

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2019 First Quarterly Update)
August 2, 2019

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Update (including Attachment A hereto, the “First Quarterly Update”) is dated August 2, 2019, is the first quarterly update to the Annual Disclosure Statement (the “ADS”) of MTA, dated April 30, 2019, as supplemented June 26, 2019, and contains information only through its date. MTA expects to file this First Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete July Plan hereinafter referred to, is also posted on the MTA website (utilize “Go to old site”) under “MTA Info – Financial Information – Budget and Financial Statements” at www.mta.info. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this First 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 First Quarterly Update contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “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 and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. 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. These forward-looking statements speak only as of the date of this First Quarterly Update.

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Introduction

This update, dated August 2, 2019 (the “First Quarterly Update”), is the first quarterly update to the Annual Disclosure Statement (the “ADS”) of the Metropolitan Transportation Authority (“MTA”), dated April 30, 2019, as supplemented June 26, 2019. This First Quarterly Update contains information only through August 2, 2019, 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 First Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA’s 2019-2022 Financial Plan released by MTA in February 2019 (the “February Plan”), made since the date of the ADS, to reflect provisions of the 2019 MTA July Financial Plan presented to the MTA Board on July 24, 2019 (the “July Plan”). The complete July Plan is posted on MTA’s website (utilize “Go to old site”) under “MTA Info – Financial Information – Budget and Financial Statements” at www.mta.info. No statement on MTA’s website or any other website is included by specific cross-reference herein. The updated information reflected in the July Plan includes revised February Plan projections for fiscal years 2019 through 2022, with additional projections for 2023.
2. **Attachment A** to this First Quarterly Update, which presents the July Plan in tabular form and includes Financial Plan tables that summarize MTA’s July Plan for fiscal year 2018 (actual) and projected receipts and expenditures for fiscal years 2019 through 2023, in each case prepared by MTA management.
3. **Attachment B** to this First Quarterly Update sets forth a revised TRB Table 2b, the MTA Consolidated Statement of Operations by Category, to reflect changes in “Actual 2018” numbers derived from the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017. Numbers in TRB Table 2b were adjusted to reflect the final audit, but the net cash balance did not change.

The July Plan includes the 2019 Mid-Year Forecast, the 2020 Preliminary Budget and a Financial Plan for the years 2020-2023. Since 2010, MTA’s financial plans have included MTA management initiatives to achieve recurring cost reductions, to moderate the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and to provide funding for the capital program and enhanced maintenance.

As discussed below in further detail, the July Plan includes projected biennial fare and toll increases that generate a 4% net increase in farebox and toll revenue, maintains investments from prior plans, including maintenance of the Subway Action Plan funded from the For-Hire Vehicle Surcharge and places a renewed emphasis on gaining control of, and reducing, fare evasion. The July Plan also includes major deficit reduction actions intended to address annual deficits and place

MTA on a financially sustainable foundation consisting of annual recurring savings targets of \$350 million, beginning in 2020, which do not compromise employee or customer safety and security, and additional savings targets from consolidation and efficiency efforts through the implementation of the MTA Transformation Plan discussed below. Until the transformation efforts generate the projected cost savings, the July Plan employs several non-recurring actions to balance the budget.

Transforming MTA

MTA's finances are structurally imbalanced, with expenses surpassing revenues. Annual budgets for 2017 through this year have been balanced with a variety of non-recurring or "one-shot" actions. While MTA has, since 2010, identified and acted on an array of annually recurring cost reduction actions and containments resulting in projected annualized savings of an estimated \$2.5 billion through 2019, it has become increasingly difficult to identify additional savings initiatives. In the July Plan, the Related Entities have identified an additional \$350 million in annually recurring savings beginning in 2020, with some of the actions commencing in 2019. However, the use of one-shots and the additional recurring savings are insufficient to eliminate budgetary shortfalls. To address this situation, the 2019-2020 New York State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization and providing safe and reliable service, MTA remains committed to meeting the needs of its customers in a more cost efficient and trustworthy manner. To that end, MTA procured the services of a management consulting firm, AlixPartners, to aid in this transformation. The firm recently presented its report to MTA ("MTA Transformation Plan") and initial anticipated fiscal impacts of the report's recommendations are included in the July Financial Plan. The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

The February Plan

The February Plan projected a break-even cash balance in 2019, with deficits of \$467 million in 2020, \$814 million in 2021 and \$976 million in 2022. The February Plan was based on three key inter-related elements: (i) fare and toll price increases that net 4% yield in annual revenue in both 2019 and 2021; (ii) recurring cost reduction and containment targets that would result in savings of almost \$2.5 billion per year by 2022; and (iii) maintenance of prior Financial Plan investments and providing an additional \$216 million for further maintenance and operating needs over the February Plan period.

The February Plan included several non-recurring actions to balance MTA's 2019 Adopted Budget. The \$160 million general reserve for 2018 was released at the end of 2018, and \$40 million in excess fuel hedge collateral was also used to help balance the 2019 Adopted Budget. The February Plan also reflected several items not included in the 2019 Adopted Budget that were approved by the MTA Board in December 2018, including lower premiums for the New York State Health Insurance Program and lower projected renewal costs for several insurance liability policies. These two items are expected to result in favorable adjustments of \$65 million in 2019 and \$18 million annually thereafter for the Financial Plan period.

The February Plan also reflected a one-month delay in the implementation of fare and toll increases estimated to yield 4% to provide sufficient time for the MTA Board to review the

proposals and consider alternatives. The delay moved the implementation of the increases from March to April, reducing the expected yield from the fare and toll increases by \$27 million in 2019.

Lastly, revenues from the For-Hire Vehicle Surcharge on trips that begin, end or pass through a Manhattan congestion zone south of 96th Street were delayed due to a temporary restraining order that was issued while the merits of a lawsuit opposed to the For-Hire Vehicle Surcharge were litigated in court. After a one-month delay, the temporary restraining order was lifted and For-Hire Vehicle trips in the congestion zone were assessed the surcharge. However, the delay in implementing the surcharge results in reduced revenue in 2019 of \$23 million for the NYC Transportation Assistance Fund.

Changes to the February Plan

In April, 2019 the 2019-2020 New York State Enacted Budget included new dedicated revenue streams for MTA. The new resources include a Central Business District Tolling Program (“CBD Tolling Program”), that has an implementation date of December 31, 2020. The CBD Tolling Program will assess a toll for vehicles entering the Central Business District, defined as south of 60th Street in Manhattan, but will exclude vehicles traveling on the FDR Drive or Route 9A and not exiting onto roads within the Central Business District.

The 2019-2020 New York State Enacted Budget also included provisions for a new Real Property Transfer Tax Surcharge (“2019 Real Estate Transfer Tax”) on high-priced residential property sales in New York City (“City”) and an Internet Marketplace Sales Tax. The 2019 Real Estate Transfer Tax went into effect on July 1, 2019 and increases the transfer tax on a sliding scale by a quarter percent starting at \$2 million, with a combined top rate of 4.15% on the sale of New York City residential properties valued at \$25 million or above. The Internet Marketplace Sales Tax (“Internet Sales Tax”) went into effect on June 1, 2019 and requires internet marketplace providers to collect and remit sales tax from out-of-state retailers on their websites that have gross receipts exceeding \$300,000 and have more than one hundred sales into New York State (“State”) in the previous four quarters. The sales taxes will be collected at the normal rate of 4% plus local sales tax.

The proceeds from the CBD Tolling Program, the Internet Sales Tax and the 2019 Real Estate Transfer Tax will be deposited into MTA Bridges and Tunnels’ CBD Tolling Program lockbox fund and may only be used to support financing of the 2020-2024 Capital Program (and successor programs).

Other changes since the February Plan include:

Changes and re-estimates *improving* financial results over the February Financial Plan period (2019-2022):

- Higher MMTOA subsidies (\$184 million)
- Higher yield from the additional 2.3% increase in tolls (\$173 million)
- Lower maintenance/other operating contracts (\$173 million)
- Higher MTA Aid car rental tax (\$35 million)

Changes and re-estimates *worsening* financial results over the February Financial Plan period (2019-2022)

- Actuary recalculation of pension liability (\$550 million)
- Agency re-estimates and rate change adjustments (\$189 million)
- Higher overtime expenses (\$131 million)
- Lower rental/advertising revenues (\$83 million)
- Lower real estate tax revenues (\$59 million)

In total, changes and re-estimates, including the above, are \$447 million unfavorable for the February Financial Plan period. A reconciliation of Plan-to-Plan changes can be found in **Attachment A** to this First Quarterly Update.

Highlights of the July Plan

The July Plan incorporates additional actions necessary to achieve budget balance in the near-term and significantly reduce out-year deficits.

Hold projected fare/toll increases to 4% in 2021 and 2023. The July Plan continues to project net 4% biennial fare/toll increases (the equivalent of 2% per year) which is lower than the projected two-year inflation rates of 4.9% and 4.7% in 2021 and 2023, respectively. Consistent with recent Financial Plans, a March 1st implementation is assumed for both the 2021 and 2023 increases. The annualized yield of these increases is projected to be \$331 million and \$345 million, respectively.

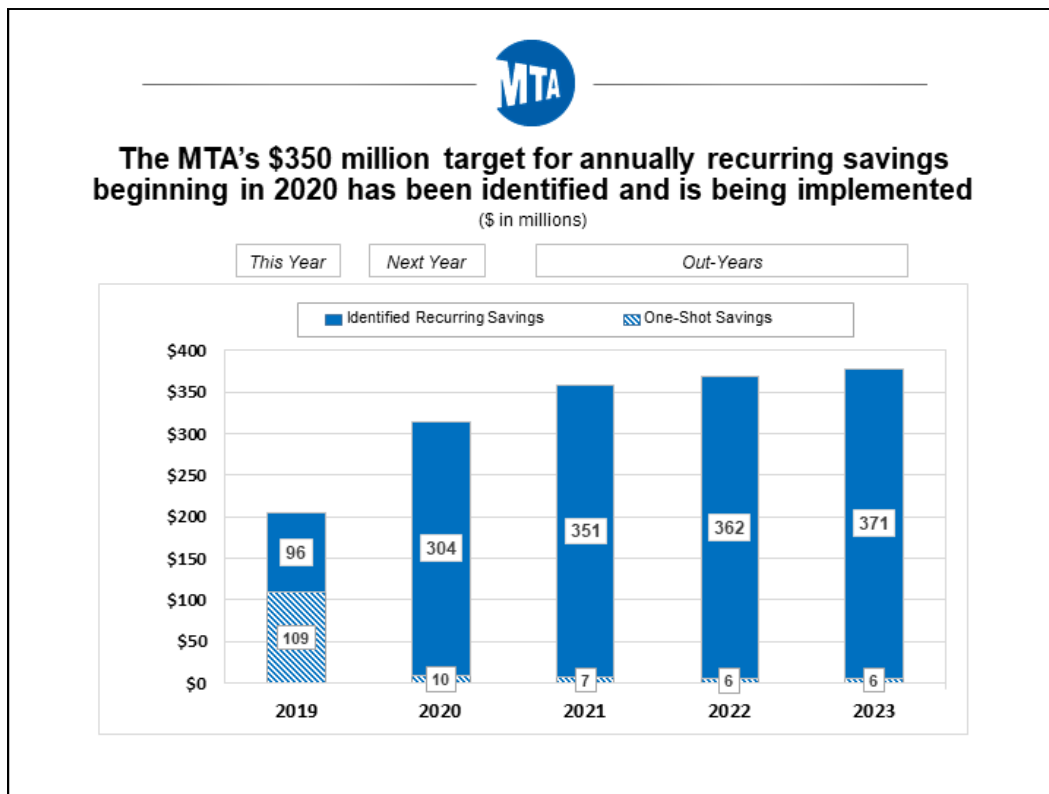
Maintains prior plan investments. The July Plan maintains the following on-going investment initiatives: the MTA Long Island Rail Road “Forward” plan; the “Bus Plans” at MTA New York City Transit and MTA Bus and, the MTA Metro-North Railroad “Way Ahead” plan. The July Plan also sustains and expands upon the improvements of the Subway Action Plan, which was initially financed with funds jointly provided by the State and the City, and going forward is being funded from the initial phase of congestion pricing, using revenues from the For-Hire Vehicle Surcharge.

Reduce Fare Evasion. Recent surveys estimate revenue loss from subway and bus fare evasion of about \$260 million annually. A renewed emphasis by MTA to reduce fare evasion is underway. To deter fare evasion and to address assaults on transit workers, Governor Cuomo announced a series of actions to deter, rather than fine, fare evaders (without targeting any specific demographic groups): 500 uniformed officers comprised of New York Police Department officers, MTA Police Department officers and MTA Bridges and Tunnels officers will patrol 50 subway stations and 50 bus routes where fare evasion and assaults occur at elevated levels; subway station exit gates are being redesigned to mitigate instances of fare avoidance; and surveillance capabilities will be augmented by deploying fare array cameras at stations and piloting the use of video monitors. These actions are estimated to cost \$62 million over the July Plan period, and are being partially covered by a \$40 million grant from the Manhattan District Attorney’s forfeiture fund.

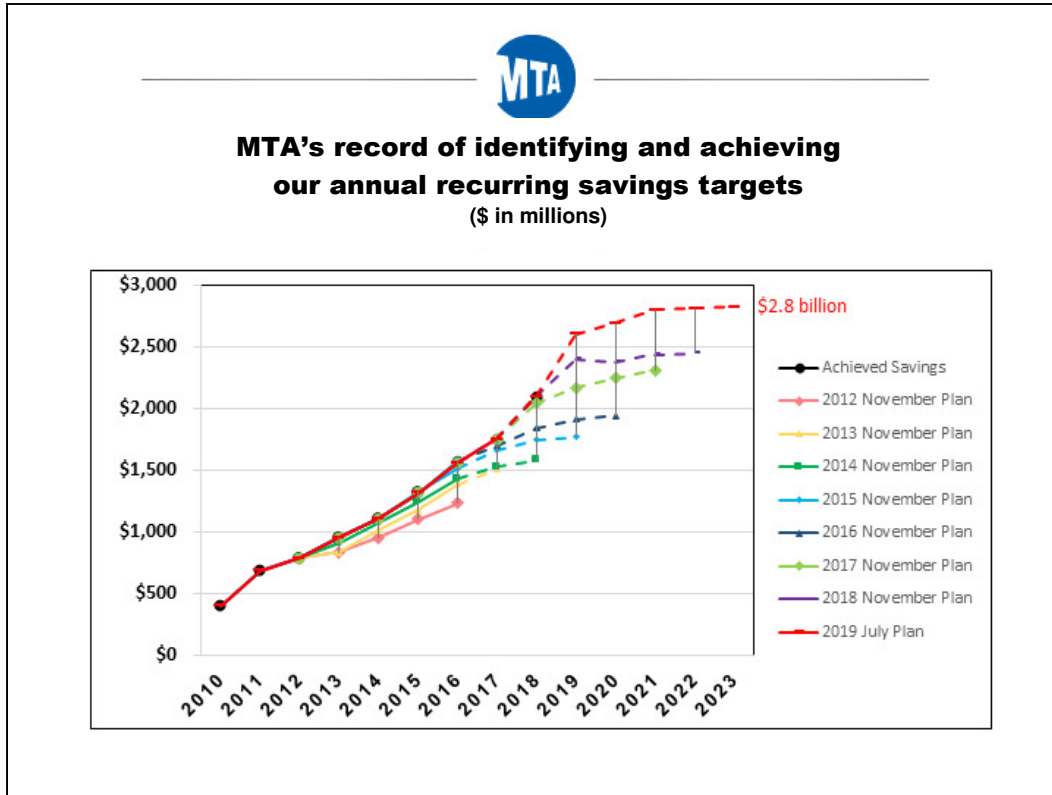
Non-recurring Actions. In 2017 and 2018, it was necessary to use “one-shots” to balance the budget, and one-shots are again necessary to aid in balancing the budget in both 2019 and 2020. At the end of 2018, a favorable year-end balance of \$372 million – mostly timing related – was

carried over into 2019. For 2019, an MTA-wide freeze on the filling of non-operational/non-essential vacancies is expected to favorably reduce expenses by \$68 million, and other restrictions on non-essential spending – including non-revenue vehicle purchases, travel, and professional memberships – are forecasted to reduce expenses by \$44 million. Also, the \$64 million that had been earmarked in a “Committed to Capital” category will instead be used to cover 2019 operating expenses. Lastly, the \$165 million 2019 General Reserve, a contingency fund set at approximately one percent of the operating expense budget, is not expected to be needed, in which case these funds will be reserved to cover 2020 expenses.

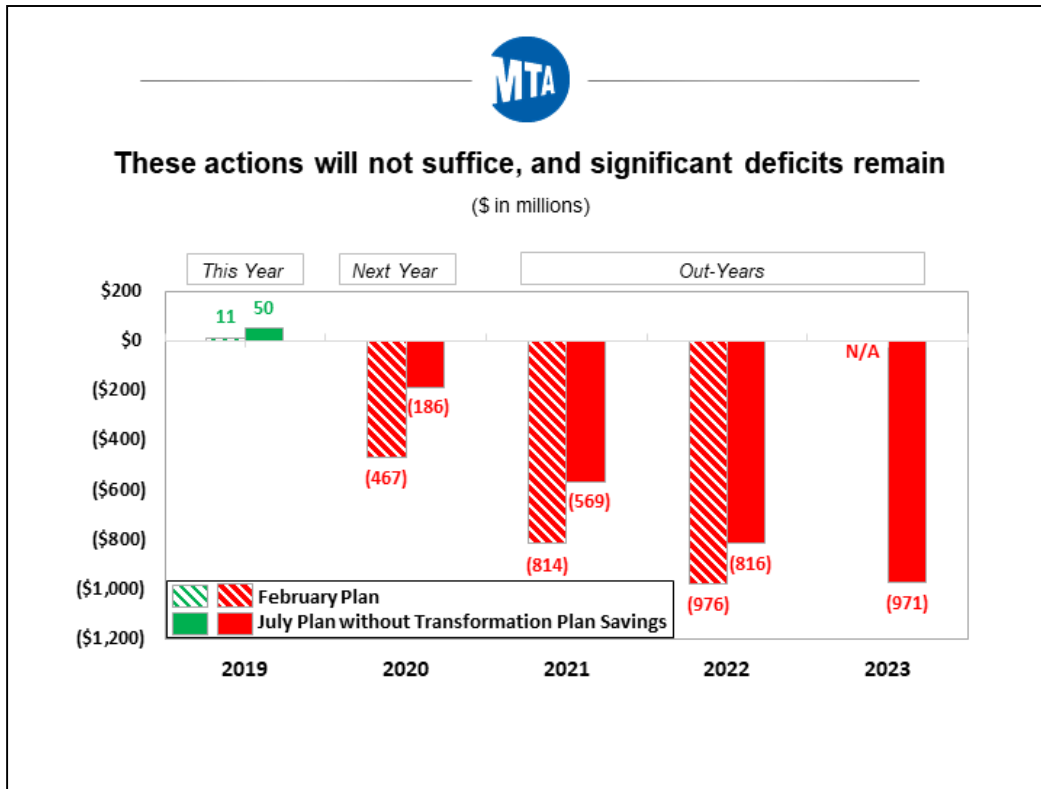
Achieve annually recurring savings targets. The February Plan included unidentified savings of \$123 million in 2019, \$58 million in 2020, \$82 million in 2021 and \$86 million in 2022. In late February, the Related Entities were directed to increase the savings targets to \$350 million in annual operating expense savings. These recurring savings targets, which are expected to begin in 2020, have been identified, with several taking effect and having beneficial impact in 2019. Additionally, the Related Entities were given targets of \$150 million in annual capital expense savings, also to commence in 2020.



The chart below identifies MTA management’s reduction/cost containment targets by Financial Plan. As indicated, MTA has consistently achieved its targets. Through 2019, the MTA has implemented initiatives with estimated annualized savings of \$2.5 billion. These programs are projected to result in annual savings of \$2.8 billion by 2023.



Even with implemented and projected biennial 4% fare and toll increases, non-recurring actions, and the \$350 million in additional savings targets, the July Plan remains out of balance, with the 2023 deficit approaching \$1 billion.

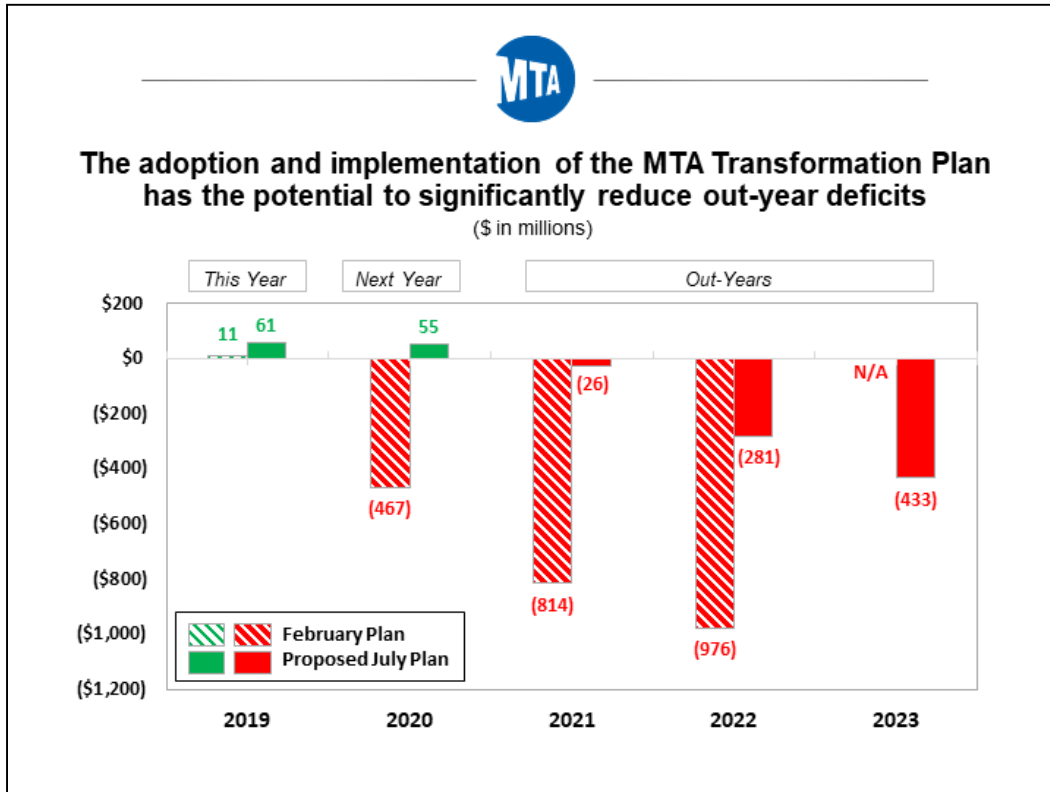


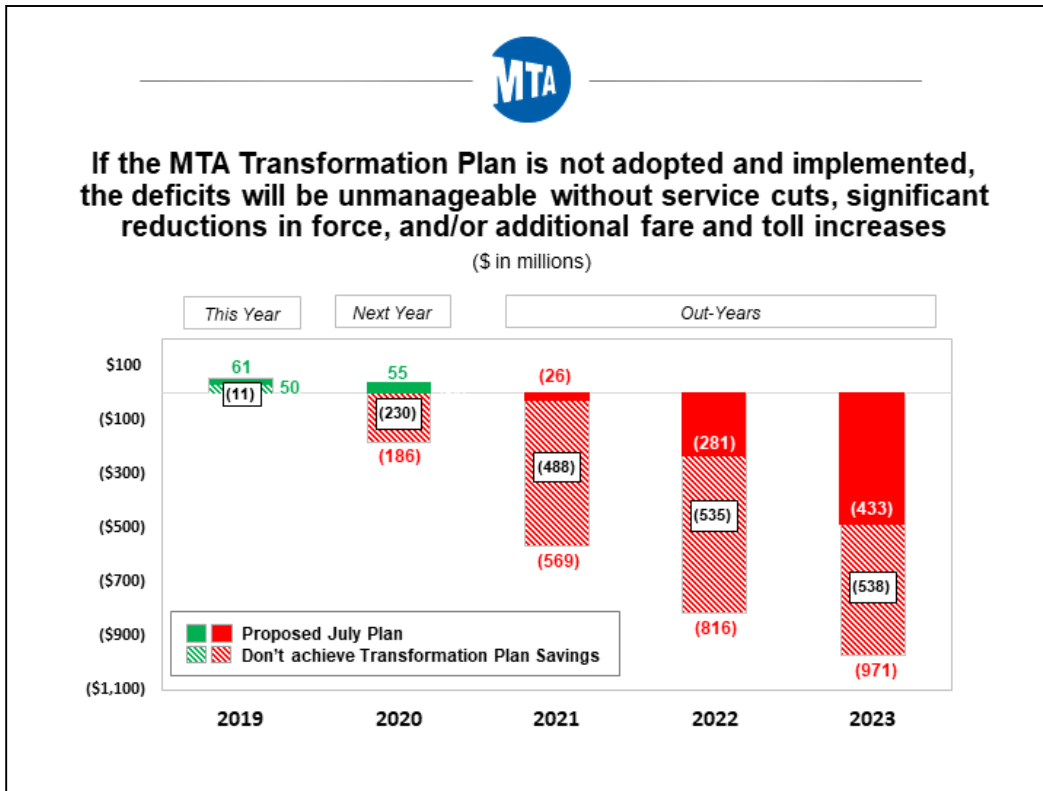
Approve and Implement the MTA Transformation Plan. As noted earlier, AlixPartners has been retained by MTA to review operations throughout the organization and to recommend changes to simplify and streamline internal processes, clarify roles and responsibilities across the Related Entities, and solidify accountability so MTA management can work more efficiently to regain the trust of its customers and funding partners and deliver safe and reliable service to its patrons. In mid-July, MTA made public the MTA Transformation Plan, which includes several recommendations:

- Refocus the operating agencies on operating priorities of safety, reliability and service;
- Centralize common support functions to improve operations and create opportunities to ensure consistent standards, quality and policies across departments;
- Unify the management of capital programs to improve and streamline planning, development and construction so capital improvements can be delivered on time and on budget; and
- Expand senior leadership by adding a Chief Transformation Officer, a Chief Operating Officer, a Chief Engineering Officer, and an MTA Accessibility Officer.

AlixPartners has estimated savings from the consolidation and efficiency opportunities it has identified ranging between \$370 million and \$530 million on an annual basis once the MTA Transformation Plan has been fully implemented, with headcount reductions of between 1,900 and 2,700. As noted above, while senior management and the MTA Board are continuing to review the firm’s findings and recommendations, the MTA Board on July 24, 2019 approved it as a blueprint going forward. Along with the steps necessary for successful implementation of the MTA Transformation Plan, the savings estimate will be revised, if necessary, in the November Plan.

Combined with the Related Entities' baseline projections, the above noted changes are projected to result in a net improvement to MTA's financial forecast over the Financial Plan period, although out-year deficits remain. As detailed in the following chart, if the MTA Transformation Plan is approved and fully implemented, a significant improvement in the otherwise projected results in the July Plan should result.





Challenges and Risks Going Forward

There are a variety of challenges and risks affecting MTA and the implementation of its July Plan:

Secure New Sustainable Funding for Operations and Capital. While the July Plan is benefiting from years of MTA management non-recurring and annually recurring cost reductions, significant near term cashflow challenges exist and out-year operating budget deficits are still projected. In order to sustain operations and protect investments made to date and/or planned, MTA will need new sources of recurring funding. If new funding is not secured, MTA's options for achieving favorable cashflow and balanced budgets are service reductions, reductions in force, and/or additional fare and toll increases. If actions were limited to fare and toll increases, an additional 15% increase, on top of the 4% increases implemented in 2019 and proposed for 2021, would be required to eliminate the projected deficits.

Implementation and Timing of State Funding, Governance, Management Changes and MTA Transformation Plan Initiatives. Each of the State legislative initiatives described in the ADS and above, including the For-Hire Vehicle Surcharges, the CBD Tolling Program, expansion of design-build contracting powers, and imposition of the Mass Transit Expert Panel and related MTA governance proposals are complex. Implementation of the new congestion tolling program in Manhattan is expected to take two years or more. The MTA Transformation Plan report will need to be reviewed and recommendations implemented. *Projections of potential financial or operational and management benefits from each of the foregoing are uncertain and difficult to quantify as of the date of this First Quarterly Update. There can be no assurance that the projected*

management and MTA Transformation Plan budgetary gains or operational efficiencies reflected in the July Plan will be achieved in whole or in part during the Financial Plan period (through 2023).

Achievement of Increased Cost Reduction Targets. Recurring savings targets have been identified and together with the substantial potential savings identified in the MTA Transformation Plan still need to be realized. MTA recognizes the difficulty of achieving these savings, but MTA management is committed to meeting these goals. Failure to achieve these savings targets would result in larger deficits than forecast in the July Plan.

Implementation of Biennial Fare and Toll Increases That Net 4%. While MTA management works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs (“Farebox Operating Ratio”) and a little more than a third of total costs, including capital-related costs (“Farebox Recovery Ratio”). Moreover, many costs are dependent on pricing factors beyond MTA’s direct control (e.g., energy, health and welfare and pensions). If projected fare and toll increases are not implemented, MTA’s financial situation will quickly deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

Increase Investments to Address Reliability and Service. MTA’s challenge is to continue maintaining, improving and modernizing the operations of its aging infrastructure, including the 115-year old subway system. MTA is committed to finding more efficient ways to improve infrastructure, move customers and enhance their experience.

Continue to Implement Board Working Group Initiatives. In December 2017, the MTA Chairman formed four working groups, including Board members and senior staff, to take a new and intense look at four key areas: construction cost containment; procurement reform; paratransit/access-a-ride; and station accessibility. Working groups have periodically reported back to the full MTA Board with findings and initiatives. MTA is committed to the implementation of the recommendations made by the working groups, with numerous recommendations already being put into practice.

Developing Economic Environment. The finances of MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the July Plan are not realized, the July Plan projected results could be adversely affected.

Potential Impact of Changes in Federal Law. MTA’s finances are also influenced by federal public transportation provisions, funding levels and federal tax law. The Presidential administration and Congress are considering budgetary and programmatic changes in law relating to federal public transportation and infrastructure finance. Enacted federal tax reform includes changes in personal and corporate tax rates and deductions, which adversely impact MTA’s opportunities for federal tax-exempt financing, particularly the prohibition of advance refundings for debt service savings which became effective in 2018. The limitation of itemized deductions for state and local income and property taxes to \$10,000 may also adversely impact the New York region’s real estate market and levels of MTA real estate related tax subsidies. Although MTA management is monitoring federal legislative activity, at this time it is not possible to assess the financial or programmatic impacts upon MTA’s finances of current federal proposals and enacted tax law changes.

Potentially Higher Interest Rates Than Forecast. While the February Plan includes interest rate assumptions in line with the Federal Open Markets Committee’s (“FOMC”) recent actions and policy statements on future actions, a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC’s inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing which are higher than projected in the July Plan.

Additional Matters

Governance. In June, 2019, the following MTA Board members were nominated and confirmed by the State Senate: Linda A. Lacewell, Robert W. Linn, and Robert F. Mujica, Jr. Mr. Mujica, who is the Director of the New York State Division of the Budget, serves *ex officio* pursuant to a change in State law. The following individuals are no longer on the MTA Board: Fernando Ferrer, Michael Lynton and Polly Trottenberg.

Central Business District Tolling Program. On June 11, 2019, the New York City Department of Transportation (“NYCDOT”) and MTA Bridges and Tunnels entered into a Memorandum of Understanding (“MOU”), providing for coordination among the parties with regard to the CBD Tolling Program infrastructure and toll system equipment. Consistent with the provisions in the 2019-2020 New York State Enacted Budget, the MOU provides for MTA Bridges and Tunnels, in consultation with NYCDOT, to plan, design, implement and maintain the CBD Tolling Program infrastructure and toll system equipment. The MOU provides for payment of MTA Bridges and Tunnels costs and reimbursement of NYCDOT costs related to the program from net revenues derived solely from the CBD Tolling Program.

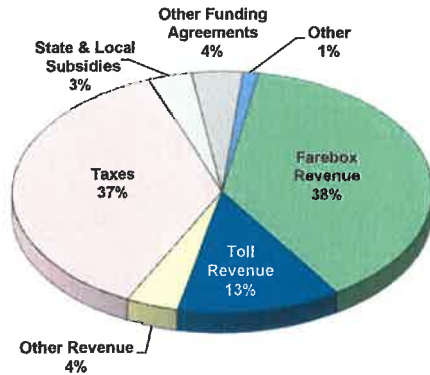
Attachment A to MTA Annual Disclosure Statement
First Quarterly Update
August 2, 2019

MTA July Plan

This **Attachment A** to the 2019 First Quarterly Update sets forth the July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan for fiscal year 2018 (actual) and projected receipts and disbursements for fiscal years 2019 through 2023, in each case prepared by MTA management. The complete July Plan is posted on MTA's website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein.

MTA 2020 Preliminary Budget
Baseline Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable

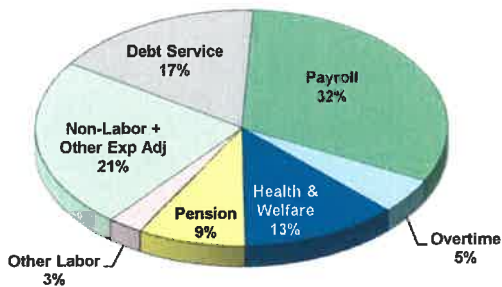
Where the Dollars Come From ...



By Revenue Source (\$ in millions)	
Farebox Revenue	\$6,389
Toll Revenue	2,121
Other Revenue	684
Taxes	6,178
State and Local	557
Other Funding Agreements	671
Other ¹	208
Total ²	\$16,809

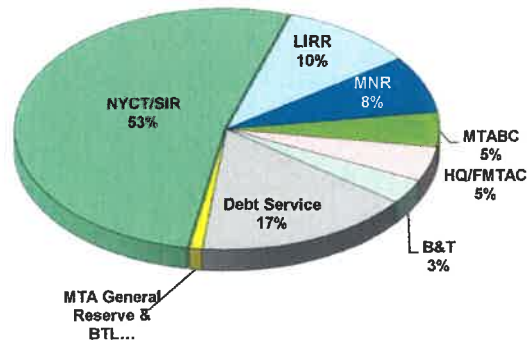
Where the Dollars Go ...

By Expense Category



By Expense Category ³ includes below-the-line adjustments (\$ in millions)	
Payroll	\$5,422
Overtime	838
Health & Welfare	2,118
Pension	1,461
Other Labor	466
Total Labor	\$10,306
Non-Labor + Other Exp Adj	4,004
Debt Service	2,830
BTL Adjustments for Expenses ⁴	(386)
Total ²	\$16,754

By MTA Agency



By MTA Agency ³ includes below-the-line adjustments (\$ in millions)	
NYCT/SIR	\$8,926
LIRR	1,737
MNR	1,318
MTABC	786
HQ/FMTAC	808
B&T	564
Debt Service	2,830
MTA General Reserve	170
BTL Adjustments for Expenses ⁴	(386)
Total ²	\$16,754

¹ Includes cash adjustments and prior-year carryover.

² Totals may not add due to rounding.

³ Expenses exclude Depreciation, OPEB Liability Adjustment, GASB 68 Pension Adjustment and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.

⁴ These below-the-line adjustments impact expense dollars and are grouped in the Non-Labor category. The dollars have not been allocated to specific Agencies as yet.

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

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Non-Reimbursable	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
Operating Revenue						
Farebox Revenue	\$6,155	\$6,305	\$6,389	\$6,373	\$6,384	\$6,393
Toll Revenue	1,976	2,088	2,121	2,129	2,129	2,131
Other Revenue	643	696	684	704	719	737
Capital and Other Reimbursements	0	0	0	0	0	0
Total Operating Revenue	\$8,774	\$9,089	\$9,195	\$9,206	\$9,232	\$9,260
Operating Expense						
Labor Expenses:						
Payroll	\$5,211	\$5,328	\$5,422	\$5,498	\$5,624	\$5,710
Overtime	1,066	910	838	859	877	899
Health & Welfare	1,230	1,341	1,414	1,489	1,583	1,674
OPEB Current Payment	604	645	704	766	835	910
Pensions	1,336	1,494	1,461	1,462	1,403	1,347
Other-Fringe Benefits	881	869	897	930	956	976
Reimbursable Overhead	(528)	(471)	(430)	(412)	(397)	(395)
Total Labor Expenses	\$9,799	\$10,116	\$10,306	\$10,592	\$10,881	\$11,121
Non-Labor Expenses:						
Electric Power	\$482	\$452	\$473	\$493	\$532	\$562
Fuel	185	183	183	176	174	177
Insurance	(29)	6	16	23	27	28
Claims	438	388	394	393	398	406
Paratransit Service Contracts	455	495	488	506	535	569
Maintenance and Other Operating Contracts	678	840	797	834	837	854
Professional Service Contracts	544	608	503	495	504	514
Materials & Supplies	637	689	680	698	711	716
Other Business Expenses	221	218	214	224	226	228
Total Non-Labor Expenses	\$3,611	\$3,877	\$3,748	\$3,841	\$3,945	\$4,054
Other Expense Adjustments:						
Other	\$129	\$175	\$86	\$36	\$22	\$23
General Reserve	0	165	170	175	180	185
Total Other Expense Adjustments	\$129	\$340	\$256	\$211	\$202	\$208
Total Operating Expense before Non-Cash Liability Adj.	\$13,539	\$14,333	\$14,310	\$14,644	\$15,028	\$15,384
Depreciation	\$2,805	\$2,785	\$2,843	\$2,909	\$2,977	\$3,052
GASB 75 OPEB Expense Adjustment	1,048	1,457	1,628	1,749	1,823	1,898
GASB 68 Pension Expense Adjustment	(373)	(221)	(272)	(343)	(318)	(242)
Environmental Remediation	106	6	6	6	6	6
Total Operating Expense after Non-Cash Liability Adj.	\$17,124	\$18,360	\$18,515	\$18,964	\$19,516	\$20,097
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,585)	(\$4,027)	(\$4,205)	(\$4,320)	(\$4,488)	(\$4,714)
Debt Service (excludes Service Contract Bonds)	2,541	2,683	2,830	3,041	3,265	3,513
Total Operating Expense with Debt Service	\$16,079	\$17,016	\$17,140	\$17,685	\$18,293	\$18,896
Dedicated Taxes and State/Local Subsidies	\$7,177	\$7,314	\$7,406	\$7,581	\$7,803	\$7,969
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$128)	(\$613)	(\$539)	(\$898)	(\$1,258)	(\$1,667)
Conversion to Cash Basis: GASB Account	0	0	0	0	0	0
Conversion to Cash Basis: All Other	379	229	147	60	125	101
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$251	(\$384)	(\$392)	(\$838)	(\$1,133)	(\$1,566)
ADJUSTMENTS	0	73	386	757	852	1,133
PRIOR-YEAR CARRYOVER	121	372	61	55	0	0
NET CASH BALANCE	\$372	\$61	\$55	(\$26)	(\$281)	(\$433)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
Plan Adjustments
(\$ in millions)

	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
Cash Balance Before Prior-Year Carry-over	\$251	(\$384)	(\$392)	(\$838)	(\$1,133)	(\$1,566)
Fare/Toll Increases:						
<i>Fare/Toll Increase in March 2021 (4% Yield)</i>		-	-	283	331	332
<i>Fare/Toll Increase in March 2023 (4% Yield)</i>		-	-	-	-	294
<i>Subsidy Impacts of 2021 and 2023 Fare/Toll Increases</i>		-	-	(7)	(9)	(17)
Subtotal		\$0	\$0	\$275	\$322	\$609
Policy Actions:						
<i>Reduction in Committed to Capital</i>		64	-	-	-	-
<i>MTA Transformation Plan</i>		11	230	488	535	538
<i>Fare Evasion Deterrence</i>		(13)	(12)	(11)	(10)	(10)
<i>Fare Evasion Deterrence - Manhattan DA Forfeiture Fund</i>		11	11	10	9	-
<i>Drawdown 2019 General Reserve</i>		-	165	-	-	-
Subtotal		\$73	\$394	\$487	\$534	\$528
Other:						
<i>Replacement of NYCT Capital Accounting System with PeopleSoft</i>		-	(5)	(1)	(0)	(0)
<i>State Mandated Employee Training</i>		-	(3)	(4)	(4)	(4)
Subtotal		\$0	(\$8)	(\$5)	(\$5)	(\$5)
TOTAL ADJUSTMENTS		\$73	\$386	\$757	\$852	\$1,133
<i>Prior-Year Carry-Over</i>	121	372	61	55	0	0
Net Cash Surplus/(Deficit)	\$372	\$61	\$55	(\$26)	(\$281)	(\$433)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Cash Receipts and Expenditures	Actual	Mid-Year	Preliminary			
	2018	Forecast	Budget	2021	2022	2023
Receipts						
Farebox Revenue	\$6,207	\$6,302	\$6,392	\$6,376	\$6,386	\$6,395
Other Operating Revenue	642	746	762	783	736	755
Capital and Other Reimbursements	2,554	2,382	2,148	2,007	1,946	1,951
Total Receipts	\$9,403	\$9,430	\$9,302	\$9,166	\$9,069	\$9,100
Expenditures						
Labor:						
Payroll	\$5,742	\$5,965	\$5,962	\$5,986	\$6,105	\$6,187
Overtime	1,351	1,101	1,000	1,010	1,032	1,058
Health and Welfare	1,317	1,383	1,456	1,530	1,623	1,715
OPEB Current Payment	601	633	695	756	825	900
Pensions	1,404	1,549	1,510	1,510	1,451	1,399
Other Fringe Benefits	922	941	936	958	987	1,012
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	(0)	0	0	(0)	(0)	(0)
Total Labor Expenditures	\$11,336	\$11,573	\$11,560	\$11,750	\$12,023	\$12,271
Non-Labor:						
Electric Power	\$488	\$450	\$470	\$490	\$529	\$559
Fuel	187	179	180	174	171	174
Insurance	(37)	14	17	20	24	26
Claims	316	277	259	258	265	270
Paratransit Service Contracts	450	493	486	504	533	567
Maintenance and Other Operating Contracts	658	889	779	748	730	746
Professional Service Contracts	613	689	550	528	534	542
Materials & Supplies	835	872	830	821	815	821
Other Business Expenditures	196	196	185	195	196	208
Total Non-Labor Expenditures	\$3,707	\$4,060	\$3,766	\$3,738	\$3,798	\$3,912
Other Expenditure Adjustments:						
Other	\$105	\$184	\$172	\$169	\$188	\$217
General Reserve	0	165	170	175	180	185
Total Other Expenditure Adjustments	\$105	\$349	\$342	\$344	\$368	\$402
Total Expenditures	\$15,148	\$15,982	\$15,657	\$15,832	\$16,189	\$16,585
Net Cash Deficit Before Subsidies and Debt Service	(\$5,745)	(\$6,552)	(\$6,365)	(\$6,666)	(\$7,120)	(\$7,484)
Dedicated Taxes and State/Local Subsidies	\$7,874	\$8,152	\$8,047	\$8,086	\$8,448	\$8,539
Debt Service (excludes Service Contract Bonds)	(1,878)	(1,983)	(2,084)	(2,258)	(2,461)	(2,620)
CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	\$251	(\$384)	(\$392)	(\$838)	(\$1,133)	(\$1,566)
ADJUSTMENTS	0	73	386	757	852	1,133
PRIOR-YEAR CARRY-OVER	121	372	61	55	0	0
NET CASH BALANCE	\$372	\$61	\$65	(\$26)	(\$281)	(\$433)

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
(\$ in millions)

	Favorable/(Unfavorable)			
	2019	2020	2021	2022
FEBRUARY FINANCIAL PLAN 2019-2022				
NET CASH SURPLUS/(DEFICIT)	\$11	(\$467)	(\$814)	(\$976)
Savings Programs	\$205	\$352	\$397	\$407
2019 BRP Savings (New)	101	313	360	369
Impact of Hiring Freeze (Administrative Positions) ¹	68	(4)	-	-
Additional Savings Actions ¹	44	11	5	6
Adjustments to Prior Period BRPs ²	(7)	32	33	33
Agency Baseline Adjustments	(\$216)	\$39	\$149	\$109
Farebox/Toll Revenue:				
Incorporation of 2019 Fare/Toll Policy	221	312	311	311
Additional 2.3% Increase in Tolls	36	46	46	46
Baseline Farebox/Toll Revenue Reforecast	33	17	11	12
Rates:				
Health & Welfare (including retirees)	89	156	179	198
Pension	(140)	(128)	(145)	(137)
Energy	7	(5)	(4)	15
2018 Timing	(207)	-	-	-
All Other Timing ³	(19)	(35)	55	(9)
Other Baseline Re-estimates ⁴	(236)	(324)	(306)	(329)
New Needs/Investments	(\$90)	(\$66)	(\$69)	(\$63)
Maintenance/Operations	(41)	(43)	(46)	(40)
Information Technology	(49)	(23)	(23)	(23)
Subsidies (Cash)	\$250	\$155	\$161	\$178
Metropolitan Mass Transportation Operating Assist (MMTOA)	46	48	44	46
Petroleum Business Tax (PBT) Receipts	3	(9)	(14)	(17)
Real Estate Taxes	23	(11)	(30)	(41)
Payroll Mobility Tax & MTA Aid	4	5	3	3
Real Property Transfer Tax Surcharge (Mansion Tax)	137	373	384	396
Internet Marketplace Tax	71	320	322	325
Less: Transfer to CBDTP Capital Lockbox	(208)	(693)	(706)	(722)
City Subsidy for MTA Bus	(0)	(21)	6	29
B&T Surplus Transfer	170	134	139	142
Other Subsidies	3	9	13	16
Debt Service	(\$5)	\$20	\$46	(\$29)
Below-the-Line Adjustments	(\$386)	(\$27)	\$48	\$92
Fare and toll Increases:				
2019 Fare/Toll Increase Incorporated in the Baseline	(236)	(308)	(307)	(307)
Adjustments to 2021 and 2023 Fare/Toll Increases	-	-	2	3
MTA Efficiencies:				
MTA Efficiencies - Identified in the 2019 July Plan	(123)	(95)	(122)	(126)
Policy Actions:				
Reduction in Committed to Capital	64	-	-	-
Drawdown 2019 General Reserve	-	165	-	-
MTA Transformation Plan	11	230	488	535
Fare Evasion Deterrence	(13)	(12)	(11)	(10)
Fare Evasion Deterrence - Manhattan DA Forfeiture Fund	11	11	10	9
Other:				
Replacement of NYCT Capital Accounting System with PeopleSoft	-	(5)	(1)	(0)
State Mandated Employee Training	-	(3)	(4)	(4)
MTA Re-estimates:				
Additional Savings Actions Incorporated in the Baseline	(101)	(11)	(6)	(6)
Prior Year Carryover	\$293	\$50	\$55	\$0
JULY FINANCIAL PLAN 2020-2023				
NET CASH SURPLUS/(DEFICIT)	\$61	\$55	(\$26)	(\$281)

* Totals may not add due to rounding

¹ In 2017, Agencies were issued restrictions on non-essential hiring (hiring freeze), limitations on promotions, and the usage of professional services. In 2018, additional limitations were placed on other areas of non-essential spending including non-revenue vehicle purchases, travel, subscriptions, memberships and dues, external training, food, non-MTA IT approved computers/ accessories, and electronics and appliances. In addition, MTA executives asked agencies to take a closer look at their 2019 budget and identify projects that were not absolutely necessary or could be deferred to the outer years.

² The bulk of these savings consists of incorporating the 2019 February Financial Plan below-the-line NYC Transit Service Guideline adjustments into the baseline.

³ Includes mainly the timing of payroll adjustments, wage settlements, maintenance program requirements and reimbursable receipts.

⁴ Changes capture updated reimbursable assumptions, revised inflation forecasts, and adjustments for operating capital and cash. The B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023

Consolidated Subsidies

Cash Basis

(\$ in millions)

	Actual	Mid-Year	Preliminary			
	2018	Forecast	Budget	2021	2022	2023
MMTOA, PBT & Real Estate Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$1,686.6	\$1,823.7	\$1,888.4	\$1,962.3	\$2,045.2	\$2,131.5
Petroleum Business Tax (PBT) Receipts	630.7	640.5	627.9	619.6	616.3	615.6
Mortgage Recording Tax (MRT)	440.5	431.4	435.2	454.0	459.8	465.3
MRT Transfer to Suburban Counties	(4.9)	(4.9)	(6.0)	(6.4)	(6.8)	(7.1)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(23.8)	(12.3)	(12.3)	(12.3)	(12.3)	(12.3)
Interest	5.3	5.3	5.3	5.3	5.3	5.3
Urban Tax	656.0	671.3	626.5	602.5	613.3	609.3
Investment Income	<u>1.7</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>	<u>2.2</u>
	\$3,382.1	\$3,547.2	\$3,557.2	\$3,617.3	\$3,713.0	\$3,800.0
PMT and MTA Aid						
Payroll Mobility Tax	\$1,482.9	\$1,594.2	\$1,662.8	\$1,731.7	\$1,803.8	\$1,876.9
Payroll Mobility Tax Replacement Funds	244.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	<u>272.6</u>	<u>313.2</u>	<u>318.2</u>	<u>319.2</u>	<u>320.2</u>	<u>321.3</u>
	\$1,999.7	\$2,151.7	\$2,225.2	\$2,295.2	\$2,368.3	\$2,442.5
New Funding Sources						
SAP Support and For-Hire Vehicle Surcharge:						
NYS Operating Support for SAP	\$254.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NYC Operating Support for SAP	254.0	0.0	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge:	0.0	342.0	385.0	385.0	385.0	385.0
Subway Action Plan Account	-	362.0	301.0	300.0	300.0	300.0
Outerborough Transportation Account	-	38.0	50.0	50.0	50.0	50.0
Less: Assumed Capital or Member Project	-	(38.0)	(50.0)	(50.0)	(50.0)	(50.0)
General Transportation Account	-	-	84.0	85.0	85.0	85.0
Less: Transfer to Committed to Capital	-	(20.0)	-	-	-	-
Capital Program Funding Sources:						
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion)	0.0	136.7	373.5	384.0	396.3	411.0
Internet Marketplace Tax	0.0	70.8	320.0	322.3	325.5	328.7
Less: Transfer to CBDTP Capital Lockbox	<u>0.0</u>	<u>(207.5)</u>	<u>(693.5)</u>	<u>(706.3)</u>	<u>(721.8)</u>	<u>(739.7)</u>
	\$508.0	\$342.0	\$385.0	\$385.0	\$385.0	\$385.0
State and Local Subsidies						
State Operating Assistance (18-b)	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9	\$187.9
Local Operating Assistance (18-b)	187.4	187.9	187.9	187.9	187.9	187.9
Station Maintenance	<u>169.2</u>	<u>173.0</u>	<u>177.8</u>	<u>182.5</u>	<u>187.3</u>	<u>192.3</u>
	\$544.6	\$548.8	\$553.6	\$558.4	\$563.2	\$568.1
Other Subsidy Adjustments						
NYCT Charge Back of MTA Bus Debt Service	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)	(\$11.5)
Fuel Hedge Collateral	0.0	40.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	15.8	(1.1)	(5.3)	0.0	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Program Contributions	(38.8)	(63.9)	(122.8)	(180.6)	(120.2)	(114.1)
Drawdown GASB 45 OPEB Reserves	<u>132.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	\$95.9	(\$39.0)	(\$142.0)	(\$194.5)	(\$134.1)	(\$128.1)
Subtotal: Taxes & State and Local Subsidies	\$6,530.2	\$6,550.7	\$6,579.1	\$6,661.3	\$6,895.4	\$7,067.5
Other Funding Agreements						
City Subsidy for MTA Bus Company	\$463.2	\$668.6	\$516.7	\$447.7	\$569.8	\$551.5
City Subsidy for Staten Island Railway	58.5	47.2	52.8	53.1	60.4	68.3
CDOT Subsidy for Metro-North Railroad	<u>129.8</u>	<u>122.6</u>	<u>122.8</u>	<u>124.8</u>	<u>132.3</u>	<u>136.3</u>
	\$651.6	\$838.5	\$692.4	\$625.6	\$762.5	\$756.1
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	<u>\$692.0</u>	<u>\$762.5</u>	<u>\$776.0</u>	<u>\$799.0</u>	<u>\$790.5</u>	<u>\$715.2</u>
	\$692.0	\$762.5	\$776.0	\$799.0	\$790.5	\$715.2
TOTAL SUBSIDIES	\$7,873.9	\$8,151.7	\$8,047.5	\$8,086.0	\$8,448.4	\$8,538.7

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and February Financial Plans
Consolidated Subsidies

Cash Basis
(\$ in millions)

	2019	2020	2021	2022
MMTOA, PBT & Real Estate Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	\$46.1	\$48.0	\$44.0	\$45.8
Petroleum Business Tax (PBT) Receipts	3.1	(9.4)	(14.3)	(16.7)
Mortgage Recording Tax (MRT)	(21.6)	(34.0)	(29.3)	(38.4)
MRT Transfer to Suburban Counties	0.6	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
MTA Bus Debt Service	11.6	11.6	11.6	11.6
Interest	0.0	0.0	0.0	0.0
Urban Tax	44.9	23.2	(0.8)	(2.5)
Investment Income	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
	\$85.8	\$40.3	\$12.3	\$0.8
PMT and MTA Aid				
Payroll Mobility Tax	(\$0.6)	(\$5.5)	(\$7.4)	(\$6.7)
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	<u>5.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
	\$4.4	\$4.5	\$2.6	\$3.3
New Funding Sources				
SAP Support and For-Hire Vehicle Surcharge:				
NYS Operating Support for SAP	\$0.0	\$0.0	\$0.0	\$0.0
NYC Operating Support for SAP	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge:	0.0	0.0	0.0	0.0
<i>Subway Action Plan Account</i>	<i>20.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Outarborough Transportation Account</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Less: Assumed Capital or Member Project</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>General Transportation Account</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Less: Transfer to Committed to Capital</i>	<i>(20.0)</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Capital Program Funding Sources:				
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion)	136.7	373.5	384.0	396.3
Internet Marketplace Tax	70.8	320.0	322.3	325.5
Less: Transfer to CBDTP Capital Lockbox	<u>(207.5)</u>	<u>(693.5)</u>	<u>(706.3)</u>	<u>(721.8)</u>
	\$0.0	\$0.0	\$0.0	\$0.0
State and Local Subsidies				
State Operating Assistance (18-b)	\$0.0	\$0.0	\$0.0	\$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
Station Maintenance	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
	\$0.6	\$0.6	\$0.6	\$0.6
Other Subsidy Adjustments				
NYCT Charge Back of MTA Bus Debt Service	\$0.0	\$0.0	\$0.0	\$0.0
Fuel Hedge Collateral	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	(10.5)	(5.0)	0.0	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	0.0	0.0	0.0	0.0
Drawdown GASB 45 OPEB Reserves	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	(\$10.5)	(\$5.0)	\$0.0	\$0.0
Subtotal: Taxes & State and Local Subsidies	\$80.3	\$40.5	\$15.5	\$4.7
Other Funding Agreements				
City Subsidy for MTA Bus Company	(\$0.2)	(\$20.8)	\$6.4	\$29.4
City Subsidy for Staten Island Railway	(3.8)	(1.1)	(0.4)	0.7
CDOT Subsidy for Metro-North Railroad	<u>4.0</u>	<u>2.3</u>	<u>0.5</u>	<u>2.1</u>
	(\$0.1)	(\$19.7)	\$6.5	\$32.2
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	\$170.1	\$134.3	\$139.3	\$141.5
	\$170.1	\$134.3	\$139.3	\$141.5
TOTAL SUBSIDIES	\$250.3	\$155.2	\$161.3	\$178.5

Attachment B to MTA Annual Disclosure Statement
First Quarterly Update
August 2, 2019

This **Attachment B** to the 2019 First Quarterly Update sets forth a revised TRB Table 2b, the MTA Consolidated Statement of Operations by Category, to reflect changes in “Actual 2018” numbers derived from the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017.

The numbers in in the Actual 2018 column of TRB Table 2b were adjusted to reflect the final audit, but the net cash balance did not change. As compared to the version of Table 2b published in the June 26, 2019 supplement, there were non-material adjustments in the following categories: Operating Revenue, Labor Expenses, Non-Labor Expenses, Non-Cash Liability Adjustments, Conversion to Cash Basis: Non-Cash Liability Adjs., Total Operating Expense with Debt Service, Net/Surplus/(Deficit) After Subsidies and Debt Service, and Conversion to Cash Basis: All Other.

Table 2b, revised 8/2/2019
MTA Consolidated Statement of Operations by Category
(\$ in millions)

Non-Reimbursable	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
<u>Operating Revenue</u>					
Farebox Revenue	\$5,709	\$5,961	\$6,170	\$6,172	\$6,155
Toll Revenue	1,676	1,809	1,912	1,912	1,976
Other Revenue	682	689	653	653	643
Capital and Other Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	\$8,068	\$8,459	\$8,608	\$8,737	\$8,774
<u>Operating Expense</u>					
Labor Expenses:					
Payroll	\$4,672	\$4,696	\$5,019	\$5,021	\$5,211
Overtime	730	755	934	934	1,066
Health & Welfare	962	1,050	1,209	1,209	1,230
OPEB Current Payment	479	502	564	564	604
Pensions	1,304	1,249	1,345	1,345	1,336
Other-Fringe Benefits	784	861	794	792	881
Reimbursable Overhead	<u>(350)</u>	<u>(380)</u>	<u>(492)</u>	<u>(492)</u>	<u>(528)</u>
Subtotal Labor Expenses	\$8,582	\$8,732	\$9,238	\$9,373	\$9,799
Non-Labor Expenses:					
Electric Power	\$516	\$474	\$430	\$430	\$482
Fuel	267	162	150	150	185
Insurance	51	57	(3)	(3)	(29)
Claims	269	331	515	526	438
Paratransit Service Contracts	366	379	393	393	455
Maintenance and Other Operating Contracts	549	579	692	695	678
Professional Service Contracts	283	380	506	507	544
Materials & Supplies	527	543	588	588	637
Other Business Expenses	<u>180</u>	<u>196</u>	<u>217</u>	<u>217</u>	<u>221</u>
Subtotal Non-Labor Expenses	\$3,007	\$3,101	\$3,168	\$3,505	\$3,611
Other Expense Adjustments:					
Other	\$45	\$37	\$49	\$49	\$129
General Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Other Expense Adjustments	\$45	\$37	\$47	\$49	\$129
Total Operating Expense before Non-Cash Liability Adj.	\$11,634	\$11,871	\$12,454	\$12,927	\$13,539
Depreciation	\$2,266	\$2,443	\$2,600	\$2,608	\$2,805
OPEB Liability Adjustment	2,035	1,490	1,548	1,567	
GASB 75 OPEB Expense Adjustment					1,048
GASB 68 Pension Expense Adjustment	0	(410)	(234)	(168)	(373)
Environmental Remediation	21	21	13	13	106
Total Operating Expense after Non-Cash Liability Adj.	\$15,956	\$15,414	\$16,252	\$16,948	\$17,124
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,322)	(\$3,543)	(\$3,927)	(\$4,021)	(\$3,585)
Debt Service (excludes Service Contract Bonds)	2,249	2,373	2,525	2,525	2,541
Total Operating Expense with Debt Service	\$13,882	\$14,244	\$14,912	\$15,452	\$16,079
Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,595	\$6,429	\$6,416	\$7,177
Net Surplus/(Deficit) After Subsidies and Debt Service	\$561	\$810	\$371	(\$300)	(\$128)
Conversion to Cash Basis: GASB Account	(50)	0	0	0	0
Conversion to Cash Basis: All Other	(626)	(660)	129	174	379
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$115)	\$150	(\$232)	(\$126)	\$251
ADJUSTMENTS	0	0	0	0	0
PRIOR-YEAR CARRYOVER	445	330	480	248	121
NET CASH BALANCE	\$330	\$480	\$248	\$121	\$372