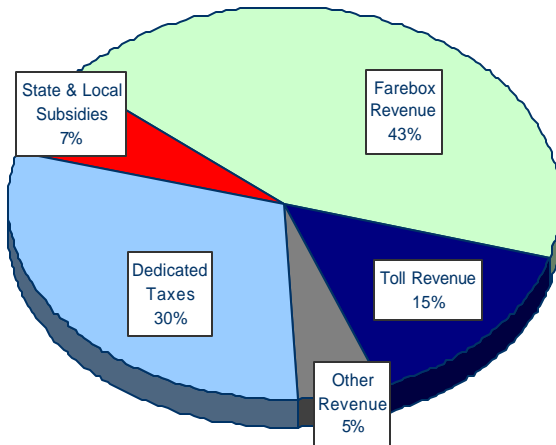


II. MTA Consolidated 2005-2009 Financial Plan

MTA 2006 Preliminary Budget Baseline Before Gap Closing Actions

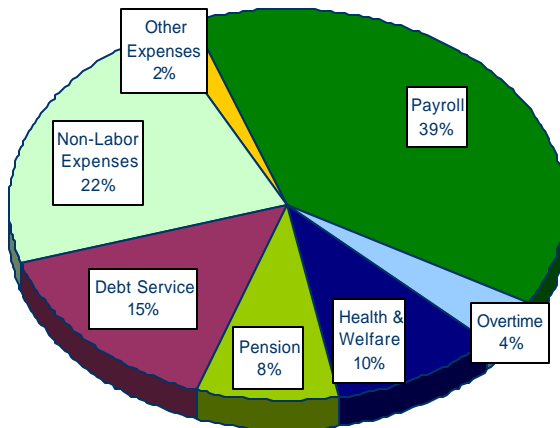
Where the Dollars Come From...



By Revenue Source (in millions)	
Farebox Revenue	\$3,694
Toll Revenue	1,244
Other Revenue	425
Dedicated Taxes	2,569
State & Local Subsidies	583
Total	\$8,515

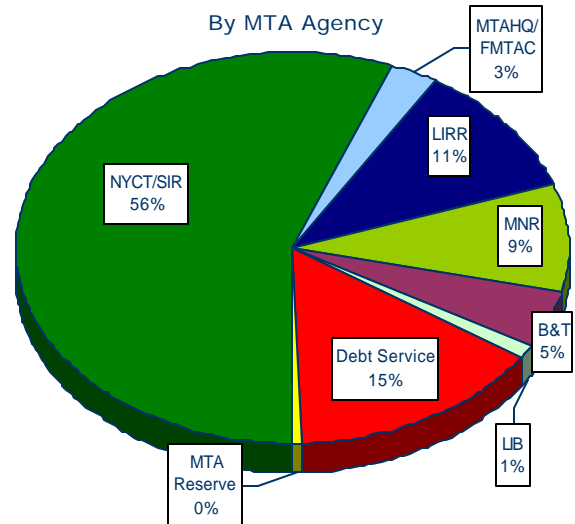
Where the Dollars Go...

By Expense Category



By Expense Category (in millions)	
Payroll	\$3,481
Overtime	349
Health & Welfare	883
Pension	637
Debt Service	1,342
Non-Labor Expenses	1,990
Other Expenses	174
Total	\$8,955

By MTA Agency



By MTA Agency (in millions)	
NYCT/SIR	\$5,010
MTAHQ/FMTAC	235
LIRR	1,001
MNR	799
B&T	417
LIB	111
Debt Service	1,342
MTA Reserve	40
Total	\$8,955

The net difference between revenues and expenses is offset through the use of prior year cash balances and cash flow timing adjustments (\$2,491 million) and depreciation (\$1,590 million). This results in a baseline year-end cash surplus of \$461 million.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2006 - 2009
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number	Non-Reimbursable	2004 Actual	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
8							
9							
10							
11	Operating Revenue						
12	Farebox Revenue	\$3,425	\$3,623	\$3,694	\$3,742	\$3,781	\$3,799
13	Toll Revenue	1,097	1,207	1,244	1,247	1,255	1,257
14	Other Revenue (Excludes B&T Investment Income for Capital)	336	387	400	410	423	434
15	Capital and Other Reimbursements	23	23	25	27	28	30
16	Total Operating Revenue	\$4,881	\$5,240	\$5,363	\$5,427	\$5,487	\$5,520
17							
18	Operating Expense						
19	Labor Expenses:						
20	Payroll	\$3,303	\$3,375	\$3,481	\$3,568	\$3,682	\$3,785
21	Overtime	350	353	349	356	364	376
22	Health & Welfare	711	805	883	965	1,060	1,158
23	Pensions	480	643	737	763	770	774
24	Other-Fringe Benefits	405	367	379	389	401	415
25	Reimbursable Overhead	(233)	(240)	(239)	(242)	(247)	(250)
26	Sub-total Labor Expenses	\$5,016	\$5,304	\$5,589	\$5,798	\$6,030	\$6,259
27							
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	203	246	259	264	269	279
30	Fuel for Buses and Trains	95	120	115	112	112	114
31	Insurance	19	29	31	32	34	36
32	Claims	130	130	137	141	144	148
33	Paratransit Service Contracts	135	162	188	220	256	296
34	Maintenance and Other Operating Contracts	411	523	563	566	562	582
35	Professional Service Contracts	180	203	189	188	194	199
36	Materials & Supplies	363	412	412	438	484	493
37	Other Business Expenses	143	93	96	98	102	106
38	Sub-total Non-Labor Expenses	\$1,679	\$1,917	\$1,990	\$2,060	\$2,158	\$2,253
39							
40	Other Expense Adjustments:						
41	Other	(\$1)	(\$6)	(\$6)	(\$7)	(\$7)	(\$8)
42	General Reserve	0	40	40	40	40	40
43	Sub-total Other Expense Adjustments	(\$1)	\$34	\$34	\$33	\$33	\$32
44							
45	Total Operating Expense Before Depreciation	\$6,693	\$7,255	\$7,613	\$7,891	\$8,221	\$8,544
46							
47	Depreciation	\$1,344	\$1,497	\$1,640	\$1,758	\$1,852	\$1,963
48							
49	Total Operating Expense (Excluding B&T Depreciation)	\$7,991	\$8,704	\$9,203	\$9,593	\$10,012	\$10,440
50							
51	Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,464)	(\$3,840)	(\$4,166)	(\$4,525)	(\$4,920)
52							
53	Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,226	\$3,152	\$3,252	\$3,272	\$3,331
54							
55	Debt Service (excludes Service Contract Bonds)	(848)	(1,080)	(1,342)	(1,468)	(1,603)	(1,754)
56							
57	Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,318)	(\$2,030)	(\$2,382)	(\$2,856)	(\$3,343)
58							
59	Conversion to Cash Basis: Depreciation	\$1,344	\$1,497	\$1,640	\$1,758	\$1,852	\$1,963
60	Conversion to Cash Basis: All Other	149	147	17	(30)	(73)	(73)
61	Net Cash Balance from Previous Year	151	507	833	461	0	0
62							
63	Baseline Net Cash Balance	\$507	\$833	\$461	(\$194)	(\$1,077)	(\$1,453)
64							
65	GAP CLOSING and OTHER ACTIONS:						
66							
67	Reinvestment Fund	0	(481)	0	0	0	0
68	Real Estate Tax Stabilization Account	0	0	200	0	0	0
69	2006 Agency Program to Eliminate the Gap (PEGs)	0	18	42	46	63	73
70	2007 Increased Fare and Toll Yields	0	0	0	241	243	244
71	2009 Increased Fare and Toll Yields	0	0	0	0	0	256
72							
73	Net Cash Balance from Previous Year (Gap Actions only)	0	0	(463)	(221)	0	0
74							
75	Net Cash Surplus/(Deficit)	\$507	\$370	\$239	(\$128)	(\$771)	(\$880)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2006 - 2009
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Non-Reimbursable	2005		2006		<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>2004</u>	Mid-Year	Preliminary				
	<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>				
<u>Total Operating Revenue</u>							
Bridges and Tunnels (Excludes Investment Income)	\$1,130	\$1,246	\$1,293	\$1,297	\$1,304	\$1,308	\$1,308
Capital Construction Company	0	0	0	0	0	0	0
Long Island Bus	41	42	42	42	41	42	42
Long Island Rail Road	437	462	473	482	488	497	497
Metro-North Railroad	433	467	477	485	492	498	498
MTA Headquarters	14	51	53	55	56	56	56
New York City Transit	2,814	2,959	3,012	3,054	3,092	3,105	3,105
Staten Island Railway	5	5	5	6	6	6	6
First Mutual Transportation Assurance Company	7	7	7	7	8	8	8
Total	\$4,881	\$5,240	\$5,363	\$5,427	\$5,487	\$5,520	\$5,520
<u>Total Operating Expenses before Depreciation</u> ¹							
Bridges and Tunnels	\$319	\$350	\$391	\$400	\$408	\$424	\$424
Capital Construction Company	0	0	0	0	0	0	0
Long Island Bus	102	107	111	114	118	122	122
Long Island Rail Road	890	957	1,001	1,036	1,109	1,148	1,148
Metro-North Railroad	728	766	799	830	871	924	924
MTA Headquarters	242	273	278	287	295	305	305
New York City Transit	4,391	4,748	4,983	5,177	5,375	5,581	5,581
Staten Island Railway	26	26	27	28	29	31	31
First Mutual Transportation Assurance Company	(2)	(6)	(10)	(14)	(18)	(22)	(22)
Other	(1)	34	34	33	33	32	32
Total	\$6,693	\$7,255	\$7,613	\$7,891	\$8,221	\$8,544	\$8,544
<u>Depreciation</u>							
Bridges and Tunnels	\$46	\$48	\$50	\$57	\$61	\$67	\$67
Capital Construction Company	0	0	0	0	0	0	0
Long Island Bus	0	0	0	0	0	0	0
Long Island Rail Road	220	250	274	275	259	256	256
Metro-North Railroad	158	184	194	200	207	214	214
MTA Headquarters	21	23	25	25	22	20	20
New York City Transit	892	982	1,087	1,191	1,293	1,396	1,396
Staten Island Railway	7	10	10	10	10	10	10
First Mutual Transportation Assurance Company	0	0	0	0	0	0	0
Total	\$1,344	\$1,497	\$1,640	\$1,758	\$1,852	\$1,963	\$1,963
<u>Net Operating Income/(Deficit)</u>							
Bridges and Tunnels (Excludes Depreciation)	\$811	\$896	\$902	\$897	\$896	\$884	\$884
Capital Construction Company	0	0	0	0	0	0	0
Long Island Bus	(60)	(65)	(69)	(72)	(76)	(81)	(81)
Long Island Rail Road	(674)	(745)	(802)	(830)	(880)	(907)	(907)
Metro-North Railroad	(453)	(482)	(515)	(545)	(587)	(640)	(640)
MTA Headquarters	(249)	(245)	(250)	(257)	(261)	(268)	(268)
New York City Transit	(2,469)	(2,770)	(3,057)	(3,314)	(3,576)	(3,872)	(3,872)
Staten Island Railway	(29)	(31)	(32)	(33)	(34)	(35)	(35)
First Mutual Transportation Assurance Company	9	13	17	21	25	30	30
Other	1	(34)	(34)	(33)	(33)	(32)	(32)
Total	(\$3,111)	(\$3,464)	(\$3,840)	(\$4,166)	(\$4,525)	(\$4,920)	(\$4,920)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2006 - 2009
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES						
		2005	2006				
		2004	Mid-Year	Preliminary			
		<u>Actual</u>	<u>Forecast</u>	<u>Budget</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
11	Receipts						
12	Farebox Revenue	\$3,466	\$3,668	\$3,739	\$3,801	\$3,828	\$3,846
13	Other Operating Revenue	469	410	394	406	420	432
14	Capital and Other Reimbursements	1,107	1,151	1,156	1,166	1,187	1,199
15	Total Receipts	\$5,043	\$5,229	\$5,289	\$5,372	\$5,435	\$5,477
17	Expenditures						
18	Labor:						
19	Payroll	\$3,581	\$3,697	\$3,778	\$3,869	\$3,993	\$4,091
20	Overtime	392	402	399	408	418	430
21	Health and Welfare	706	827	901	983	1,079	1,178
22	Pensions	393	489	729	788	801	809
23	Other Fringe Benefits	456	453	461	473	489	501
24	Reimbursable Overhead	0	0	0	0	0	0
25	Total Labor Expenditures	\$5,528	\$5,868	\$6,268	\$6,521	\$6,779	\$7,009
27	Non-Labor:						
28	Traction and Propulsion Power	\$203	\$246	\$259	\$264	\$269	\$279
29	Fuel for Buses and Trains	92	119	115	112	112	114
30	Insurance	33	34	31	34	42	35
31	Claims	88	120	114	117	118	125
32	Paratransit Service Contracts	130	159	184	220	256	296
33	Maintenance and Other Operating Contracts	380	494	494	480	487	497
34	Professional Service Contracts	190	216	196	194	202	210
35	Materials & Supplies	464	508	502	535	578	586
36	Other Business Expenditures	112	102	105	116	111	115
37	Total Non-Labor Expenditures	\$1,692	\$1,998	\$1,998	\$2,074	\$2,176	\$2,257
39	Other Expenditure Adjustments:						
40	Other	\$39	\$81	\$75	\$79	\$86	\$91
41	General Reserve	0	40	40	40	40	40
42	Total Other Expenditure Adjustments	\$39	\$121	\$115	\$119	\$126	\$131
44	Total Expenditures	\$7,259	\$7,988	\$8,381	\$8,713	\$9,082	\$9,397
46	Net Cash Deficit Before Subsidies and Debt Service	(\$2,217)	(\$2,759)	(\$3,091)	(\$3,341)	(\$3,646)	(\$3,920)
48	Dedicated Taxes and State/Local Subsidies	\$3,008	\$3,745	\$3,595	\$3,675	\$3,679	\$3,713
50	Debt Service (excludes Service Contract Bonds)	(435)	(661)	(876)	(989)	(1,109)	(1,246)
52	Net Cash Balance from Previous Year	151	507	833	461	0	0
54	Baseline Net Cash Surplus/(Deficit)	\$507	\$833	\$461	(\$194)	(\$1,077)	(\$1,453)
56	GAP CLOSING and OTHER ACTIONS:						
58	Reinvestment Fund	0	(481)	0	0	0	0
59	Real Estate Tax Stabilization Account	0	0	200	0	0	0
60	2006 Agency Program to Eliminate the Gap (PEGs)	0	18	42	46	63	73
61	2007 Increased Fare and Toll Yields	0	0	0	241	243	244
62	2009 Increased Fare and Toll Yields	0	0	0	0	0	256
64	Net Cash Balance from Previous Year (Gap Actions only)	0	0	(463)	(221)	0	0
66	Net Cash Surplus/(Deficit)	\$507	\$370	\$239	(\$128)	(\$771)	(\$880)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2006 - 2009
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

	2004	2005	2006			
	Actuals	Mid-Year	Preliminary	2007	2008	2009
		Forecast	Budget			
<u>Total Receipts</u>						
Capital Construction Company	\$10	\$18	\$26	\$31	\$30	\$31
Long Island Bus	47	47	47	47	47	47
Long Island Rail Road	639	643	696	708	718	731
Metro-North Railroad	594	652	667	682	691	694
MTA Headquarters	45	93	96	99	102	104
New York City Transit	3,694	3,762	3,743	3,792	3,833	3,855
Staten Island Railway	7	6	6	7	7	7
First Mutual Transportation Assurance Company	7	7	7	7	8	8
Total	\$5,043	\$5,229	\$5,289	\$5,372	\$5,435	\$5,477
<u>Total Expenditures</u>						
Capital Construction Company	\$10	\$18	\$26	\$31	\$30	\$31
Long Island Bus	100	114	116	119	123	130
Long Island Rail Road	1,097	1,111	1,214	1,255	1,332	1,375
Metro-North Railroad	871	953	995	1,030	1,081	1,125
MTA Headquarters	255	356	341	352	361	372
New York City Transit	4,938	5,366	5,614	5,851	6,076	6,284
Staten Island Railway	28	27	28	29	30	32
First Mutual Transportation Assurance Company	7	7	7	7	8	8
Other	(46)	36	39	39	40	40
Total	\$7,259	\$7,988	\$8,381	\$8,713	\$9,082	\$9,397
<u>Net Operating Surplus/(Deficit)</u>						
Capital Construction Company	0	0	0	0	0	0
Long Island Bus	(52)	(67)	(68)	(72)	(76)	(83)
Long Island Rail Road	(457)	(467)	(518)	(547)	(614)	(644)
Metro-North Railroad	(277)	(301)	(329)	(348)	(390)	(431)
MTA Headquarters	(210)	(263)	(245)	(253)	(260)	(269)
New York City Transit	(1,244)	(1,603)	(1,870)	(2,059)	(2,243)	(2,429)
Staten Island Railway	(22)	(21)	(22)	(22)	(23)	(25)
First Mutual Transportation Assurance Company	0	0	0	(0)	0	(0)
Other	46	(36)	(39)	(39)	(40)	(40)
Total	(\$2,217)	(\$2,759)	(\$3,091)	(\$3,341)	(\$3,646)	(\$3,920)

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Metropolitan Transportation Authority
July Financial Plan 2006 - 2009
MTA Consolidated February Financial Plan Compared with July Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2005	2006	2007	2008	2009
February Plan Baseline Net Cash Surplus/(Deficit)¹	\$76	(\$737)	(\$1,105)	(\$1,398)	(\$1,751)
Changes to the July Plan					
Effect of 2004 Results	\$85	\$0	\$0	\$0	\$0
Real Estate Tax Yields	365	31	34	52	80
Debt Service	128	59	58	29	(24)
<i>Refunding Savings</i>	8	9	9	10	10
<i>Variable Rate Interest Savings</i>	76	0	0	0	0
<i>Capital Expense Timing</i>	18	49	49	19	(34)
<i>Cost of Issuance Savings</i>	26	0	0	0	0
New State Actions	170	457	458	415	437
<i>New Sales Tax Increase</i>	149	184	188	190	191
<i>Increase in MRT-1</i>	24	46	47	47	46
<i>New Motor Vehicle Fees</i>	0	86	71	71	71
<i>Base Taxes and Other</i>	(3)	141	152	107	129
Service & Cleaning Enhancements	(2)	(10)	(10)	(10)	(10)
2005 Security Measures (MTA, B&T, NYPD)	(10)	0	0	0	0
Agency Baseline Changes	(28)	(109)	(92)	(172)	(191)
<i>Inflation</i>	(7)	(66)	(111)	(143)	(195)
<i>Energy</i>	(7)	(8)	(10)	(12)	(14)
<i>New Needs/Investments:</i>					
<i>Maintenance</i>	(26)	(71)	(42)	(85)	(75)
<i>Other New Needs</i>	(11)	(9)	(8)	(10)	(10)
<i>2005 PEG Program Re-Forecast</i>	(3)	(20)	(11)	(12)	(11)
<i>Toll/Farebox Revenue</i>	20	26	28	35	34
<i>Baseline Re-Estimates</i>	5	39	62	55	80
Other	8	13	2	6	4
Net Cash Balance from Previous Year	42	757	461	0	0
Total Changes	\$757	\$1,198	\$911	\$321	\$297
July Plan Baseline Net Cash Surplus/(Deficit)	\$833	\$461	(\$194)	(\$1,077)	(\$1,453)
<u>GAP CLOSING and OTHER ACTIONS:</u>					
Reinvestment Fund	(481)	0	0	0	0
Real Estate Tax Stabilization Account	0	200	0	0	0
2006 Agency Program to Eliminate the Gap (PEGs)	18	42	46	63	73
2007 Increased Fare and Toll Yields	0	0	241	243	244
2009 Increased Fare and Toll Yields	0	0	0	0	256
Net Cash Balance from Previous Year (Gap Actions only)	0	(463)	(221)	0	0
July Net Cash Surplus/(Deficit)	\$370	\$239	(\$128)	(\$771)	(\$880)

Note:

¹ The 2005 baseline cash balance contained a \$20 million MTA-wide PEG implementation provision, which reduced the cash balance to \$56 million.

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Metropolitan Transportation Authority
July Financial Plan 2006 - 2009
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2004	2005	2006	2007	2008	2009
9	<u>New York City Transit:</u>						
10							
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$191.154	\$236.691	\$299.438	\$298.755	\$298.611	\$298.772
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	7.277	49.122	122.013	199.137	270.892
13	2 Broadway Certificates of Participation - NYCT Lease Portion	18.301	22.963	17.516	17.518	19.221	19.226
14	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	1.838	2.453	1.759	1.759	1.931	1.931
15	Transportation Resolution Commercial Paper	2.977	12.575	20.503	20.503	20.503	34.192
16	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	126.260	164.456	174.064	173.995	174.089	174.232
17	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs</u>	<u>0.000</u>	<u>0.101</u>	<u>10.853</u>	<u>32.376</u>	<u>52.689</u>	<u>68.637</u>
18	<i>Sub-Total MTA Paid Debt Service</i>	\$340.530	\$446.515	\$573.254	\$666.919	\$766.180	\$867.883
19							
20	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$133.400	\$131.708	\$143.336	\$143.621	\$143.548	\$143.581
21	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>76.155</u>	<u>77.606</u>	<u>85.720</u>	<u>85.658</u>	<u>85.751</u>	<u>85.695</u>
22	<i>Sub-Total B&T Paid Debt Service</i>	\$209.555	\$209.314	\$229.056	\$229.279	\$229.299	\$229.276
23							
24							
25	Total NYCT Debt Service	\$550.084	\$655.829	\$802.310	\$896.198	\$995.479	\$1,097.159
26							
27	<u>Commuter Railroads:</u>						
28							
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$67.074	\$162.652	\$222.215	\$221.708	\$221.600	\$221.720
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	12.526	36.168	53.846	71.570	95.207
31	Transportation Resolution Commercial Paper	1.654	6.840	9.809	9.809	9.809	16.359
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	25.476	32.071	33.602	33.588	33.607	33.634
33	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs</u>	<u>0.000</u>	<u>0.233</u>	<u>1.117</u>	<u>3.087</u>	<u>6.598</u>	<u>11.072</u>
34	<i>Sub-Total MTA Paid Debt Service</i>	\$94.205	\$214.322	\$302.910	\$322.039	\$343.185	\$377.993
35							
36	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$59.710	\$58.952	\$64.157	\$64.285	\$64.252	\$64.267
37	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>31.317</u>	<u>34.097</u>	<u>37.662</u>	<u>37.634</u>	<u>37.675</u>	<u>37.651</u>
38	<i>Sub-Total B&T Paid Debt Service</i>	\$91.026	\$93.049	\$101.819	\$101.919	\$101.927	\$101.917
39							
40	Total CRR Debt Service	\$185.231	\$307.370	\$404.729	\$423.957	\$445.112	\$479.910
41							
42	<u>Bridges and Tunnels:</u>						
43							
44	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$72.450	\$77.317	\$87.952	\$88.127	\$88.083	\$88.103
45	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	33.806	30.656	33.861	33.836	33.873	33.851
46	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.578	6.940	19.197	33.381	47.873
47	2 Broadway Certificates of Participation - TBTA Lease Portion	2.744	3.417	2.626	2.626	2.882	2.883
48	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	3.756	5.014	3.595	3.595	3.945	3.946
49							
50	Total Debt Service	\$112.757	\$116.981	\$134.974	\$147.382	\$162.163	\$176.656
51							
52	<u>MTA Total:</u>						
53							
54	Budgeted Gross Debt Service for Existing Bonds	\$816.801	\$1,006.204	\$1,182.006	\$1,181.207	\$1,181.089	\$1,181.506
55	2 Broadway Certificates of Participation	26.640	33.847	25.496	25.500	27.979	27.986
56	Transportation Resolution Commercial Paper	4.631	19.415	30.312	30.312	30.312	50.551
57	Debt Service on Additional Transportation Revenue Bonds Supporting Existing Capital Programs	0.000	19.803	85.290	175.859	270.707	366.099
58	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Existing Capital Programs	0.000	0.334	11.970	35.463	59.287	79.709
59	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Existing Capital Programs	0.000	0.578	6.940	19.197	33.381	47.873
60							
61	Total Debt Service	\$848.072	\$1,080.180	\$1,342.013	\$1,467.538	\$1,602.754	\$1,753.725

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**METROPOLITAN TRANSPORTATION AUTHORITY
 JULY FINANCIAL PLAN 2006 -2009
 FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS
 ANNUAL BUDGET and FORECASTS
 BEFORE GAP CLOSING and OTHER ACTIONS**

FAREBOX RECOVERY RATIOS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>July Plan</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
New York City Transit	45.1%	43.0%	41.3%	39.7%	38.3%
Staten Island Railway	12.4%	12.5%	13.0%	12.7%	12.4%
Long Island Rail Road	33.5%	31.7%	31.4%	30.6%	30.1%
Metro-North Railroad	42.9%	41.2%	40.3%	38.9%	36.9%
Long Island Bus	<u>34.6%</u>	<u>33.6%</u>	<u>32.8%</u>	<u>32.0%</u>	<u>31.1%</u>
MTA Total Agency Average	42.8%	40.8%	39.5%	38.0%	36.7%

FAREBOX OPERATING RATIOS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>July Plan</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
New York City Transit	59.2%	57.5%	56.0%	54.4%	52.4%
Staten Island Railway	17.9%	17.8%	18.3%	17.7%	17.0%
Long Island Rail Road	45.5%	44.5%	43.7%	41.5%	40.8%
Metro-North Railroad	56.4%	55.4%	54.7%	52.5%	50.0%
Long Island Bus	<u>35.7%</u>	<u>34.6%</u>	<u>33.9%</u>	<u>33.0%</u>	<u>32.0%</u>
MTA Total Agency Average	56.4%	54.8%	53.6%	51.8%	50.0%

Note:

Does not include 2006 PEGs or 2007 and 2009 fare/toll increase.

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 10% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management and Legal.

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

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