

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2022 ADS Third Quarterly Update)
March 1, 2023

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Update (including Attachment A hereto, the “Third Quarterly Update”), dated March 1, 2023, is the third quarterly update to the Annual Disclosure Statement (the “ADS”) of MTA, dated April 29, 2022, as supplemented on June 22, 2022, and as updated by a First Quarterly Update, dated August 5, 2022, and a Second Quarterly Update, dated December 7, 2022, and contains information only through its date. MTA expects to file this Third Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate the Third Quarterly Update into other documents by specific cross-reference. Such information, together with the complete February Plan hereinafter referred to, is also posted on the MTA website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this Third Quarterly Update is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

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

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2022 ADS Third Quarterly Update)
March 1, 2023

Introduction.

This update, dated March 1, 2023 (the “Third Quarterly Update”), is the third quarterly update to the Annual Disclosure Statement (the “ADS”) of the Metropolitan Transportation Authority (“MTA”), dated April 29, 2022, as supplemented on June 22, 2022, and as updated by a First Quarterly Update, dated August 5, 2022, and a Second Quarterly Update, dated December 7, 2022. This Third Quarterly Update contains information only through March 1, 2023, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this Third Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA’s 2023-2026 Financial Plan released by MTA in November 2022 (the “November Plan”) to reflect provisions of the 2023 MTA February Financial Plan presented to the MTA Board on February 23, 2023 (the “February Plan”). The complete February Plan is posted on MTA’s website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA’s website or any other website is included by specific cross-reference herein. The updated information reflected in the February Plan includes revised November Plan and December Plan projections for fiscal years 2023 through 2026, including the 2023 Adopted Budget (the “Adopted Budget”).
2. **Attachment A** to this Third Quarterly Update, which presents the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA’s February Plan projected receipts and expenditures for fiscal years 2021 (actual), 2022 (final estimate), 2023 (adopted budget) through 2026, in each case prepared by MTA management.

Overview

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

The November Plan

The November Plan, which the Board approved in December 2022, projected a continued balanced budget in 2023, assuming \$600 million of additional government funding or MTA actions, which could include further expense reduction, additional revenues, or acceleration of federal COVID-19 aid to achieve balance for 2023 that would have otherwise been used to reduce deficits in the years after 2023. Annual deficits of \$1.2 billion in 2024 and 2025, and a deficit of \$1.6 billion in 2026 remain. MTA operating efficiencies, application of the financial resources stemming from federal COVID-19 aid to reduce debt and operating costs throughout the November Plan period, and the cash repayment (rather than long-term bonding) of the Federal Reserve Municipal Liquidity Facility Bond Anticipation Note (the “MLF BAN”) are reflected in these deficits, which otherwise would have been significantly higher.

Update on Additional Funding

As noted, the November Plan included an assumption of \$600 million of additional government funding, and, if such funding could not be fully or partially realized, additional cost savings actions, revenue generation, or a rescheduling of the financial benefit from federal COVID-19 aid over the November Plan period would be required. On February 1, 2023, Governor Hochul released her State Fiscal Year 2024 Executive Budget (the “2024 Executive Budget”) which addressed the \$600 million need for 2023 as well as the deficits projected to start in 2024. Among the Governor’s proposals to address the MTA fiscal imbalance are: increases in the top rate of the Payroll Mobility Tax (“PMT”) which is anticipated to generate \$800 million annually; nearly \$500 million annually from New York City (the “City”) through increased City payments for paratransit costs and student fares, as well as a City-funded increase in PMT Offset payments to MTA related to the foregone tax revenue of PMT exemptions for small businesses and K-12 schools at the higher rate; \$300 million in one-time State aid in State Fiscal Year 2023 to address the extraordinary pandemic impact on MTA operating revenues; and, a share of licensing fees for up to three downstate casinos as well as a share of annual tax revenues generated from these casinos expected to provide revenues to MTA no earlier than 2026. The additional and recurring governmental support in Governor Hochul’s Executive Budget, combined with MTA operating efficiencies, proposed fare and toll increases and other MTA actions set forth in the November Plan, is projected to be sufficient to balance MTA’s financial plan through the November Plan period and potentially beyond 2026.

Changes to the November Plan

The February Plan incorporates into the MTA baseline several Board-approved actions that were captured below-the-line in the November Plan:

- *MTA Operating Efficiencies Phase 1.* Remaining Operating Efficiencies Phase 1, totaling \$44 million in 2023, \$48 million in 2024, and \$46 million thereafter, have been incorporated “above-the-line” into the baseline financial plan.
- *Provision for Increased Pension Costs.* To conform with the increase in pension costs for NYCERS in New York City’s November Financial Plan, MTA included a provision below-the-line totaling \$83 million in 2023, \$176 million in 2024, \$263 million in 2025 and \$344 million in 2026. These amounts have been incorporated “above-the-line” into agency baseline financial plans.

- *Savings from Deficit Note Repayment.* This action, approved by the MTA Board, repays from the unspent proceeds of the borrowing, and not from long-term bond refinancing proceeds, the MLF BAN at maturity. This proposed action eliminates debt service costs of \$111 million in 2023, \$178 million in 2024, and \$190 million in each of 2025 and 2026, which is unchanged from the November Plan.
- *Financial Resources Stemming from Federal COVID-19 Aid for Operating and Debt Costs.* MTA is proposing to use the resources made available from federal COVID-19 aid for direct deficit funding, debt payments, pension payments and retiree health deposits over the financial plan period. The November Plan anticipated using remaining financial resources made available from Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) aid (\$1,166 million) and American Rescue Plan Act (“ARPA”) aid (\$776 million) to offset the 2022 deficit. Through the remainder of the November Plan period, \$598 million of financial benefit from ARPA aid will be applied against MTA Bus and Staten Island Railway deficits, reducing City subsidies by the same amount and therefore not available to offset MTA deficits. This leaves \$5,620 million of remaining resources stemming from ARPA aid available, with \$4,365 million utilized through 2026 and \$1,255 million to offset liabilities beyond the financial plan period to moderate the potential growth of deficits beyond the plan period. The financial benefit from federal COVID-19 aid have been moved from below-the-line and are incorporated in the consolidated subsidy tables in the February Plan, with the impact on the bottom line unchanged from the November Plan.

Minor technical changes to the Adopted Budget and November Plan are included in the February Plan and result in a minor favorable change totaling \$4 million over the February Plan period.

Additionally, the February Plan assumes a later start of revenue collection for the Central Business District Tolling Program (“CBD Tolling Program”), from the beginning of 2024 to the start of the second quarter of 2024. This change will reduce anticipated CBD Tolling Program revenue for the Capital Lockbox from \$1 billion to \$750 million in 2024. The operating budget is not impacted by this adjustment.

Several items remain below-the-line in the February Plan:

- *MTA Operating Efficiencies Phase 2.* MTA operating agencies are engaged in an ambitious effort to identify innovative ways of doing business more efficiently and, as a result, reduce expenses and improve service to customers. Related Entity and MTA Headquarters leadership have identified concrete initiatives to generate sizeable savings and help shrink the outyear deficits. The operating efficiency initiatives will generate \$100 million in 2023, increasing to \$400 million in 2024, \$408 million in 2025 and \$416 million in 2026. This is unchanged from the November Plan.
- *Fare and Toll Increase in 2023.* The February Plan includes an increase in fares and tolls, yielding an overall 5.5% increase in farebox and toll revenues beginning in June 2023 which still requires future Board approval. This increase is projected to generate for MTA, after factoring in subsidy impacts for MTA Bus, Staten Island Railway and MTA Bridges and Tunnels, \$201 million in 2023, \$362 million in 2024, \$369 million in 2025, and \$375 million in 2026. This is unchanged from the November Plan when factoring in the \$100 million in

annualized additional fare and toll revenue from the “Additional Fare/Toll Revenue Above Base Assumptions” which were also included in the November Plan.

- *Fare and Toll Increase in 2025.* An increase in fares and tolls, is assumed for implementation in April 2025 which still requires future Board approval. This increase is projected to generate for MTA, after factoring in subsidy impacts for MTA Bus, Staten Island Railway and MTA Bridges and Tunnels, \$210 million in 2025 and \$283 million in 2026. This is unchanged from the November Plan.
- *FEMA COVID-19 Reimbursement.* Reimbursement of direct COVID-related expenses through the Federal Emergency Management Agency (“FEMA”) are expected to increase by \$44 million to \$749 million in the Plan, reflecting reimbursable expenses incurred through July 2022. Claims and supporting documentation were submitted to FEMA through the State in October of 2022. The February Plan assumes MTA will receive reimbursements of \$250 million in 2023, \$100 million in 2024, \$250 million in 2025 and \$149 million in 2026, although timing remains uncertain. This assumption is unchanged from the November Plan.
- *New Government Funding or Additional MTA Actions.* The Adopted Budget assumes \$600 million in additional government funding and/or additional MTA actions, both of which have not yet been specified. If no additional government funding is made available, MTA actions could include further expense reduction, additional revenues, or acceleration in the use of the financial benefit from federal COVID-19 aid to achieve balance for 2023 that would have otherwise been used to reduce deficits in the years after 2023. As noted earlier, the 2024 Executive Budget includes actions to address the \$600 million need for 2023, as well as providing additional resources to direct towards the deficits in the out-years of the February Plan period. As the State budget process proceeds, MTA will monitor these proposals and will adjust the July Financial Plan accordingly.

Consistent with the November Plan, the February Plan presents a balanced budget for 2023 assuming the \$600 million of additional governmental funding in 2023. Annual deficits of \$1.2 billion in 2024 and 2025, and a deficit of \$1.6 billion in 2026 remain but would be addressed by the additional funding proposed in the 2024 Executive Budget. The 2023 balanced budget and out-year forecasts reflect, as contemplated in the approved Adopted Budget and November Plan, MTA operating efficiencies, the use of the financial resources stemming from federal COVID-19 aid to reduce debt and operating costs throughout the Plan period, and the cash repayment (rather than long-term bonding) of the MLF BAN. The MTA Board will be updated in April 2023 once there is an adopted State budget and the impacts on MTA finances are known.

Challenges and Significant Risks Remain

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

- *New government funding does not materialize.* The February Plan anticipates \$600 million in new government funding to balance the Adopted Budget, but if that does not materialize the MTA will need to take action to replace this assumed funding in order to achieve budget balance in 2023.
- *Ridership improvements can fall short of projections.* Should ridership be lower than the midpoint forecast between the “high case” and “low case” scenarios developed by McKinsey & Co., loss of projected revenue could have significant fiscal impacts.

- *Economy slows or falls into recession.* The dedicated taxes on which MTA relies to cover its operating budget are sensitive to economic downturns, and a significant and sustained decline in economic activity could reduce dedicated tax receipts.
- *Inflation remains stubbornly high.* The February Plan assumes inflation subsides to just under 5% in 2023 and reverts to about 2% annually in 2024 from current levels.
- *Achieving affordable wage settlements.* MTA is committed to honoring the terms of its existing contracts and is committed to negotiating affordable wage settlements with its unions. At the conclusion of existing labor contracts, the February Plan assumes annual wage increases of 2%.
- *Implementation of biennial fare and toll increases in 2023 and 2025.* Through 2026, the February Plan assumes a combined \$1.8 billion in additional fare and toll revenue from the projected 2023 and 2025 fare and toll increases, including an approximate 5.5% farebox and toll revenue increase in 2023, followed by a 4% farebox and toll revenue increase in 2025.
- *Finding and implementing innovative operational efficiencies.* MTA must remain focused on existing cost control efforts, not only to avoid “backsliding” but also to achieve anticipated operational efficiencies.

MTA Liquidity Resources

As of February 28, 2023, MTA had liquidity resources in the approximate amount of \$11.217 billion, consisting of a current running cash balance of \$654 million, internal available flexible funds totaling \$2.498 billion, MTA PMT BANs for working capital, plus interest, totaling \$2.971 billion, applicable undrawn commercial bank lines of credit totaling \$1.2 billion, and available federal COVID-19 relief receipts of approximately \$3.894 billion. ***These funds provide a temporary funding “bridge” to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a gap in funding for both the operating budget and capital plan over the longer term and could result in additional debt issuance and unfunded operating needs.***

Governance

On February 17, 2023, MTA Bridges and Tunnels announced the retirement of its President, Daniel DeCrescenzo. Catherine Sheridan will serve as Interim President, effective March 4, 2023. Additionally, Allison L. C. de Cerreño, Ph.D., has been appointed Chief Operating Officer of MTA Bridges and Tunnels.

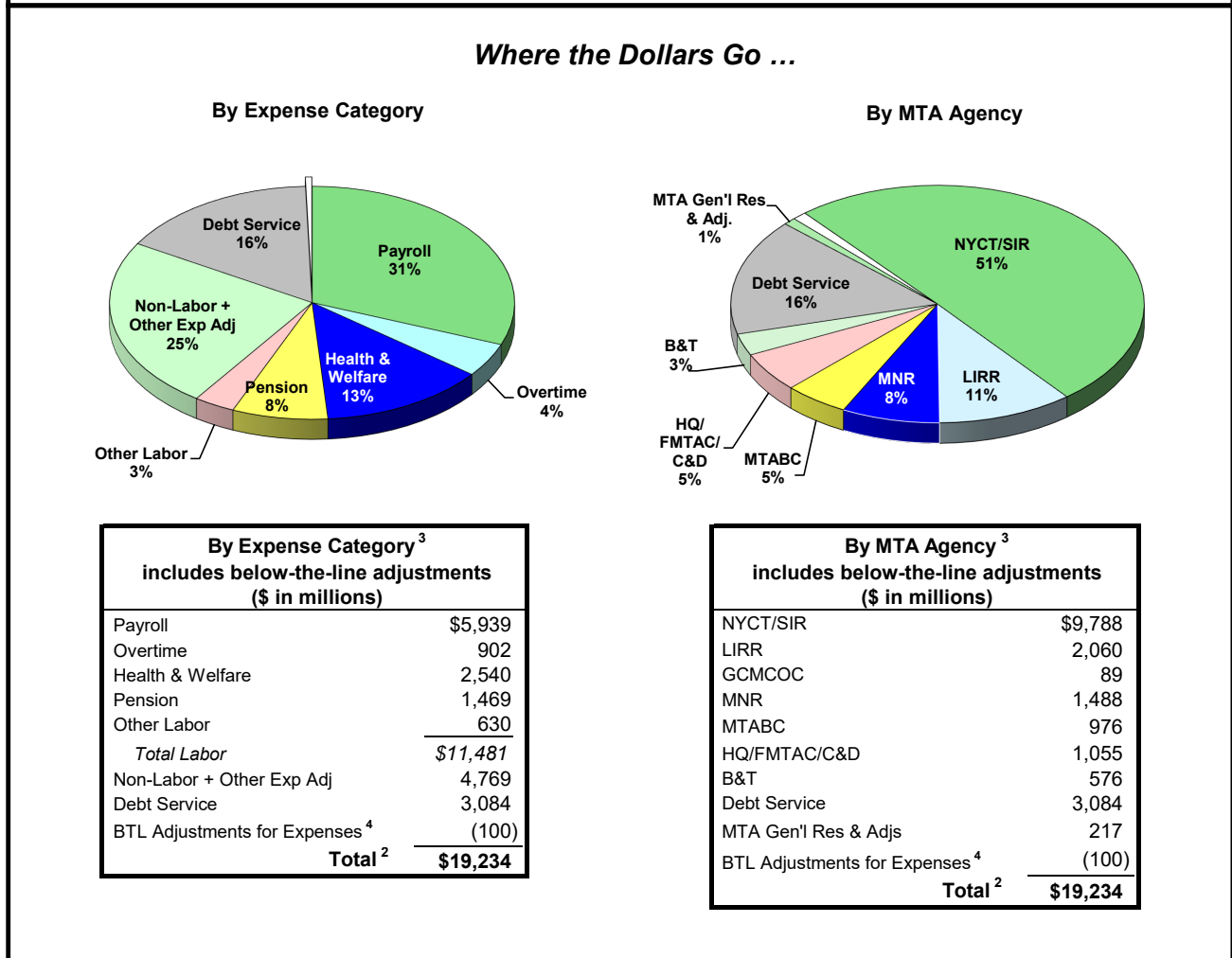
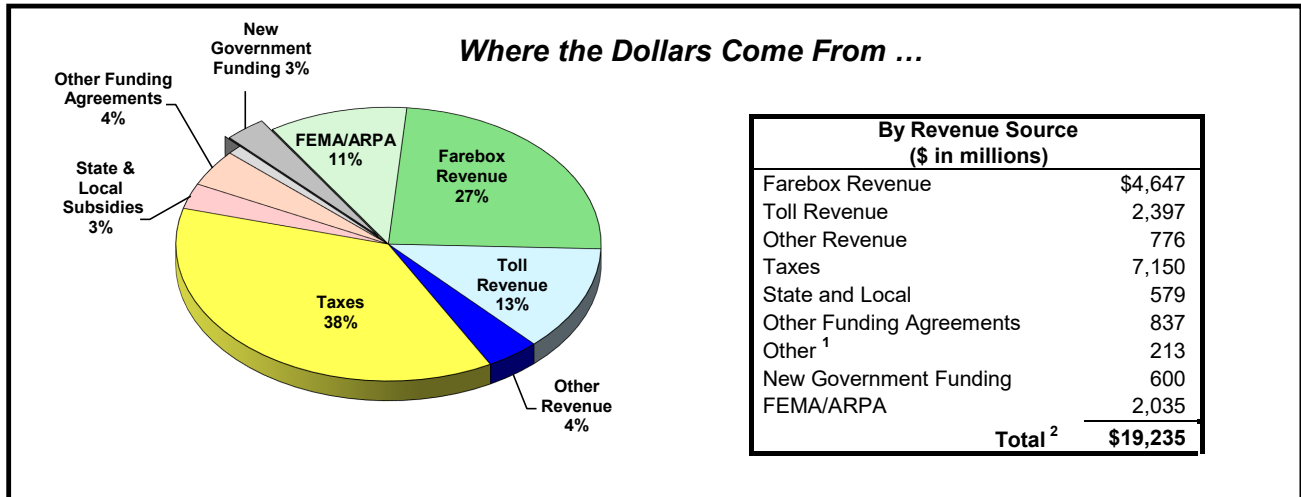
**Attachment A to MTA Annual Disclosure Statement
Third Quarterly Update
March 1, 2023**

MTA February Financial Plan

This **Attachment A** to the 2022 ADS Third Quarterly Update sets forth the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan projected receipts and disbursements for fiscal years 2021 (actual), 2022 (final estimate), and 2023 (adopted budget) through 2025, in each case prepared by MTA management. The complete February Plan is posted on MTA's website: <https://new.mta.info/transparency/financial-information/financial-and-budget-statements>. No statement on MTA's website or any other website is included by specific cross-reference herein.

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

MTA 2023 Adopted Budget
Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable



¹ Includes cash adjustments and prior-year carryover.

² Totals may not add due to rounding.

³ Expenses exclude Depreciation, GASB 68 Pension Adjustment, GASB 75 OPEB Adjustment, GASB 87 Lease Adjustment and Environmental Remediation.

⁴ The "BTL Adjustments for Expenses" cannot be segmented by expense category or by Agency.

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

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
MTA Consolidated Accrued Statement of Operations By Category
(\$ in millions)

	Actual 2021	Final Estimate 2022	Adopted Budget 2023	2024	2025	2026
<u>Non-Reimbursable</u>						
Operating Revenues						
Farebox Revenue	\$3,048	\$3,989	\$4,513	\$4,653	\$4,773	\$4,913
Toll Revenue	2,170	2,323	2,323	2,332	2,335	2,338
Other Revenue	4,706	7,611	776	789	799	822
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	\$9,924	\$13,923	\$7,612	\$7,774	\$7,907	\$8,073
Operating Expenses						
<u>Labor:</u>						
Payroll	\$5,214	\$5,516	\$5,939	\$6,102	\$6,236	\$6,391
Overtime	965	1,129	902	876	906	926
Health and Welfare	1,405	1,479	1,694	1,807	1,922	2,049
OPEB Current Payments	722	764	846	918	995	1,079
Pension	1,410	1,368	1,469	1,489	1,519	1,538
Other Fringe Benefits	816	1,051	1,070	1,118	1,173	1,227
Reimbursable Overhead	(372)	(399)	(440)	(443)	(432)	(437)
Total Labor Expenses	\$10,160	\$10,909	\$11,481	\$11,866	\$12,320	\$12,774
<u>Non-Labor:</u>						
Electric Power	\$430	\$587	\$655	\$619	\$622	\$634
Fuel	163	287	260	231	219	221
Insurance	26	43	68	101	124	157
Claims	426	433	449	458	469	483
Paratransit Service Contracts	346	407	475	505	527	561
Maintenance and Other Operating Contracts	765	903	1,017	937	981	956
Professional Services Contracts	499	706	622	620	606	615
Materials and Supplies	486	610	747	822	860	855
Other Business Expenses	200	251	260	252	264	265
Total Non-Labor Expenses	\$3,341	\$4,228	\$4,551	\$4,544	\$4,672	\$4,745
<u>Other Expense Adjustments:</u>						
Other	\$21	\$17	\$27	\$22	\$23	\$24
General Reserve	(335)	185	190	195	200	205
Total Other Expense Adjustments	(\$314)	\$202	\$217	\$217	\$223	\$229
Total Expenses Before Non-Cash Liability Adjs.	\$13,187	\$15,338	\$16,249	\$16,628	\$17,215	\$17,748
Depreciation	\$3,159	\$3,176	\$3,203	\$3,249	\$3,299	\$3,349
GASB 68 Pension Expense Adjustment	(917)	(69)	(53)	(147)	(73)	(124)
GASB 75 OPEB Expense Adjustment	1,075	1,405	1,456	1,455	1,451	1,445
GASB 87 Lease Adjustment	0	14	14	14	14	14
Environmental Remediation	37	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	\$16,541	\$19,870	\$20,874	\$21,205	\$21,911	\$22,438
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,354)	(\$4,531)	(\$4,625)	(\$4,577)	(\$4,696)	(\$4,689)
Debt Service	2,787	3,145	3,084	3,302	3,445	3,320
Total Expenses with Debt Service	\$15,974	\$18,483	\$19,334	\$19,930	\$20,660	\$21,069
Dedicated Taxes & State and Local Subsidies	\$7,679	\$8,690	\$8,574	\$8,689	\$9,079	\$9,218
Net Surplus/(Deficit) After Subsidies and Debt Service	\$1,628	\$4,129	(\$3,148)	(\$3,466)	(\$3,674)	(\$3,778)
Conversion to Cash Basis: GASB Account	\$0	\$0	\$0	\$0	\$0	\$0
Conversion to Cash Basis: All Other	(961)	(5,292)	1,995	1,415	1,195	932
Cash Balance Before Prior-Year Carryover	\$668	(\$1,163)	(\$1,153)	(\$2,051)	(\$2,480)	(\$2,846)
Below the Line Adjustments	\$0	\$0	\$1,151	\$862	\$1,237	\$1,223
Prior Year Carryover Balance	499	1,166	3	1	0	0
Net Cash Balance	\$1,166	\$3	\$1	(\$1,188)	(\$1,242)	(\$1,623)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
Plan Adjustments
(\$ in millions)

	Actual 2021	Final Estimate 2022	Adopted Budget 2023	2024	2025	2026
Cash Balance Before Prior-Year Carryover	\$668	(\$1,163)	(\$1,153)	(\$2,051)	(\$2,480)	(\$2,846)
Fare and Toll Increases:						
<i>Fare/Toll Increase, June 2023 (4% Yield)</i>		\$0	\$159	\$271	\$277	\$283
<i>Subsidy Impacts - Fare/Toll Increase, June 2023</i>		0	(8)	(9)	(7)	(7)
<i>Fare/Toll Increase, April 2025 (4% Yield)</i>		0	0	0	220	292
<i>Subsidy Impacts- Fare/Toll Increase, April 2025</i>		<u>0</u>	<u>0</u>	<u>0</u>	<u>(10)</u>	<u>(9)</u>
Subtotal:		\$0	\$151	\$262	\$479	\$558
MTA Initiatives:						
<i>Fiscal Baseline Reset 2</i>		<u>0</u>	<u>100</u>	<u>400</u>	<u>408</u>	<u>416</u>
Subtotal:		\$0	\$100	\$400	\$408	\$416
Management and Policy Actions:						
<i>Additional Fare Increases</i>		0	50	100	100	100
Subtotal:		\$0	\$50	\$100	\$100	\$100
Other:						
<i>FEMA COVID Reimbursement</i>		\$0	\$250	\$100	\$250	\$149
<i>New Government Funding for Additional MTA Actions</i>		<u>0</u>	<u>600</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal:		\$0	\$850	\$100	\$250	\$149
TOTAL ADJUSTMENTS		\$0	\$1,151	\$862	\$1,237	\$1,223
<i>Prior Year Carryover Balance</i>	\$499	\$1,166	\$3	\$1	\$0	\$0
Net Cash Surplus/(Deficit)	\$1,166	\$3	\$1	(\$1,188)	(\$1,242)	(\$1,623)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
Accrued Statement of Operations by Agency
(\$ in millions)

	Actual 2021	Final Estimate 2022	Adopted Budget 2023	2024	2025	2026
Non-Reimbursable						
Total Revenues						
New York City Transit	\$5,611	\$8,318	\$3,848	\$3,975	\$4,073	\$4,196
Long Island Rail Road	945	1,437	569	606	632	656
Grand Central Madison	0	0	0	0	2	2
Metro-North Railroad	646	1,021	576	559	567	576
MTA Headquarters	1	67	70	73	63	63
First Mutual Transportation Assurance Company	(8)	(50)	10	10	10	10
MTA Bus Company	455	724	191	194	201	207
Staten Island Railway	35	61	7	7	7	7
Construction and Development	44	0	0	0	0	0
Bridges and Tunnels	2,194	2,344	2,342	2,351	2,354	2,357
Total	\$9,924	\$13,923	\$7,612	\$7,774	\$7,907	\$8,073
Total Expenses before Non-Cash Liability Adjs.*						
New York City Transit	\$8,562	\$9,329	\$9,709	\$9,924	\$10,314	\$10,691
Long Island Rail Road	1,482	1,679	2,060	2,112	2,181	2,219
Grand Central Madison	0	20	89	92	95	97
Metro-North Railroad	1,294	1,414	1,488	1,543	1,611	1,655
MTA Headquarters	722	1,063	1,002	1,029	1,038	1,069
First Mutual Transportation Assurance Company	54	42	48	49	48	48
MTA Bus Company	804	965	976	993	1,013	1,032
Staten Island Railway	62	74	79	74	77	77
Construction and Development	74	13	4	7	7	7
Bridges and Tunnels	447	537	576	589	610	625
Other	(314)	202	217	217	223	229
Total	\$13,187	\$15,338	\$16,249	\$16,628	\$17,215	\$17,748
Depreciation						
New York City Transit	\$2,099	\$2,096	\$2,138	\$2,181	\$2,225	\$2,269
Long Island Rail Road	459	473	444	448	452	457
Grand Central Madison	0	0	0	0	0	0
Metro-North Railroad	316	302	299	297	299	301
MTA Headquarters	18	35	47	46	46	46
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	47	56	56	56	56	56
Staten Island Railway	11	12	18	18	18	18
Construction and Development	8	0	0	0	0	0
Bridges and Tunnels	201	202	202	202	202	202
Total	\$3,159	\$3,176	\$3,203	\$3,249	\$3,299	\$3,349
GASB 68 Pension Expense Adjustment						
New York City Transit	(\$860)	(\$63)	(\$65)	(\$66)	(\$67)	(\$68)
Long Island Rail Road	(7)	(4)	(14)	(64)	(31)	(59)
Grand Central Madison	0	0	0	0	0	0
Metro-North Railroad	10	2	12	(13)	6	(12)
MTA Headquarters	(5)	(5)	3	(5)	4	(2)
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	(10)	46	54	40	50	49
Staten Island Railway	1	1	1	(1)	1	0
Bridges and Tunnels	(46)	(45)	(44)	(39)	(35)	(32)
Total	(\$917)	(\$69)	(\$53)	(\$147)	(\$73)	(\$124)
GASB 75 OPEB Expense Adjustment						
New York City Transit	\$669	\$973	\$1,001	\$989	\$973	\$954
Long Island Rail Road	123	180	184	187	191	195
Grand Central Madison	0	0	0	0	0	0
Metro-North Railroad	120	70	70	72	75	77
MTA Headquarters	58	61	71	73	75	77
MTA Bus Company	40	80	90	92	95	99
Staten Island Railway	3	2	2	2	2	2
Bridges and Tunnels	61	39	39	39	40	41
Total	\$1,075	\$1,405	\$1,456	\$1,455	\$1,451	\$1,445
GASB 87 Lease Adjustment						
New York City Transit	\$0	\$8	\$8	\$8	\$8	\$8
Long Island Rail Road	0	(1)	(1)	(1)	(1)	(1)
Grand Central Madison	0	0	0	0	0	0
Metro-North Railroad	0	2	2	2	2	2
MTA Headquarters	0	2	2	2	2	2
MTA Bus Company	0	0	0	0	0	0
Staten Island Railway	0	0	0	0	0	0
Bridges and Tunnels	0	2	2	2	2	2
Total	\$0	\$14	\$14	\$14	\$14	\$14
Environmental Remediation						
New York City Transit	\$35	\$0	\$0	\$0	\$0	\$0
Long Island Rail Road	1	2	2	2	2	2
Grand Central Madison	0	0	0	0	0	0
Metro-North Railroad	0	4	4	4	4	4
MTA Bus Company	0	0	0	0	0	0
Staten Island Railway	1	0	0	0	0	0
Total	\$37	\$6	\$6	\$6	\$6	\$6
Net Surplus/(Deficit)						
New York City Transit	(\$4,894)	(\$4,025)	(\$8,943)	(\$9,061)	(\$9,380)	(\$9,656)
Long Island Rail Road	(1,112)	(892)	(2,106)	(2,078)	(2,164)	(2,157)
Grand Central Madison	0	(20)	(89)	(92)	(93)	(96)
Metro-North Railroad	(1,093)	(773)	(1,298)	(1,347)	(1,430)	(1,452)
MTA Headquarters	(791)	(1,090)	(1,055)	(1,073)	(1,103)	(1,130)
First Mutual Transportation Assurance Company	(63)	(92)	(38)	(39)	(38)	(38)
MTA Bus Company	(426)	(423)	(986)	(987)	(1,013)	(1,029)
Staten Island Railway	(44)	(27)	(92)	(85)	(90)	(89)
Construction and Development	(38)	(13)	(4)	(7)	(7)	(7)
Bridges and Tunnels	1,531	1,610	1,566	1,557	1,535	1,518
Other	314	(202)	(217)	(217)	(223)	(229)
Total	(\$6,617)	(\$5,947)	(\$13,263)	(\$13,430)	(\$14,004)	(\$14,365)

Note: * Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
Cash Receipts and Expenditures
(\$ in millions)

	Actual 2021	Final Estimate 2022	Adopted Budget 2023	2024	2025	2026
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	\$3,079	\$3,981	\$4,509	\$4,649	\$4,768	\$4,908
Other Revenue	4,048	1,422	986	1,080	866	845
Capital and Other Reimbursements	1,831	2,282	2,147	2,145	2,126	2,144
Total Receipts	\$8,958	\$7,684	\$7,642	\$7,874	\$7,760	\$7,896
Expenditures						
Labor:						
Payroll	\$5,651	\$6,011	\$6,576	\$6,664	\$6,942	\$6,956
Overtime	1,132	1,331	1,093	1,058	1,092	1,121
Health and Welfare	1,451	1,527	1,743	1,857	1,972	2,098
OPEB Current Payments	701	754	835	906	983	1,066
Pension	1,486	1,483	1,533	1,551	1,578	1,595
Other Fringe Benefits	1,178	1,156	1,086	1,107	1,154	1,185
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	\$11,599	\$12,262	\$12,865	\$13,143	\$13,721	\$14,020
Non-Labor:						
Electric Power	\$433	\$593	\$661	\$625	\$629	\$638
Fuel	152	280	254	226	214	216
Insurance	5	59	68	95	128	152
Claims	239	315	309	316	326	338
Paratransit Service Contracts	344	405	473	503	525	559
Maintenance and Other Operating Contracts	689	883	969	870	880	854
Professional Services Contracts	544	854	709	650	642	653
Materials and Supplies	639	701	892	950	982	974
Other Business Expenses	177	230	240	237	256	265
Total Non-Labor Expenditures	\$3,222	\$4,321	\$4,575	\$4,471	\$4,582	\$4,649
Other Expenditure Adjustments:						
Other	\$12	\$53	\$110	\$70	\$74	\$83
General Reserve	(335)	185	190	195	200	205
Total Other Expenditure Adjustments	(\$323)	\$238	\$300	\$265	\$274	\$288
Total Expenditures	\$14,498	\$16,821	\$17,740	\$17,878	\$18,577	\$18,957
Net Cash Balance before Subsidies and Debt Service	(\$5,539)	(\$9,137)	(\$10,099)	(\$10,005)	(\$10,817)	(\$11,061)
Dedicated Taxes & State and Local Subsidies	\$8,295	\$10,408	\$11,195	\$10,427	\$10,886	\$10,609
Debt Service	(2,089)	(2,434)	(2,249)	(2,473)	(2,549)	(2,395)
Cash Balance Before Prior-Year Carryover	\$668	(\$1,163)	(\$1,153)	(\$2,051)	(\$2,480)	(\$2,846)
Adjustments	\$0	\$0	\$1,151	\$862	\$1,237	\$1,223
Prior-Year Carryover Balance	499	1,166	3	1	0	0
Net Cash Balance	\$1,166	\$3	\$1	(\$1,188)	(\$1,242)	(\$1,623)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
Consolidated Cash Statement of Operations By Agency
(\$ in millions)

	Actual 2021	Final Estimate 2022	Adopted Budget 2023	2024	2025	2026
Cash						
Total Receipts						
New York City Transit	\$6,063	\$5,130	\$4,898	\$5,088	\$5,167	\$5,288
Long Island Rail Road	1,274	1,022	927	978	1,009	1,039
Grand Central Madison	0	0	0	0	2	2
Metro-North Railroad	865	830	899	888	872	888
MTA Headquarters	226	373	355	348	343	350
Construction & Development	95	91	91	77	92	93
First Mutual Transportation Assurance Company	(8)	(50)	10	10	10	10
MTA Bus Company	411	246	428	453	254	214
Staten Island Railway	32	42	33	32	11	11
Total	\$8,958	\$7,684	\$7,642	\$7,874	\$7,760	\$7,896
Total Expenditures						
New York City Transit	\$9,380	\$10,242	\$10,707	\$10,840	\$11,364	\$11,562
Long Island Rail Road	1,993	2,131	2,438	2,491	2,567	2,612
Grand Central Madison	0	20	89	92	95	97
Metro-North Railroad	1,615	1,805	1,954	1,927	1,967	2,033
MTA Headquarters	876	1,302	1,192	1,171	1,183	1,229
Construction & Development	143	104	95	84	99	101
First Mutual Transportation Assurance Company	(8)	(50)	10	10	10	10
MTA Bus Company	768	965	927	942	961	981
Staten Island Railway	62	95	85	78	80	79
Other	(332)	207	243	243	251	253
Total	\$14,498	\$16,821	\$17,740	\$17,878	\$18,577	\$18,957
Net Operating Surplus/(Deficit)						
New York City Transit	(\$3,317)	(\$5,112)	(\$5,809)	(\$5,753)	(\$6,197)	(\$6,273)
Long Island Rail Road	(718)	(1,109)	(1,511)	(1,512)	(1,558)	(1,573)
Grand Central Madison	0	(20)	(89)	(92)	(93)	(96)
Metro-North Railroad	(751)	(975)	(1,055)	(1,040)	(1,095)	(1,145)
MTA Headquarters	(650)	(929)	(837)	(823)	(840)	(878)
Construction & Development	(49)	(13)	(4)	(7)	(7)	(7)
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	(357)	(719)	(499)	(489)	(707)	(767)
Staten Island Railway	(30)	(53)	(52)	(46)	(69)	(68)
Other	332	(207)	(243)	(243)	(251)	(253)
Total	(\$5,539)	(\$9,137)	(\$10,099)	(\$10,005)	(\$10,817)	(\$11,061)

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023-2026
MTA Consolidated February Financial Plan Compared with November Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
(\$ in millions)

	Favorable/(Unfavorable)				
	2022	2023	2024	2025	2026
NOVEMBER FINANCIAL PLAN 2023-2026					
NET CASH SURPLUS/(DEFICIT)	\$0	\$0	(\$1,190)	(\$1,239)	(\$1,622)
Technical Adjustments	\$4	(\$3)	\$1	\$1	\$1
Plan Adjustments	\$0	(\$54)	(\$147)	(\$236)	(\$317)
Provision for Increased Pension Costs	-	(83)	(176)	(263)	(344)
All Other	-	30	29	27	27
B&T Adjustments	\$0	\$9	\$16	\$22	\$27
B&T Net Baseline Impacts ¹	0	9	16	22	27
Debt Service (Cash)	\$0	\$126	\$18	\$18	\$18
Subsidies (Cash)	\$775	\$1,777	\$886	\$1,002	\$621
Other Funding Agreements (City, CDOT)	(1)	0	(0)	(5)	(3)
B&T Surplus Transfer	-	(9)	(16)	(21)	(27)
Local Subsidy Available Due to Federal COVID Funding	776	1,785	902	1,028	650
Below-the-Line (BTL) Adjustments	(\$776)	(\$1,857)	(\$773)	(\$810)	(\$352)
MTA Operating Efficiencies Phase 1 (incorporated in Plan Adjustments)	-	(44)	(48)	(46)	(46)
Provision for Increased Pension Costs (incorporated in Plan Adjustments)	-	83	176	263	344
Debt Service from Long-Term Deficit Bonding (incorporated in Debt Service)	-	-	178	190	190
MTA Actions to Close Deficit:					
Savings from Deficit Note Repayment* (incorporated in Debt Service)	-	(111)	(178)	(190)	(190)
Federal COVID Funds for Operating/Debt Costs (incorporated in Subsidies)	(776)	(1,785)	(902)	(1,028)	(650)
Prior Year Carryover	\$0	\$3	\$1	\$0	\$0
FEBRUARY FINANCIAL PLAN 2023-2026					
NET CASH SURPLUS/(DEFICIT)	\$3	\$1	(\$1,188)	(\$1,242)	(\$1,623)

¹ While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in the Technical and Plan Adjustments shown above. To avoid duplication, B&T's baseline impacts are eliminated within this line and reflected in the subsidies section below.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2023 - 2026
Farebox Recovery and Operating Ratios

FAREBOX RECOVERY RATIOS

	Final Estimate 2022	Adopted Budget 2023	Plan 2024	Plan 2025	Plan 2026
New York City Transit	21.9%	23.7%	24.0%	23.9%	24.0%
Staten Island Railway	4.3%	4.6%	5.1%	5.1%	5.2%
Long Island Rail Road (3,4)	14.8%	15.4%	16.4%	16.6%	17.2%
Metro-North Railroad (3)	20.7%	23.3%	22.7%	22.1%	22.1%
MTA Bus Company	14.2%	15.9%	15.0%	15.0%	14.1%
MTA-Wide Farebox Recovery Ratio	20.2%	21.7%	22.0%	21.9%	22.1%

FAREBOX OPERATING RATIOS

	Final Estimate 2022	Adopted Budget 2023	Plan 2024	Plan 2025	Plan 2026
New York City Transit	32.5%	34.7%	35.1%	34.5%	34.3%
Staten Island Railway	6.4%	7.6%	8.7%	8.5%	8.7%
Long Island Rail Road (3,4)	26.4%	24.9%	26.1%	26.4%	26.9%
Metro-North Railroad (3)	30.9%	33.5%	32.8%	32.1%	31.7%
MTA Bus Company	17.8%	20.4%	18.9%	19.1%	17.8%
MTA-Wide Farebox Operating Ratio	30.4%	32.0%	32.2%	31.9%	31.7%

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

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

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

(4) Long Island Rail Road farebox operating and recovery ratios include expenses associated with the Grand Central Madison Concourse Operating Company (GCMCOC), which is responsible for the LIRR-operated portion of Grand Central Terminal