

# **MTA Headquarters**

**MTA Headquarters  
2008 Preliminary Budget  
July Financial Plan 2008 - 2011**

**Mission Statement**

The mission of Metropolitan Transportation Authority Headquarters is to maximize use of MTA Transportation services and facilities by its customers and to provide support to the operating agencies in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services. In addition, MTA Headquarters' Department of Public Safety provides the highest level of policing and security for MTA's customers, employees and facilities.

**Financial Overview**

The economy of the U. S. as a whole and the New York region in particular continues to exhibit great resiliency and staying power as the economy continues its five-year expansion, albeit at a slower pace. Notable exceptions such as the decline in the housing market and the high cost of energy threaten the continuation of the expansion. And with the threat of terrorism ever present major business organizations must continue to allocate more resources than ever for security enhancements. The security costs and logistics of protecting customers, employees, and facilities continue to grow in response to more and complex terrorist threats.

The MTA continues to make significant strides in meeting these challenges. Recognizing that the high cost of housing sends commuters not only to the outer reaches of the MTA transportation system but out of the region entirely the MTA has taken steps to ease the commute for thousands of customers. The MTA broke ground on the Second Avenue Subway which, when completed, will provide better access for residents on the far East Side of Manhattan and reduce overcrowding and delays on the Lexington Line commute for 200,000 passengers a day. In addition, work is proceeding on the East Side Access project which will dramatically shorten the commuting time for thousands of Long Island and eastern Queens customers by allowing them the flexibility of commuting straight to Grand Central Station.

The MTA continues to take extraordinary measures to enhance safety and security for its enormous system of facilities, bridges and tunnels, trains, subways, buses, and most importantly, its passengers. The MTA has undertaken the initiative of "Directed Patrols" to increase Police visibility and presence on board the Long Island Railroad, Metro North and SIRTOA.

In order for the MTA to continue its progress on providing accurate, timely, and transparent financial reporting, the Authority as a whole is further integrating and consolidating its accounting and budgeting practices and processes through both

functional and information systems. A major impact related to this effort is an ongoing project that addresses the standardization of Financial and Human Resources systems through a uniform Shared Services platform and software.

While the MTA has made significant strategic improvements in its operations, it continues to seek opportunities to downsize and maximize efficiencies. Productivity initiatives undertaken over the past several years have enabled MTA Headquarters to identify those expenses that are no longer needed and can be eliminated. Combined savings from these "Programs to Eliminate the Gap" (PEG) have already begun and will reduce expenses by \$0.614 million in 2007, and \$3.290 million in 2008. Thereafter, these programs result in annual expense reductions of \$4.370 million in 2009 through 2011.

### **2007 Mid-Year Forecast**

The MTA Headquarters Mid-Year Forecast reflects some significant changes from the 2007 Adopted Budget. In order to bolster security on the commuter rails a program of directed patrols has been implemented that will increase police presence and visibility on the Long Island Rail Road, Metro-North and SIRTOA. This mandated directive results in overtime and fringe benefits increases of \$4.104 million. A Strengths, Weaknesses, Opportunities, and Threats study has been undertaken at a cost of \$1.000 million to provide an organizational assessment of overall MTA and individual agencies.

In addition, certain strategic new needs have been included in the 2007 Mid-Year Forecast to reinforce the successes the MTA has achieved in promoting transparency. The Forecast includes funding for licenses and related software to further implement the MTA Board's July 2003 directive to achieve more integrated and financial reporting practices, and further standardize Financial and Human Resources systems as they are replaced or upgraded. This will allow the flexibility of being utilized individually by one agency or in one common environment. Funds totaling \$4.543 million have been allocated for Shared Services Oracle Database Licenses, and \$7.074 million for PeopleSoft Enterprise licenses.

The Mid-Year Forecast also includes funding for a blue ribbon commission created to develop short and long-term sustainability goals for the five operating agencies as well as MTA Headquarters and to create a master plan for MTA's use of energy.

Also included in the Forecast are headcount increases of 17 positions. Because of the increasing demands imposed on Human Resources due to the implementation of a consolidated Defined Benefits Pension system, increased recruitment efforts for the MTA Police, and increases in Deferred Compensation enrollment, Human Resources will increase by 7 positions. Administration will add a mail support position, and 2 Real Estate positions to manage the additional workload brought about by expansion by MTA Bus and mega-projects such as the Second Avenue Subway. The Permanent Citizens Action Committee (PCAC) will convert consulting positions to four full-time MTA employees. Additional positions include one position for general ledger account

analysis reviews for Financial Management; one position to manage the environmental process for the Nassau Hub project for Special Project Development and Planning; and one position for MTA Police Northern Region administrative support.

## **2008 Preliminary Budget-Baseline**

MTA Headquarters projects a Baseline Deficit of \$303.980 million in the 2008 Preliminary Budget before PEGs. This is \$24.021 million above the February Plan of \$279.959 million. Major increases include \$6.019 million in overtime funding for the implementation of a program of Directed Police Patrols to bolster security by increasing police presence and visibility on Long Island Rail Road, Metro-North and SIRTOA. Depreciation and utilities expenses for the MTA Police usage of the Jamaica Central Control Building results in an increase of \$5.186 million. Additional funds are also provided for licenses and related software to further implement the MTA Board's July 2003 directive to achieve more integrated and financial reporting practices, and further standardize Financial and Human Resources systems as they are replaced or upgraded. The baseline budget assumes headcount levels of 684 employees at MTA Headquarters and 770 employees in Public Safety, totaling 1,454 employees. The below-the-line 2008 PEGs and Post 2008 PEG actions are discussed in Gap Closing Measures.

## **2009-2011 Projections**

The Baseline Deficit for 2009 is \$301.237 million which incorporates \$12.701 million in continuing New Needs over and above the February 2007 Financial Plan. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,433 employees to 1,456 employees.

The Baseline Deficit for 2010 is \$306.090 million which incorporates \$13.009 million in continuing New Needs over and above the February 2007 Financial Plan. The baseline headcount reflects the same changes as 2009 increasing from the February Plan of 1,433 employees to 1,456 employees.

The Baseline Deficit for 2011 is \$311.258 million which incorporates \$13.269 million in continuing New Needs over and above the February 2007 Financial Plan. The baseline reflects the same changes as 2009 increasing from the February Plan of 1,433 employees to 1,456 employees.

## **Gap Closing Measures**

### 2008 Programs to Eliminate the Gap

Throughout MTA Headquarters several departments have been able to achieve savings by replacing attrition with lower rated positions. This has enabled MTA Headquarters to provide savings of \$0.614 million beginning in 2007. Targeted reductions in administrative expenses in both MTA Headquarters and the MTA Police will result in

PEGs savings of \$3.290 million beginning in 2008. PEGs savings increase to \$4.370 million beginning in 2009, specifically aided by PeopleSoft operating efficiencies.

**MTA HEADQUARTERS**  
**July Financial Plan 2008-2011**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

NON-REIMBURSABLE						
	2006	2007	2008			
	Actuals	Mid-Year Forecast	Preliminary Budget	2009	2010	2011
<b>Operating Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
<i>Rental Income</i>	47.564	47.685	47.991	48.937	49.891	50.889
<i>Other</i>	2.849	4.290	4.383	4.469	4.557	4.648
Total Other Operating Revenue	50.413	51.975	52.374	53.406	54.447	55.536
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$50.413</b>	<b>\$51.975</b>	<b>\$52.374</b>	<b>\$53.406</b>	<b>\$54.447</b>	<b>\$55.536</b>
<b>Operating Expenses</b>						
<u>Labor:</u>						
Payroll	\$108.476	\$121.092	\$121.940	\$125.519	\$127.973	\$130.515
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.847	13.360	13.447	15.144	16.791	18.628
Pensions	20.735	27.973	32.022	32.891	33.465	34.059
Other Fringe Benefits	14.202	9.675	9.452	9.792	10.003	10.221
Reimbursable Overhead	(25.208)	(37.660)	(40.071)	(40.832)	(41.613)	(42.482)
<b>Total Labor Expenses</b>	<b>\$141.065</b>	<b>\$146.922</b>	<b>\$151.078</b>	<b>\$157.218</b>	<b>\$161.610</b>	<b>\$166.229</b>
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.343	5.666	5.508	6.059	6.665	7.331
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	14.940	29.818	30.831	31.493	32.146	32.789
Professional Service Contracts	36.760	52.670	45.725	45.645	46.568	47.552
Materials & Supplies	0.841	13.257	3.226	3.052	3.113	3.175
<u>Other Business Expenses</u>						
MTA Internal Subsidy	34.494	42.061	48.630	38.820	40.142	41.239
Other	44.372	40.624	41.301	41.146	42.084	42.892
Total Other Business Expenses	78.866	82.685	89.931	79.966	82.226	84.131
<b>Total Non-Labor Expenses</b>	<b>\$137.750</b>	<b>\$184.096</b>	<b>\$175.221</b>	<b>\$166.215</b>	<b>\$170.717</b>	<b>\$174.977</b>
<u>Other Expenses Adjustments:</u>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$278.815</b>	<b>\$331.018</b>	<b>\$326.299</b>	<b>\$323.433</b>	<b>\$332.327</b>	<b>\$341.207</b>
Depreciation	28.804	30.980	30.056	31.210	28.210	25.588
<b>Total Expenses</b>	<b>\$307.619</b>	<b>\$361.998</b>	<b>\$356.354</b>	<b>\$354.643</b>	<b>\$360.537</b>	<b>\$366.795</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$257.206)</b>	<b>(\$310.022)</b>	<b>(\$303.980)</b>	<b>(\$301.237)</b>	<b>(\$306.090)</b>	<b>(\$311.258)</b>
2008 Program to Eliminate the Gap (PEGs)	0.000	0.614	3.290	4.370	4.370	4.370
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$257.206)</b>	<b>(\$309.408)</b>	<b>(\$300.690)</b>	<b>(\$296.867)</b>	<b>(\$301.720)</b>	<b>(\$306.888)</b>



**MTA HEADQUARTERS**  
**July Financial Plan 2008-2011**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE / REIMBURSABLE</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Revenue</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<i>Other Operating Revenue</i>						
Rental Income	47.564	47.685	47.991	48.937	49.891	50.889
Other	2.849	4.290	4.383	4.469	4.557	4.648
Total Other Operating Revenue	50.413	51.975	52.374	53.406	54.447	55.536
Capital and Other Reimbursements	27.723	42.008	45.191	46.111	47.024	47.980
<b>Total Revenue</b>	<b>\$78.136</b>	<b>\$93.983</b>	<b>\$97.565</b>	<b>\$99.517</b>	<b>\$101.471</b>	<b>\$103.516</b>
<b>Expenses</b>						
<i>Labor:</i>						
Payroll	\$109.538	\$123.132	\$124.382	\$128.034	\$130.537	\$133.131
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.949	13.608	13.734	15.466	17.146	19.020
Pensions	20.834	28.221	32.276	33.153	33.733	34.333
Other Fringe Benefits	14.377	9.846	9.637	9.982	10.196	10.419
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor expenses</b>	<b>\$167.711</b>	<b>\$187.289</b>	<b>\$194.317</b>	<b>\$201.337</b>	<b>\$206.603</b>	<b>\$212.191</b>
<i>Non-Labor:</i>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	6.343	5.666	5.508	6.059	6.665	7.331
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	14.940	29.820	30.833	31.495	32.148	32.791
Professional Service Contracts	37.810	54.199	47.566	47.523	48.483	49.453
Materials & Supplies	0.841	13.307	3.273	3.101	3.162	3.225
<i>Other Business Expenses</i>						
MTA Internal Subsidy	34.494	42.061	48.630	38.820	40.142	41.239
Other Business Expenses	44.399	40.684	41.362	41.208	42.148	42.957
Total Other Business Expenses	78.893	82.745	89.992	80.028	82.290	84.196
<b>Total Non-Labor expenses</b>	<b>\$138.827</b>	<b>\$185.737</b>	<b>\$177.173</b>	<b>\$168.206</b>	<b>\$172.748</b>	<b>\$176.996</b>
<i>Other Expenses Adjustments:</i>						
Other	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$306.538</b>	<b>\$373.026</b>	<b>\$371.490</b>	<b>\$369.544</b>	<b>\$379.351</b>	<b>\$389.187</b>
Depreciation	28.804	30.980	30.056	31.210	28.210	25.588
<b>Total Expenses</b>	<b>\$335.342</b>	<b>\$404.005</b>	<b>\$401.545</b>	<b>\$400.754</b>	<b>\$407.561</b>	<b>\$414.775</b>
<b>Baseline Surplus/(Deficit)</b>	<b>(\$257.206)</b>	<b>(\$310.022)</b>	<b>(\$303.980)</b>	<b>(\$301.237)</b>	<b>(\$306.090)</b>	<b>(\$311.258)</b>
2008 Program to Eliminate the Gap (PEGs)	0.000	0.614	3.290	4.370	4.370	4.370
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Surplus/(Deficit)</b>	<b>(\$257.206)</b>	<b>(\$309.408)</b>	<b>(\$300.690)</b>	<b>(\$296.867)</b>	<b>(\$301.720)</b>	<b>(\$306.888)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008-2011**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
<i>Other Operating Revenue</i>						
Rental Income	45.847	47.685	47.991	48.937	49.891	50.889
Other	7.395	8.990	9.185	9.365	9.548	9.739
Total Other Operating Revenue	53.242	56.675	57.176	58.302	59.439	60.628
Capital and Other Reimbursements	25.166	43.198	45.191	46.111	47.024	47.980
<b>Total Receipts</b>	<b>\$78.408</b>	<b>\$99.873</b>	<b>\$102.367</b>	<b>\$104.413</b>	<b>\$106.463</b>	<b>\$108.608</b>
<b>Expenditures</b>						
<i>Labor:</i>						
Payroll	\$107.139	\$120.058	\$121.216	\$124.773	\$127.213	\$129.739
Overtime	7.013	12.482	14.288	14.703	14.991	15.288
Health and Welfare	15.125	17.966	18.310	20.476	22.632	25.027
Pensions	24.632	26.789	32.077	32.960	33.528	34.164
Other Fringe Benefits	14.532	10.046	9.591	9.934	10.148	10.370
GASB Account	0.000	1.179	0.939	0.966	0.985	1.004
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$168.441</b>	<b>\$188.520</b>	<b>\$196.420</b>	<b>\$203.812</b>	<b>\$209.496</b>	<b>\$215.592</b>
<i>Non-Labor:</i>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	1.118	8.750	4.869	5.356	5.891	6.542
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	5.561	28.088	27.750	31.403	32.054	32.695
Professional Service Contracts	26.819	48.779	42.810	47.380	48.338	49.305
Materials & Supplies	0.549	11.977	2.946	3.091	3.152	3.215
<i>Other Business Expenses</i>						
MTA Internal Subsidy	36.869	42.061	48.630	38.820	40.142	41.239
Other Business Expenses	52.624	39.131	37.036	41.078	42.015	42.822
Total Other Business Expenses	89.493	81.192	85.666	79.898	82.157	84.061
<b>Total Non-Labor Expenditures</b>	<b>\$123.540</b>	<b>\$178.786</b>	<b>\$164.040</b>	<b>\$167.129</b>	<b>\$171.592</b>	<b>\$175.817</b>
<i>Other Expenditure Adjustments:</i>						
Capital	\$13.772	\$30.869	\$23.712	\$20.800	\$20.800	\$20.800
<b>Total Other Expenditure Adjustments</b>	<b>\$13.772</b>	<b>\$30.869</b>	<b>\$23.712</b>	<b>\$20.800</b>	<b>\$20.800</b>	<b>\$20.800</b>
<b>Total Expenditures</b>	<b>\$305.753</b>	<b>\$398.175</b>	<b>\$384.172</b>	<b>\$391.740</b>	<b>\$401.888</b>	<b>\$412.209</b>
<b>Baseline Cash Deficit</b>	<b>(\$227.345)</b>	<b>(\$298.301)</b>	<b>(\$281.806)</b>	<b>(\$287.328)</b>	<b>(\$295.426)</b>	<b>(\$303.602)</b>
2008 Program to Eliminate the Gap (PEGs)	0.000	0.614	3.290	4.370	4.370	4.370
Post-2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Net Cash Deficit</b>	<b>(\$227.345)</b>	<b>(\$297.687)</b>	<b>(\$278.516)</b>	<b>(\$282.958)</b>	<b>(\$291.056)</b>	<b>(\$299.232)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008-2011**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>			
	<b>Actuals</b>	<b>Mid-Year Forecast</b>	<b>Preliminary Budget</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Receipts</b>						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.829	4.700	4.802	4.896	4.992	5.091
Capital and Other Reimbursements	(2.557)	1.190	0.000	0.000	0.000	0.000
<b>Total Receipts</b>	<b>\$0.272</b>	<b>\$5.890</b>	<b>\$4.802</b>	<b>\$4.896</b>	<b>\$4.992</b>	<b>\$5.091</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$2.399	\$3.074	\$3.166	\$3.261	\$3.325	\$3.391
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.824	(4.358)	(4.576)	(5.010)	(5.486)	(6.007)
Pensions	(3.798)	1.432	0.199	0.193	0.205	0.169
Other Fringe Benefits	(0.155)	(0.200)	0.046	0.047	0.048	0.049
GASB Account	0.000	(1.179)	(0.939)	(0.966)	(0.985)	(1.004)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>(\$0.730)</b>	<b>(\$1.231)</b>	<b>(\$2.103)</b>	<b>(\$2.474)</b>	<b>(\$2.893)</b>	<b>(\$3.402)</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	5.225	(3.084)	0.639	0.703	0.773	0.789
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	9.379	1.732	3.083	0.093	0.094	0.096
Professional Service Contracts	10.991	5.420	4.757	0.143	0.145	0.148
Materials & Supplies	0.292	1.330	0.327	0.010	0.010	0.010
<b><u>Other Business Expenses</u></b>						
MTA Internal Subsidy	(2.375)	-	-	-	-	-
Other Business Expenses	(8.225)	1.553	4.326	0.130	0.132	0.135
Total Other Business Expenses	(10.600)	1.553	4.326	0.130	0.132	0.135
<b>Total Non-Labor Expenditures</b>	<b>\$15.287</b>	<b>\$6.951</b>	<b>\$13.132</b>	<b>\$1.078</b>	<b>\$1.155</b>	<b>\$1.179</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Capital	(\$13.772)	(\$30.869)	(\$23.712)	(\$20.800)	(\$20.800)	(\$20.800)
<b>Total Other Expenditure Adjustments</b>	<b>(\$13.772)</b>	<b>(\$30.869)</b>	<b>(\$23.712)</b>	<b>(\$20.800)</b>	<b>(\$20.800)</b>	<b>(\$20.800)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>\$1.057</b>	<b>(\$19.259)</b>	<b>(\$7.881)</b>	<b>(\$17.301)</b>	<b>(\$17.546)</b>	<b>(\$17.932)</b>
Depreciation Adjustment	28.804	30.980	30.056	31.210	28.210	25.588
<b>Baseline Total Cash Conversion Adjustments</b>	<b>\$29.861</b>	<b>\$11.721</b>	<b>\$22.174</b>	<b>\$13.909</b>	<b>\$10.664</b>	<b>\$7.657</b>
2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Post 2008 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Cash Conversion Adjustments</b>	<b>\$29.861</b>	<b>\$11.721</b>	<b>\$22.174</b>	<b>\$13.909</b>	<b>\$10.664</b>	<b>\$7.657</b>

**MTA Headquarters  
July Financial Plan 2008-2011  
Year-to-Year Changes by Category  
Accrual and Cash**

**Baseline Assumptions:**

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the July Financial Plan 2008-2011:

**Receipts:**

Rental Income, Data Center Billings, and Other

- The 2007 July Financial Plan reflects a re-estimate of charge backs to Agencies for work performed by MTA Headquarters on their behalf. Thereafter, 2008, 2009, 2010, 2011 are inflated by the CPI-Urban 2.16%, 1.97%, 1.95%, and 2.00%, respectively.

**Expenditures:**

Payroll

- Increases in the July Financial Plan from the February Financial Plan in 2007 primarily reflect the impact of headcount increases related to New Needs. A decrease in 2008 primarily reflects a small amount of vacancy savings as MTA Headquarters operates at a higher rate of staffing.
- Thereafter 2009, 2010, and 2011 reflect MTA Headquarters and MTA Police civilian salaries inflated at CPI-Urban rates of 1.97%, 1.95%, and 2.00%, respectively.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates.

Overtime

- Increases in 2007 and 2008 in the July Financial Plan reflect the impact of the "Directed Patrols" New Need.
- Thereafter, 2009, 2010, and 2011 are inflated by prevailing pattern bargaining rates.

Health and Welfare

- Increases in the July Financial Plan for 2007 primarily result from non post-employment Health and Welfare costs in 2007 projected to increase at a rate of 3.0% over 2006, 12.5% in 2008 and 9.2% in each year thereafter.

Pensions

- The July Financial Plan is slightly below the February Financial Plan for 2007 and includes a \$40.000 million pension valuation provision partly offset by Non-NYCT

pre-payment savings of \$33.800 million. These provisions occur in 2007-2011. The Plan assumes MTA Police pension payments paid monthly with MTA Headquarters paid in December.

- Thereafter, increases in all years of the plan for 2008, 2009, 2010 and 2011 are inflated by the CPI-Urban 2.16%, 1.97%, 1.95%, and 2.00%, respectively

#### Other Fringe Benefits

- Increases in all years of the plan for 2008, 2009, 2010 and 2011 are inflated by the CPI-Urban 2.16%, 1.97%, 1.95%, and 2.00%, respectively.

#### Insurance

- Increases in the July Financial Plan reflect most recent estimates of liability premiums.
- Thereafter 2009, 2010, and 2011 are inflated at approximately 10% annually with some off-setting adjustments.

#### Maintenance and Other Operating Contracts

- The July Financial Plan primarily reflects a reclassification of expenses from Other Business Expenses and increases in contracts that were renegotiated in 2007 for maintenance and repair work for MTA Headquarters facilities. In addition, New Needs of approximately \$2.5 million are included. The majority of this amount is related to the Shared Services initiative.
- Thereafter 2008, 2009, 2010 and 2011 are inflated by 2.16%, 1.97%, 1.95%, and 2.00%, respectively.

#### Professional Service Contracts

- Increases in the July Financial Plan reflect the inclusion of certain re-estimated services as well as one time expenses that were required in 2007.
- Thereafter 2008, 2009, 2010 and 2011 are inflated by 2.16%, 1.97%, 1.95%, and 2.00%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

#### Materials & Supplies

- Increases in the July Financial Plan in 2007 result mainly from New Needs related to PeopleSoft licenses and related software and a reclassification of expenses from Other Expenses.
- Increases in 2008 are mainly due one to time expenses that were required in 2008.
- Thereafter 2009, 2010 and 2011 are inflated by 1.97%, 1.95%, and 2.00%, respectively.

#### MTA Internal Subsidy

- All years reflect MTA support requirements for SIRTOA and Long Island Bus and the Cross Bay Toll based on projected revenue and support shortfalls from state and local governments.

#### Other Business Expenses

- Other Business Expenses reflect reductions from the February Plan mainly due to a reclassification of expenses to Maintenance and Other, and Materials and Supplies. Offsetting the reductions to this category resulting from the reclassification, is the addition of \$1.5 million in new needs and re-estimated expenses. This amount primarily results from higher utility expenses as well as certain one time purchases of equipment to support the Police Department.
- Increases in all years of the plan for 2008, 2009, 2010 and 2011 are inflated by 2.16%, 1.97%, 1.95%, and 2.00%, respectively.

#### **Other Expenditure Adjustments:**

##### Capital Expenditures

- 2007 expenditures of \$30.869 million reflect carryover spending from 2006.
- Capital expenditures in 2008 are \$23.712 million.
- Thereafter, expenditures for 2009-2011 remain constant at \$20.800 million.

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)									
	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Revenue</b>										
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rental Income	47.685	0.121	47.991	0.306	48.937	0.945	49.891	0.954	50.889	0.998
Data Center Billings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	4.290	1.441	4.383	0.093	4.469	0.086	4.557	0.087	4.648	0.091
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Revenue</b>	<b>\$51.975</b>	<b>\$1.562</b>	<b>\$52.374</b>	<b>\$0.399</b>	<b>\$53.406</b>	<b>\$1.032</b>	<b>\$54.447</b>	<b>\$1.041</b>	<b>\$55.536</b>	<b>\$1.089</b>
<b>Expenses</b>										
Labor:										
Payroll	\$121.092	(\$12.616)	\$121.940	(\$0.848)	\$125.519	(\$3.579)	\$127.973	(\$2.455)	\$130.515	(\$2.542)
Overtime	12.482	(5.469)	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	13.360	2.487	13.447	(0.086)	15.144	(1.698)	16.791	(1.647)	18.628	(1.837)
Pensions	27.973	(7.238)	32.022	(4.049)	32.891	(0.869)	33.465	(0.574)	34.059	(0.594)
Other Fringe Benefits	9.675	4.527	9.452	0.223	9.792	(0.340)	10.003	(0.210)	10.221	(0.219)
Reimbursable Overhead	(37.660)	12.452	(40.071)	2.411	(40.832)	0.761	(41.613)	0.782	(42.482)	0.869
<b>Total Labor Expenses</b>	<b>\$146.922</b>	<b>(\$5.857)</b>	<b>\$151.078</b>	<b>(\$4.155)</b>	<b>\$157.218</b>	<b>(\$6.140)</b>	<b>\$161.610</b>	<b>(\$4.392)</b>	<b>\$166.229</b>	<b>(\$4.620)</b>
Non-Labor:										
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	5.666	0.677	5.508	0.158	6.059	(0.551)	6.665	(0.606)	7.331	(0.666)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	29.818	(14.878)	30.831	(1.013)	31.493	(0.662)	32.146	(0.652)	32.789	(0.643)
Professional Service Contracts	52.670	(15.910)	45.725	6.944	45.645	0.080	46.568	(0.923)	47.552	(0.983)
Materials & Supplies	13.257	(12.416)	3.226	10.032	3.052	0.173	3.113	(0.060)	3.175	(0.062)
MTA Internal Subsidy	42.061	(7.567)	48.630	(6.569)	38.820	9.810	40.142	(1.322)	41.239	(1.097)
Other Business Expenses	40.624	3.748	41.301	(0.677)	41.146	0.155	42.084	(0.938)	42.892	(0.808)
<b>Total Non-Labor Expenses</b>	<b>\$184.096</b>	<b>(\$46.346)</b>	<b>\$175.221</b>	<b>\$8.875</b>	<b>\$166.215</b>	<b>\$9.006</b>	<b>\$170.717</b>	<b>(\$4.502)</b>	<b>\$174.977</b>	<b>(\$4.260)</b>
Other Expenses Adjustments:										
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$331.018</b>	<b>(\$52.203)</b>	<b>\$326.299</b>	<b>\$4.719</b>	<b>\$323.433</b>	<b>\$2.865</b>	<b>\$332.327</b>	<b>(\$8.894)</b>	<b>\$341.207</b>	<b>(\$8.879)</b>
Depreciation	30.980	(2.176)	30.056	0.924	31.210	(1.154)	28.210	3.000	25.588	2.622
<b>Total Expenses</b>	<b>\$361.998</b>	<b>(\$54.379)</b>	<b>\$356.354</b>	<b>\$5.643</b>	<b>\$354.643</b>	<b>\$1.711</b>	<b>\$360.537</b>	<b>(\$5.894)</b>	<b>\$366.795</b>	<b>(\$6.258)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$310.022)</b>	<b>(\$52.816)</b>	<b>(\$303.980)</b>	<b>\$6.042</b>	<b>(\$301.237)</b>	<b>\$2.743</b>	<b>(\$306.090)</b>	<b>(\$4.853)</b>	<b>(\$311.258)</b>	<b>(\$5.169)</b>
2008 Agency Program to Eliminate the Gap (PEGs)	0.614	0.614	3.290	2.676	4.370	1.080	4.370	-	4.370	-
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(\$309.408)</b>	<b>(\$52.202)</b>	<b>(\$300.690)</b>	<b>\$8.718</b>	<b>(\$296.867)</b>	<b>\$3.823</b>	<b>(\$301.720)</b>	<b>(\$4.853)</b>	<b>(\$306.888)</b>	<b>(\$5.169)</b>



**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE and REIMBURSABLE**

	Favorable/(Unfavorable)									
	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Revenue</b>										
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rental Income	47.685	0.121	47.991	0.306	48.937	0.945	49.891	0.954	50.889	0.998
Data Center Billings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	4.290	1.441	4.383	0.093	4.469	0.086	4.557	0.087	4.648	0.091
Capital and Other Reimbursements	42.008	14.285	45.191	3.183	46.111	0.920	47.024	0.913	47.980	0.956
<b>Total Revenue</b>	<b>\$93.983</b>	<b>\$15.847</b>	<b>\$97.565</b>	<b>\$3.582</b>	<b>\$99.517</b>	<b>\$1.951</b>	<b>\$101.471</b>	<b>\$1.955</b>	<b>\$103.516</b>	<b>\$2.045</b>
<b>Expenses</b>										
Labor:										
Payroll	\$123.132	(\$13.594)	\$124.382	(\$1.250)	\$128.034	(\$3.652)	\$130.537	(\$2.504)	\$133.131	(\$2.593)
Overtime	12.482	(5.469)	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	13.608	2.341	13.734	(0.126)	15.466	(1.732)	17.146	(1.680)	19.020	(1.874)
Pensions	28.221	(7.387)	32.276	(4.055)	33.153	(0.877)	33.733	(0.580)	34.333	(0.600)
Other Fringe Benefits	9.846	4.531	9.637	0.209	9.982	(0.345)	10.196	(0.215)	10.419	(0.223)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenses</b>	<b>\$187.289</b>	<b>(\$19.578)</b>	<b>\$194.317</b>	<b>(\$7.028)</b>	<b>\$201.337</b>	<b>(\$7.021)</b>	<b>\$206.603</b>	<b>(\$5.266)</b>	<b>\$212.191</b>	<b>(\$5.587)</b>
Non-Labor:										
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	5.666	0.677	5.508	0.158	6.059	(0.551)	6.665	(0.606)	7.331	(0.666)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	29.820	(14.880)	30.833	(1.013)	31.495	(0.662)	32.148	(0.652)	32.791	(0.643)
Professional Service Contracts	54.199	(16.389)	47.566	6.632	47.523	0.043	48.483	(0.960)	49.453	(0.970)
Materials & Supplies	13.307	(12.466)	3.273	10.033	3.101	0.172	3.162	(0.061)	3.225	(0.063)
MTA Internal Subsidy	42.061	(7.567)	48.630	(6.569)	38.820	9.810	40.142	(1.322)	41.239	(1.097)
Other Business Expenses	40.684	3.715	41.362	(0.677)	41.208	0.154	42.148	(0.940)	42.957	(0.809)
<b>Total Non-Labor Expenses</b>	<b>\$185.737</b>	<b>(\$46.910)</b>	<b>\$177.173</b>	<b>\$8.564</b>	<b>\$168.206</b>	<b>\$8.967</b>	<b>\$172.748</b>	<b>(\$4.541)</b>	<b>\$176.996</b>	<b>(\$4.248)</b>
Other Expenses Adjustments:										
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$373.026</b>	<b>(\$66.488)</b>	<b>\$371.490</b>	<b>\$1.536</b>	<b>\$369.544</b>	<b>\$1.946</b>	<b>\$379.351</b>	<b>(\$9.807)</b>	<b>\$389.187</b>	<b>(\$9.836)</b>
Depreciation	30.980	(2.176)	30.056	0.924	31.210	(1.154)	28.210	3.000	25.588	2.622
<b>Total Expenses</b>	<b>\$404.005</b>	<b>(\$68.663)</b>	<b>\$401.545</b>	<b>\$2.460</b>	<b>\$400.754</b>	<b>\$0.792</b>	<b>\$407.561</b>	<b>(\$6.807)</b>	<b>\$414.775</b>	<b>(\$7.214)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$310.022)</b>	<b>(\$52.816)</b>	<b>(\$303.980)</b>	<b>\$6.042</b>	<b>(\$301.237)</b>	<b>\$2.743</b>	<b>(\$306.090)</b>	<b>(\$4.853)</b>	<b>(\$311.258)</b>	<b>(\$5.169)</b>
2008 Agency Program to Eliminate the Gap (PEGs)	0.614	0.614	3.290	2.676	4.370	1.080	4.370	-	4.370	-
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(\$309.408)</b>	<b>(\$52.202)</b>	<b>(\$300.690)</b>	<b>\$8.718</b>	<b>(\$296.867)</b>	<b>\$3.823</b>	<b>(\$301.720)</b>	<b>(\$4.853)</b>	<b>(\$306.888)</b>	<b>(\$5.169)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)									
	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Receipts</b>										
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Rental Income	47.685	1.838	47.991	0.306	48.937	0.945	49.891	0.954	50.889	0.998
Data Center Billings	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	8.990	1.595	9.185	0.194	9.365	0.181	9.548	0.183	9.739	0.191
Capital and Other Reimbursements	43.198	18.032	45.191	1.993	46.111	0.920	47.024	0.913	47.980	0.956
<b>Total Receipts</b>	<b>\$99.873</b>	<b>\$21.465</b>	<b>\$102.367</b>	<b>\$2.494</b>	<b>\$104.413</b>	<b>\$2.046</b>	<b>\$106.463</b>	<b>\$2.050</b>	<b>\$108.608</b>	<b>\$2.145</b>
<b>Expenditures</b>										
Labor:										
Payroll	\$120.058	(\$12.919)	121.216	(\$1.158)	124.773	(\$3.557)	127.213	(\$2.440)	129.739	(\$2.527)
Overtime	\$12.482	(5.469)	14.288	(1.806)	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)
Health and Welfare	\$17.966	(2.841)	18.310	(0.343)	20.476	(2.167)	22.632	(2.156)	25.027	(2.395)
Pensions	\$26.789	(2.157)	32.077	(5.288)	32.960	(0.883)	33.528	(0.568)	34.164	(0.636)
Other Fringe Benefits	\$10.046	4.486	9.591	0.455	9.934	(0.343)	10.148	(0.214)	10.370	(0.222)
GASB Account	\$1.179	(1.179)	0.939	0.240	0.966	(0.027)	0.985	(0.019)	1.004	(0.019)
Reimbursable Overhead	\$0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$188.520</b>	<b>(\$20.079)</b>	<b>\$196.420</b>	<b>(\$7.900)</b>	<b>\$203.812</b>	<b>(\$7.392)</b>	<b>\$209.496</b>	<b>(\$5.684)</b>	<b>\$215.592</b>	<b>(\$6.096)</b>
Non-Labor:										
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	8.750	(7.632)	4.869	3.881	5.356	(0.487)	5.891	(0.536)	6.542	(0.651)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	28.088	(22.527)	27.750	0.338	31.403	(3.653)	32.054	(0.651)	32.695	(0.641)
Professional Service Contracts	48.779	(21.960)	42.810	5.969	47.380	(4.571)	48.338	(0.957)	49.305	(0.967)
Materials & Supplies	11.977	(11.428)	2.946	9.031	3.091	(0.145)	3.152	(0.061)	3.215	(0.063)
MTA Internal Subsidy	42.061	(5.192)	48.630	(6.569)	38.820	9.810	40.142	(1.322)	41.239	(1.097)
Other Business Expenses	39.131	13.493	37.036	2.095	41.078	(4.043)	42.015	(0.937)	42.822	(0.806)
<b>Total Non-Labor Expenditures</b>	<b>\$178.786</b>	<b>(\$55.246)</b>	<b>\$164.040</b>	<b>\$14.746</b>	<b>\$167.129</b>	<b>(\$3.088)</b>	<b>\$171.592</b>	<b>(\$4.464)</b>	<b>\$175.817</b>	<b>(\$4.225)</b>
Other Expenditure Adjustments:										
Other	30.869	(17.097)	23.712	7.157	20.800	2.912	20.800	0.000	20.800	0.000
<b>Total Other Expenditure Adjustments</b>	<b>\$30.869</b>	<b>(\$17.097)</b>	<b>\$23.712</b>	<b>\$7.157</b>	<b>\$20.800</b>	<b>\$2.912</b>	<b>\$20.800</b>	<b>\$0.000</b>	<b>\$20.800</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$398.175</b>	<b>(\$92.422)</b>	<b>\$384.172</b>	<b>\$14.002</b>	<b>\$391.740</b>	<b>(\$7.568)</b>	<b>\$401.888</b>	<b>(\$10.148)</b>	<b>\$412.209</b>	<b>(\$10.321)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$298.301)</b>	<b>(\$70.956)</b>	<b>(\$281.806)</b>	<b>\$16.496</b>	<b>(\$287.328)</b>	<b>(\$5.522)</b>	<b>(\$295.426)</b>	<b>(\$8.098)</b>	<b>(\$303.602)</b>	<b>(\$8.176)</b>
2008 Agency Program to Eliminate the Gap (PEGs)	0.614	0.614	3.290	2.676	4.370	1.080	4.370	-	4.370	-
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Deficit</b>	<b>(\$297.687)</b>	<b>(\$70.342)</b>	<b>(\$278.516)</b>	<b>\$19.172</b>	<b>(\$282.958)</b>	<b>(\$4.442)</b>	<b>(\$291.056)</b>	<b>(\$8.098)</b>	<b>(\$299.232)</b>	<b>(\$8.176)</b>

**MTA Headquarters  
July Financial Plan 2008-2011  
Summary of Changes Between Financial Plans by Category**

The following explanations summarize the total differences between the July Financial Plan and the February Financial Plan:

**2007: July Financial Plan vs. February Financial Plan**

The Net Cash Deficit in the 2007 July Financial Plan of \$297.687 million is a \$24.306 million increase from the February Plan of \$273.383 million. Operating Capital rollovers from 2006 are the primary reason for the increase.

**2008: July Financial Plan vs. February Financial Plan**

The Net Cash Deficit in the 2007 July Financial Plan of \$278.516 million is a \$5.099 million increase from the February Plan of \$273.417 million. Increased MTA Police overtime due to the implementation of a program of Directed Police Patrols in order to bolster security on the commuter rails to increase police presence and visibility on Long Island Rail Road, Metro-North and SIRTOA and increased salaries and fringe benefits based on funding for strategic new initiatives are the major reasons for the increases.

**2009, 2010, 2011: July Financial Plan vs. February Financial Plan**

The Net Cash Deficit in the 2007 July Financial Plan of \$282.958 million in 2009 is a \$9.414 million increase from the February Plan of \$273.544 million. The Net Cash Deficit in the 2007 July Financial Plan of \$291.056 million in 2010 is a \$9.115 million increase from the February Plan of \$281.941 million. The Net Cash Deficit in the 2007 July Financial Plan of \$299.232 million for 2011 is a \$7.589 million increase from the February Plan of \$291.643 million. In each case the major reasons for the increases are increased MTA Police overtime due to the implementation of a program of Directed Police Patrols to bolster security on the commuter rails by increasing police presence and visibility on Long Island Rail Road, Metro-North and SIRTOA, and increased salaries and fringe benefits and increased other than personnel services based on funding for strategic new initiatives.

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
<b>Baseline 2007 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$273.383)</b>	<b>(\$274.747)</b>	<b>(\$274.982)</b>	<b>(\$283.478)</b>	<b>(\$293.242)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Rental Income	.580	.124	.337	.397	.435
Data Center Billings	.000	.000	.000	.000	.000
Other	.000	.023	.043	.049	.052
Capital and Other Reimbursement	.000	.000	.000	.000	.000
<b>Total Revenue Changes</b>	<b>\$.580</b>	<b>\$.147</b>	<b>\$.380</b>	<b>\$.446</b>	<b>\$.487</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(\$1.682)	\$1.318	\$.757	\$1.367	\$1.896
Overtime	(2.825)	(4.327)	(4.350)	(4.285)	(4.247)
Health and Welfare	4.256	6.373	7.242	8.460	9.824
Pensions	4.340	(1.505)	(1.605)	(1.364)	(1.288)
Other Fringe Benefits	.934	1.743	1.986	2.373	2.821
Reimbursable Overhead	(8.066)	(6.350)	(6.270)	(6.325)	(6.355)
<b>Total Labor Expense Changes</b>	<b>(\$3.045)</b>	<b>(\$2.748)</b>	<b>(\$2.241)</b>	<b>\$.226</b>	<b>\$2.651</b>
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	(1.736)	(1.142)	(1.304)	(1.436)	(1.593)
Claims	.000	.000	.000	.000	.000
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	(15.607)	(16.389)	(16.996)	(17.380)	(17.736)
Professional Service Contracts	(3.692)	(3.642)	(4.158)	(5.311)	(5.502)
Materials & Supplies	(12.161)	(2.112)	(1.921)	(1.961)	(2.000)
MTA Internal Subsidy	(5.975)	(4.673)	(.462)	(.638)	(.684)
Other Business Expenses	14.849	14.848	15.931	16.061	16.436
<b>Total Non-Labor Expense Changes</b>	<b>(\$24.322)</b>	<b>(\$13.110)</b>	<b>(\$8.910)</b>	<b>(\$10.664)</b>	<b>(\$11.078)</b>
<b>Total Expense Changes</b>	<b>(\$27.367)</b>	<b>(\$15.858)</b>	<b>(\$11.151)</b>	<b>(\$10.438)</b>	<b>(\$8.428)</b>
<b>Depreciation</b>	<b>(\$6.318)</b>	<b>(\$8.311)</b>	<b>(\$11.668)</b>	<b>(\$8.668)</b>	<b>(\$5.526)</b>
<b>Cash Adjustment Changes</b>					
Revenue	\$6.620	\$5.011	\$5.092	\$5.230	\$5.347
Labor Expense	(3.343)	(4.538)	(5.069)	(5.560)	(6.107)
Non Labor Expense	8.122	10.553	(1.597)	(1.626)	(1.660)
Operating Capital	(9.530)	(2.373)	.000	.000	.000
Depreciation	6.318	8.311	11.668	8.668	5.526
<b>Total Cash Adjustment Changes</b>	<b>\$8.186</b>	<b>\$16.963</b>	<b>\$10.094</b>	<b>\$6.712</b>	<b>\$3.107</b>
<b>Total Baseline Changes</b>	<b>(\$24.919)</b>	<b>(\$7.058)</b>	<b>(\$12.345)</b>	<b>(\$11.948)</b>	<b>(\$10.360)</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$298.302)</b>	<b>(\$281.806)</b>	<b>(\$287.328)</b>	<b>(\$295.426)</b>	<b>(\$303.602)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>REIMBURSABLE</b>	<b>Favorable/(Unfavorable)</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Baseline 2007 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Rental Income	.000	.000	.000	.000	.000
Data Center Billings	.000	.000	.000	.000	.000
Other	.000	.000	.000	.000	.000
Capital and Other Reimbursement	(7.843)	(5.492)	(5.349)	(5.382)	(5.443)
<b>Total Revenue Changes</b>	<b>(\$7.843)</b>	<b>(\$5.492)</b>	<b>(\$5.349)</b>	<b>(\$5.382)</b>	<b>(\$5.443)</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(\$.367)	(\$.720)	(\$.767)	(\$.784)	(\$.801)
Overtime	.000	.000	.000	.000	.000
Health and Welfare	.002	(.012)	(.020)	(.025)	(.031)
Pensions	(.016)	(.016)	(.014)	(.010)	(.006)
Other Fringe Benefits	(.029)	(.039)	(.038)	(.038)	(.038)
Reimbursable Overhead	8.066	6.350	6.270	6.325	6.355
<b>Total Labor Expense Changes</b>	<b>\$7.658</b>	<b>\$5.563</b>	<b>\$5.430</b>	<b>\$5.467</b>	<b>\$5.480</b>
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	.000	.000	.000	.000	.000
Claims	.000	.000	.000	.000	.000
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	(.002)	(.002)	(.002)	(.002)	(.002)
Professional Services	.227	(.034)	(.044)	(.047)	.003
Materials & Supplies	(.049)	(.047)	(.048)	(.049)	(.050)
MTA Internal Subsidy	.000	.000	.000	.000	.000
Other Business Expenses	.011	.013	.014	.013	.013
<b>Total Non-Labor Expense Changes</b>	<b>\$.187</b>	<b>(\$.071)</b>	<b>(\$.081)</b>	<b>(\$.085)</b>	<b>(\$.037)</b>
<b>Total Expense Changes</b>	<b>\$7.844</b>	<b>\$5.492</b>	<b>\$5.349</b>	<b>\$5.382</b>	<b>\$5.443</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.001</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.001</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**NON-REIMBURSABLE and  
REIMBURSABLE**

	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
<b>Baseline 2007 February Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$273.383)</b>	<b>(\$274.747)</b>	<b>(\$274.982)</b>	<b>(\$283.478)</b>	<b>(\$293.242)</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Rental Income	.580	.124	.337	.397	.435
Data Center Billings	.000	.000	.000	.000	.000
Other	.000	.023	.043	.049	.052
Capital and Other Reimbursement	(7.843)	(5.492)	(5.349)	(5.382)	(5.443)
<b>Total Revenue Changes</b>	<b>(\$7.263)</b>	<b>(\$5.345)</b>	<b>(\$4.969)</b>	<b>(\$4.936)</b>	<b>(\$4.956)</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	(\$2.049)	\$.598	(\$0.10)	\$.583	\$1.095
Overtime	(2.825)	(4.327)	(4.350)	(4.285)	(4.247)
Health and Welfare	4.258	6.361	7.221	8.435	9.793
Pensions	4.324	(1.521)	(1.619)	(1.374)	(1.294)
Other Fringe Benefits	.905	1.704	1.947	2.335	2.783
Reimbursable Overhead	.000	.000	.000	.000	.000
<b>Total Labor Expense Changes</b>	<b>\$4.613</b>	<b>\$2.815</b>	<b>\$3.190</b>	<b>\$5.694</b>	<b>\$8.130</b>
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	(1.736)	(1.142)	(1.304)	(1.436)	(1.593)
Claims	.000	.000	.000	.000	.000
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	(15.609)	(16.391)	(16.998)	(17.382)	(17.738)
Professional Services	(3.465)	(3.676)	(4.202)	(5.358)	(5.499)
Materials & Supplies	(12.211)	(2.159)	(1.970)	(2.010)	(2.050)
MTA Internal Subsidy	(5.975)	(4.673)	(.462)	(.638)	(.684)
Other Business Expenses	14.860	14.861	15.945	16.075	16.449
<b>Total Non-Labor Expense Changes</b>	<b>(\$24.136)</b>	<b>(\$13.181)</b>	<b>(\$8.991)</b>	<b>(\$10.749)</b>	<b>(\$11.115)</b>
<b>Total Expense Changes</b>	<b>(\$19.523)</b>	<b>(\$10.366)</b>	<b>(\$5.802)</b>	<b>(\$5.055)</b>	<b>(\$2.985)</b>
<b>Depreciation</b>	<b>(\$6.318)</b>	<b>(\$8.311)</b>	<b>(\$11.668)</b>	<b>(\$8.668)</b>	<b>(\$5.526)</b>
<b>Cash Adjustment Changes</b>					
Revenue	\$6.620	\$5.011	\$5.092	\$5.230	\$5.347
Labor Expense	(3.343)	(4.538)	(5.069)	(5.560)	(6.107)
Non Labor Expense	8.122	10.553	(1.597)	(1.626)	(1.660)
Operating Capital	(9.530)	(2.373)	.000	.000	.000
Depreciation	6.318	8.311	11.668	8.668	5.526
<b>Total Cash Adjustment Changes</b>	<b>\$8.187</b>	<b>\$16.963</b>	<b>\$10.094</b>	<b>\$6.712</b>	<b>\$3.107</b>
<b>Total Baseline Changes</b>	<b>(\$24.917)</b>	<b>(\$7.058)</b>	<b>(\$12.345)</b>	<b>(\$11.948)</b>	<b>(\$10.360)</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$298.300)</b>	<b>(\$281.806)</b>	<b>(\$287.328)</b>	<b>(\$295.426)</b>	<b>(\$303.602)</b>

**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)				
	2007	2008	2009	2010	2011
<b>Baseline 2007 February Financial Plan - Operating Cash Income/(Deficit)</b>	(\$273.383)	(\$274.747)	(\$274.982)	(\$283.478)	(\$293.242)
<b>Non-Reimbursable Major Changes</b>					
Revenue					
Rental Income	0.581	0.124	0.337	0.397	0.435
Sub-Total Non-Reimbursable Revenue Changes	\$ .581	\$.124	\$.337	\$.397	\$.435
<b>Expenses</b>					
Effect of Lower Health & Welfare Rates	\$4.258	\$6.361	\$7.221	\$8.435	\$9.793
Favorable Earnings from Reduced Pension Liabilities	3.430	1.227	1.227	1.227	1.227
Directed MTA Police Patrol - Overtime	(4.104)	(6.019)	(6.202)	(6.326)	(6.456)
Tivoli Storage Management Encryption Module	(0.250)	(0.050)	(0.051)	(0.052)	(0.053)
Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis	(1.000)	0.000	0.000	0.000	0.000
Blue Ribbon Commission on Sustainability & Transit Oriented Development	(0.500)	(0.500)	0.000	0.000	0.000
MTA Public Meetings Webcasting and Captioning.	0.000	(0.055)	(0.055)	(0.056)	(0.057)
Shared Services PeopleSoft Requirements	(11.617)	(1.886)	(1.923)	(1.961)	(2.000)
PCAC Headcount	(0.195)	(0.279)	(0.290)	(0.298)	(0.306)
Labor and Fringe Expense from Headcount increase	(1.495)	(4.167)	(4.323)	(4.443)	(4.571)
Other Technology related needs	(0.881)	(0.636)	(0.509)	(0.518)	(0.528)
MTA Police Facility Needs	(0.405)	(0.520)	(0.446)	(0.454)	(0.463)
Jamaica Building Expenses	(0.950)	(0.978)	(0.997)	(1.017)	(1.037)
Salary Adjustments	(0.032)	(0.155)	(0.161)	(0.166)	(0.171)
Revised consultant expenditures	(0.318)	(0.323)	(0.354)	(0.388)	(0.396)
Revised maintenance and operating contracts	(0.630)	(0.660)	(0.724)	(0.793)	(0.809)
Change in Depreciation	(6.318)	(8.311)	(11.668)	(8.668)	(5.526)
Change in Support for Subsidiaries	(5.975)	(4.673)	(0.462)	(0.638)	(0.684)
All Other	1.139	2.970	2.290	2.439	3.579
Sub-Total Non-Reimbursable Expense Changes	(\$25.842)	(\$18.654)	(\$17.427)	(\$13.676)	(\$8.459)
<b>Total Non-Reimbursable Major Changes</b>	<b>(\$25.261)</b>	<b>(\$18.530)</b>	<b>(\$17.090)</b>	<b>(\$13.279)</b>	<b>(\$8.024)</b>
<b>Reimbursable Major Changes</b>					
Revenue					
Change in Expense Recovery Levels	(7.843)	(5.492)	(5.349)	(5.382)	(5.443)
Sub-Total Reimbursable Revenue Changes	(\$7.843)	(\$5.492)	(\$5.349)	(\$5.382)	(\$5.443)
<b>Expenses</b>					
Sub-Total Reimbursable Expense Changes					
<b>Total Reimbursable Major Changes</b>	<b>(\$7.843)</b>	<b>(\$5.492)</b>	<b>(\$5.349)</b>	<b>(\$5.382)</b>	<b>(\$5.443)</b>
<b>Total Accrual Changes</b>	<b>(\$33.104)</b>	<b>(\$24.022)</b>	<b>(\$22.439)</b>	<b>(\$18.661)</b>	<b>(\$13.467)</b>
<b>Cash Adjustment Changes</b>					
<b>Total Cash Adjustment Changes</b>	<b>\$8.187</b>	<b>\$16.963</b>	<b>\$10.094</b>	<b>\$6.712</b>	<b>\$3.107</b>
<b>Total Cash Adjustment Changes</b>	<b>\$8.187</b>	<b>\$16.963</b>	<b>\$10.094</b>	<b>\$6.712</b>	<b>\$3.107</b>
<b>Total Baseline Changes</b>	<b>(\$24.918)</b>	<b>(\$7.059)</b>	<b>(\$12.346)</b>	<b>(\$11.949)</b>	<b>(\$10.360)</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$298.301)</b>	<b>(\$281.806)</b>	<b>(\$287.328)</b>	<b>(\$295.426)</b>	<b>(\$303.602)</b>

MTA HEADQUARTERS  
Mid-year forecast for 2007  
Summary of 2008 Program to Eliminate the Gap(PEGs)  
(\$ in millions)

		2007		2008		2009		2010		2011	
		<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
<b>Administration</b>											
MTA Public Safety Administration Reduction		0	0.000	0	0.892	0	0.911	0	0.911	0	0.911
Sub-Total	Administration	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.892</u>	<u>0</u>	<u>\$ 0.911</u>	<u>0</u>	<u>\$ 0.911</u>	<u>0</u>	<u>\$ 0.911</u>
<b>Security</b>											
Police Department Personnel Cost Reduction		0	0.000	0	0.093	0	0.096	0	0.096	0	0.096
Sub-Total	Security	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.093</u>	<u>0</u>	<u>\$ 0.096</u>	<u>0</u>	<u>\$ 0.096</u>	<u>0</u>	<u>\$ 0.096</u>
<b>Service</b>											
Enforcer Contract Cancellation		0	0.000	0	0.650	0	0.792	0	0.792	0	0.792
MTA Headquarters Administrative Reduction		0	0.185	0	0.215	0	0.684	0	0.684	0	0.684
MTA Public Safety Insurance Reduction		0	0.000	0	0.103	0	0.113	0	0.113	0	0.113
Personnel Position Downgrades		0	0.429	0	0.676	0	0.692	0	0.692	0	0.692
Professional Expense Reduction		0	0.000	0	0.356	0	0.468	0	0.468	0	0.468
Sub-Total	Service	<u>0</u>	<u>\$ 0.614</u>	<u>0</u>	<u>\$ 2.000</u>	<u>0</u>	<u>\$ 2.749</u>	<u>0</u>	<u>\$ 2.749</u>	<u>0</u>	<u>\$ 2.749</u>
<b>Service Support</b>											
K-9 Facility Administrative Reductions		0	0.000	0	0.305	0	0.311	0	0.311	0	0.311
PeopleSoft Operating Efficiencies		0	0.000	0	0.000	0	0.303	0	0.303	0	0.303
Sub-Total	Service Support	<u>0</u>	<u>\$ 0.000</u>	<u>0</u>	<u>\$ 0.305</u>	<u>0</u>	<u>\$ 0.614</u>	<u>0</u>	<u>\$ 0.614</u>	<u>0</u>	<u>\$ 0.614</u>
<b>Total Programs</b>		<u>0</u>	<u>\$ 0.614</u>	<u>0</u>	<u>\$ 3.290</u>	<u>0</u>	<u>\$ 4.370</u>	<u>0</u>	<u>\$ 4.370</u>	<u>0</u>	<u>\$ 4.370</u>

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	7/25/2007
<b>Budget Reference</b>	MYF07	<b>Category</b>	Administration	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000014	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	MTA Public Safety Administration Reduction			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	MTA Public Safety reduction of Administrative cost in various of departments.				

**Background Details**

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000014	MYF07	\$ 0.000	\$ 0.892	\$ 0.911	\$ 0.911	\$ 0.911

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Security	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000015	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	Police Department Personnel Cost Reduction			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	After careful consideration, the police department has determined that only one Lieutenant. will be on call for the internal affairs unit on off hours. The Support Service Chief will aid any necessary response by the unit.				

**Background Details**

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000015	MYF07	\$ 0.000	\$ 0.093	\$ 0.096	\$ 0.096	\$ 0.096

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000011	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	Enforcer Contract Cancellation			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	In 2008, reduce the consulting expenses by \$650,000 due to delayed peoplesoft enforcer contract.				
<b>Background Details</b>	Based on deferral of certain planned initiatives(Peoplesoft Enforcer module), the Systems Development group has determined that it can reduce contractual service (consultant) costs.				

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000011	MYF07	\$ 0.000	\$ 0.650	\$ 0.792	\$ 0.792	\$ 0.792

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000017	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	MTA Headquarters Administrative Reduction			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	Minor contract reductions and elimination of expenses across MTA Headquarters				

**Background Details**

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000017	MYF07	\$ 0.185	\$ 0.215	\$ 0.684	\$ 0.684	\$ 0.684

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet  
 (\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000018	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	MTA Public Safety Insurance Reduction			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	MTA Public Safety will reduce the insurance budget, as Risk Management insurance policies cover All MTAHQ & Public Safety.				
<b>Background Details</b>					

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000018	MYF07	\$ 0.000	\$ 0.103	\$ 0.113	\$ 0.113	\$ 0.113

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service	<b>Savings Date</b>	1/1/2000
<b>PEG / New Need ID</b>	0000000016	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	Personnel Position Downgrades			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	Audit Services, Labor Relations and The Office of Civil Rights department restructuring.				
<b>Background Details</b>	In 2007, the Audit Services Department began a process to streamline it's audit management and work teams to improve consistency, effectiveness, and efficiency of personnel resource allocations, oversight, and management span of control department-wide. As part of this, several positions were downgraded and titles were eliminated. In addition, as higher level titles were vacated through retirement, resignations, or transfer within the agencies, they were or are to be filled, where practical, at more entry level positions. Similar reduction are anticipated for positions in Labor Relations and the office of Civil Rights.				

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000016	MYF07	\$ 0.429	\$ 0.676	\$ 0.692	\$ 0.692	\$ 0.692

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000019	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	Professional Expense Reduction			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	Professional Service Expense Reduction.				
<b>Background Details</b>	<p>With the implementation of the Peoplesoft Suite the Chief Financial Officer's Department has been able to reengineer its operations and reduce expense. As a result, the amount budgeted for Treasury department Bond Counsel legal fees will be reduced by \$300 thousand per year beginning in 2008. Further reductions in Human Resources are also antiipated as dependence on Hay's Associate Service diminishes.</p>				

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000019	MYF07	\$ 0.000	\$ 0.356	\$ 0.468	\$ 0.468	\$ 0.468

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	7/25/2007
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service Support	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000012	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	K-9 Facility Administrative Reductions			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	Based upon the new facility built for the K-9 unit, the department foresees reduction in building maintenance and repair cost, as well as training costs since the new facility has a training room				
<b>Background Details</b>	Once the new facility is completed and operational, the unit will move into the new facility with new equipment and there should be less/fewer maintenance expense.				

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000012	MYF07	\$ 0.000	\$ 0.305	\$ 0.311	\$ 0.311	\$ 0.311

MTA HEADQUARTERS  
 Mid-year forecast for 2007  
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

<b>Business Unit</b>	MTAHQ	<b>Financial Plan Category</b>	PEG	<b>Implementation Date</b>	1/1/2008
<b>Budget Reference</b>	MYF07	<b>Category</b>	Service Support	<b>Savings Date</b>	1/1/2008
<b>PEG / New Need ID</b>	0000000013	<b>Current Budget Year</b>	2007	<b>Status</b>	Open
<b>Program:</b>	PeopleSoft Operating Efficiencies			<b>Agency Status</b>	Pending
<b>Description and Implementation Pla</b>	With the implementation of the PeopleSoft suite the chief Financial Officer's Department has been able to reengineer it's operations and reduce expenses. As a result, the amount budgeted for Treasury department Bond Counsel legal fees will be reduce by p				

**Background Details**

				2007	2008	2009	2010	2011
<b>Total Headcount</b>								
<b>Financial Impact</b>	MTAHQ	0000000013	MYF07	\$ 0.000	\$ 0.000	\$ 0.303	\$ 0.303	\$ 0.303

**MTA Headquarters  
July Financial Plan 2008-2011  
Other Assumptions**

Position Table

A baseline headcount of 1,450 positions is forecasted for 2007, an increase of 17 positions from the February Financial Plan. The level of employees will increase to 1,454 in 2008 and 1,456 in 2009. Thereafter headcount will remain constant throughout the plan.



**MTA HEADQUARTERS**  
**July Financial Plan 2008 - 2011**  
**Total Full-time Positions and Full-time Equivalents by Function and Occupational Group**

FUNCTION/OCCUPATIONAL GROUP	2006	2007	2008	2009	2010	2011
	Actuals	Mid-Year Forecast	Preliminary Budget			
<b>Administration</b>						
Managers/Supervisors	362	411	412	412	412	412
Professional, Technical, Cleri	224	270	272	274	274	274
Operational Hourlies						
<b>Total Administration</b>	<b>586</b>	<b>681</b>	<b>684</b>	<b>686</b>	<b>686</b>	<b>686</b>
<b>Operations</b>						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Cleri	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
<b>Total Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Maintenance</b>						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Cleri	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
<b>Total Maintenance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Engineering/Capital</b>						
Managers/Supervisors	-	-	-	-	-	-
Professional, Technical, Cleri	-	-	-	-	-	-
Operational Hourlies	-	-	-	-	-	-
<b>Total Engineering/Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Safety</b>						
Managers/Supervisors	30	35	35	35	35	35
Professional, Technical, Cleri	51	66	67	67	67	67
Operational Hourlies (Uniform)	651	668	668	668	668	668
<b>Total Public Safety</b>	<b>732</b>	<b>769</b>	<b>770</b>	<b>770</b>	<b>770</b>	<b>770</b>
<b>Total Baseline Positions</b>						
Managers/Supervisors	392	446	447	447	447	447
Professional, Technical, Cleri	275	336	339	341	341	341
Operational Hourlies	651	668	668	668	668	668
<b>Total Baseline Positions</b>	<b>1,318</b>	<b>1,450</b>	<b>1,454</b>	<b>1,456</b>	<b>1,456</b>	<b>1,456</b>
<b>Impact of:</b>						
<b>2008 Program to Eliminate the Gap</b>	-	-	-	-	-	-
<b>Post2008 Program to Eliminate the Gap</b>	-	-	-	-	-	-
<b>Total Positions</b>						
Managers/Supervisors	392	446	447	447	447	447
Professional, Technical, Cleri	275	336	339	341	341	341
Operational Hourlies	651	668	668	668	668	668
<b>Total Positions</b>	<b>1,318</b>	<b>1,450</b>	<b>1,454</b>	<b>1,456</b>	<b>1,456</b>	<b>1,456</b>

**MTA First Mutual Transportation Assurance Company**  
**2008 Preliminary Budget**  
**July Financial Plan 2008 - 2011**

**Mission Statement**

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

**FINANCIAL OVERVIEW**

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Costs for FMTAC are comprised of insurance premiums (credit to Insurance expenses), Claims expenses, and Other Business Expenses. Insurance revenues result in an offset to expenses.

**2007 Mid-Year Forecast**

In the 2007 Mid-Year Forecast, a total of \$14.257 million is projected in Net Surplus compared to \$3.064 million in the 2007 Adopted Budget. This consists of \$17.035 million in revenues, partially offset by \$2.778 million in expenses. Revenues are higher than the Adopted Budget by \$8.468 million and expenses are favorable by \$2.725 million compared to the February Plan. Revenue and expenses are based on actual results through April 2007 on an annualized basis. In addition, favorable All-Urban Consumers Price Index (CPI) projections were also applied.

## **2008 Preliminary Budget - Baseline**

In the 2008 Preliminary Budget, a total of \$16.078 million is projected in Baseline Surplus compared to \$6.574 million in the February Plan. This consists of \$17.402 million in revenues, partially offset by \$1.324 million of expenses. Revenues are higher than the February Plan by \$8.696 million and Expenses are lower by \$0.808 million. The favorable outcome is due to favorable developments in Total Revenue, which is partially offset by unfavorable developments in Insurance, as well as favorable developments in Claims and Other Business Expenses.

## **2009 - 2011 Projections**

2008 - 2011 projections are representative of 2007 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2007 projections at a rate equal to the CPI. Insurance is estimated to increase over 2007 estimates at a rate of 5% each year. Claims are based on actuarial analysis of projected claims activity and adjustments, whether favorable or unfavorable in required reserves. Other Business Expenses are estimated to increase over 2007 at a rate of 2% each year.

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2008-2011**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

<b>NON-REIMBURSABLE</b>
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	<u>2006</u>	<u>2007</u>	<u>2008</u>			
	<u>Actuals</u>	<u>Mid-Year</u>	<u>Preliminary</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
		<u>Forecast</u>	<u>Budget</u>			
<b>Operating Revenue</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	17.752	14.883	15.204	15.504	15.806	16.122
Investment Income	(2.294)	2.152	2.198	2.241	2.285	2.331
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$15.458</b>	<b>\$17.035</b>	<b>\$17.402</b>	<b>\$17.745</b>	<b>\$18.091</b>	<b>\$18.453</b>
<b>Operating Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(43.006)	(44.391)	(46.611)	(48.942)	(51.389)	(53.958)
Claims	41.014	39.036	39.639	42.167	43.935	43.236
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	7.753	8.133	8.296	8.462	8.631	8.804
<b>Total Non-Labor Expenses</b>	<b>\$5.761</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.687</b>	<b>\$1.177</b>	<b>(\$1.918)</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$5.761</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.687</b>	<b>\$1.177</b>	<b>(\$1.918)</b>
Depreciation	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$5.761</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.687</b>	<b>\$1.177</b>	<b>(\$1.918)</b>
<b>Baseline Surplus/(Deficit)</b>	<b>\$9.697</b>	<b>\$14.257</b>	<b>\$16.078</b>	<b>\$16.058</b>	<b>\$16.914</b>	<b>\$20.371</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2008-2011**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<b>2006</b>	<b>2007</b>	<b>2008</b>			
	<b>Actuals</b>	<b>Mid-Year</b>	<b>Preliminary</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
		<b>Forecast</b>	<b>Budget</b>			
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	17.752	14.883	15.204	15.504	15.806	16.122
Investment Income	(2.294)	2.152	2.198	2.241	2.285	2.331
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$15.458</b>	<b>\$17.035</b>	<b>\$17.402</b>	<b>\$17.745</b>	<b>\$18.091</b>	<b>\$18.453</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	(43.006)	(44.391)	(46.611)	(48.942)	(51.389)	(53.958)
Claims	41.014	37.177	37.752	40.159	41.843	41.177
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	7.753	8.133	8.296	8.462	8.631	8.804
<b>Total Non-Labor Expenditures</b>	<b>\$5.761</b>	<b>\$0.919</b>	<b>(\$0.563)</b>	<b>(\$0.321)</b>	<b>(\$0.915)</b>	<b>(\$3.977)</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other - Restricted Cash Adjustment	9.697	16.116	17.965	18.066	19.006	22.430
<b>Total Other Expenditure Adjustments</b>	<b>\$9.697</b>	<b>\$16.116</b>	<b>\$17.965</b>	<b>\$18.066</b>	<b>\$19.006</b>	<b>\$22.430</b>
<b>Total Expenditures</b>	<b>\$15.458</b>	<b>\$17.035</b>	<b>\$17.402</b>	<b>\$17.745</b>	<b>\$18.091</b>	<b>\$18.453</b>
<b>Baseline Cash Deficit</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

**MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY**  
**July Financial Plan 2008-2011**  
**Cash Conversion (Cash Flow Adjustments)**  
(\$ in millions)

<b>CASH FLOW ADJUSTMENTS</b>
------------------------------

	2006	2007	2008			
	<u>Actuals</u>	<u>Mid-Year Forecast</u>	<u>Preliminary Budget</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Receipts</b>						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	-	-	-	-	-	-
<b>Total Receipts</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	1.859	1.887	2.008	2.092	2.059
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
<b>Total Non-Labor Expenditures</b>	<b>\$0.000</b>	<b>\$1.859</b>	<b>\$1.887</b>	<b>\$2.008</b>	<b>\$2.092</b>	<b>\$2.059</b>
<b><u>Other Expenditures Adjustments:</u></b>						
Other	(\$9.697)	(\$16.116)	(\$17.965)	(\$18.066)	(\$19.006)	(\$22.430)
<b>Total Other Expenditures Adjustments</b>	<b>(\$9.697)</b>	<b>(\$16.116)</b>	<b>(\$17.965)</b>	<b>(\$18.066)</b>	<b>(\$19.006)</b>	<b>(\$22.430)</b>
<b>Total Cash Conversion Adjustments before Depreciation</b>	<b>(\$9.697)</b>	<b>(\$14.257)</b>	<b>(\$16.078)</b>	<b>(\$16.058)</b>	<b>(\$16.914)</b>	<b>(\$20.371)</b>
Depreciation Adjustment	-	-	-	-	-	-
<b>Total Cash Conversion Adjustments</b>	<b>(\$9.697)</b>	<b>(\$14.257)</b>	<b>(\$16.078)</b>	<b>(\$16.058)</b>	<b>(\$16.914)</b>	<b>(\$20.371)</b>

**MTA First Mutual Transportation Assurance Company**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category**  
**Non-Reimbursable**

**Revenue**

**Investment Income**

- Investment income is derived through FMTAC based on the investments held with Dwight Asset Management.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the Economic & Demographic Forecasts April 2007.

**Expenses**

**Insurance**

- Insurance (premiums) is based on increases in the market as well as increases in the claims expenses and reserve adjustments.
- Insurance Premiums are estimated to increase 5% each year for 2008 - 2011

**Claims**

- Claims expenses are determined by actuarial projection for 2007 – 2011 of the actual claims expense paid and any adjustments either favorable or unfavorable to reserves.

**Other Business Expenses**

- Costs increase 2% for 2008 through 2011 and are representative of general increases for the services provided and expenses not directly related to claims.

**First Mutual Transportation Assurance Company**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**NON-REIMBURSABLE**

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Investment Income	2.152	2.198	0.046	2.241	0.043	2.285	0.044	2.331	0.046
Other Operating Revenue	14.883	15.204	0.321	15.504	0.300	15.806	0.302	16.122	0.316
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>\$17.035</b>	<b>\$17.402</b>	<b>\$0.367</b>	<b>\$17.745</b>	<b>\$0.343</b>	<b>\$18.091</b>	<b>\$0.346</b>	<b>\$18.453</b>	<b>\$0.362</b>
<b>Expenses</b>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-	-	-	-
Pensions	-	-	-	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(44.391)	(46.611)	2.220	(48.942)	2.331	(51.389)	2.447	(53.958)	2.569
Claims	39.036	39.639	(0.603)	42.167	(2.528)	43.935	(1.768)	43.236	0.699
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	8.133	8.296	(0.163)	8.462	(0.166)	8.631	(0.169)	8.804	(0.173)
<b>Total Non-Labor Expenses</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.454</b>	<b>\$1.687</b>	<b>(\$0.363)</b>	<b>\$1.177</b>	<b>\$0.510</b>	<b>(\$1.918)</b>	<b>\$3.095</b>
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.454</b>	<b>\$1.687</b>	<b>(\$0.363)</b>	<b>\$1.177</b>	<b>\$0.510</b>	<b>(\$1.918)</b>	<b>\$3.095</b>
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$2.778</b>	<b>\$1.324</b>	<b>\$1.454</b>	<b>\$1.687</b>	<b>(\$0.363)</b>	<b>\$1.177</b>	<b>\$0.510</b>	<b>(\$1.918)</b>	<b>\$3.095</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>\$14.257</b>	<b>\$16.078</b>	<b>\$1.821</b>	<b>\$16.058</b>	<b>(\$0.020)</b>	<b>\$16.914</b>	<b>\$0.856</b>	<b>\$20.371</b>	<b>\$3.457</b>
2008 Agency Program to Eliminate the Gap (PEGs)									
Post - 2008 Agency Program to Eliminate the Gap (PEGs)									
<b>Total PEGs</b>	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>\$14.257</b>	<b>\$16.078</b>	<b>\$1.821</b>	<b>\$16.058</b>	<b>(\$0.020)</b>	<b>\$16.914</b>	<b>\$0.856</b>	<b>\$20.371</b>	<b>\$3.457</b>



**First Mutual Transportation Assurance Company**  
**July Financial Plan 2008-2011**  
**Summary of Changes Between Financial Plans by Category**  
**Non-Reimbursable**

**July Financial Plan vs. February Financial Plan**

**Revenue**

Revenue changes from the February Plan include:

- An increase in the baseline estimate for 2007 due to favorable developments in actual results through April 2007 for each year from the February Plan to the July Plan.
  - \$8.468 million in 2007
  - \$8.696 million in 2008
  - \$8.906 million in 2009
  - \$9.089 million in 2010
  - \$9.277 million in 2011

**Expense**

Expense changes from the February Plan include:

- A decrease in the Insurance baseline estimate for 2007 as a result of changes in actual results through April 2007. The inflation rate for Insurance is 5% per year to accurately reflect developments in premium costs.
  - \$5.515 million in 2007
  - \$8.285 million in 2008
  - \$11.444 million in 2009
  - \$15.036 million in 2010
  - \$19.110 million in 2011
- Claims expense resulted in favorable developments due to revised ultimate loss projections from actuarial projections.
  - \$7.342 million in 2007
  - \$7.906 million in 2008
  - \$6.583 million in 2009
  - \$6.065 million in 2010
  - \$6.764 million in 2011
- A decrease in Other Business Expense due to revised estimates based on actual results through April 2007. The inflation rate for Other Business Expense is adjusted to 2% per year to accurately reflect inflation rates.
  - \$0.898 million in 2007
  - \$1.187 million in 2008

- \$1.495 million in 2009
- \$1.824 million in 2010
- \$2.174 million in 2011

**First Mutual Transportation Assurance Company**  
**July Financial Plan 2008 - 2011**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

<b>NON-REIMBURSABLE and REIMBURSABLE</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$ .000	\$ .000	\$ .000	\$ .000	\$ .000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Investment Income	1.744	1.783	1.820	1.856	1.894
Other Operating Revenue	6.724	6.913	7.086	7.233	7.383
<b>Total Revenue Changes</b>	<b>\$8.468</b>	<b>\$8.696</b>	<b>\$8.906</b>	<b>\$9.089</b>	<b>\$9.277</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$ .000	\$ .000	\$ .000	\$ .000	\$ .000
Health and Welfare	.000	.000	.000	.000	.000
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.000	.000	.000	.000	.000
Reimbursable Overhead	.000	.000	.000	.000	.000
<b>Total Labor Expense Changes</b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$ .000	\$ .000	\$ .000	\$ .000	\$ .000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	(5.515)	(8.285)	(11.444)	(15.036)	(19.110)
Claims	7.342	7.906	6.583	6.065	6.764
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	.000	.000	.000	.000	.000
Materials & Supplies	.000	.000	.000	.000	.000
Other Business Expenses	.898	1.187	1.495	1.824	2.174
<b>Total Non-Labor Expense Changes</b>	<b>\$2.725</b>	<b>\$.808</b>	<b>(\$3.366)</b>	<b>(\$7.147)</b>	<b>(\$10.172)</b>
<b>Total Expense Changes</b>	<b>\$2.725</b>	<b>\$.808</b>	<b>(\$3.366)</b>	<b>(\$7.147)</b>	<b>(\$10.172)</b>
<b>Cash Adjustment Changes</b>					
<i>Revenue:</i>					
Investment Income	.000	.000	.000	.000	.000
Other Operating Revenue	.000	.000	.000	.000	.000
<i>Expenses:</i>					
Insurance	.000	.000	.000	.000	.000
Claims	(17.652)	(17.180)	(19.281)	(18.824)	(15.163)
Other Business Expenses	.000	.000	.000	.000	.000
<b>Total Expense Changes</b>	<b>(17.652)</b>	<b>(17.180)</b>	<b>(19.281)</b>	<b>(18.824)</b>	<b>(15.163)</b>
Restricted Cash Adjustment	6.459	7.676	13.741	16.882	16.058
<b>Total Cash Adjustment Changes</b>	<b>(\$11.193)</b>	<b>(\$9.504)</b>	<b>(\$5.540)</b>	<b>(\$1.942)</b>	<b>\$0.895</b>
<b>Total Baseline Changes</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>
<b>Baseline 2007 July Financial Plan - Operating Cash</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>

**First Mutual Transportation Assurance Company**  
**July Financial Plan 2008 - 2011**  
**Summary of Major Programmatic Changes Between Financial Plans**  
(\$ in millions)

<b>NON-REIMBURSABLE and REIMBURSABLE</b>	<b>Favorable/(Unfavorable)</b>				
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Baseline 2006 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b><i>Non-Reimbursable Major Changes</i></b>					
Revenue	\$8.468	\$8.696	\$8.906	\$9.089	\$9.277
Sub-Total Non-Reimbursable Revenue Changes	\$8.468	\$8.696	\$8.906	\$9.089	\$9.277
Expenses	\$2.725	\$.808	(\$3.366)	(\$7.147)	(\$10.172)
Sub-Total Non-Reimbursable Expense Changes	\$2.725	\$.808	(\$3.366)	(\$7.147)	(\$10.172)
<b><i>Total Non-Reimbursable Major Changes</i></b>	<b>\$11.193</b>	<b>\$9.504</b>	<b>\$5.540</b>	<b>\$1.942</b>	<b>(\$.895)</b>
<b><i>Reimbursable Major Changes</i></b>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<b><i>Total Reimbursable Major Changes</i></b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>	<b>\$.000</b>
<b><i>Total Accrual Changes</i></b>	<b>\$11.193</b>	<b>\$9.504</b>	<b>\$5.540</b>	<b>\$1.942</b>	<b>(\$0.895)</b>
<b><i>Cash Adjustment Changes</i></b>					
Total Cash Adjustments	(\$11.193)	(\$9.504)	(\$5.540)	(\$1.942)	\$0.895
<b><i>Total Cash Adjustment Changes</i></b>	<b>(\$11.193)</b>	<b>(\$9.504)</b>	<b>(\$5.540)</b>	<b>(\$1.942)</b>	<b>\$0.895</b>
<b><i>Total Baseline Changes</i></b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>

**Inspector General  
2008 Preliminary Budget  
July Financial Plan 2008 - 2011**

**Mission Statement**

The Metropolitan Transportation Authority Office of the Inspector General is created by statute and has the power to investigate abuses, frauds, and service deficiencies related to the authority and its subsidiaries. Reviews may be initiated in order to identify where performance might be improved and funds used more effectively.

**Financial Overview**

The budget for the Office of Inspector General for the years 2008-2011 maintains the base funding from the previous year and provides for growth in selected line items consistent with the guidelines and assumptions used by MTA Headquarters.

The Office of Inspector General's budget is predominately driven by the wages and benefits necessary to support our investigative unit, including attorneys, investigators, and personnel with financial investigations expertise; our audit and analysis unit with staff that have qualitative and quantitative analytical skills; and an administrative and support function, including but not limited to personnel for purchasing, information systems, accounting and reception. These resources are used to investigate and audit matters of concern throughout the MTA and its subsidiaries with a combined \$10 billion operating budget, \$4 billion capital budget and workforce of 69,000.

**INSPECTOR GENERAL**  
**July Financial Plan 2008 - 2011**  
**Accrual Statement of Operations by Category**  
(\$ in millions)

REIMBURSABLE						
	<u>2006</u> Actuals	<u>2007</u> Mid-Year Forecast	<u>2008</u> Preliminary Budget	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Revenue</b>						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	11.093	12.032	12.862	13.277	13.614	13.974
<b>Total Revenue</b>	<b>\$11.093</b>	<b>\$12.032</b>	<b>\$12.862</b>	<b>\$13.277</b>	<b>\$13.614</b>	<b>\$13.974</b>
<b>Expenses</b>						
<b><u>Labor:</u></b>						
Payroll	\$6.865	\$6.881	\$7.472	\$7.696	\$7.846	\$8.003
Overtime	-	-	-	-	-	-
Health and Welfare	0.632	0.731	0.882	0.984	1.085	1.199
Pensions	0.508	0.702	0.777	0.802	0.819	0.837
Other Fringe Benefits	0.515	0.508	0.571	0.581	0.593	0.606
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenses</b>	<b>\$8.520</b>	<b>\$8.823</b>	<b>\$9.702</b>	<b>\$10.063</b>	<b>\$10.344</b>	<b>\$10.645</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.033	0.047	0.051	0.056	0.062	0.068
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.107	0.230	0.241	0.246	0.250	0.256
Professional Service Contracts	0.199	0.165	0.062	0.063	0.064	0.066
Materials & Supplies	0.127	0.099	0.107	0.109	0.111	0.113
Other Business Expenses	1.522	2.084	2.114	2.156	2.198	2.242
<b>Total Non-Labor Expenses</b>	<b>\$1.988</b>	<b>\$2.625</b>	<b>\$2.575</b>	<b>\$2.630</b>	<b>\$2.686</b>	<b>\$2.744</b>
<b><u>Other Expenses Adjustments:</u></b>						
Other						
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$10.508</b>	<b>\$11.447</b>	<b>\$12.277</b>	<b>\$12.692</b>	<b>\$13.029</b>	<b>\$13.389</b>
Depreciation	0.585	0.585	0.585	0.585	0.585	0.585
<b>Total Expenses</b>	<b>\$11.093</b>	<b>\$12.032</b>	<b>\$12.862</b>	<b>\$13.277</b>	<b>\$13.614</b>	<b>\$13.974</b>
<b>Net Surplus/(Deficit)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>

**INSPECTOR GENERAL**  
**July Financial Plan 2008 - 2011**  
**Cash Receipts & Expenditures**  
(\$ in millions)

<b>CASH RECEIPTS AND EXPENDITURES</b>						
	<u>2006</u> <u>Actuals</u>	<u>2007</u> <u>Mid-Year</u> <u>Forecast</u>	<u>2008</u> <u>Preliminary</u> <u>Budget</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Receipts</b>						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	10.225	10.226	12.190	12.605	12.942	13.302
<b>Total Receipts</b>	<b>\$10.225</b>	<b>\$10.226</b>	<b>\$12.190</b>	<b>\$12.605</b>	<b>\$12.942</b>	<b>\$13.302</b>
<b>Expenditures</b>						
<b><u>Labor:</u></b>						
Payroll	\$6.865	\$6.881	\$7.472	\$7.696	\$7.846	\$8.003
Overtime	-	-	-	-	-	-
Health and Welfare	0.632	0.731	0.882	0.984	1.085	1.199
Pensions	0.508	0.702	0.777	0.802	0.819	0.837
Other Fringe Benefits	0.515	0.508	0.571	0.581	0.593	0.606
Reimbursable Overhead	-	-	-	-	-	-
<b>Total Labor Expenditures</b>	<b>\$8.520</b>	<b>\$8.823</b>	<b>\$9.702</b>	<b>\$10.063</b>	<b>\$10.344</b>	<b>\$10.645</b>
<b><u>Non-Labor:</u></b>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	0.033	0.047	0.051	0.056	0.062	0.068
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	0.107	0.230	0.241	0.246	0.250	0.256
Professional Service Contracts	0.199	0.165	0.062	0.063	0.064	0.066
Materials & Supplies	0.127	0.099	0.107	0.109	0.111	0.113
Other Business Expenses	1.522	2.084	2.114	2.156	2.198	2.242
<b>Total Non-Labor Expenditures</b>	<b>\$1.988</b>	<b>\$2.625</b>	<b>\$2.575</b>	<b>\$2.630</b>	<b>\$2.686</b>	<b>\$2.744</b>
<b><u>Other Expenditure Adjustments:</u></b>						
Other - Restricted Cash Adjustment	(0.283)	(1.221)	(0.087)	(0.087)	(0.087)	(0.087)
<b>Total Other Expenditure Adjustments</b>	<b>(\$0.283)</b>	<b>(\$1.221)</b>	<b>(\$0.087)</b>	<b>(\$0.087)</b>	<b>(\$0.087)</b>	<b>(\$0.087)</b>
<b>Total Expenditures</b>	<b>\$10.225</b>	<b>\$10.226</b>	<b>\$12.190</b>	<b>\$12.605</b>	<b>\$12.942</b>	<b>\$13.302</b>
<b>Net Cash Deficit</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>	<b>(\$0.000)</b>



**MTA INSPECTOR GENERAL**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Accrual Basis**  
(\$ in millions)

**REIMBURSABLE**

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Revenue</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Rental Income	-	-	0.000	-	0.000	-	0.000	-	0.000
Data Center Billings	-	-	0.000	-	0.000	-	0.000	-	0.000
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
Capital and Other Reimbursements	12.032	12.862	0.830	13.277	0.415	13.614	0.337	13.974	0.360
<b>Total Revenue</b>	<b>\$12.032</b>	<b>\$12.862</b>	<b>\$0.830</b>	<b>\$13.277</b>	<b>\$0.415</b>	<b>\$13.614</b>	<b>\$0.337</b>	<b>\$13.974</b>	<b>\$0.360</b>
<b>Expenses</b>									
Labor:									
Payroll	\$6.881	\$7.472	(\$0.591)	\$7.696	(\$0.224)	\$7.846	(\$0.150)	\$8.003	(\$0.157)
Overtime	-	-	0.000	-	0.000	-	0.000	-	0.000
Health and Welfare	0.731	0.882	(0.150)	0.984	(0.102)	1.085	(0.102)	1.199	(0.114)
Pensions	0.702	0.777	(0.075)	0.802	(0.025)	0.819	(0.017)	0.837	(0.018)
Other Fringe Benefits	0.508	0.571	(0.062)	0.581	(0.010)	0.593	(0.012)	0.606	(0.013)
Reimbursable Overhead	-	-	0.000	-	0.000	-	0.000	-	0.000
<b>Total Labor Expenses</b>	<b>\$8.823</b>	<b>\$9.702</b>	<b>(\$0.879)</b>	<b>\$10.063</b>	<b>(\$0.361)</b>	<b>\$10.344</b>	<b>(\$0.281)</b>	<b>\$10.645</b>	<b>(\$0.301)</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	0.047	0.051	(0.004)	0.056	(0.005)	0.062	(0.006)	0.068	(0.006)
Claims	-	-	0.000	-	0.000	-	0.000	-	0.000
Paratransit Service Contracts	-	-	0.000	-	0.000	-	0.000	-	0.000
Maintenance and Other Operating Contracts	0.230	0.241	(0.011)	0.246	(0.005)	0.250	(0.005)	0.256	(0.005)
Professional Service Contracts	0.165	0.062	0.103	0.063	(0.001)	0.064	(0.001)	0.066	(0.001)
Materials & Supplies	0.099	0.107	(0.007)	0.109	(0.002)	0.111	(0.002)	0.113	(0.002)
Other Business Expenses	2.084	2.114	(0.030)	2.156	(0.042)	2.198	(0.042)	2.242	(0.044)
<b>Total Non-Labor Expenses</b>	<b>\$2.625</b>	<b>\$2.575</b>	<b>\$0.050</b>	<b>\$2.630</b>	<b>(\$0.055)</b>	<b>\$2.686</b>	<b>(\$0.056)</b>	<b>\$2.744</b>	<b>(\$0.059)</b>
Other Expenses Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Other Expense Adjustments</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Expenses before Depreciation</b>	<b>\$11.447</b>	<b>\$12.277</b>	<b>(\$0.829)</b>	<b>\$12.692</b>	<b>(\$0.416)</b>	<b>\$13.029</b>	<b>(\$0.337)</b>	<b>\$13.389</b>	<b>(\$0.360)</b>
Depreciation	0.585	0.585	0.000	0.585	0.000	0.585	0.000	0.585	0.000
<b>Total Expenses</b>	<b>\$12.032</b>	<b>\$12.862</b>	<b>(\$0.829)</b>	<b>\$13.277</b>	<b>(\$0.416)</b>	<b>\$13.614</b>	<b>(\$0.337)</b>	<b>\$13.974</b>	<b>(\$0.360)</b>
<b>Baseline Net Surplus/(Deficit)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>(\$0.000)</b>	<b>(\$0.001)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>
2008 Agency Program to Eliminate the Gap (PEGs)									
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>(\$0.000)</b>	<b>(\$0.001)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>

**MTA INSPECTOR GENERAL**  
**July Financial Plan 2008 - 2011**  
**Year-to-Year Changes by Category - Cash Basis**  
(\$ in millions)

**CASH RECEIPTS & EXPENDITURES**

	Favorable/(Unfavorable)								
	2007	2008	Change 2008 - 2007	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010
<b>Receipts</b>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Other Operating Revenue	-	-	0.000	-	0.000	-	0.000	-	0.000
Rental Income	-	-	0.000	-	0.000	-	0.000	-	0.000
Data Center Billings	-	-	0.000	-	0.000	-	0.000	-	0.000
Other	-	-	0.000	-	0.000	-	0.000	-	0.000
Capital and Other Reimbursements	10.226	12.190	1.964	12.605	0.415	12.942	0.337	13.302	0.360
<b>Total Receipts</b>	<b>\$10.226</b>	<b>\$12.190</b>	<b>\$1.964</b>	<b>\$12.605</b>	<b>\$0.415</b>	<b>\$12.942</b>	<b>\$0.337</b>	<b>\$13.302</b>	<b>\$0.360</b>
<b>Expenditures</b>									
Labor:									
Payroll	6.881	7.472	(\$0.591)	7.696	(\$0.224)	7.846	(\$0.150)	8.003	(\$0.157)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.731	0.882	(0.150)	0.984	(0.102)	1.085	(0.102)	1.199	(0.114)
Pensions	0.702	0.777	(0.075)	0.802	(0.025)	0.819	(0.017)	0.837	(0.018)
Other Fringe Benefits	0.508	0.571	(0.062)	0.581	(0.010)	0.593	(0.012)	0.606	(0.013)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Labor Expenditures</b>	<b>\$8.823</b>	<b>\$9.702</b>	<b>(\$0.879)</b>	<b>\$10.063</b>	<b>(\$0.361)</b>	<b>\$10.344</b>	<b>(\$0.281)</b>	<b>\$10.645</b>	<b>(\$0.301)</b>
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	0.000	-	0.000	-	0.000	-	0.000
Insurance	0.047	0.051	(\$0.004)	\$0.056	(\$0.005)	\$0.062	(\$0.006)	0.068	(0.006)
Claims	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.230	0.241	(0.011)	0.246	(0.005)	0.250	(0.005)	0.256	(0.005)
Professional Service Contracts	0.165	0.062	0.103	0.063	(0.001)	0.064	(0.001)	0.066	(0.001)
Materials & Supplies	0.099	0.107	(0.007)	0.109	(0.002)	0.111	(0.002)	0.113	(0.002)
Other Business Expenses	2.084	2.114	(0.030)	2.156	(0.042)	2.198	(0.042)	2.242	(0.044)
	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Non-Labor Expenditures</b>	<b>\$2.625</b>	<b>\$2.575</b>	<b>\$0.050</b>	<b>\$2.630</b>	<b>(\$0.055)</b>	<b>\$2.686</b>	<b>(\$0.056)</b>	<b>\$2.744</b>	<b>(\$0.059)</b>
Other Expenditure Adjustments:									
Other	(1.221)	(0.087)	(\$1.134)	(0.087)	\$0.000	(0.087)	\$0.000	(0.087)	\$0.000
<b>Total Other Expenditure Adjustments</b>	<b>(\$1.221)</b>	<b>(\$0.087)</b>	<b>(\$1.134)</b>	<b>(\$0.087)</b>	<b>\$0.000</b>	<b>(\$0.087)</b>	<b>\$0.000</b>	<b>(\$0.087)</b>	<b>\$0.000</b>
<b>Total Expenditures</b>	<b>\$10.226</b>	<b>\$12.190</b>	<b>(\$1.963)</b>	<b>\$12.605</b>	<b>(\$0.416)</b>	<b>\$12.942</b>	<b>(\$0.337)</b>	<b>\$13.302</b>	<b>(\$0.360)</b>
<b>Baseline Net Cash Deficit</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>(\$0.000)</b>	<b>(\$0.001)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>
2008 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Post 2008 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
<b>Net Cash Deficit</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>\$0.001</b>	<b>(\$0.000)</b>	<b>(\$0.001)</b>	<b>(\$0.000)</b>	<b>\$0.000</b>	<b>(\$0.000)</b>	<b>\$0.000</b>

**INSPECTOR GENERAL**  
**July Financial Plan 2008 - 2011**  
**Changes Between Financial Plans by Generic Categories**  
(\$ in millions)

**REIMBURSABLE**

	2007	2008	2009	2010	2011
<b>Baseline 2007 February Financial Plan - Operating Cash Income/(Deficit)</b>					
<b>Baseline Changes</b>					
<b>Revenue</b>					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-
Rental Income	-	-	-	-	-
Data Center Billings	-	-	-	-	-
Other	-	-	-	-	-
Capital and Other Reimbursement	(0.843)	(0.683)	(0.657)	(0.774)	(0.950)
<b>Total Revenue Changes</b>	<b>(\$0.843)</b>	<b>(\$0.683)</b>	<b>(\$0.657)</b>	<b>(\$0.774)</b>	<b>(\$0.950)</b>
<b>Expenses</b>					
<i>Labor:</i>					
Payroll	\$0.300	\$0.140	\$0.032	\$0.024	\$0.089
Overtime	-	-	-	-	-
Health and Welfare	0.347	0.334	0.392	0.471	0.552
Pensions	0.303	0.258	0.272	0.297	0.312
Other Fringe Benefits	0.102	0.072	0.097	0.130	0.155
Reimbursable Overhead	-	-	-	-	-
<b>Total Labor Expense Changes</b>	<b>\$1.051</b>	<b>\$0.804</b>	<b>\$0.793</b>	<b>\$0.921</b>	<b>\$1.108</b>
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-
Insurance	(0.000)	(0.003)	(0.007)	(0.012)	(0.017)
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(0.110)	(0.120)	(0.123)	(0.124)	(0.128)
Professional Service Contracts	(0.150)	(0.047)	(0.047)	(0.048)	(0.050)
Materials & Supplies	(0.056)	(0.063)	(0.064)	(0.066)	(0.067)
MTA Internal Subsidy	0.083	0.088	0.080	0.079	0.079
Other Business Expenses	-	-	-	-	-
<b>Total Non-Labor Expense Changes</b>	<b>(\$0.233)</b>	<b>(\$0.145)</b>	<b>(\$0.161)</b>	<b>(\$0.172)</b>	<b>(\$0.182)</b>
<b>Total Expense Changes</b>	<b>\$0.819</b>	<b>\$0.659</b>	<b>\$0.633</b>	<b>\$0.750</b>	<b>\$0.926</b>
<b>Depreciation</b>	<b>\$0.024</b>	<b>\$0.024</b>	<b>\$0.024</b>	<b>\$0.024</b>	<b>\$0.024</b>
<b>Cash Adjustment Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Adjustment Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Total Baseline Changes</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>
<b>Baseline 2007 July Financial Plan - Operating Cash Income/(Deficit)</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>	<b>\$0.000</b>

