

**MTA ANNUAL DISCLOSURE STATEMENT UPDATE**  
**(2021 ADS Third Quarterly Update)**  
**March 2, 2022**

**This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Update (including Attachment A hereto, the “Third Quarterly Update”), dated March 2, 2022, is the third quarterly update to the Annual Disclosure Statement (the “ADS”) of MTA, dated April 30, 2021, as supplemented on June 3, 2021 and August 28, 2021, and as updated by a First Quarterly Update, dated August 3, 2021 and a Second Quarterly Update, dated November 24, 2021. MTA expects to file this Third 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 February 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. This Third Quarterly Update contains information only through its date, and all of the information in this Third 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 Third 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; 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 Third Quarterly Update.**

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## **Introduction**

This update, dated March 2, 2022 (the “Third Quarterly Update”), is the third quarterly update to the Annual Disclosure Statement (the “ADS”) of the Metropolitan Transportation Authority (“MTA”), dated April 30, 2021, as supplemented on June 3, 2021, and August 28, 2021, and as updated by a First Quarterly Update, dated August 3, 2021 and a Second Quarterly Update, dated November 24, 2021. This Third Quarterly Update contains information only through March 2, 2022, 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 Third Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA’s 2022-2025 Financial Plan released by MTA in November 2021 (the “November Plan”) to reflect provisions of the 2022 MTA February Financial Plan presented to the MTA Board on February 24, 2022 (the “February Plan”). The complete February 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 February Plan includes revised November Plan and December Plan projections for fiscal years 2022 through 2025, including the adopted budget for 2022.
2. **Attachment A** to this Third Quarterly Update, which presents the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA’s February Plan projected receipts and expenditures for fiscal years 2020 (actual), 2021 (final estimate), 2022 (adopted budget) through 2025, in each case prepared by MTA management.

## **Overview**

The purpose of the February Plan is to incorporate Board-approved MTA adjustments that were captured “below-the-line” and on a consolidated basis in the November Plan into the Related Entities’ Financial Plan baseline budgets and forecasts, and provide updated estimates of existing proposals. “Above-the-line” items are all items that are incorporated in the Related Entity and corporate-wide (such as subsidies and debt service) financials. Items are “below-the-line” for one or more of several reasons, such as: (i) they are a late adjustment and MTA cannot revise the aforementioned financials (the FEMA reimbursement, for example); (ii) they are proposed actions that require future Board approval (such as fare and toll increases); or (iii) they are actions which have yet to be allocated to each Related Entity (such as yet unidentified non-personnel savings from the Transformation Plan). The February Plan also establishes a 12-month allocation of the 2022 Adopted Budget for financials, utilization and positions, which will be compared with actual results. Variances will be analyzed and reported monthly to Board Committees. The February Plan, unlike the July Plan and November Plan, typically does not include new proposals or programs.

## The November Plan

The November Plan, which the MTA Board approved in December 2021, projected a continued budget balance through 2025. This balancing, however, was only achieved with the receipt of \$10.5 billion in federal aid—from the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSAA”) and the American Rescue Plan Act (“ARPA”), which is in addition to the \$4 billion received and fully expended in 2020 from the Coronavirus Aid, Relief and Economic Security (“CARES”) Act—the implementation of fare and toll rate increases proposed for 2022, 2023, and 2025, and the use of \$1.4 billion of the available \$2.9 billion deficit borrowing proceeds. The federal funding, however, masks the structural imbalance in MTA’s finances. Without the fare and toll increases, ARPA, and the use of deficit borrowing proceeds, 2025 would be \$3.2 billion out of balance, and the full implementation of fare and toll increases in 2022, 2023 and 2025 would only reduce the 2025 imbalance to \$2.4 billion. With federal funding exhausted in 2025 and only \$1.5 billion remaining in deficit borrowing proceeds, 2026 will likely be significantly out of balance without actions to address MTA’s financial structural imbalance.

## The February Plan Summary and Changes to the November Plan

Consistent with the MTA budget process and, as presented in tabular form in **Attachment A**, the November and February Plans are formatted to highlight certain policy actions and other adjustments for the benefit of the Board and financial stakeholders. Until these items have been approved by the Board, MTA excludes their financial impact from the “Statement of Operations” (see **Attachment A** at page II-3, also referred to as “the baseline”). Instead, these items are captured individually, and in total, on the Plan Adjustments page that follows the Statement of Operations (see **Attachment A** at page II-4). These Plan Adjustments are also referred to as being “below-the-line”. Analyzed together, the Statement of Operations and Plan Adjustments tabular presentations in **Attachment A** produce the cash balance and gap projections set forth in **Attachment A** at page II-8.

For the February Plan, annual balanced budgets are maintained through 2025, consistent with the November Plan. This balancing is only achieved with the receipt of \$10.5 billion in federal aid from CRRSAA and ARPA, which is in addition to the \$4 billion received in 2020 from the CARES Act, the implementation of the fare and toll rate increases proposed for 2023 and 2025, and the use of \$499 million in deficit borrowing proceeds. The federal funding, however, masks the structural imbalance in MTA’s finances. Without the fare and toll increases, ARPA and the use of deficit borrowing proceeds, 2025 would be \$2.7 billion out of balance. Even if the fare and toll increases were to be implemented, 2025 would still be out of balance by \$2.2 billion without federal funding and the deficit borrowing proceeds. With federal funding exhausted in 2025 and only \$2.4 billion remaining in deficit borrowing proceeds, significant budget deficits loom beyond 2025 if actions to address the structural imbalance are not implemented.

The February Financial Plan incorporates into the MTA baseline several MTA Board-approved policies and other items that were captured “below-the-line” in the November Plan. Additionally, significant changes to the 2022 Adopted Budget and 2022-2025 Financial Plan are included:

- *New York State Subsidies.* The 2022-2023 New York State Executive Budget appropriation would provide, if enacted, favorable changes of \$337 million in 2022 appropriated Metropolitan Mass Transportation Operating Assistance (“MMTOA”) and Petroleum

Business Tax (“PBT”) subsidies for MTA. Out-year projections of subsidies for 2023 through 2025, based on estimates provided by the New York State (the “State”), are also expected to be favorable when compared with the November Plan by \$481 million in 2023, \$544 million in 2024 and \$565 million in 2025. In aggregate, over the February Plan period, these State subsidies are expected to surpass the November Plan projections by \$1.9 billion.

- *2022 Fare Increase.* With the appropriation of additional subsidy revenue, the proposed mid-2022 4% fare rate increase is no longer being considered. This increase was initially proposed for implementation in March 2021 and deferred in prior financial plans. This action will reduce fare revenue by \$717 million over the February Plan period.
- *Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Federal Aid.* Federal CRRSAA aid was anticipated in the November Plan to total \$4.0 billion, but receipts have been favorable, totaling \$4.1 billion, and are reflected in agency baseline financials as Other Operating Revenue. It should be noted that total expected federal aid from CRRSAA and ARPA remain unchanged at \$10.5 billion and, as a result, ARPA receipts are now projected to be \$6.4 billion, down from \$6.5 billion projected in the November Plan.
- *East Side Access.* A portion of the costs associated with the operations and maintenance of the East Side Access terminal and right-of-way that was below-the-line in the November Plan have been incorporated into MTA Long Island Rail Road, MTA Metro North Railroad and MTA Headquarters baselines. A portion of East Side Access expenses remains below-the-line in the February Plan: \$19 million in 2022, \$32 million in 2023, \$32 million in 2024 and \$33 million in 2025. These expenses are expected to be allocated into agency baselines in the 2022 July Financial Plan.
- *MTA Consolidated Call Center.* Expenses associated with the MTA Consolidated Call Center, designed to improve operations by simplifying workstreams, reducing redundancies and standardizing processes and allowing MTA to deliver a clear, high quality and consistent “One MTA” customer experience, have been incorporated into agency baselines. Over the course of the February Plan, there is no change from the November Plan, although \$3 million in expenses anticipated in 2021 have been shifted to 2022, for an initial net investment of \$4 million in 2022, followed by savings efficiencies from attrition resulting in net savings of \$1 million in 2023, \$2 million in 2024 and \$4 million in 2025.
- The February Plan incorporates minor technical adjustments to agency financials that total \$1.8 million in favorable change over the 2022 to 2025 Plan period. Additionally, the February Plan includes adjustments to the City Subsidy for MTA Bus and the City Subsidy for Staten Island Railway to reflect revised Agency financial results used to estimate the distribution of CRRSAA and ARPA funding to each operating agency. These adjustments reduce City Subsidy by a combined \$341 million over the Plan period.

Several items remain below the line in the February Plan:

- *Fare and Toll Increase in 2023.* An increase in fares and tolls in-line with inflation, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2023 and is projected to generate a \$294 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase

by \$251 million in 2023, \$298 million in 2024 and \$299 million in 2025. Factoring in the MTA Bus, Staten Island Railway and MTA Bridges and Tunnels adjustments included in “Subsidy Impacts from Fare/Toll Increases” (10% of all MTA Bridges and Tunnels surplus toll revenues are delayed for distribution to MTA New York City Transit and the Commuter Railroads, per MTA Board policy, until MTA Bridges and Tunnels results are audited), the net increase to MTA is \$239 million in 2023, \$289 million in 2024 and \$291 million in 2025. Compared with the November Plan, net projections are lower by \$7 million in 2023, and lower by \$8 million in 2024 and 2025; these changes from the November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.

- *Fare and Toll Increase in 2025.* An increase in fares and tolls in-line with inflation, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2025 and is projected to generate a \$310 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by \$265 million in 2025. Factoring in the MTA Bus, Staten Island Railway and MTA Bridges and Tunnels adjustments included in “Subsidy Impacts from Fare/Toll Increases”, the net increase to the MTA is \$252 million in 2025. Compared with the November Plan, net projections are lower by \$7 million in 2025; this change from the November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.
- *Transformation Savings.* The February Plan maintains the expectation of achieving annual savings of \$150 million from new efforts across the organization resulting from the consolidated functional organizations that were created under the now completed Transformation Plan.
- *East Side Access.* As noted above, the costs associated with certain maintenance and operations of the East Side Access terminal, tunnels and Mid-Day Storage Yard not otherwise the responsibility of the MTA Long Island Rail Road that were not moved into agency baselines remain below-the-line in the February Plan: \$19 million in 2022, \$32 million in 2023, \$32 million in 2024 and \$33 million in 2025. These expenses are expected to be allocated into agency baselines in the 2022 July Plan.
- *State Aid for the 2015-2019 Capital Plan.* Pursuant to the State’s \$7.3 billion funding commitment for the 2015-2019 Capital Program, as authorized through legislation enacted in 2016, State Aid remains below the line at \$37 million in 2022 and \$38 million each year thereafter.
- *Repayment of Revolving Bank Line of Credit.* The February Plan maintains the 2022 payment of the line of credit that was drawn on in 2020 to provide liquidity.
- *FEMA Reimbursement.* The February Plan maintains the expectation of FEMA reimbursement for direct COVID-related expenses of \$330 million in 2022 and \$165 million in 2023.
- *ARPA Federal Aid.* As noted above, anticipated ARPA federal aid is projected to total \$6.4 billion, down from \$6.5 billion projected in the November Plan. With the other changes from the November Plan outlined above, use of ARPA to close annual deficit is lower in 2022 through 2024, resulting in a larger remaining balance in 2025. In the November Plan, ARPA

funds of \$1.849 billion in 2022, \$1.554 billion in 2023, \$2.018 billion in 2024 and \$1.080 billion in 2025 were applied to close annual budget gaps. In the February Plan, ARPA funds of \$1.544 billion in 2022, \$1.377 billion in 2023, \$1.790 billion in 2024 and \$1.676 billion in 2025 are being applied to close budget gaps.

- *Proceeds of MLF Deficit Bonding.* To cover 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. The Municipal Liquidity Facility (“MLF”) was established by the Federal Reserve as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID-19 pandemic. MTA utilized the MLF to borrow the maximum \$2.9 billion allowed under the program before the lending window closed at the end of 2020. The MLF loan is due for repayment in 2023, and if MTA’s future Financial Plans continue to anticipate the use of the MLF proceeds for budget balance, MTA would expect to issue long-term bonds in 2023 to repay the Federal Reserve and to preserve the ability to use the funds if necessary. In the November Plan, it was anticipated MTA would use \$1.367 billion of MLF deficit financing proceeds in 2025 to balance the budget. To balance 2025 in this February Plan, a lower amount of \$499 million of proceeds from deficit financing will be necessary.

## **Challenges and Risks Going Forward**

There are numerous challenges facing MTA over the course of the February Plan:

*Returning Ridership.* MTA has seen ridership steadily improve since the low point of ridership during the pandemic in 2020; however, the surge from the Omicron variant in mid-December has slowed ridership growth which had previously held close to the mid-point between the McKinsey “best case” and “worst case” scenarios. Should ridership growth not reach the anticipated “new normal” level, farebox revenue will not meet forecasts and alternative actions will be necessary to address shortfalls.

*Implementation of the biennial fare and toll increases in 2023 and 2025.* While MTA works diligently to control costs, 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 2%. Through 2025, the February Plan assumes a combined \$1.07 billion in additional fare and toll revenue from the projected 2023 and 2025 fare and toll increases.

*Finding and implementing innovative savings actions.* MTA must remain focused on existing cost control efforts, not only to avoid “backsliding” but to find additional savings throughout the organization as part of a multifaceted approach to addressing MTA’s structural imbalance. With centralized departments in place to better serve agency operations, the focus of transformation has shifted to developing additional efficiencies across the organization, with further savings of \$600 million through 2025 targeted in the February Plan.

*Achieving affordable wage settlements.* MTA is committed to honoring the terms of its existing contracts and remains committed to negotiating affordable wage settlements with its unions.

*Aligning service to match MTA Board-adopted service guidelines.* MTA will continue to match service with ridership demand, based on long-established, MTA Board-adopted service guidelines while ensuring service availability is flexible to meet the region’s transportation needs as the MTA region continues to emerge from the COVID-19 pandemic.

*Working with MTA’s funding partners to identify new recurring and sustainable funding sources.* With expense growth, particularly labor expenses, consistently outpacing the additional revenue expected from proposed biennial fare and toll increases that average 2% per year, new and sustainable funding sources will be critical to surmounting MTA’s fiscal structural imbalance.

### **MTA Transformation Plan.**

The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization, reducing fixed costs and providing safe and reliable service. To that end, MTA procured the services of a management consulting firm that provided a report to MTA (the “MTA Transformation Plan”). The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

The Transformation Management Office, charged with implementing the MTA Transformation Plan has ceased operations, as the transformation initiative has accomplished significant goals since its inception. These accomplishments include bridging strategic and core support functions across MTA and creating a foundation for central departments to better serve agency operations, as well as providing significant vacancy savings. The focus of transformation is now shifting to the newly created consolidated functional organizations to develop additional efficiencies across the organization. With this shifted focus, the remaining \$25 million in unidentified 2021 transformation savings was being removed from the November Financial Plan 2022-2025, and in its place is anticipated annual savings of \$150 million from new efforts that will be spearheaded by the consolidated functional organizations. Overall, these actions reduce savings by \$19 million through 2025.

### **Governance.**

On January 20, 2022, the State Senate confirmed the appointments of Janno Lieber as MTA Board Chair and Chief Executive Officer (“CEO”) and Elizabeth Velez to the Board. MTA Board member Lawrence S. Schwartz resigned effective on December 31, 2021.

On January 20, 2022, MTA Board Chair and CEO Janno N. Lieber named Kevin Willens as MTA Chief Financial Officer, replacing Robert Foran who retired effective December 31, 2021, and Paige Graves was named General Counsel.

On January 20, 2022, MTA announced the following additional appointments: Chris Pangilinan will serve as Vice President for Paratransit, Mersida Ibric will serve as Deputy Chief Administrative Officer, and Quemuel Arroyo will serve as Chief Accessibility Officer and Special Advisor.

## **OMNY Fare Caps, Discounted Fares and Peak Fares.**

On December 15, 2021, the MTA Board approved a pilot fare capping program, which went into effect on March 1, 2022, for riders who use OMNY. Under the program, customers using OMNY will pay the full fare of \$2.75 until they have paid a total of \$33 during any period from Monday through Sunday, at which point they will automatically receive free, unlimited rides for the rest of the week.

The MTA Board also approved new temporary discounts for MTA Metro-North Railroad and the MTA Long Island Rail Road customers. Launched on February 25, 2022, a new 20-trip ticket was made available, which provides a discount of 20% on one-way peak fares to and from Zone One. In addition, monthly passes receive an additional 10% discount. Finally, CityTicket was made available for travel during all off-peak hours, not just weekends at a fare of \$5 per trip.

MTA is assessing the financial impacts of these promotions and will incorporate any changes to its farebox revenue assumptions in the July Financial Plan, if necessary.

In addition, beginning March 1, 2022, peak fares were restored on the commuter railroads. MTA estimates that this will generate \$24 million in revenue during 2022 based on projected ridership levels.

## **MTA Liquidity Resources.**

As of March 1, 2022, MTA had liquidity resources in the approximate amount of \$7.607 billion, consisting of a current running cash balance of \$2.210 billion, internal available flexible funds totaling \$2.487 billion, PMT BANs for working capital, plus interest, totaling \$2.907 billion, and applicable undrawn commercial bank lines of credit totaling approximately \$3.7 million. *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.*

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**Attachment A to MTA Annual Disclosure Statement  
Third Quarterly Update  
March 2, 2022**

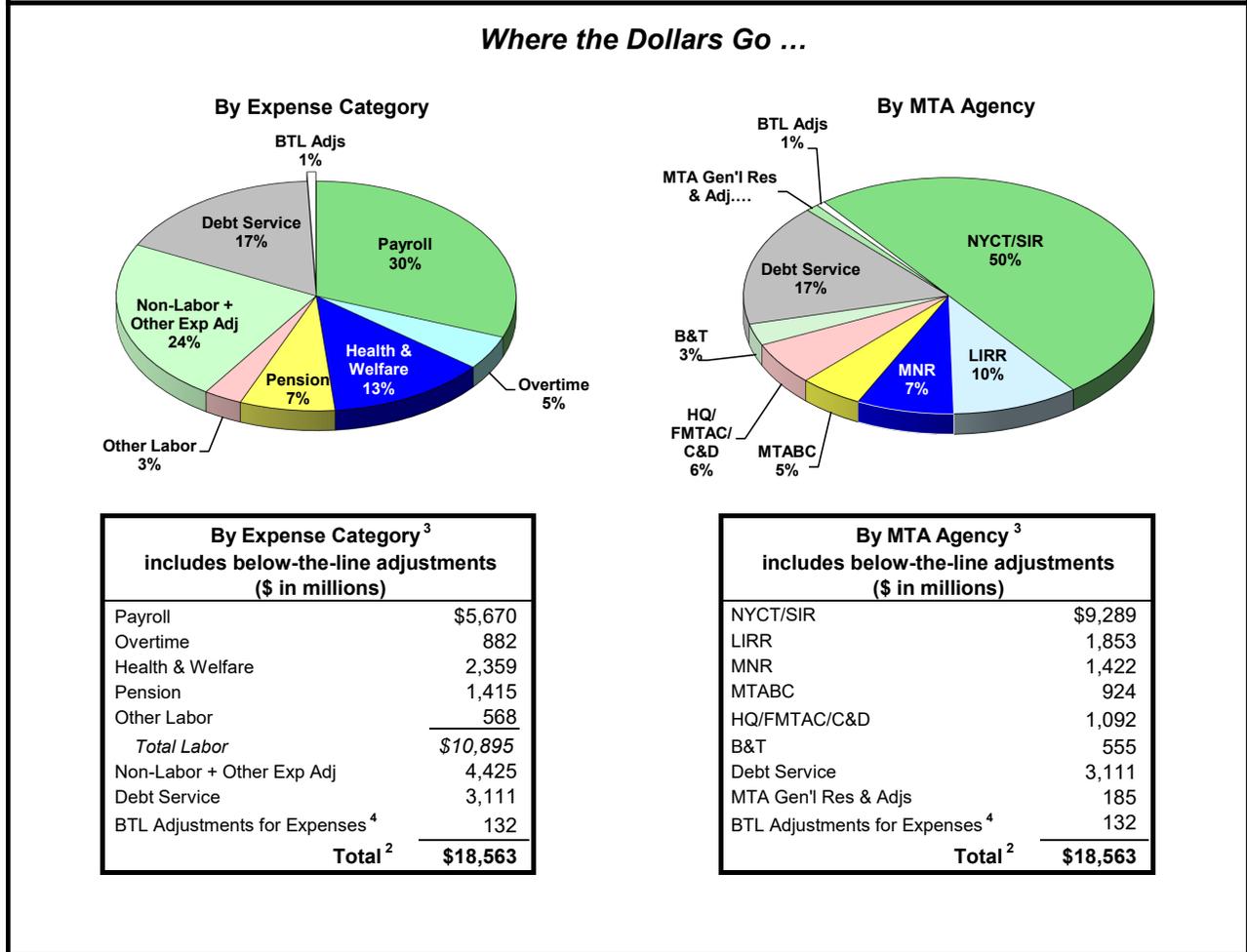
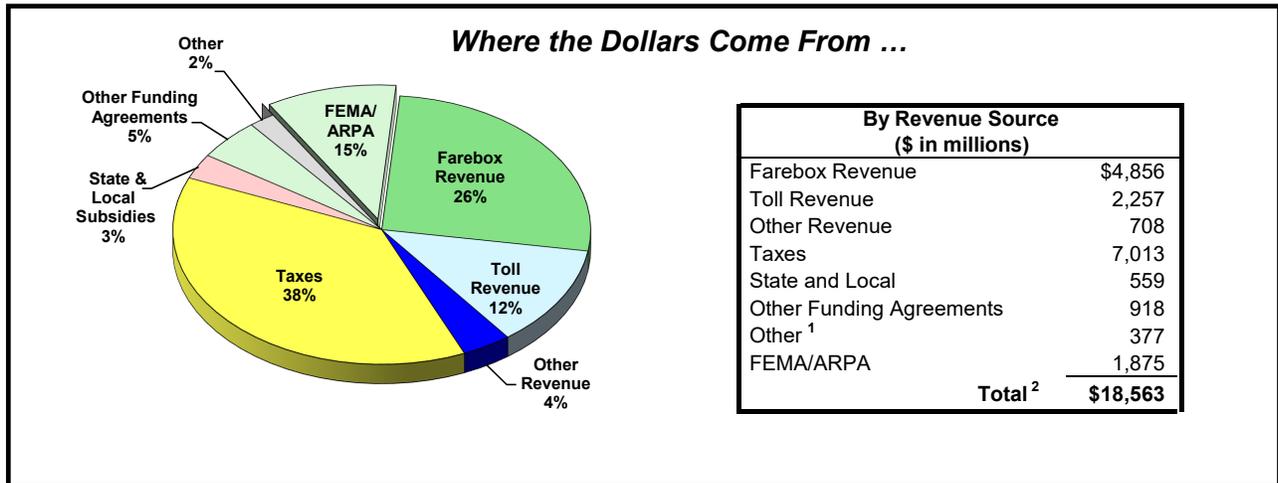
**MTA February Financial Plan**

This **Attachment A** to the 2022 ADS Third Quarterly Update sets forth the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan projected receipts and disbursements for fiscal years 2020 (actual), 2021 (final estimate), and 2022 (adopted budget) through 2025, in each case prepared by MTA management. The complete February 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, the MTA's February Plan provides the opportunity for MTA to present a revised forecast of the previous year's final estimated results, revised forecast of the current year's finances and a three-year re-forecast of out-year finances. The February Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings.

## **II. MTA Consolidated Financial Plan**

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



<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.**

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

	Actual 2020	Final Estimate 2021	Adopted Budget 2022	2023	2024	2025
<b>Non-Reimbursable</b>						
<b>Operating Revenues</b>						
Farebox Revenue	\$2,625	\$2,973	\$4,856	\$5,393	\$5,478	\$5,476
Toll Revenue	1,640	2,132	2,257	2,268	2,274	2,295
Other Revenue	4,571	4,774	708	784	810	823
Capital and Other Reimbursements	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$8,836</b>	<b>\$9,878</b>	<b>\$7,821</b>	<b>\$8,445</b>	<b>\$8,561</b>	<b>\$8,594</b>
<b>Operating Expenses</b>						
<b>Labor:</b>						
Payroll	\$5,308	\$5,282	\$5,670	\$5,776	\$5,924	\$6,081
Overtime	910	991	882	896	902	922
Health and Welfare	1,298	1,419	1,581	1,679	1,785	1,907
OPEB Current Payments	633	729	778	844	916	996
Pension	1,510	1,404	1,415	1,473	1,495	1,531
Other Fringe Benefits	789	964	996	1,046	1,094	1,146
Reimbursable Overhead	(380)	(377)	(428)	(409)	(413)	(409)
<b>Total Labor Expenses</b>	<b>\$10,068</b>	<b>\$10,413</b>	<b>\$10,895</b>	<b>\$11,306</b>	<b>\$11,703</b>	<b>\$12,173</b>
<b>Non-Labor:</b>						
Electric Power	\$385	\$427	\$495	\$502	\$506	\$518
Fuel	103	166	201	190	186	189
Insurance	(5)	33	60	95	113	141
Claims	237	314	427	444	454	468
Paratransit Service Contracts	326	365	424	475	505	527
Maintenance and Other Operating Contracts	773	841	933	953	971	1,000
Professional Services Contracts	446	646	703	576	586	596
Materials and Supplies	543	521	743	764	768	800
Other Business Expenses	152	210	227	239	243	252
<b>Total Non-Labor Expenses</b>	<b>\$2,961</b>	<b>\$3,524</b>	<b>\$4,214</b>	<b>\$4,237</b>	<b>\$4,331</b>	<b>\$4,492</b>
<b>Other Expense Adjustments:</b>						
Other	\$80	\$32	\$26	\$28	\$23	\$24
General Reserve	335	0	185	190	195	200
<b>Total Other Expense Adjustments</b>	<b>\$415</b>	<b>\$32</b>	<b>\$211</b>	<b>\$218</b>	<b>\$218</b>	<b>\$224</b>
<b>Total Expenses Before Non-Cash Liability Adjs.</b>	<b>\$13,443</b>	<b>\$13,968</b>	<b>\$15,320</b>	<b>\$15,761</b>	<b>\$16,253</b>	<b>\$16,889</b>
Depreciation	\$3,010	\$3,140	\$3,142	\$3,208	\$3,256	\$3,305
GASB 75 OPEB Expense Adjustment	978	1,576	1,618	1,664	1,701	1,739
GASB 68 Pension Expense Adjustment	(77)	7	51	75	(24)	21
Environmental Remediation	123	6	6	6	6	6
<b>Total Expenses After Non-Cash Liability Adjs.</b>	<b>\$17,477</b>	<b>\$18,698</b>	<b>\$20,136</b>	<b>\$20,714</b>	<b>\$21,192</b>	<b>\$21,959</b>
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,034)	(\$4,730)	(\$4,817)	(\$4,953)	(\$4,939)	(\$5,071)
Debt Service (excludes Service Contract Bonds)	2,703	2,822	3,111	3,562	3,643	3,756
<b>Total Expenses with Debt Service</b>	<b>\$16,146</b>	<b>\$16,791</b>	<b>\$18,431</b>	<b>\$19,323</b>	<b>\$19,895</b>	<b>\$20,645</b>
Dedicated Taxes & State and Local Subsidies	\$6,687	\$7,653	\$8,490	\$8,845	\$9,012	\$9,221
<b>Net Surplus/(Deficit) After Subsidies and Debt Service</b>	<b>(\$623)</b>	<b>\$740</b>	<b>(\$2,119)</b>	<b>(\$2,034)</b>	<b>(\$2,322)</b>	<b>(\$2,830)</b>
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	641	(1,240)	373	97	87	(43)
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$18</b>	<b>(\$500)</b>	<b>(\$1,746)</b>	<b>(\$1,937)</b>	<b>(\$2,235)</b>	<b>(\$2,873)</b>
Below the Line Adjustments	\$0	\$0	\$1,742	\$1,937	\$2,235	\$2,873
Prior Year Carryover Balance	485	503	3	0	0	0
<b>Net Cash Balance</b>	<b>\$503</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan 2022 - 2025**  
**Plan Adjustments**  
(\$ in millions)

	Actual 2020	Final Estimate 2021	Adopted Budget 2022	2023	2024	2025
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$18</b>	<b>(\$500)</b>	<b>(\$1,746)</b>	<b>(\$1,937)</b>	<b>(\$2,235)</b>	<b>(\$2,873)</b>
<b>Fare and Toll Increases:</b>						
<i>Fare/Toll Increase in March 2023 (4% Yield)</i>		0	0	251	298	299
<i>Fare/Toll Increase in March 2025 (4% Yield)</i>		0	0	0	0	265
<i>Subsidy Impacts from Fare/Toll Increases</i>		<u>0</u>	<u>0</u>	<u>(13)</u>	<u>(9)</u>	<u>(22)</u>
<b>Subtotal:</b>		<b>\$0</b>	<b>\$0</b>	<b>\$239</b>	<b>\$289</b>	<b>\$542</b>
<b>MTA Initiatives:</b>						
<i>Transformation Savings</i>		<u>\$0</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>	<u>\$150</u>
<b>Subtotal:</b>		<b>\$0</b>	<b>\$150</b>	<b>\$150</b>	<b>\$150</b>	<b>\$150</b>
<b>MTA Re-estimates:</b>						
<i>State Aid for the 2015-19 Capital Program</i>		\$0	\$37	\$38	\$38	\$38
<i>East-Side Access</i>		0	(19)	(32)	(32)	(33)
<i>Repayment of Revolving Bank Line of Credit</i>		<u>0</u>	<u>(300)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Subtotal</b>		<b>\$0</b>	<b>(\$282)</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>
<b>Other:</b>						
<i>FEMA Reimbursement</i>		\$0	\$330	\$165	\$0	\$0
<i>ARPA Federal Aid</i>		0	1,544	1,377	1,790	1,676
<i>Deficit Bond Proceeds</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>499</u>
<b>Subtotal:</b>		<b>\$0</b>	<b>\$1,875</b>	<b>\$1,542</b>	<b>\$1,790</b>	<b>\$2,175</b>
<b>TOTAL ADJUSTMENTS</b>		<b>\$0</b>	<b>\$1,742</b>	<b>\$1,937</b>	<b>\$2,235</b>	<b>\$2,873</b>
<i>Prior Year Carryover Balance</i>	\$485	\$503	\$3	\$0	\$0	\$0
<b>Net Cash Surplus/(Deficit)</b>	<b>\$503</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan 2022 - 2025**  
**Accrued Statement of Operations by Agency**  
(\$ in millions)

	Actual 2020	Final Estimate 2021	Adopted Budget 2022	2023	2024	2025
<b>Non-Reimbursable</b>						
<b>Total Revenues</b>						
New York City Transit	\$5,207	\$5,547	\$4,121	\$4,540	\$4,620	\$4,620
Long Island Rail Road	814	950	584	661	680	692
Metro-North Railroad	593	645	543	641	646	653
MTA Headquarters	43	14	67	70	73	63
First Mutual Transportation Assurance Company	54	24	24	24	24	24
MTA Bus Company	438	460	199	214	219	220
Staten Island Railway	27	35	7	8	8	8
Construction and Development	0	49	0	0	0	0
Bridges and Tunnels	1,661	2,154	2,276	2,287	2,292	2,314
<b>Total</b>	<b>\$8,836</b>	<b>\$9,878</b>	<b>\$7,821</b>	<b>\$8,445</b>	<b>\$8,561</b>	<b>\$8,594</b>
<b>Total Expenses before Non-Cash Liability Adjs.*</b>						
New York City Transit	\$8,298	\$8,596	\$9,220	\$9,574	\$9,912	\$10,339
Long Island Rail Road	1,474	1,565	1,853	2,002	2,062	2,136
Metro-North Railroad	1,264	1,341	1,422	1,436	1,474	1,534
MTA Headquarters	757	874	1,023	933	969	1,010
First Mutual Transportation Assurance Company	(15)	26	37	36	30	23
MTA Bus Company	751	879	924	919	931	944
Staten Island Railway	57	70	69	70	71	74
Construction and Development	0	83	7	6	6	6
Bridges and Tunnels	442	502	555	565	579	599
Other	415	32	211	218	218	224
<b>Total</b>	<b>\$13,443</b>	<b>\$13,968</b>	<b>\$15,320</b>	<b>\$15,761</b>	<b>\$16,253</b>	<b>\$16,889</b>
<b>Depreciation</b>						
New York City Transit	\$2,070	\$2,110	\$2,152	\$2,195	\$2,239	\$2,284
Long Island Rail Road	415	443	415	419	424	428
Metro-North Railroad	269	283	278	278	278	278
MTA Headquarters	18	39	47	47	46	46
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	47	55	56	56	56	56
Staten Island Railway	11	12	12	18	18	18
Construction and Development	0	8	0	0	0	0
Bridges and Tunnels	180	190	182	194	194	194
<b>Total</b>	<b>\$3,010</b>	<b>\$3,140</b>	<b>\$3,142</b>	<b>\$3,208</b>	<b>\$3,256</b>	<b>\$3,305</b>
<b>GASB 75 OPEB Expense Adjustment</b>						
New York City Transit	\$699	\$1,232	\$1,257	\$1,282	\$1,308	\$1,334
Long Island Rail Road	76	107	109	111	114	116
Metro-North Railroad	72	70	64	64	66	69
MTA Headquarters	41	53	63	72	74	76
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	50	70	80	90	92	96
Staten Island Railway	3	4	2	2	2	2
Bridges and Tunnels	36	40	43	44	45	47
<b>Total</b>	<b>\$978</b>	<b>\$1,576</b>	<b>\$1,618</b>	<b>\$1,664</b>	<b>\$1,701</b>	<b>\$1,739</b>
<b>GASB 68 Pension Expense Adjustment</b>						
New York City Transit	(\$97)	(\$62)	(\$63)	(\$65)	(\$66)	(\$67)
Long Island Rail Road	23	(6)	15	20	(35)	(5)
Metro-North Railroad	(6)	13	24	38	6	23
MTA Headquarters	19	17	24	21	28	17
MTA Bus Company	(12)	50	55	63	48	58
Staten Island Railway	0	1	2	3	1	2
Bridges and Tunnels	(5)	(5)	(6)	(6)	(6)	(6)
<b>Total</b>	<b>(\$77)</b>	<b>\$7</b>	<b>\$51</b>	<b>\$75</b>	<b>(\$24)</b>	<b>\$21</b>
<b>Environmental Remediation</b>						
New York City Transit	\$116	\$0	\$0	\$0	\$0	\$0
Long Island Rail Road	4	2	2	2	2	2
Metro-North Railroad	1	4	4	4	4	4
MTA Bus Company	1	0	0	0	0	0
Staten Island Railway	1	0	0	0	0	0
<b>Total</b>	<b>\$123</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>	<b>\$6</b>
<b>Net Surplus/(Deficit)</b>						
New York City Transit	(\$5,878)	(\$6,330)	(\$8,445)	(\$8,447)	(\$8,773)	(\$9,270)
Long Island Rail Road	(1,178)	(1,161)	(1,810)	(1,894)	(1,886)	(1,984)
Metro-North Railroad	(1,008)	(1,066)	(1,248)	(1,179)	(1,183)	(1,255)
MTA Headquarters	(793)	(968)	(1,089)	(1,003)	(1,045)	(1,086)
First Mutual Transportation Assurance Company	68	(2)	(13)	(12)	(6)	1
MTA Bus Company	(400)	(594)	(916)	(914)	(910)	(934)
Staten Island Railway	(45)	(52)	(78)	(84)	(83)	(87)
Construction and Development	0	(42)	(7)	(6)	(6)	(6)
Bridges and Tunnels	1,007	1,427	1,502	1,489	1,479	1,479
Other	(415)	(32)	(211)	(218)	(218)	(224)
<b>Total</b>	<b>(\$8,641)</b>	<b>(\$8,820)</b>	<b>(\$12,315)</b>	<b>(\$12,269)</b>	<b>(\$12,630)</b>	<b>(\$13,365)</b>

Note: \* Excludes Debt Service

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan 2022 - 2025**  
**Cash Receipts and Expenditures**  
(\$ in millions)

	Actual 2020	Final Estimate 2021	Adopted Budget 2022	2023	2024	2025
<b>Cash Receipts and Expenditures</b>						
<b>Receipts</b>						
Farebox Revenue	\$2,575	\$2,973	\$4,857	\$5,394	\$5,479	\$5,477
Other Revenue	4,569	4,148	1,387	803	830	844
Capital and Other Reimbursements	1,931	2,157	2,167	2,061	2,076	2,062
<b>Total Receipts</b>	<b>\$9,075</b>	<b>\$9,278</b>	<b>\$8,411</b>	<b>\$8,258</b>	<b>\$8,385</b>	<b>\$8,382</b>
<b>Expenditures</b>						
<b>Labor:</b>						
Payroll	\$5,793	\$5,787	\$6,284	\$6,286	\$6,439	\$6,744
Overtime	1,107	1,179	1,088	1,084	1,096	1,108
Health and Welfare	1,355	1,473	1,645	1,731	1,839	1,959
OPEB Current Payments	625	719	772	838	910	990
Pension	1,537	1,485	1,496	1,539	1,562	1,596
Other Fringe Benefits	547	1,237	1,153	1,031	1,066	1,112
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	(5)	0	0	0	0
<b>Total Labor Expenditures</b>	<b>\$10,963</b>	<b>\$11,876</b>	<b>\$12,439</b>	<b>\$12,510</b>	<b>\$12,912</b>	<b>\$13,510</b>
<b>Non-Labor:</b>						
Electric Power	\$404	\$439	\$504	\$510	\$514	\$526
Fuel	112	158	199	188	184	187
Insurance	29	13	70	91	116	148
Claims	240	218	305	300	308	320
Paratransit Service Contracts	344	363	422	473	503	525
Maintenance and Other Operating Contracts	700	825	863	877	890	897
Professional Services Contracts	543	751	760	601	595	624
Materials and Supplies	772	670	873	884	903	928
Other Business Expenses	153	191	205	212	224	239
<b>Total Non-Labor Expenditures</b>	<b>\$3,297</b>	<b>\$3,628</b>	<b>\$4,201</b>	<b>\$4,136</b>	<b>\$4,237</b>	<b>\$4,396</b>
<b>Other Expenditure Adjustments:</b>						
Other	\$147	\$182	\$115	\$105	\$111	\$119
General Reserve	335	0	185	190	195	200
<b>Total Other Expenditure Adjustments</b>	<b>\$482</b>	<b>\$182</b>	<b>\$300</b>	<b>\$295</b>	<b>\$306</b>	<b>\$319</b>
<b>Total Expenditures</b>	<b>\$14,742</b>	<b>\$15,686</b>	<b>\$16,940</b>	<b>\$16,942</b>	<b>\$17,455</b>	<b>\$18,225</b>
<b>Net Cash Balance before Subsidies and Debt Service</b>	<b>(\$5,668)</b>	<b>(\$6,408)</b>	<b>(\$8,529)</b>	<b>(\$8,684)</b>	<b>(\$9,070)</b>	<b>(\$9,843)</b>
Dedicated Taxes & State and Local Subsidies	\$7,714	\$8,018	\$9,154	\$9,458	\$9,623	\$9,805
Debt Service (excludes Service Contract Bonds)	(2,028)	(2,110)	(2,371)	(2,711)	(2,788)	(2,834)
<b>Cash Balance Before Prior-Year Carryover</b>	<b>\$18</b>	<b>(\$500)</b>	<b>(\$1,746)</b>	<b>(\$1,937)</b>	<b>(\$2,235)</b>	<b>(\$2,873)</b>
Adjustments	\$0	\$0	\$1,742	\$1,937	\$2,235	\$2,873
Prior-Year Carryover Balance	485	503	3	0	0	0
<b>Net Cash Balance</b>	<b>\$503</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan 2022 - 2025**  
**Consolidated Cash Statement of Operations By Agency**  
(\$ in millions)

	Actual 2020	Final Estimate 2021	Adopted Budget 2022	2023	2024	2025
<b>Cash</b>						
<b>Total Receipts</b>						
New York City Transit	\$6,086	\$6,251	\$5,650	\$5,601	\$5,671	\$5,670
Long Island Rail Road	1,240	1,254	1,130	1,009	1,033	1,051
Metro-North Railroad	953	917	910	967	999	968
MTA Headquarters	226	257	342	342	346	342
Construction & Development	33	118	83	82	74	89
First Mutual Transportation Assurance Company	54	24	24	24	24	24
MTA Bus Company	449	419	252	220	225	225
Staten Island Railway	34	38	20	14	13	12
<b>Total</b>	<b>\$9,075</b>	<b>\$9,278</b>	<b>\$8,411</b>	<b>\$8,258</b>	<b>\$8,385</b>	<b>\$8,382</b>
<b>Total Expenditures</b>						
New York City Transit	\$9,096	\$9,547	\$10,315	\$10,425	\$10,773	\$11,346
Long Island Rail Road	1,826	2,062	2,337	2,351	2,415	2,498
Metro-North Railroad	1,655	1,792	1,797	1,793	1,853	1,888
MTA Headquarters	925	1,107	1,196	1,074	1,105	1,145
Construction & Development	33	186	89	88	80	96
First Mutual Transportation Assurance Company	54	24	24	24	24	24
MTA Bus Company	757	881	874	868	879	891
Staten Island Railway	58	75	84	75	73	78
Other	338	13	225	244	252	259
<b>Total</b>	<b>\$14,742</b>	<b>\$15,686</b>	<b>\$16,940</b>	<b>\$16,942</b>	<b>\$17,455</b>	<b>\$18,225</b>
<b>Net Operating Surplus/(Deficit)</b>						
New York City Transit	(\$3,010)	(\$3,296)	(\$4,664)	(\$4,824)	(\$5,102)	(\$5,676)
Long Island Rail Road	(586)	(807)	(1,207)	(1,342)	(1,382)	(1,447)
Metro-North Railroad	(702)	(874)	(887)	(826)	(854)	(919)
MTA Headquarters	(700)	(850)	(854)	(732)	(758)	(804)
Construction & Development	0	(68)	(7)	(6)	(6)	(6)
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	(309)	(462)	(622)	(649)	(655)	(666)
Staten Island Railway	(23)	(36)	(64)	(60)	(61)	(65)
Other	(338)	(13)	(225)	(244)	(252)	(259)
<b>Total</b>	<b>(\$5,668)</b>	<b>(\$6,408)</b>	<b>(\$8,529)</b>	<b>(\$8,684)</b>	<b>(\$9,070)</b>	<b>(\$9,843)</b>

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

	Favorable/(Unfavorable)				
	2021	2022	2023	2024	2025
<b>NOVEMBER FINANCIAL PLAN 2022-2025</b>					
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Agency Adjustments</b>	<b>\$3,470</b>	<b>\$682</b>	<b>(\$25)</b>	<b>(\$40)</b>	<b>(\$23)</b>
CRRSAA Federal Aid	3,439	674	-	-	-
Technical Adjustments (1)	32	8	(25)	(40)	(23)
<b>Debt Service</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subsidies (Cash)</b>	<b>\$0</b>	<b>\$281</b>	<b>\$381</b>	<b>\$435</b>	<b>\$485</b>
Metropolitan Mass Transportation Operating Assistance (MMTOA)	-	320	453	515	535
Petroleum Business Tax (PBT) Receipts	-	17	28	29	29
City Subsidy for MTA Bus Company - Impact from CRRSAA & ARPA Federal Aid	-	(28)	(80)	(95)	(61)
City Subsidy for Staten Island Railway - Impact from CRRSAA & ARPA Federal Aid	-	(26)	(21)	(14)	(18)
Other Subsidies and Subsidy Adjustments	0	(0)	1	1	1
<b>Below-the-Line (BTL) Adjustments</b>	<b>(\$3,467)</b>	<b>(\$967)</b>	<b>(\$357)</b>	<b>(\$394)</b>	<b>(\$462)</b>
<b>Fare and Toll Increases:</b>					
Cancel 2022 Fare Increase	-	(90)	(204)	(208)	(214)
<b>MTA Re-estimates:</b>					
East-Side Access (portion incorporated above the line)	(32)	(11)	26	43	27
Headquarters Call Center (incorporated above the line)	3	0	(1)	(2)	(4)
<b>Other:</b>					
CRRSAA Federal Aid (incorporated above the line)	(3,439)	(561)	-	-	-
ARPA Federal Aid	-	(304)	(178)	(228)	596
Deficit Bond Proceeds	-	-	-	-	(868)
<b>Prior Year Carryover</b>	<b>\$0</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FEBRUARY FINANCIAL PLAN 2022-2025</b>					
<b>NET CASH SURPLUS/(DEFICIT)</b>	<b>\$3</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*Totals may not add due to rounding*

(1) Technical Adjustments include below-the-line items from the November Plan incorporated above the line.

**METROPOLITAN TRANSPORTATION AUTHORITY**  
**February Financial Plan 2022 - 2025**  
**Farebox Recovery and Operating Ratios**

<b>FAREBOX RECOVERY RATIOS</b>
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	Final Estimate 2021	Adopted Budget 2022	Plan 2023	Plan 2024	Plan 2025
New York City Transit	18.0%	26.2%	28.0%	27.6%	26.6%
Staten Island Railway	2.7%	5.6%	5.9%	6.0%	5.7%
Long Island Rail Road	10.9%	17.9%	19.1%	19.6%	19.3%
Metro-North Railroad	13.4%	24.7%	27.4%	27.4%	26.6%
MTA Bus Company	14.6%	16.4%	17.4%	17.7%	17.3%
<b>MTA-Wide Farebox Recovery Ratio</b>	<b>16.2%</b>	<b>24.1%</b>	<b>25.8%</b>	<b>25.7%</b>	<b>24.9%</b>

<b>FAREBOX OPERATING RATIOS</b>
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	Final Estimate 2021	Adopted Budget 2022	Plan 2023	Plan 2024	Plan 2025
New York City Transit	27.6%	40.0%	42.5%	41.6%	39.7%
Staten Island Railway	3.9%	8.9%	10.1%	10.2%	9.7%
Long Island Rail Road	18.9%	29.6%	31.3%	31.3%	30.8%
Metro-North Railroad	19.5%	35.7%	40.7%	40.3%	39.1%
MTA Bus Company	18.3%	21.0%	22.7%	22.8%	22.4%
<b>MTA-Wide Farebox Operating Ratio</b>	<b>24.8%</b>	<b>36.6%</b>	<b>39.2%</b>	<b>38.6%</b>	<b>37.2%</b>

*Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.*

*Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain costs that are not subject to Agency control, but are provided centrally by MTA.*

*In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.*