

MTA Headquarters

**MTA Headquarters
2009 Preliminary Budget
July Financial Plan 2009 – 2012**

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

MTA Headquarters strives to be in the vanguard of adherence to MTA senior staff's priorities as it guides the MTA into the future. Mindful of the economic uncertainties that overshadow the MTA region and the MTA itself, MTA Headquarters has taken steps to continue its leadership in issues so important to the MTA commuting region. The Financial Plan enclosed contemplates funding only those programs for those issues deemed the highest priority by MTA management. These issues include environmental needs, of such high importance that a Blue Ribbon Commission on Sustainability was charged with expanding the MTA's contributions to regional and national sustainability, while reducing and managing the MTA's energy consumption, carbon emissions, waste, water use, and other elements of MTA's ecological footprint. MTA Headquarters has embraced the initiatives identified by the Blue Ribbon Commission on Sustainability by appointing a Director of Sustainability who will be responsible for initiating a process of both recording and verifying MTA's impact on the regional carbon footprint and computing possible carbon credits from it and analyzing the MTA's operations and expansion so as to reduce their carbon implications.

Because the training and retention of the MTA workforce is so important, the Blue Ribbon Panel on Workforce Development issued a report containing 61 recommendations aimed at, among others, promoting workforce development, succession planning, organizational culture, employees availability, and labor-management relations. These have been given top priority at MTA Headquarters and responsibility for implementation of programs designed for workforce development have been assigned to the Organizational Development and Training Division which now reports directly to the MTA Headquarters Chief of Staff.

Since 9/11, the security of MTA facilities, customers, and employees has been a major consideration. MTA Headquarters continues to expand security and many of its accomplishments will be the result of Directed Patrols to increase Police visibility and presence on board the Long Island Railroad, Metro North and SIRTOA, as well as

continued use and training of such forces as the K-9 unit and the Emergency Services Unit.

In order to ensure the MTA's financial stability MTA Headquarters has acted on the findings of two studies to determine the cost benefits of a shared services business service center (BSC). Under BSC, select administrative functions for all the MTA agencies are combined and use one Enterprise Resource Planning (ERP) Financial and Human Resources Payroll system along with other technologies to process administrative and back-office transactions. The MTA Board's decision in February 2008 to go forward with the BSC will result in substantial real savings to the MTA in the latter part of the plan period.

In addition, the MTA Defined Benefit Pension Plan currently is a complex multi-article pension plan with represented and non-represented participants in MNR, LIRR, LI Bus, MTA Bus, MTA PD and SIRTOA each with their own staffs to administer their own plans. In 2008 and 2009 these will be centralized in MTA Headquarters.

Finally, MTA Headquarters will create a Performance Reporting System, or "dashboard", modeled on a similar reporting environment implemented by the Department of Information Technology and Telecommunications for the City of New York that will monitor progress towards achieving MTA's as well as Agencies goals.

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 \$1.044 million in 2008, \$2.446 million in 2009, \$2.498 million in 2010, \$2.557 million in 2011 and \$2.609 million in 2012.

2008 Mid-Year Forecast

While MTA Headquarters begins to adopt the recommendations of several Blue Ribbon Commissions looking into priorities guiding the MTA's future it continues to hold the line on unnecessary expenditures. The MTA Headquarters Mid-Year Forecast projects a Baseline Deficit of \$351.623 million in 2008 before PEGs. This represents a favorable reduction of \$34.408 million from the 2008 Adopted Budget of \$386.031 million. This is primarily attributable to the removal of the all agency pension valuation provision and the reversal of an insurance payment accrued at year-end.

New Needs approvals have been kept to a minimum and primarily include only those New Needs required to implement those initiatives recommended by the Blue Ribbon commissions to support the seven priorities identified by the MTA's senior staff and board members regarding the MTA's future. Building on the steps taken prior to the 2009 Plan, New Needs of \$0.768 million have been approved. These include the appointment of a Director of Sustainability as recommended by the Blue Ribbon

Commission on Sustainability and a Deputy Director of Strategic Planning in order to bolster MTA-wide security; the hire of a Principal Executive Secretary to assist the Director of Government Affairs; and the hire of a Director of Market Research who will assist the MTA in realizing the maximum benefit from market research and all the new initiatives proposed for implementation. Other than these and some related other than personnel costs, only those New Needs that are self-funded have been approved.

Headcount of 1,465 positions in 2008 shows an increase of 11 positions over the 2008 Adopted Budget. Aside from the four positions mentioned above, additional headcount is included for the consolidation of the MTA Defined Benefit Pension Plan into MTA Headquarters where it will be centralized. The addition of 7 new positions will be reimbursable by the MTA Pension Trust and, thus, results in no additional expense for the MTA.

2009 Preliminary Budget- Baseline

MTA Headquarters projects a Baseline of \$359.518 million in the 2009 Preliminary Budget before PEGs. This is \$26.600 million below the February Plan of \$386.118 million. The reduction of MTA-wide pension reserve levels accounts for virtually the entire variance. In 2009 MTA Headquarters continues its program of doing more with less. Few New Needs were approved except for those that are reimbursable by an outside entity. Risk Management's License Monitor enhancements will dramatically reduce corporate insurance premiums and expenses are fully reimbursed by MTA's Captive. Similarly, with the growing number of participants in the Deferred Compensation plan as well as the increased value of the assets under management by the plan, Deferred Compensation workflow enhancements, resulting in an increase of three positions and approximately \$0.171 million additional costs. These costs will be fully reimbursable by the agent to be selected to administer the plan.

The baseline budget assumes headcount levels of 704 employees at MTA Headquarters and 766 employees in Public Safety, totaling 1,470 employees. The below-the-line 2009 PEGs and Post 2009 PEG actions are discussed in Gap closing measures.

2010-2012 Projections

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2010 to \$365.929 million from the February 2008 Financial Plan of \$387.683 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,473 employees.

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2011 to \$378.614 million from the February 2008 Financial Plan of \$394.945 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,475 employees.

A reduction in the MTA-wide pension reserve reduces the baseline Net Deficit for 2012 to \$387.375 million from the February 2008 Financial Plan of \$407.126 million. The baseline headcount, including strategic staff additions at MTA Headquarters, increases from the February Plan of 1,456 employees to 1,476 employees.

Gap Closing Measures

2009 PEG Actions

Throughout MTA Headquarters several departments have been able to achieve savings by targeted reductions in administrative expenses in both MTA Headquarters and the MTA Police. This has enabled MTA Headquarters to provide savings of \$1.044 million beginning in 2008, \$2.446 million in 2009, \$2.498 million in 2010, \$2.257 million in 2011 and \$2.609 million in 2012.

Post-2009 PEG Actions

Unspecified PEGs are scheduled to begin in 2010 and thereafter.

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	<u>Actuals</u>	<u>Mid Year Forecast</u>	<u>Preliminary Budget</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Operating Revenue						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
Rental Income	\$46.513	\$47.495	\$48.252	\$49.241	\$50.197	\$51.221
Data Center Billings	-	-	-	-	-	-
Other	3.991	3.639	3.605	3.679	3.750	3.827
Total Other Operating Revenue	\$50.504	\$51.134	\$51.857	\$52.920	\$53.947	\$55.048
Capital and Other Reimbursements						
Total Revenue	\$50.504	\$51.134	\$51.857	\$52.920	\$53.947	\$55.048
Operating Expenses						
<u>Labor:</u>						
Payroll	\$114.940	\$122.764	\$125.349	\$129.260	\$132.641	\$135.353
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.584	15.186	16.078	17.708	19.407	21.164
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	15.851	16.852	16.956	18.681	20.324	21.806
Other Fringe Benefits	3.947	10.243	9.689	10.186	10.650	11.090
Reimbursable Overhead	(31.401)	(46.704)	(43.533)	(44.376)	(45.200)	(46.080)
Total Labor Expenses	\$134.660	\$137.929	\$145.743	\$154.349	\$162.510	\$170.035
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	10.213	(\$5.856)	\$3.495	\$3.834	\$4.227	\$4.649
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	22.844	28.420	30.298	30.916	31.515	32.158
Professional Service Contracts	46.174	47.639	44.815	45.956	47.620	48.557
Materials & Supplies	2.862	4.177	3.084	3.157	3.220	3.289
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.253	44.990	46.990	42.775	44.235	45.509
Other	36.391	54.220	41.680	42.553	43.446	44.227
Total Other Business Expenses	81.644	99.210	88.670	85.328	87.681	89.736
Total Non-Labor Expenses	\$163.737	\$173.590	\$170.361	\$169.190	\$174.263	\$178.388
<u>Other Expenses Adjustments:</u>						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$298.397	\$311.519	\$316.104	\$323.539	\$336.773	\$348.423
Depreciation	\$29.615	\$30.038	\$31.071	\$28.210	\$25.588	\$20.800
OPEB Obligation	58.300	61.200	64.200	67.100	70.200	73.200
Total Expenses	\$386.312	\$402.756	\$411.375	\$418.849	\$432.561	\$442.423
Baseline Surplus/(Deficit)	(\$335.808)	(\$351.623)	(\$359.518)	(\$365.929)	(\$378.614)	(\$387.376)
2009 Program to Eliminate the Gap (PEGs)	-	1.044	\$2.446	\$2.498	\$2.556	\$2.609
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	2.162	4.431	6.707
Net Surplus/(Deficit)	(\$335.808)	(\$350.579)	(\$357.072)	(\$361.269)	(\$371.627)	(\$378.060)
Business Service Center - HQ Savings		-	1.458	1.501	10.130	10.809
Business Service Center Operating Expense		-	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Revenue						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Revenue	\$35.891	\$54.092	\$52.845	\$54.755	\$55.919	\$57.129
Expenses						
<u>Labor:</u>						
Payroll	\$1.620	\$2.765	\$3.539	\$3.673	\$3.840	\$3.961
Overtime	-	0.000	-	-	-	-
Health and Welfare	0.131	0.343	0.466	0.517	0.575	0.632
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	0.106	0.265	0.334	0.354	0.378	0.398
Other Fringe Benefits	0.381	0.201	0.263	0.291	0.310	0.326
Reimbursable Overhead	31.401	46.704	43.533	44.376	45.200	46.080
Total Labor Expenses	\$33.639	\$50.279	\$48.135	\$49.211	\$50.302	\$51.397
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	-	0.106	0.106	0.117	0.119	0.121
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	0.008	0.010	0.011	0.011
Professional Service Contracts	2.239	3.533	4.493	5.310	5.374	5.484
Materials & Supplies	0.006	0.088	0.046	0.049	0.053	0.054
<u>Other Business Expenses</u>	-	-	-	-	-	-
<i>MTA Internal Subsidy</i>	-	-	-	-	-	-
<u>Other</u>	0.006	0.087	0.056	0.059	0.061	0.062
Total Other Business Expenses	0.006	0.087	0.056	0.059	0.061	0.062
Total Non-Labor Expenses	\$2.251	\$3.813	\$4.709	\$5.544	\$5.617	\$5.732
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$35.891	\$54.092	\$52.844	\$54.755	\$55.919	\$57.129
Depreciation	-	-	-	-	-	-
OPEB Obligation	-	-	-	-	-	-
Total Expenses	\$35.891	\$54.092	\$52.844	\$54.755	\$55.919	\$57.129
Net Surplus/(Deficit)	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE / REIMBURSABLE	2007	2008	2009	2010	2011	2012
	Actuals	Mid Year Forecast	Preliminary Budget			
Revenue						
Fare Revenue	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	46.513	47.495	48.252	49.241	50.197	51.221
Data Center Billings	-	-	-	-	-	-
Other	<u>3.991</u>	<u>3.639</u>	<u>3.605</u>	<u>3.679</u>	<u>3.750</u>	<u>3.827</u>
Total Other Operating Revenue	50.504	51.134	51.857	52.920	53.947	55.048
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Revenue	\$86.395	\$105.226	\$104.702	\$107.676	\$109.866	\$112.177
Expenses						
<u>Labor:</u>						
Payroll	\$116.560	\$125.529	\$128.888	\$132.933	\$136.481	\$139.314
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.715	15.529	16.545	18.224	19.982	21.796
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	15.957	17.117	17.290	19.036	20.702	22.204
Other Fringe Benefits	4.328	10.445	9.952	10.476	10.960	11.416
Reimbursable Overhead	-	-	-	-	-	-
Total Labor expenses	\$168.299	\$188.208	\$193.878	\$203.560	\$212.812	\$221.432
<u>Non-Labor:</u>						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	10.213	(5.750)	3.601	3.950	4.345	4.771
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	22.844	28.420	30.306	30.925	31.525	32.168
Professional Service Contracts	48.413	51.172	49.308	51.265	52.994	54.041
Materials & Supplies	2.868	4.265	3.130	3.207	3.273	3.342
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.253	44.990	46.990	42.775	44.235	45.509
Other Business Expenses	<u>36.397</u>	<u>54.306</u>	<u>41.736</u>	<u>42.612</u>	<u>43.507</u>	<u>44.289</u>
Total Other Business Expenses	81.650	99.296	88.726	85.387	87.742	89.798
Total Non-Labor expenses	\$165.988	\$177.403	\$175.071	\$174.735	\$179.880	\$184.120
<u>Other Expenses Adjustments:</u>						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$334.287	\$365.611	\$368.948	\$378.294	\$392.692	\$405.552
Depreciation	\$29.615	\$30.038	\$31.071	\$28.210	\$25.588	\$20.800
OPEB Obligation	\$58.300	\$61.200	64.200	67.100	70.200	73.200
Total Expenses	\$422.202	\$456.848	\$464.219	\$473.604	\$488.480	\$499.552
Baseline Surplus/(Deficit)	(\$335.807)	(\$351.623)	(\$359.518)	(\$365.929)	(\$378.614)	(\$387.375)
2009 Program to Eliminate the Gap (PEGs)	-	1.044	2.446	2.498	2.556	2.609
Post 2000 Program to Eliminate the Gap (PEGs)	-	-	-	2.162	4.431	6.707
Net Surplus/(Deficit)	(\$335.807)	(\$350.579)	(\$357.072)	(\$361.269)	(\$371.627)	(\$378.059)
Business Service Center - HQ Savings	-	-	1.458	1.501	10.130	10.809
Business Service Center Operating Expense	-	-	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Fare Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
<u>Other Operating Revenue</u>						
Rental Income	46.513	47.495	48.252	49.241	50.197	51.221
Data Center Billings	-	-	-	-	-	-
Other	5.208	7.226	7.263	7.412	7.556	7.710
Total Other Operating Revenue	51.721	54.721	55.516	56.654	57.753	58.931
Capital and Other Reimbursements	35.891	54.092	52.845	54.755	55.919	57.129
Total Receipts	\$87.612	\$108.813	\$108.360	\$111.409	\$113.672	\$116.060
Expenditures						
<u>Labor:</u>						
Payroll	\$115.028	\$128.183	\$125.648	\$129.626	\$133.110	\$135.874
Overtime	12.439	14.288	14.703	14.991	15.288	15.602
Health and Welfare	14.867	14.590	15.550	17.188	18.908	20.701
OPEB Current Payment	4.300	5.300	6.500	7.900	9.400	11.100
Pensions	20.637	14.854	16.962	18.740	20.436	21.965
Other Fringe Benefits	3.660	10.726	9.902	10.424	10.905	11.358
GASB Account	-	0.939	0.995	1.036	1.074	1.095
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$170.931	\$188.880	\$190.259	\$199.905	\$209.121	\$217.696
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	\$3.114	\$3.494	\$3.474	\$3.811	\$4.192	\$4.602
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	20.642	26.999	28.790	29.379	29.949	30.560
Professional Service Contracts	41.618	53.349	46.843	48.702	50.345	51.339
Materials & Supplies	2.607	4.143	2.974	3.046	3.109	3.175
<u>Other Business Expenses</u>						
MTA Internal Subsidy	45.349	44.990	46.990	42.775	44.235	45.509
Other Business Expenses	119.634	42.662	39.649	40.481	41.332	42.074
Total Other Business Expenses	164.983	87.652	86.639	83.256	85.567	87.583
Total Non-Labor Expenditures	\$232.964	\$175.637	\$168.720	\$168.195	\$173.162	\$177.260
<u>Other Expenditure Adjustments:</u>						
Capital	\$9.886	\$20.747	\$20.800	\$20.800	\$20.800	\$20.800
IESS	-	7.520	28.906	33.001	30.639	31.279
Business Service Center	-	(4.203)	-	-	-	-
Total Other Expenditure Adjustments	\$9.886	\$24.064	\$49.706	\$53.801	\$51.439	\$52.079
Total Expenditures	\$413.781	\$388.581	\$408.686	\$421.901	\$433.721	\$447.034
Baseline Cash Deficit	(\$326.169)	(\$279.768)	(\$300.325)	(\$310.492)	(\$320.050)	(\$330.974)
2009 Program to Eliminate the Gap (PEGs)	0.000	1.044	2.446	2.498	2.556	2.609
Post-2009 Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	2.162	4.431	6.707
Net Cash Deficit	(\$326.169)	(\$278.724)	(\$297.879)	(\$305.832)	(\$313.063)	(\$321.658)
Business Service Center - HQ Savings	0.000	0.000	1.458	1.501	10.130	10.809
Business Service Center Operating Expense	0.000	0.000	(16.811)	(19.817)	(57.636)	(43.409)

MTA HEADQUARTERS
July Financial Plan 2009-2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actuals	Mid Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
Fare Revenue						
Vehicle Toll Revenue						
<u>Other Operating Revenue</u>						
Rental Income	0.000	0.000				
Data Center Billings	0.000	0.000	0.000	0.000	0.000	0.000
Other	1.217	3.587	3.658	3.733	3.806	3.883
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Receipts	\$1.217	\$3.587	\$3.658	\$3.733	\$3.806	\$3.883
Expenditures						
<u>Labor:</u>						
Payroll	\$1.532	(\$2.654)	\$3.240	\$3.306	\$3.371	\$3.439
Overtime						
Health and Welfare	(0.152)	0.939	0.995	1.036	1.074	1.095
OPEB Current Payment	0.000	0.000	0.000	0.000	0.000	0.000
Pensions	(4.680)	2.264	0.329	0.296	0.266	0.239
Other Fringe Benefits	0.668	(0.281)	0.050	0.052	0.055	0.057
GASB Account	0.000	(0.939)	(0.995)	(1.036)	(1.074)	(1.095)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$2.632)	(\$0.671)	\$3.618	\$3.654	\$3.691	\$3.736
<u>Non-Labor:</u>						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	7.099	(9.244)	0.127	0.139	0.153	0.168
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	2.202	1.421	1.515	1.546	1.576	1.608
Professional Service Contracts	6.795	(2.177)	2.465	2.563	2.650	2.702
Materials & Supplies	0.261	0.122	0.157	0.160	0.164	0.167
<u>Other Business Expenses:</u>						
MTA Internal Subsidy	(0.096)	-	-	-	-	-
Other Business Expenses	(83.237)	11.644	2.087	2.131	2.175	2.214
Total Other Business Expenses	(83.333)	11.644	2.087	2.131	2.175	2.214
Total Non-Labor Expenditures	(\$66.976)	\$1.766	\$6.351	\$6.540	\$6.718	\$6.860
<u>Other Expenditure Adjustments:</u>						
Capital	(\$9.886)	(\$20.747)	(\$20.800)	(\$20.800)	(\$20.800)	(\$20.800)
IESS	-	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	-	4.203	-	-	-	-
Total Other Expenditure Adjustments	(\$9.886)	(\$24.064)	(\$49.706)	(\$53.801)	(\$51.439)	(\$52.079)
Total Cash Conversion Adjustments before Depreciation	(\$78.277)	(\$19.382)	(\$36.079)	(\$39.874)	(\$37.224)	(\$37.599)
Depreciation Adjustment	29.615	30.038	31.071	28.210	25.588	20.800
OPEB Obligation	58.300	61.200	64.200	67.100	70.200	73.200
Baseline Total Cash Conversion Adjustments	\$9.638	\$71.855	\$59.192	\$55.436	\$58.564	\$56.401
2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Post 2009 Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-
Total Cash Conversion Adjustments	\$9.638	\$71.855	\$59.192	\$55.436	\$58.564	\$56.401

MTA Headquarters
Summary Reconciliation to the February Plan
(\$ in millions)

	Favorable/(Unfavorable)			
	2008	2009	2010	2011
February Financial Plan Baseline Cash Deficit	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)
New Needs	(\$0.768)	(\$0.772)	(\$0.789)	(\$0.805)
Service/Customer Service	0.000	0.000	0.000	0.000
Maintenance	0.000	0.000	0.000	0.000
Other (Administration)	(0.768)	(0.772)	(0.789)	(0.805)
Baseline Re-estimates	(\$0.255)	\$5.311	\$4.298	\$2.683
2009 PEG Program	<u>\$1.044</u>	<u>\$2.446</u>	<u>\$2.498</u>	<u>\$2.556</u>
Total Change before Other Adjustments and Uncontrollable Expenses	\$0.021	\$6.985	\$6.007	\$4.434
Other Adjustments	(\$7.520)	(\$28.906)	(\$33.001)	(\$30.639)
IESS	(7.520)	(28.906)	(33.001)	(30.639)
Total Changes before Uncontrollable Expenses	(\$7.499)	(\$21.921)	(\$26.994)	(\$26.205)
Uncontrollable Expenses				
Pensions**	21.274	25.196	21.275	17.223
Health & Welfare	(1.926)	(1.185)	(1.127)	(0.997)
Insurance	1.009	2.063	2.300	2.562
Total Uncontrollable Expenses	\$20.357	\$26.074	\$22.448	\$18.788
July Financial Plan including 2009 PEG Program*	(\$278.724)	(\$297.879)	(\$307.994)	(\$317.494)

*Excludes Post-2009 Unspecified PEGs

**Includes adjustments for MTA-wide Pension Reserve.

**MTA Headquarters
July Financial Plan 2009-2012
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 2009-2012:

Receipts:

Rental Income, Data Center Billings, and Other

- The 2008 July Financial Plan reflects a re-estimate of charge backs to Agencies for work performed by MTA Headquarters on their behalf. Thereafter, 2009, 2010, 2011, 2012 are inflated by the CPI-Urban 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Expenditures:

Payroll

- Increases in the July Financial Plan from the February Financial Plan in 2008 primarily reflect the impact of retroactive pay from the MTA Police contract settlement coupled with headcount increases related to New Needs.
- A decrease in 2009 primarily reflects a small amount of vacancy savings as MTA Headquarters operates at a higher rate of staffing.
- Thereafter 2010, 2011, and 2012 reflect MTA Headquarters and MTA Police civilian salaries inflated at CPI-Urban rates of 2.05%, 1.94%, and 1.94%, respectively.
- MTA Police represented salaries are inflated according to prevailing patterned bargaining rates.

Overtime

- Expenses in 2008 and 2009 in the July Financial Plan are unchanged from the February Plan.
- Thereafter, 2009, 2010, and 2011 are inflated by prevailing pattern bargaining rates.

Health and Welfare

- Increases in the July Financial Plan for 2008 primarily result from non post-employment Health and Welfare costs in 2008 projected to increase at a rate of 5.4% over 2007, 9.8% in 2009 and 7.0% in each year thereafter.

Pensions

- The July Financial Plan is below the February Financial Plan for 2008 mainly due to the removal of the all-agency pension reserve back to the agencies as well as the effect of a prepayment made in 2007.
- Thereafter, increases in all years of the plan for 2009, 2010, 2011 and 2012 are inflated by the CPI-Urban: 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Other Fringe Benefits

- Increases in all years of the plan for 2009, 2010, 2011 and 2012 are inflated by the CPI-Urban: 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Insurance

- Decreases in the July Financial Plan reflect a favorable reversal of an accrual made at year-end 2007.
- 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 transfers of expenses to other non-labor categories as well as adjustments in contracts that were renegotiated in 2008 for maintenance and repair work for MTA Headquarters facilities.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, 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 2008.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

Materials & Supplies

- Increases in the July Financial Plan in 2008 from the February Plan mainly reflect transfers of expenses from other non-labor categories.
- Thereafter 2009, 2010, 2011 and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, 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 increases from the February Plan mainly due to transfers of expenses from other non-labor categories, the addition of new needs.

and re-estimated expenses. Increases in all years of the plan for 2009, 2010, 2011, and 2012 are inflated by 1.99%, 2.05%, 1.94%, and 2.04%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- 2008 expenditures of \$20.747 million reflect favorable timing of spending from the February Plan.
- Capital expenditures in 2009 are \$20.800 million and remain constant at \$20.800 million for 2010-2012.

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	3.639	3.605	(0.034)	3.679	0.074	3.750	0.071	3.827	0.077
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$51.134	\$51.857	\$0.723	\$52.920	\$1.063	\$53.947	\$1.027	\$55.048	\$1.101
Expenses									
Labor:									
Payroll	\$122.764	\$125.349	(\$2.585)	\$129.260	(\$3.911)	\$132.641	(\$3.381)	\$135.353	(\$2.712)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	15.186	16.078	(0.893)	17.708	(1.629)	19.407	(1.700)	21.164	(1.757)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	16.852	16.956	(0.103)	18.681	(1.726)	20.324	(1.643)	21.806	(1.482)
Other Fringe Benefits	10.243	9.689	0.554	10.186	(0.497)	10.650	(0.465)	11.090	(0.439)
Reimbursable Overhead	(46.704)	(43.533)	(3.172)	(44.376)	0.844	(45.200)	0.824	(46.080)	0.880
Total Labor Expenses	\$137.929	\$145.743	(\$7.813)	\$154.349	(\$8.606)	\$162.510	(\$8.161)	\$170.035	(\$7.525)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(5.856)	3.495	(9.351)	3.834	(0.339)	4.227	(0.393)	4.649	(0.423)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.420	30.298	(1.878)	30.916	(0.618)	31.515	(0.599)	32.158	(0.643)
Professional Service Contracts	47.639	44.815	2.825	45.956	(1.141)	47.620	(1.665)	48.557	(0.937)
Materials & Supplies	4.177	3.084	1.093	3.157	(0.073)	3.220	(0.063)	3.289	(0.069)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	54.220	41.680	12.540	42.553	(0.873)	43.446	(0.893)	44.227	(0.781)
Total Non-Labor Expenses	\$173.590	\$170.361	\$3.228	\$169.190	\$1.171	\$174.263	(\$5.072)	\$178.388	(\$4.126)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$311.519	\$316.104	(\$4.585)	\$323.539	(\$7.435)	\$336.773	(\$13.234)	\$348.423	(\$11.650)
Depreciation	\$30.038	\$31.071	(\$1.033)	\$28.210	\$2.861	\$25.588	\$2.622	\$20.800	\$4.788
OPEB Obligation	\$61.200	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)	73.200	(3.000)
Total Expenses	\$402.756	\$411.375	(\$8.619)	\$418.849	(\$7.474)	\$432.561	(\$13.712)	\$442.423	(\$9.862)
Baseline Net Surplus/(Deficit)	(\$351.623)	(\$359.518)	(\$7.895)	(\$365.929)	(\$6.411)	(\$378.614)	(\$12.685)	(\$387.376)	(\$8.762)
2009 Agency Program to Eliminate the Gap (PEGs)	1.044	2.446	1.402	2.498	0.052	2.556	0.058	2.609	0.053
Post 2009 Program to Eliminate the Gap	-	-	-	2.162	2.162	4.431	2.269	6.707	2.276
Net Surplus/(Deficit)	(\$350.579)	(\$357.072)	(\$6.493)	(\$361.269)	(\$4.197)	(\$371.627)	(\$10.358)	(\$378.060)	(\$6.433)
Business Service Center - HQ Savings	-	1.458	1.458	1.501	0.044	10.130	8.629	10.809	0.679
Business Service Center Operating Expense	-	(16.811)	(16.811)	(19.817)	(3.006)	(57.636)	(37.819)	(43.409)	14.227

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	-	-	-	-	-	-	-	-	-
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Rental Income	-	-	-	-	-	-	-	-	-
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Revenue	\$54.092	\$52.845	(\$1.247)	\$54.755	\$1.911	\$55.919	\$1.164	\$57.129	\$1.210
Expenses									
Labor:									
Payroll	\$2.765	\$3.539	(\$0.774)	\$3.673	(\$0.134)	\$3.840	(\$0.167)	\$3.961	(\$0.122)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.343	0.466	(0.124)	0.517	(0.050)	0.575	(0.058)	0.632	(0.057)
OPEB Current Payment	-	-	-	-	-	-	-	-	-
Pensions	0.265	0.334	(0.070)	0.354	(0.020)	0.378	(0.023)	0.398	(0.020)
Other Fringe Benefits	0.201	0.263	(0.061)	0.291	(0.028)	0.310	(0.019)	0.326	(0.016)
Reimbursable Overhead	46.704	43.533	3.172	44.376	(0.844)	45.200	(0.824)	46.080	(0.880)
Total Labor Expenses	\$50.279	\$48.135	\$2.144	\$49.211	(\$1.076)	\$50.302	(\$1.091)	\$51.397	(\$1.095)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	0.106	0.106	-	0.117	(0.011)	0.119	(0.002)	0.121	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	0.008	(0.008)	0.010	(0.002)	0.011	(0.001)	0.011	(0.000)
Professional Service Contracts	3.533	4.493	(0.961)	5.310	(0.816)	5.374	(0.064)	5.484	(0.110)
Materials & Supplies	0.088	0.046	0.042	0.049	(0.003)	0.053	(0.003)	0.054	(0.001)
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	0.087	0.056	0.031	0.059	(0.003)	0.061	(0.002)	0.062	(0.001)
Total Non-Labor Expenses	\$3.813	\$4.709	(\$0.896)	\$5.544	(\$0.835)	\$5.617	(\$0.073)	\$5.732	(\$0.115)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$54.092	\$52.844	\$1.248	\$54.755	(\$1.911)	\$55.919	(\$1.164)	\$57.128	(\$1.209)
Depreciation									
OPEB Obligation	-	-	-	-	-	-	-	-	-
Total Expenses	\$54.092	\$52.844	\$1.248	\$54.755	(\$1.911)	\$55.919	(\$1.164)	\$57.128	(\$1.209)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.001)	(\$0.000)	(\$0.000)
2009 Agency Program to Eliminate the Gap (PEGs)									
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.001	\$0.000	\$0.000	(\$0.000)	(\$0.001)	(\$0.000)	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	3.639	3.605	(0.034)	3.679	0.074	3.750	0.071	3.827	0.077
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Revenue	\$105.226	\$104.702	(\$0.524)	\$107.676	\$2.974	\$109.866	\$2.190	\$112.177	\$2.311
Expenses									
Labor:									
Payroll	\$125.529	\$128.888	(\$3.359)	\$132.933	(\$4.045)	\$136.481	(\$3.548)	\$139.314	(\$2.833)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	15.529	16.545	(1.016)	18.224	(1.679)	19.982	(1.758)	21.796	(1.814)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	17.117	17.290	(0.173)	19.036	(1.746)	20.702	(1.666)	22.204	(1.502)
Other Fringe Benefits	10.445	9.952	0.493	10.476	(0.524)	10.960	(0.484)	11.416	(0.456)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$188.208	\$193.878	(\$5.670)	\$203.560	(\$9.682)	\$212.812	(\$9.253)	\$221.432	(\$8.619)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	(5.750)	3.601	(9.351)	3.950	(0.349)	4.345	(0.395)	4.771	(0.425)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	28.420	30.306	(1.886)	30.925	(0.620)	31.525	(0.600)	32.168	(0.643)
Professional Service Contracts	51.172	49.308	1.864	51.265	(1.957)	52.994	(1.729)	54.041	(1.046)
Materials & Supplies	4.265	3.130	1.135	3.207	(0.076)	3.273	(0.066)	3.342	(0.070)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	54.306	41.736	12.570	42.612	(0.876)	43.507	(0.895)	44.289	(0.782)
Total Non-Labor Expenses	\$177.403	\$175.071	\$2.332	\$174.735	\$0.336	\$179.880	(\$5.145)	\$184.120	(\$4.240)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$365.611	\$368.948	(\$3.338)	\$378.294	(\$9.346)	\$392.692	(\$14.398)	\$405.552	(\$12.860)
Depreciation	\$30.038	\$31.071	(\$1.033)	\$28.210	\$2.861	\$25.588	\$2.622	\$20.800	\$4.788
OPEB Obligation	61.200	64.200	(3.000)	67.100	(2.900)	70.200	(3.100)	73.200	(3.000)
Total Expenses	\$456.848	\$464.219	(\$7.371)	\$473.604	(\$9.385)	\$488.480	(\$14.876)	\$499.552	(\$11.072)
Baseline Net Surplus/(Deficit)	(\$351.623)	(\$359.518)	(\$7.895)	(\$365.929)	(\$6.411)	(\$378.614)	(\$12.685)	(\$387.375)	(\$8.761)
2009 Agency Program to Eliminate the Gap (PEGs)	\$1.044	\$2.446	\$1.402	\$2.498	\$0.052	\$2.556	\$0.058	\$2.609	0.053
Post 2009 Program to Eliminate the Gap	-	-	-	2.162	2.162	4.431	2.269	6.707	2.276
Net Surplus/(Deficit)	(\$350.579)	(\$357.072)	(\$6.493)	(\$361.269)	(\$4.197)	(\$371.627)	(\$10.358)	(\$378.059)	(\$6.432)
Business Service Center - HQ Savings	-	1.458	1.458	1.501	0.044	10.130	8.629	10.809	0.679
Business Service Center Operating Expense	-	(16.811)	(16.811)	(19.817)	(3.006)	(57.636)	(37.819)	(43.409)	14.227

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	\$47.495	\$48.252	\$0.757	\$49.241	\$0.989	\$50.197	\$0.955	\$51.221	\$1.024
Data Center Billings	-	-	-	-	-	-	-	-	-
Other	7.226	7.263	0.037	7.412	0.149	7.556	0.144	7.710	0.154
Capital and Other Reimbursements	54.092	52.845	(1.247)	54.755	1.911	55.919	1.164	57.129	1.210
Total Receipts	\$108.813	\$108.360	(\$0.453)	\$111.409	\$3.049	\$113.672	\$2.263	\$116.060	\$2.388
Expenditures									
Labor:									
Payroll	\$128.183	125.648	\$2.535	129.626	(\$3.978)	133.110	(\$3.484)	135.874	(\$2.764)
Overtime	14.288	14.703	(0.415)	14.991	(0.288)	15.288	(0.297)	15.602	(0.314)
Health and Welfare	14.590	15.550	(0.961)	17.188	(1.637)	18.908	(1.720)	20.701	(1.793)
OPEB Current Payment	5.300	6.500	(1.200)	7.900	(1.400)	9.400	(1.500)	11.100	(1.700)
Pensions	14.854	16.962	(2.108)	18.740	(1.778)	20.436	(1.696)	21.965	(1.529)
Other Fringe Benefits	10.726	9.902	0.824	10.424	(0.522)	10.905	(0.481)	11.358	(0.453)
GASB Account	0.939	0.995	(0.056)	1.036	(0.042)	1.074	(0.038)	1.095	(0.021)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$188.880	\$190.259	(\$1.379)	\$199.905	(\$9.646)	\$209.121	(\$9.216)	\$217.696	(\$8.575)
Non-Labor:									
Traction and Propulsion Power	-	-	-	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	3.494	3.474	0.020	3.811	(0.337)	4.192	(0.381)	4.602	(0.410)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	26.999	28.790	(1.791)	29.379	(0.589)	29.949	(0.570)	30.560	(0.611)
Professional Service Contracts	53.349	46.843	6.506	48.702	(1.860)	50.345	(1.642)	51.339	(0.994)
Materials & Supplies	4.143	2.974	1.169	3.046	(0.072)	3.109	(0.063)	3.175	(0.066)
MTA Internal Subsidy	44.990	46.990	(2.000)	42.775	4.215	44.235	(1.460)	45.509	(1.274)
Other Business Expenses	42.662	39.649	3.013	40.481	(0.832)	41.332	(0.850)	42.074	(0.743)
Total Non-Labor Expenditures	\$175.637	\$168.720	\$6.916	\$168.195	\$0.525	\$173.162	(\$4.967)	\$177.260	(\$4.098)
Other Expenditure Adjustments:									
Other	\$20.747	\$20.800	(\$0.053)	\$20.800	\$0.000	\$20.800	\$0.000	\$20.800	\$0.000
IESS	7.520	28.906	(21.386)	33.001	(4.095)	30.639	2.362	31.279	(0.640)
Business Service Center	(4.203)	-	(4.203)	-	-	-	-	-	-
Total Other Expenditure Adjustments	\$24.064	\$49.706	(\$25.642)	\$53.801	(\$4.095)	\$51.439	\$2.362	\$52.079	(\$0.640)
Total Expenditures	\$388.581	\$408.686	(\$20.105)	\$421.901	(\$13.215)	\$433.721	(\$11.820)	\$447.034	(\$13.313)
Baseline Net Cash Deficit	(\$279.768)	(\$300.325)	(\$20.558)	(\$310.492)	(\$10.167)	(\$320.050)	(\$9.558)	(\$330.974)	(\$10.924)
2009 Agency Program to Eliminate the Gap (PEGs)									
Post 2009 Program to Eliminate the Gap	\$1.044	\$2.446	\$1.402	\$2.498	\$0.052	\$2.556	\$0.058	\$2.609	\$0.053
	-	-	-	2.162	2.162	\$4.431	2.269	6.707	2.276
Net Cash Deficit	(\$278.724)	(\$297.879)	(\$19.156)	(\$305.832)	(\$7.953)	(\$313.063)	(\$7.230)	(\$321.658)	(\$8.596)
Business Service Center - HQ Savings									
Business Service Center Operating Expense	-	1.458	1.458	1.501	0.044	\$10.130	8.629	10.809	0.679
	-	(16.811)	(16.811)	(19.817)	(3.006)	(\$57.636)	(37.819)	(43.409)	14.227

**MTA Headquarters
July Financial Plan 2009-2012
Summary of Major Changes Between Financial Plans**

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

2008: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$279.768 million is an \$11.815 million decrease from the February Plan of \$291.582 million. The removal of the all-agency pension reserve back to the agencies is the major reason for the decrease offset, in part, by the transfer of funding for the Integrated Electronic Security Systems (IESS) initiative from February Plan Policy Actions into MTA Headquarters. This funding will be reallocated to the affected agencies in the November Plan.

2009: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$300.325 million is a \$1.707 million decrease from the February Plan of \$302.032 million. The removal of the all-agency pension reserve back to the agencies and reduced non-labor expenses, partly offset by transfer of funding for the IESS initiative from February Plan Policy Actions to MTA Headquarters is the major reason for the decrease.

2010, 2011, 2012: July Financial Plan vs. February Financial Plan

The Baseline Cash Deficit in the July Financial Plan of \$310.492 million in 2010 is a \$7.044 million increase from the February Plan of \$303.448 million. The Baseline Cash Deficit in the July Financial Plan of \$320.050 million in 2011 is a \$9.973 million increase from the February Plan of \$310.077 million. The Baseline Cash Deficit in the July Financial Plan of \$330.974 million for 2012 is a \$9.973 million increase from the February Plan of \$321.001 million. In each case the major reason for the increase is the transfer of funding for the IESS initiative from February Plan Policy Actions to MTA Headquarters, partly offset by the removal of the all-agency pension reserve back to the agencies.

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Data Center Billings	-	-	-	-	-
Other	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
Capital and Other Reimbursement					
Total Revenue Changes	(\$1.240)	(\$1.549)	(\$1.527)	(\$1.589)	(\$1.600)
Expenses					
Labor:					
Payroll	(\$1.407)	(\$.423)	(\$1.880)	(\$2.719)	(\$2.820)
Overtime	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.008)
Health and Welfare	\$3.374	\$5.371	\$6.789	\$8.426	\$10.415
OPEB Current Payment	(\$5.300)	(\$6.500)	(\$7.900)	(\$9.400)	(\$11.100)
Pensions	\$26.770	\$25.235	\$21.284	\$17.235	\$16.864
Other Fringe Benefits	(\$0.791)	\$0.103	(\$0.183)	(\$0.429)	(\$0.644)
Reimbursable Overhead	\$3.634	\$1.574	\$1.549	\$1.414	\$1.395
Total Labor Expense Changes	\$26.279	\$25.360	\$19.659	\$14.527	\$14.102
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	10.892	2.063	2.311	2.564	2.853
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	6.603	1.550	1.635	1.731	1.782
Professional Service Contracts	(0.083)	(0.331)	(0.485)	(1.100)	(1.037)
Materials & Supplies	(1.035)	(0.116)	(0.123)	(0.119)	0.124
MTA Internal Subsidy	0.303	0.017	0.702	0.744	0.996
Other Business Expenses	(7.329)	(0.534)	(0.417)	(0.428)	(0.257)
Total Non-Labor Expense Changes	\$9.352	\$2.650	\$3.622	\$3.392	\$4.460
Total Expense Changes	\$35.630	\$28.010	\$23.281	\$17.920	\$18.562
Depreciation	\$0.018	\$0.139	(\$0.000)	\$0.000	\$2.788
OPEB Obligation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Revenue	(\$1.215)	(\$1.238)	(\$1.258)	(\$1.286)	(\$1.310)
Labor Expense	(11.642)	0.117	0.076	0.082	0.058
Non Labor Expense	(11.366)	5.273	5.384	5.539	5.595
Operating Capital	4.965	-	-	-	-
IESS	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	4.203	-	-	-	-
Depreciation	(0.018)	(0.139)	0.000	(0.000)	(2.788)
OPEB	-	-	-	-	-
Total Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.973)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$279.768)	(\$300.326)	(\$310.492)	(\$320.050)	(\$330.974)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Total Revenue Changes	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Expenses					
Labor:					
Payroll	(\$0.323)	(\$1.023)	(\$1.108)	(\$1.224)	(\$1.293)
Overtime	-	-	-	-	-
Health and Welfare	(0.055)	(0.145)	(0.162)	(0.183)	(0.199)
OPEB Current Payment	-	-	-	-	-
Pensions	(0.011)	(0.072)	(0.087)	(0.104)	(0.118)
Other Fringe Benefits	(0.017)	(0.073)	(0.097)	(0.112)	(0.124)
Reimbursable Overhead	(3.634)	(1.574)	(1.549)	(1.414)	(1.395)
Total Labor Expense Changes	(\$4.040)	(\$2.888)	(\$3.003)	(\$3.037)	(\$3.129)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	-	-	-	-	-
Insurance	(0.106)	(0.106)	(0.117)	(0.119)	(0.121)
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	0.002	(0.006)	(0.007)	(0.008)	(0.009)
Professional Services	(1.691)	(2.611)	(3.388)	(3.463)	(3.533)
Materials & Supplies	(0.041)	0.002	0.000	(0.002)	(0.002)
MTA Internal Subsidy	-	-	-	-	-
Other Business Expenses	(0.025)	0.007	0.005	0.004	0.005
Total Non-Labor Expense Changes	(\$1.861)	(\$2.714)	(\$3.507)	(\$3.588)	(\$3.660)
Total Expense Changes	(\$5.901)	(\$5.602)	(\$6.510)	(\$6.625)	(\$6.790)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Data Center Billings	-	-	-	-	-
Other	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
Capital and Other Reimbursement	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Total Revenue Changes	\$4.661	\$4.053	\$4.983	\$5.036	\$5.191
Expenses					
Labor:					
Payroll	(\$1.730)	(\$1.447)	(\$2.988)	(\$3.943)	(\$4.114)
Overtime	(0.000)	0.000	0.000	0.000	(0.008)
Health and Welfare	3.318	5.226	6.627	8.243	10.216
OPEB Current Payment	(5.300)	(6.500)	(7.900)	(9.400)	(11.100)
Pensions	26.759	25.162	21.197	17.131	16.746
Other Fringe Benefits	(0.808)	0.030	(0.280)	(0.541)	(0.768)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	\$22.239	\$22.472	\$16.656	\$11.490	\$10.973
Non-Labor:					
Traction and Propulsion Power	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-
Insurance	10.786	1.957	2.194	2.446	2.732
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	6.605	1.545	1.628	1.722	1.774
Professional Services	(1.774)	(2.942)	(3.873)	(4.564)	(4.570)
Materials & Supplies	(1.075)	(0.113)	(0.123)	(0.121)	0.122
MTA Internal Subsidy	0.303	0.017	0.702	0.744	0.996
Other Business Expenses	(7.355)	(0.528)	(0.412)	(0.423)	(0.253)
Total Non-Labor Expense Changes	\$7.490	(\$0.64)	\$1.15	(\$1.196)	\$0.800
Total Expense Changes	\$29.729	\$22.408	\$16.771	\$11.295	\$11.772
Depreciation	\$0.18	\$1.139	(\$0.00)	\$0.000	\$2.788
OPEB Obligation	-	-	-	-	-
Cash Adjustment Changes					
Revenue	(\$1.215)	(\$1.238)	(\$1.258)	(\$1.286)	(\$1.310)
Labor Expense	(11.642)	0.117	0.076	0.082	0.058
Non Labor Expense	(11.366)	5.273	5.384	5.539	5.595
Operating Capital	4.965	-	-	-	-
IESS	(7.520)	(28.906)	(33.001)	(30.639)	(31.279)
Business Service Center	4.203	-	-	-	-
Depreciation	(0.018)	(0.139)	0.000	(0.000)	(2.788)
OPEB	-	-	-	-	-
Total Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.973)
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$279.768)	(\$300.325)	(\$310.492)	(\$320.050)	(\$330.974)

MTA HEADQUARTERS
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	(\$291.582)	(\$302.032)	(\$303.448)	(\$310.077)	(\$321.001)
Non-Reimbursable Major Changes					
Revenue					
Lower Rental Income	(0.496)	(0.684)	(0.649)	(0.692)	(0.686)
Lower Transit Museum Revenue	(0.744)	(0.864)	(0.878)	(0.897)	(0.914)
Sub-Total Non-Reimbursable Revenue Changes	(\$1.240)	(\$1.549)	(\$1.527)	(\$1.589)	(\$1.600)
Expenses					
Increase In Administrative expenses	(\$0.167)	(\$0.194)	(\$0.195)	(\$0.197)	(\$0.198)
Change in MTA-wide Pension Reserve Levels	22.800	20.200	16.900	13.400	13.400
Lower Pension Costs	3.970	5.035	4.384	3.835	3.464
Higher Health and Welfare expenses	(1.926)	(1.129)	(1.111)	(0.974)	(0.685)
Strategic Increase in MTA Staffing Levels	(0.489)	(0.378)	(0.390)	(0.401)	(0.413)
Change in Inflation Assumptions	0.000	0.237	0.431	0.407	0.537
Change in Depreciation	0.018	0.139	(0.000)	0.000	2.788
Change in Support for Subsidiaries	0.303	0.017	0.702	0.744	0.996
Insurance Expense re-estimate	10.786	1.957	2.194	2.446	2.732
Facility Maintenance Expense Re-estimate	0.200	0.200	0.204	0.208	0.212
Higher Payroll due to MTAPD Contract and MTAHQ Salary mix	(1.028)	(0.201)	(1.586)	(2.515)	(2.420)
All Other	1.181	2.266	1.748	0.966	0.937
Sub-Total Non-Reimbursable Expense Changes	\$35.648	\$28.149	\$23.281	\$17.920	\$21.350
Total Non-Reimbursable Major Changes	\$34.408	\$26.600	\$21.754	\$16.331	\$19.750
Reimbursable Major Changes					
Revenue					
Change in Expense Recovery Levels	5.901	5.602	6.510	6.625	6.790
Sub-Total Reimbursable Revenue Changes	\$5.901	\$5.602	\$6.510	\$6.625	\$6.790
Expenses					
MTA Pension Function Consolidation	(0.983)	(2.113)	(2.982)	(3.140)	(3.271)
Increase in Deferred Compensation Unit	(0.186)	(0.191)	(0.197)	(0.203)	(0.209)
Increased Risk Management Expenses	(1.080)	(1.260)	(1.286)	(1.311)	(1.338)
Change in Reimbursable Overhead and Interagency Recoverable	(3.652)	(2.038)	(2.045)	(1.972)	(1.973)
Sub-Total Reimbursable Expense Changes	(5.901)	(5.602)	(6.510)	(6.625)	(6.790)
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$34.409	\$26.600	\$21.755	\$16.331	\$19.750
Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Cash Adjustment Changes	(\$22.594)	(\$24.893)	(\$28.798)	(\$26.304)	(\$29.724)
Total Baseline Changes	\$11.815	\$1.707	(\$7.044)	(\$9.973)	(\$9.974)
Baseline 2007 November Financial Plan - Operating Cash Income/(Deficit)	(\$279.768)	(\$300.325)	(\$310.492)	(\$320.049)	(\$330.974)

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of 2009 Program to Eliminate the Gap(PEGs)
 (\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Administration											
	Reduce Police Administrative Costs	0	0.200	0	0.455	0	0.464	0	0.473	0	0.483
	Reduced Internal Administrative Expenses	0	0.152	0	0.484	0	0.481	0	0.490	0	0.499
	Reduced Reliance on Outside Professional Service	0	0.692	0	0.868	0	0.884	0	0.899	0	0.915
	Sub-Total Administration	0	\$ 1.044	0	\$ 1.807	0	\$ 1.829	0	\$ 1.862	0	\$ 1.897
Security											
	Reduced Police Directed Overtime	0	0.000	0	0.639	0	0.669	0	0.695	0	0.712
	Sub-Total Security	0	\$ 0.000	0	\$ 0.639	0	\$ 0.669	0	\$ 0.695	0	\$ 0.712
	Total Programs	0	\$ 1.044	0	\$ 2.446	0	\$ 2.498	0	\$ 2.557	0	\$ 2.609

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000021	Current Budget Year	2008	Status	Open
Program:	Reduce Police Administrative Costs			Agency Status	Pending
Description and Implementation Pla	REDUCE POLICE ADMINISTRATIVE COSTS				
Background Details	MTA Police have been able to find areas where cost reductions can be taken. The PEG savings begin in 2008 with a one time lower than required equipment purchase for the Emergency Service Unit. Beginning in 2009, reductions have been taken in the PD's usage of professional service and required rental and maintenance fees.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000021	MYF08	\$ 0.200	\$ 0.455	\$ 0.464	\$ 0.473	\$ 0.483

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000023	Current Budget Year	2008	Status	Open
Program:	Reduced Internal Administrative Expenses			Agency Status	Pending
Description and Implementation Pla	REDUCED INTERNAL ADMINISTRATIVE EXPENSES				
Background Details	<p>MTA Headquarters has found savings opportunities by reducing administrative expenses by finding efficiencies and removing redundant or unnecessary spending. These savings begin in 2009 primarily from delays in hiring to fill vacancies and reduced supply expenses. Beginning in 2009, employee related expenses, including meeting, seminar training and employee tuition re-reimbursement cost, along with lower maintenances expenses make up the majority of the continuing savings.</p>				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000023	MYF08	\$ 0.152	\$ 0.484	\$ 0.481	\$ 0.490	\$ 0.499

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	8/1/2008
Budget Reference	MYF08	Category	Administration	Savings Date	8/1/2008
PEG / New Need ID	0000000022	Current Budget Year	2008	Status	Open
Program:	Reduced Reliance on Outside Professional Service			Agency Status	Pending
Description and Implementation Pla	REDUCED RELIANCE ON OUTSIDE PROFESSIONAL SERVICE				
Background Details	<p>MTA Headquarters has found savings opportunities by reducing reliance on the use of outside services. These savings begin in 2008, primarily from reduced expenses relating to the MTA's e-mail alert system project. Beginning in 2009, reduced usage of consulting, advertising, real estate services and audit services provide the bulk of the savings in the PEG. Additional savings come from reduced usage of engineering consultants, research studies and legal services.</p>				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000022	MYF08	\$ 0.692	\$ 0.868	\$ 0.884	\$ 0.899	\$ 0.915

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Program to Eliminate the Gap(PEGs) Worksheet

(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	PEG	Implementation Date	1/1/2009
Budget Reference	MYF08	Category	Security	Savings Date	1/1/2009
PEG / New Need ID	0000000020	Current Budget Year	2008	Status	Open
Program:	Reduced Police Directed Overtime			Agency Status	Pending
Description and Implementation Pla	REDUCED POLICE DIRECTED OVERTIME				
Background Details	At the order of the MTA Executive Director, the MTA Police instituted an aggressive and highly visible program of patrol in March 2007. Within the past year, the MTA Police have been able to find efficiencies in deploying officers and will be able to reduce the amount of Overtime Salary and related fringe expenses.				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000020	MYF08	\$ 0.000	\$ 0.639	\$ 0.669	\$ 0.695	\$ 0.712

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Post 2009 PEGs
 (\$ in millions)

		2008		2009		2010		2011		2012	
		<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>
Other											
Unspecified		0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
Sub-Total	Other	0	\$ 0.000	0	\$ 0.000	0	\$ 2.162	0	\$ 4.431	0	\$ 6.707
Total Programs		0	\$ 0.000	0	\$ 0.000	0	\$ 2.162	0	\$ 4.431	0	\$ 6.707

MTA HEADQUARTERS
 Mid-year forecast for 2008
 Summary of Post PEGs Worksheet

(\$ in millions)

Business Unit	MTAHQ	Financial Plan Category	Post PEG	Implementation Date	7/1/2008
Budget Reference	MYF08	Category	Other	Savings Date	1/1/2010
PEG / New Need ID	0000000024	Current Budget Year	2008	Status	Open
Program:	Unspecified			Agency Status	Pending
Description and Implementation Pla	Unspecified				
Background Details	Unspecified				

				2008	2009	2010	2011	2012
Total Headcount								
Financial Impact	MTAHQ	0000000024	MYF08	\$ 0.000	\$ 0.000	\$ 2.162	\$ 4.431	\$ 6.707

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**MTA Headquarters
July Financial Plan 2009 – 2012
Other Assumptions**

Position Table

A baseline headcount of 1,465 positions is forecasted for 2008, an increase of 11 positions from the February Financial Plan. The majority of the headcount increases are either reimbursable or recoverable from the benefiting agencies. The level of employees will increase to 1,470 in 2009 and 1,473 in 2010. Growth continues in the latter years of the Plan due to additional reimbursable positions for the Pension staff.

MTA HEADQUARTERS
July Financial Plan 2009-2012
Non-Reimbursable - Reimbursable Positions by Function and Department
Full-Time Positions and Full-Time Equivalents

FUNCTION/DEPARTMENT	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Administration						
Executive	10	11	11	11	11	11
Administration	218	234	234	234	234	234
Audit	88	98	98	98	98	98
Chief Financial Officer	91	105	105	105	105	105
Corporate and Community Affairs	47	52	52	52	52	52
Policy and Media Relations	9	12	11	11	11	11
General Counsel	93	103	103	103	103	103
Chief of Staff/Senior Policy Advisor	36	52	58	61	63	64
Spec. Project Develop/Planning	9	10	10	10	10	10
Labor Relations	3	5	5	5	5	5
PCAC	4	5	5	5	5	5
Vending Fare Media	6	6	6	6	6	6
Corporate Account	2	6	6	6	6	6
Total Administration	616	699	704	707	709	710
Public Safety	731	766	766	766	766	766
Baseline Total Positions	1,347	1,465	1,470	1,473	1,475	1,476
<i>Non-Reimbursable</i>	1,324	1,422	1,423	1,423	1,423	1,423
<i>Reimbursable</i>	23	43	47	50	52	53
<i>Full-Time</i>	1,347	1,465	1,470	1,473	1,475	1,476
<i>Full-Time Equivalents</i>	-	-	-	-	-	-
<hr/>						
Impact of:						
2009 Program to Eliminate the Gap (PEGs)	0	0	0	0	0	0
Post-2009 Program to Eliminate the Gap (PEGs)	0	0	0	0	0	0
Total Positions	1,347	1,465	1,470	1,473	1,475	1,476
<i>Non-Reimbursable</i>	1,324	1,422	1,423	1,423	1,423	1,423
<i>Reimbursable</i>	23	43	47	50	52	53
<i>Total Full-Time</i>	1,347	1,465	1,470	1,473	1,475	1,476
<i>Total Full-Time Equivalents</i>	-	-	-	-	-	-
Business Service Center - HQ	0	(9)	(9)	(9)	(72)	(72)
Business Service Center	0	55	100	100	413	371

MTA HEADQUARTERS
July Financial Plan 2009-2012
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP	2007 Actual	2008	2009	2010	2011	2012
		Mid-Year Forecast	Preliminary Budget			
Administration						
Managers/Supervisors	379	416	415	415	415	415
Professional, Technical, Clerical	237	283	289	292	294	295
Operational Hourlies	0					
Total Administration	616	699	704	707	709	710
Operations						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Operations	-	-	-	-	-	-
Maintenance						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Maintenance	-	-	-	-	-	-
Engineering/Capital						
Managers/Supervisors						
Professional, Technical, Clerical						
Operational Hourlies						
Total Engineering/Capital	-	-	-	-	-	-
Public Safety						
Managers/Supervisors	34	35	35	35	35	35
Professional, Technical, Clerical	52	63	63	63	63	63
Operational Hourlies (Uniformed)	645	668	668	668	668	668
Total Public Safety	731	766	766	766	766	766
Total Baseline Positions						
Managers/Supervisors	413	451	450	450	450	450
Professional, Technical, Clerical	289	346	352	355	357	358
Operational Hourlies	645	668	668	668	668	668
Total Baseline Positions	1,347	1,465	1,470	1,473	1,475	1,476

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**Inspector General
2009 Preliminary Budget
July Financial Plan 2009 - 2012**

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 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.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast reflects the inclusion of the 2008 new needs for occupancy costs along with relocation and build-out expenditures related to a move to a new space.

2009 Preliminary Budget – Baseline

The 2009 Preliminary Budget maintains the new need for increased occupancy costs and provides growth in selected line items according to the guidelines and assumptions used by MTA Headquarters.

2010-2012 Projections

The budget for the Office of Inspector General for the years 2010-2012 maintains the base funding from the previous year and provides inflationary growth according to the guidelines and assumptions used by MTA Headquarters.

MTA Inspector General
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011-2010	2012	Change 2012 - 2011
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Capital and Other Reimbursements	17.341	13.809	(3.532)	14.174	0.365	14.540	0.366	14.932	0.392
Total Revenue	\$17.341	\$13.809	(\$3.532)	\$14.174	\$0.365	\$14.540	\$0.366	\$14.932	\$0.392
Expenses									
Labor:									
Payroll	\$7.472	\$7.696	(\$0.224)	\$7.854	(\$0.158)	\$8.006	(\$0.152)	\$8.170	(\$0.164)
Overtime	-	-	-	-	-	-	-	-	-
Health and Welfare	0.860	1.016	(0.156)	1.105	(0.089)	1.199	(0.094)	1.303	(0.104)
Pensions	0.671	0.728	(0.057)	0.758	(0.030)	0.788	(0.030)	0.820	(0.032)
Other Fringe Benefits	0.570	0.596	(0.026)	0.621	(0.025)	0.645	(0.024)	0.671	(0.026)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$9.573	\$10.036	(\$0.463)	\$10.338	(\$0.302)	\$10.638	(\$0.300)	\$10.964	(\$0.326)
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	0.016	0.016	0.000	0.018	(0.002)	0.019	(0.001)	0.021	(0.002)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other									
Operating Contracts	4.091	0.297	3.794	0.302	(0.005)	0.309	(0.007)	0.315	(0.006)
Professional Service Contracts	0.266	0.012	0.254	0.012	0.000	0.013	(0.001)	0.013	0.000
Materials & Supplies	0.116	0.119	(0.003)	0.121	(0.002)	0.124	(0.003)	0.127	(0.003)
MTA Internal Subsidy	-	-	-	-	-	-	-	-	-
Other Business Expenses	2.691	2.741	(0.050)	2.795	(0.054)	2.849	(0.054)	2.904	(0.055)
Total Non-Labor Expenses	\$7.180	\$3.185	\$3.995	\$3.248	(\$0.063)	\$3.314	(\$0.066)	\$3.380	(\$0.066)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$16.753	\$13.221	\$3.532	\$13.586	(\$0.365)	\$13.952	(\$0.366)	\$14.344	(\$0.392)
Depreciation	0.588	0.588	0.000	0.588	0.000	0.588	0.000	0.588	0.000
Total Expenses	\$17.341	\$13.809	\$3.532	\$14.174	(\$0.365)	\$14.540	(\$0.366)	\$14.932	(\$0.392)
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Program to Eliminate the Gap									
Post 2009 Program to Eliminate the Gap	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

MTA INSPECTOR GENERAL
July Financial Plan 2009 - 2012
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2008	2009	2010	2011	2012
Baseline 2008 February Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue:					
Capital and Other Reimbursements	0.068	(0.101)	(0.094)	(0.106)	(0.110)
Total Revenue Changes	\$ 0.068	\$ (0.101)	\$ (0.094)	\$ (0.106)	\$ (0.110)
Expenses:					
Payroll	0.000	0.000	(0.008)	(0.003)	(0.007)
Overtime	-	-	-	-	-
Health and Welfare	0.022	(0.032)	(0.020)	(0.000)	0.022
Pensions	0.106	0.074	0.061	0.049	0.035
Other Fringe Benefits	0.001	(0.015)	(0.028)	(0.039)	(0.052)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expenses	0.129	0.026	0.006	0.007	(0.001)
Insurance	0.035	0.040	0.044	0.049	0.054
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other					
Operating Contracts	(0.050)	(0.051)	(0.051)	(0.052)	(0.053)
Professional Service Contracts	(0.204)	0.051	0.053	0.053	0.054
Materials & Supplies	(0.009)	(0.010)	(0.010)	(0.010)	(0.011)
Other Business Expenses	0.034	0.047	0.055	0.062	0.069
Total Non-Labor Expenses	(0.194)	0.078	0.091	0.102	0.114
Total Expense Changes	\$ (0.065)	\$ 0.104	\$ 0.096	\$ 0.109	\$ 0.113
Depreciation	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Cash Adjustments:					
Sub-Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	(\$0.000)	(\$0.000)
2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	(\$0.000)

**First Mutual Transportation Assurance Co.
(FMTAC)**

MTA First Mutual Transportation Assurance Company
2009 Preliminary Budget
July Financial Plan 2009 - 2012

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.

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast a total of \$17.492 million is projected in Net Surplus compared to \$18.037 million in the 2008 Adopted Budget. This consists of an increase of \$0.005 million in revenues as well as an increase in expenses of \$0.550 million. The unfavorable outcome is due primarily to unfavorable developments in expenses for Claims due to updated estimates from the actuary. Claims are based on actuarial analysis of claims activity on an estimated basis. Revenue, Insurance and Other Business Expenses are based on actual results through April 2008 on an annualized basis.

2009 Preliminary Budget - Baseline

In the 2009 Preliminary Budget a total of \$16.157 million is projected in Baseline Surplus compared to \$18.122 million in 2009 in the February Plan. This consists of a decrease of \$0.036 million in revenues as well as an increase in expenses of \$1.929 million. The unfavorable outcome is due to unfavorable developments in Claims expenses.

2009 - 2012 Projections

2009 - 2012 Projections are representative of 2008 projections with market increases. Investment Income and Other Operating Revenue are estimated to increase over 2008 projections at a rate equal to the CPI. Insurance is estimated to increase over 2008 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 2008 at a rate of 2% each year.

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Operating Revenue						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.756	16.680	17.012	17.361	17.698	18.059
Investment Income	2.699	2.000	2.040	2.082	2.122	2.165
Capital and Other Reimbursements	-	-	-	-	-	-
Total Revenue	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Operating Expenses						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<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	-	-	-	-	-	-
Insurance	(48.043)	(47.340)	(49.707)	(52.192)	(54.802)	(57.542)
Claims	48.548	40.191	44.098	48.625	54.205	55.290
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	8.383	8.337	8.504	8.674	8.847	9.024
Total Non-Labor Expenses	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
<u>Other Expenses Adjustments:</u>						
Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
Depreciation	-	-	-	-	-	-
Total Expenses	\$8.888	\$1.188	\$2.895	\$5.107	\$8.250	\$6.772
Baseline Surplus/(Deficit)	\$10.567	\$17.492	\$16.157	\$14.336	\$11.570	\$13.452

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Cash Receipts & Expenditures
(\$ in millions)

CASH RECEIPTS AND EXPENDITURES						
	2007	2008	2009			
	Actual	Mid-Year	Preliminary	2010	2011	2012
			Budget			
Receipts						
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	-	-	-	-	-	-
Other Operating Revenue	16.756	16.680	17.012	17.361	17.698	18.059
Investment Income	2.699	2.000	2.040	2.082	2.122	2.165
Capital and Other Reimbursements	-	-	-	-	-	-
Total Receipts	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<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	-	-	-	-	-	-
Insurance	(48.043)	(47.340)	(49.707)	(52.192)	(54.802)	(57.542)
Claims	48.548	38.277	41.998	46.309	51.624	52.657
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenses	8.383	8.337	8.504	8.674	8.847	9.024
Total Non-Labor Expenditures	\$8.888	(\$0.726)	\$0.795	\$2.791	\$5.669	\$4.139
<u>Other Expenditure Adjustments:</u>						
Other - Restricted Cash Adjustment	10.567	19.406	18.257	16.652	14.151	16.085
Total Other Expenditure Adjustments	\$10.567	\$19.406	\$18.257	\$16.652	\$14.151	\$16.085
Total Expenditures	\$19.455	\$18.680	\$19.052	\$19.443	\$19.820	\$20.224
Baseline Cash Deficit	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

MTA FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
July Financial Plan 2009-2012
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

CASH FLOW ADJUSTMENTS						
	2007	2008	2009			
	Actual	Mid-Year Forecast	Preliminary Budget	2010	2011	2012
Receipts						
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	-	-	-	-	-	-
Total Receipts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenditures						
<u>Labor:</u>						
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	-	-	-	-	-	-
Health and Welfare	-	-	-	-	-	-
Pensions	-	-	-	-	-	-
Other Fringe Benefits	-	-	-	-	-	-
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<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	-	-	-	-	-	-
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	0.000	1.914	2.100	2.316	2.581	2.633
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Other Business Expenditures	-	-	-	-	-	-
Total Non-Labor Expenditures	\$0.000	\$1.914	\$2.100	\$2.316	\$2.581	\$2.633
<u>Other Expenditures Adjustments:</u>						
Other	(\$10.567)	(\$19.406)	(\$18.257)	(\$16.652)	(\$14.151)	(\$16.085)
Total Other Expenditures Adjustments	(\$10.567)	(\$19.406)	(\$18.257)	(\$16.652)	(\$14.151)	(\$16.085)
Total Cash Conversion Adjustments before Depreciation	(\$10.567)	(\$17.492)	(\$16.157)	(\$14.336)	(\$11.570)	(\$13.452)
Depreciation Adjustment	-	-	-	-	-	-
Total Cash Conversion Adjustments	(\$10.567)	(\$17.492)	(\$16.157)	(\$14.336)	(\$11.570)	(\$13.452)

MTA First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category

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 2008.

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 2009 – 2012.

Claims

- Claims expenses are determined by actuarial projection for 2008 – 2012 of the actual claims expense paid and any adjustments either favorable or unfavorable to reserves.

Other Business Expenses

- Costs increase 2% for 2009 through 2012 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 2009 - 2012
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Revenue									
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	2.000	2.040	0.040	2.082	0.042	2.122	0.040	2.165	0.043
Other Operating Revenue	16.680	17.012	0.332	17.361	0.349	17.698	0.337	18.059	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Revenue	\$18.680	\$19.052	\$0.372	\$19.443	\$0.391	\$19.820	\$0.377	\$20.224	\$0.404
Expenses									
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	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	(47.340)	(49.707)	2.367	(52.192)	2.485	(54.802)	2.610	(57.542)	2.740
Claims	40.191	44.098	(3.907)	48.625	(4.527)	54.205	(5.580)	55.290	(1.085)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	8.337	8.504	(0.167)	8.674	(0.170)	8.847	(0.173)	9.024	(0.177)
Total Non-Labor Expenses	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Depreciation	-	-	-	-	-	-	-	-	-
Total Expenses	\$1.188	\$2.895	(\$1.707)	\$5.107	(\$2.212)	\$8.250	(\$3.143)	\$6.772	\$1.478
Baseline Net Surplus/(Deficit)	\$17.492	\$16.157	(\$1.335)	\$14.336	(\$1.821)	\$11.570	(\$2.766)	\$13.452	\$1.882
2009 Agency Program to Eliminate the Gap (PEGs)									
Post - 2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	\$17.492	\$16.157	(\$1.335)	\$14.336	(\$1.821)	\$11.570	(\$2.766)	\$13.452	\$1.882

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2008	2009	Change 2009 - 2008	2010	Change 2010 - 2009	2011	Change 2011 - 2010	2012	Change 2012 - 2011
Receipts									
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	2.000	2.040	0.040	2.082	0.042	2.122	0.040	2.165	0.043
Other Operating Revenue	16.680	17.012	0.332	17.361	0.349	17.698	0.337	18.059	0.361
Capital and Other Reimbursements	-	-	-	-	-	-	-	-	-
Total Receipts	\$18.680	\$19.052	\$0.372	\$19.443	\$0.391	\$19.820	\$0.377	\$20.224	\$0.404
Expenditures									
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	-	-	-	-	-	-	-	-	-
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
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	(47.340)	(49.707)	2.367	(52.192)	2.485	(54.802)	2.610	(57.542)	2.740
Claims	38.277	41.998	(3.721)	46.309	(4.311)	51.624	(5.315)	52.657	(1.033)
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	-	-	-	-	-	-	-	-	-
Professional Service Contracts	-	-	-	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-	-	-	-
Other Business Expenses	8.337	8.504	(0.167)	8.674	(0.170)	8.847	(0.173)	9.024	(0.177)
Total Non-Labor Expenditures	(\$0.726)	\$0.795	(\$1.521)	\$2.791	(\$1.996)	\$5.669	(\$2.878)	\$4.139	\$1.530
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment	19.406	18.257	1.149	16.652	1.605	14.151	2.501	16.085	(1.934)
Total Other Expenditure Adjustments	\$19.406	\$18.257	\$1.149	\$16.652	\$1.605	\$14.151	\$2.501	\$16.085	(\$1.934)
Total Expenditures	\$18.680	\$19.052	(\$0.372)	\$19.443	(\$0.391)	\$19.820	(\$0.377)	\$20.224	(\$0.404)
Baseline Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000
2009 Agency Program to Eliminate the Gap (PEGs)									
Post - 2009 Agency Program to Eliminate the Gap (PEGs)	-	-	-	-	-	-	-	-	-
Total PEGs	-	-	-	-	-	-	-	-	-
Net Cash Deficit	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000	\$0.000	(\$0.000)	\$0.000	\$0.000

First Mutual Transportation Assurance Company
July Financial Plan 2009-2012
Summary of Changes Between Financial Plans by Category

2008-2012: July Financial Plan vs. February Financial Plan

Revenue

Revenue changes from the February Plan over the 2008 to 2012 period include:

- A stable baseline estimate for 2008 and decrease in baseline estimate for 2009 due to unfavorable developments in actual results through April 2008 for each year from the February Plan to the July Plan.

Expense

Expense changes from the February Plan over the 2008 to 2012 period include:

- An increase in Insurance due to changes in the baseline estimate for 2008 due to changes in actual results through April 2008. The inflation rate for Insurance is 5% per year to accurately reflect developments in premium costs.
- Claims expense resulted in unfavorable developments due to updated ultimate loss projections from actuarial projections.
- A decrease in Other Business Expense due to updated estimates based on actual results through April 2008. The inflation rate for Other Business Expense is adjusted to 2% per year to accurately reflect inflation rates.

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Investment Income	(0.000)	(0.004)	(0.005)	(0.009)	(0.011)
Other Operating Revenue	0.005	(0.032)	(0.038)	(0.072)	(0.082)
Capital and Other Reimbursement					
Total Revenue Changes	\$.005	(\$.036)	(\$.043)	(\$.081)	(\$.093)
Expenses					
<i>Labor:</i>					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.008	\$.008	\$.008	\$.009	\$.009
Claims	(0.552)	(1.931)	(4.690)	(10.969)	(11.189)
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses	(.006)	(.006)	(.006)	(.006)	(.006)
Total Non-Labor Expense Changes	(\$.550)	(\$1.929)	(\$4.688)	(\$10.966)	(\$11.186)
Total Expense Changes	(\$.550)	(\$1.929)	(\$4.688)	(\$10.966)	(\$11.186)
Cash Adjustment Changes					
<i>Revenue:</i>					
Investment Income	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000
<i>Expenses:</i>					
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	.027	.092	.224	.522	.533
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	\$0.027	\$0.092	\$0.224	\$0.522	\$0.533
Restricted Cash Adjustment	0.518	1.873	4.507	10.525	10.746
Total Cash Adjustment Changes	\$0.545	\$1.965	\$4.731	\$11.047	\$11.279
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

First Mutual Transportation Assurance Company
July Financial Plan 2009 - 2012
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	Favorable/(Unfavorable)				
	2008	2009	2010	2011	2012
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue	\$.005	(\$0.036)	(\$0.043)	(\$0.081)	(\$0.093)
Sub-Total Non-Reimbursable Revenue Changes	\$.005	(\$0.036)	(\$0.043)	(\$0.081)	(\$0.093)
Expenses	(\$0.550)	(\$1.929)	(\$4.688)	(\$10.966)	(\$11.186)
Sub-Total Non-Reimbursable Expense Changes	(\$0.550)	(\$1.929)	(\$4.688)	(\$10.966)	(\$11.186)
<i>Total Non-Reimbursable Major Changes</i>	(\$0.545)	(\$1.965)	(\$4.731)	(\$11.047)	(\$11.279)
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<i>Total Reimbursable Major Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Accrual Changes</i>	(\$0.545)	(\$1.965)	(\$4.731)	(\$11.047)	(\$11.279)
<i>Cash Adjustment Changes</i>					
Total Cash Adjustments	\$0.545	\$1.965	\$4.731	\$11.047	\$11.279
<i>Total Cash Adjustment Changes</i>	\$0.545	\$1.965	\$4.731	\$11.047	\$11.279
<i>Total Baseline Changes</i>	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2008 July Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

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