112.9
Petroleum Business Tax (PBT)	565.1	582.9	589.9	584.3	582.1	580.5
Mortgage Recording Tax (MRT)	462.7	579.6	598.2	597.9	614.6	635.7
MRT Transfer to Suburban Counties	(5.8)	(3.9)	(6.8)	(7.1)	(7.5)	(7.9)
MTA Bus Debt Service	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)	(12.6)
Interest	5.3	5.3	5.3	5.3	5.3	5.3
Urban Tax	377.0	342.4	437.6	497.8	534.6	574.2
Other Investment Income	1.7	1.7	1.7	1.7	1.7	1.7
	<b>\$2,957.8</b>	<b>\$3,743.3</b>	<b>\$3,537.8</b>	<b>\$3,651.3</b>	<b>\$3,765.9</b>	<b>\$3,889.8</b>
<b>PMT and MTA Aid</b>						
Payroll Mobility Tax (PMT)	\$1,560.8	\$1,523.5	\$1,596.2	\$1,762.5	\$1,840.6	\$1,920.8
Payroll Mobility Tax Replacement Funds	195.4	293.1	244.3	244.3	244.3	244.3
MTA Aid	248.8	273.2	305.0	310.5	310.9	311.2
	<b>\$2,005.1</b>	<b>\$2,089.8</b>	<b>\$2,145.4</b>	<b>\$2,317.3</b>	<b>\$2,395.8</b>	<b>\$2,476.2</b>
<b>New Funding Sources</b>						
<b>SAP Support and For-Hire Vehicle Surcharge:</b>						
For-Hire Vehicle (FHV) Surcharge	\$223.2	\$228.1	\$354.2	\$392.5	\$392.5	\$392.5
Subway Action Plan Account	222.1	224.7	300.0	300.0	300.0	300.0
Outerborough Transportation Account (OBTA)	0.0	0.0	50.0	50.0	50.0	50.0
Less: OBTA Projects	0.0	0.0	(50.0)	(50.0)	(50.0)	(50.0)
General Transportation Account	1.1	3.4	54.2	92.5	92.5	92.5
Less: Transfer to Committed to Capital for SAP	0.0	0.0	0.0	0.0	0.0	0.0
<b>2020-24 Capital Program Funding from Lockbox for Debt Service:</b>	<b>499.9</b>	<b>9.8</b>	<b>38.1</b>	<b>52.7</b>	<b>64.2</b>	<b>71.4</b>
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	1,000.0	1,000.0	1,000.0
Real Property Transfer Tax Surcharge (Mansion Tax)	176.5	185.7	202.0	219.7	239.0	259.9
Internet Marketplace Tax	260.0	343.5	319.1	322.3	324.5	327.7
Less: Transfer Lockbox Revenues to Committed to Capital	63.5	(519.4)	(483.0)	(1,489.3)	(1,499.2)	(1,516.2)
	<b>\$723.2</b>	<b>\$237.9</b>	<b>\$392.3</b>	<b>\$445.2</b>	<b>\$456.7</b>	<b>\$463.9</b>
<b>State and Local Subsidies</b>						
State Operating Assistance	\$150.3	\$225.5	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance	216.6	194.7	187.9	187.9	187.9	187.9
Station Maintenance	174.8	177.4	181.0	184.5	188.3	192.5
	<b>\$541.7</b>	<b>\$597.6</b>	<b>\$556.9</b>	<b>\$560.3</b>	<b>\$564.2</b>	<b>\$568.3</b>
<b>Other Subsidy Adjustments</b>						
NYCT Charge Back of MTA Bus Debt Service	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Forward Energy Contracts Program - Gain/(Loss)	(26.1)	10.1	12.0	0.1	0.0	0.0
MNR Repayment of 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Program Contributions	0.0	(367.3)	(120.2)	(114.1)	(108.8)	(103.8)
Drawdown of OPEB Trust Proceeds	337.4	0.0	0.0	0.0	0.0	0.0
	<b>\$297.3</b>	<b>(\$371.1)</b>	<b>(\$122.1)</b>	<b>(\$127.9)</b>	<b>(\$122.8)</b>	<b>(\$117.7)</b>
<b>Subtotal: Taxes &amp; State and Local Subsidies</b>	<b>\$6,525.1</b>	<b>\$6,297.5</b>	<b>\$6,510.3</b>	<b>\$6,846.2</b>	<b>\$7,059.9</b>	<b>\$7,280.6</b>
<b>Other Funding Agreements</b>						
City Subsidy for MTA Bus Company	\$354.2	\$398.6	\$671.6	\$720.3	\$677.6	\$701.5
City Subsidy for Staten Island Railway	39.5	18.6	68.1	60.6	63.1	67.6
CDOT Subsidy for Metro-North Railroad	299.5	324.5	219.7	203.6	205.9	212.7
	<b>\$693.2</b>	<b>\$741.7</b>	<b>\$959.5</b>	<b>\$984.5</b>	<b>\$946.6</b>	<b>\$981.8</b>
<b>Subtotal, including Other Funding Agreements</b>	<b>\$7,218.3</b>	<b>\$7,039.2</b>	<b>\$7,469.8</b>	<b>\$7,830.7</b>	<b>\$8,006.4</b>	<b>\$8,262.4</b>
<b>Inter-agency Subsidy Transactions</b>						
B&T Operating Surplus Transfer	\$495.3	\$890.9	\$990.9	\$910.3	\$891.7	\$830.5
	<b>\$495.3</b>	<b>\$890.9</b>	<b>\$990.9</b>	<b>\$910.3</b>	<b>\$891.7</b>	<b>\$830.5</b>
<b>TOTAL SUBSIDIES</b>	<b>\$7,713.6</b>	<b>\$7,930.2</b>	<b>\$8,460.6</b>	<b>\$8,740.9</b>	<b>\$8,898.1</b>	<b>\$9,092.9</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**Summary of Changes Between July and February Financial Plans**  
**Consolidated Subsidies**

Cash Basis  
(\$ in Millions)

	2021	2022	2023	2024
<b>MMTOA, PBT and Real Estate Taxes</b>				
Metropolitan Mass Transportation Operating Assistance (MMTOA)	\$153.8	\$53.7	\$38.7	\$105.7
Petroleum Business Tax (PBT)	16.0	18.9	19.1	17.7
Mortgage Recording Tax (MRT)	291.6	284.9	257.2	244.0
MRT Transfer to Suburban Counties	2.5	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0
Urban Tax	22.9	90.2	119.9	123.6
Other Investment Income	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
	<b>\$487.2</b>	<b>\$448.1</b>	<b>\$435.3</b>	<b>\$491.4</b>
<b>PMT and MTA Aid</b>				
Payroll Mobility Tax (PMT)	\$148.4	\$0.0	\$0.0	\$0.0
Payroll Mobility Tax Replacement Funds	20.2	12.6	12.6	12.6
MTA Aid	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	<b>\$168.5</b>	<b>\$12.6</b>	<b>\$12.6</b>	<b>\$12.6</b>
<b>New Funding Sources</b>				
<b>SAP Support and For-Hire Vehicle Surcharge:</b>				
For-Hire Vehicle (FHV) Surcharge	(\$43.2)	(\$33.3)	\$5.0	\$5.0
Subway Action Plan Account	(44.1)	0.0	0.0	0.0
Outerborough Transportation Account (OBTA)	0.0	0.0	0.0	0.0
Less: OBTA Projects	0.0	0.0	0.0	0.0
General Transportation Account	0.9	(33.3)	5.0	5.0
Less: Transfer to Committed to Capital for SAP	0.0	0.0	0.0	0.0
<b>2020-24 Capital Program Funding from Lockbox for Debt Service:</b>	(514.8)	38.1	52.7	57.0
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion Tax)	0.0	0.0	0.0	0.0
Internet Marketplace Tax	4.7	0.0	0.0	0.0
Less: Transfer Lockbox Revenues to Committed to Capital	(519.4)	38.1	52.7	57.0
	<b>(\$558.0)</b>	<b>\$4.8</b>	<b>\$57.7</b>	<b>\$62.0</b>
<b>State and Local Subsidies</b>				
State Operating Assistance	\$5.9	\$0.0	\$0.0	\$0.0
Local Operating Assistance	(24.9)	0.0	0.0	0.0
Station Maintenance	<u>(1.4)</u>	<u>(2.0)</u>	<u>(3.0)</u>	<u>(3.8)</u>
	<b>(\$20.5)</b>	<b>(\$2.0)</b>	<b>(\$3.0)</b>	<b>(\$3.8)</b>
<b>Other Subsidy Adjustments</b>				
NYCT Charge Back of MTA Bus Debt Service	\$0.0	\$0.0	\$0.0	\$0.0
Forward Energy Contracts Program - Gain/(Loss)	13.3	9.8	0.1	0.0
MNR Repayment of 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	<u>(367.3)</u>	<u>(120.2)</u>	<u>(114.1)</u>	<u>0.0</u>
	<b>(\$354.0)</b>	<b>(\$110.3)</b>	<b>(\$114.0)</b>	<b>\$0.0</b>
<b>Subtotal: Taxes &amp; State and Local Subsidies</b>	<b>(\$276.8)</b>	<b>\$353.1</b>	<b>\$388.6</b>	<b>\$562.2</b>
<b>Other Funding Agreements</b>				
City Subsidy for MTA Bus Company	(\$131.5)	(\$142.2)	(\$8.2)	(\$39.1)
City Subsidy for Staten Island Railway	(20.8)	4.5	(5.9)	(9.2)
CDOT Subsidy for Metro-North Railroad	<u>35.9</u>	<u>(13.4)</u>	<u>4.6</u>	<u>24.3</u>
	<b>(\$116.4)</b>	<b>(\$151.1)</b>	<b>(\$9.5)</b>	<b>(\$24.0)</b>
<b>Subtotal, including Other Funding Agreements</b>	<b>(\$393.2)</b>	<b>\$202.0</b>	<b>\$379.1</b>	<b>\$538.1</b>
<b>Inter-agency Subsidy Transactions</b>				
B&T Operating Surplus Transfer	<u>\$737.4</u>	<u>\$369.1</u>	<u>\$198.7</u>	<u>\$182.4</u>
	<b>\$737.4</b>	<b>\$369.1</b>	<b>\$198.7</b>	<b>\$182.4</b>
<b>TOTAL SUBSIDIES</b>	<b>\$344.2</b>	<b>\$571.2</b>	<b>\$577.8</b>	<b>\$720.5</b>