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New York City Transit Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2024 and 2023, Required Supplementary Information, and Independent Auditor’s Report

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(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the New York City Transit Authority (the "Authority"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Authority is a component unit of the MTA. The MTA is a component unit of the State of New York. The Authority requires significant subsidies from, and has material transactions with, the MTA, The City of New York and the State of New York. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences* and the change in the Accounting policy regarding recognition of projects in progress and capital accruals as of January 1, 2023. The adoption of GASB Statement No. 101 resulted in the restatement of the 2023 financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Authority's Net Pension Liability and Related Ratios for the MABSTOA Pension Plan, Schedule of the Authority's Proportionate Share of the Net Pension

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Liability in the NYCERS Pension Plan, Schedule of the Authority's Contributions to all Pension Plans, Note to Schedule of the Authority's Contributions to All Pension Plans, Schedule of the Authority's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan, and Schedule of the Authority's Contributions to the OPEB Plan and Notes to the Schedule of the Authority's Contribution to the OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

___________, 2025

FINANCIAL REPORTING ENTITY

The New York City Transit Authority ("NYCTA") and its component unit, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") (collectively, "the Authority") are public benefit corporations established pursuant to the New York State ("the State") Public Authorities Law, to operate public subway, bus and paratransit services within The City of New York ("The City"). The Authority is a component unit of the Metropolitan Transportation Authority ("MTA"), which is a component unit of the State, and whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York Metropolitan area.

The Reporting entity includes:

(1) NYCTA, a special purpose government, and its blended Component Unit MaBSTOA, together providing transportation services to New York City. The Authority engages in Business-Type Activities. The financial results of the Authority are reported as consolidated financial statements.

(2) a Fiduciary Fund comprised of the MaBSTOA Pension Plan.

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction:

This report consists of five parts: Management's Discussion and Analysis, Consolidated Financial Statements, Fiduciary Fund Financial Statements, Notes to the Consolidated Financial Statements, and Required Supplementary Information.

Management's Discussion and Analysis:

The following is a narrative overview and analysis of the financial activities of the Authority as of and for the years ended December 31, 2024 and 2023. This management discussion and analysis ("MD&A") is intended to serve as an introduction to the Authority's consolidated financial statements. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the consolidated financial statements described below.

The Consolidated Financial Statements:

The Consolidated Statements of Net Position provide information about the nature and amounts of resources, with present service capacity, that the Authority presently controls (assets), consumption of net assets by the Authority that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Authority has little or no discretion to avoid (liabilities), and acquisition of net assets by the Authority that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Consolidated Statements of Revenues, Expenses and Changes in Net Position show how the Authority's net position changed during each year. They account for all of the current year's revenues and expenses, measures the financial results of the Authority's operations over the past year and can be used to determine how the Authority has funded its costs.

The Consolidated Statements of Cash Flows provide information about the Authority's cash receipts, cash payments and net changes in cash resulting from operations, non-capital financing, capital and related financing and investing activities.

The Fiduciary Fund Financial Statements:

The Fiduciary fund is used to account for resources held in a trustee capacity for the benefit of parties outside of a government entity. The Fiduciary fund is not reported in the Authority's consolidated financial statements because the resources of that fund are not available to support Authority's own programs. The fiduciary fund is reported as a Pension Fund.

The Statements of Fiduciary Net Position present financial information about the assets, liabilities, and the fiduciary net position held in trust of the fiduciary fund of the Authority.

The Statements of Changes in Fiduciary Net Position present fiduciary activities of the fiduciary fund as additions and deductions to the fiduciary net position.

The Notes to the Consolidated Financial Statements:

The notes provide information that is essential to understanding the consolidated financial statements, such as the Authority's accounting methods and policies, details of cash and investments, capital assets, employee benefits, lease transactions, and future commitments and contingencies of the Authority, and information about other events or developing situations that could materially affect the Authority's financial position.

Required Supplementation Information:

The Required Supplementary Information provides information concerning the Authority's net pension liability and net other postemployment benefits ("OPEB") liability, employer contributions for the pension plans and OPEB, related ratios and actuarial assumptions used to calculate the net pension liability and net OPEB liability.

CONDENSED FINANCIAL INFORMATION

All amounts are in thousands, except as noted.

The following sections will discuss the significant changes in the Authority's financial position for the years ended December 31, 2024 and 2023. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the consolidated financial statements and the various exhibits presented conform to the Authority's consolidated financial statements, which are presented in accordance with generally accepted accounting principles in the United States of America.

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Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

Capital assets include but are not limited to: construction of buildings and the acquisition of subway cars, buses, track and structures, depots and yards, equipment, and right-of-use assets for leases on land, buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-of-use assets for subscription-based information technology arrangement (“SBITAs”). As a result of change in Accounting policy regarding timing on recognition of projects in progress and capital accruals, the Authority will be recording the projects in progress asset and increase in net position upon recognition of MTA HQ’s capital invoice liability.

Other assets include, but are not limited to: cash, investments, State and Local mass transit tax and operating subsidies receivables. This also includes the receivable from leases of the Authority’s land, buildings, station concession, equipment, and right-of-way to third parties.

Deferred outflows of resources reflect: actuarial measurements related to pension and OPEB, and employer contributions subsequent to the measurement date.

Total assets, distinguishing between capital and other assets, and deferred outflows of resources:

				Increase/(Decrease)	
(In thousands)	**2024**	**2023**	**2022**	**2024-2023**	**2023-2022**
		(Restated)			**(Restated)***
Capital assets	$ 88,101,835	$ 83,527,532	$ 78,838,702	$ 4,574,303	$ 4,688,830
Accumulated depreciation and amortization	(34,824,481)	(32,675,252)	(30,611,167)	(2,149,229)	(2,064,085)
Capital assets, net of accumulated depreciation and amortization	53,277,354	50,852,280	48,227,535	2,425,074	2,624,745
Other assets	5,040,470	4,938,139	6,335,275	102,331	(1,397,136)
Total assets	58,317,824	55,790,419	54,562,810	2,527,405	1,227,609
Deferred outflows of resources	4,036,473	4,481,337	4,840,246	(444,864)	(358,909)
Total assets and deferred outflows of resources	$ 62,354,297	$ 60,271,756	$ 59,403,056	$ 2,082,541	$ 868,700

* Change in Accounting policy regarding timing on recognition of projects in progress and capital accruals is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

The Authority’s capital assets totaled $88,101,835 at December 31, 2024. Of the total, depots, yards, signals, and stations were 48.3%, subway cars and buses accounted for 15.8% and track and structures were 19.6%. The Authority’s capital assets totaled $83,527,532 at December 31, 2023. Of the total, depots, yards, signals, and stations were 48.4%, subway cars and buses accounted for 15.6% and track and structures were 19.6%. These gross capital assets exclude significant infrastructure assets such as tunnels and elevated structures, which are assets owned by the City. More detailed information about the Authority’s capital assets is presented in Note 5 to the consolidated financial statements.

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Significant changes in assets and deferred outflows of resources include:

December 31, 2024 versus 2023

Capital assets increased from December 31, 2023 to December 31, 2024 by $4,574,303 or 5.5%. This increase was primarily due to station rehabilitation work of $1,168,999, signals work of $154,991, depots and yards of $807,451, track and structures of $889,241, acquisition of new subways of $911,593, acquisition of new buses of $84,059, other new acquisition of $105,970, new lease buildings and structures of $4,598, and construction work of $563,430 related to various projects not yet completed. Accumulated depreciation and amortization increased by $2,149,229, or 6.6%, due to depreciation expense of $2,244,232 and amortization expense of $24,716, partially offset by normal asset retirements of $119,719.

Other assets increased by $102,331, or 2.1% compared with the prior year. The increase is due to an increase in cash of $42,965, billed and unbilled charges due from New York City for Paratransit of $43,281 and Fair-Fare of $23,747, accrued subsidies from New York City and New York State of $61,793, an increase in receivable from MTA HQ of $23,376, an increase in materials and supplies of $24,893 and prepaid expense of $15,037. These increases were partially offset by the decrease in due from MTA for purchase of capital assets of $141,064.

Deferred outflows of resources decreased by $444,864 or 9.9% compared to the prior year. This was due to a decrease of $682,937 related to pensions, primarily due to actuarial gain on investments as reflected in net difference between projected versus actual plan investment earnings $618,969, based upon the most recent actuarial valuation report. The decrease is partially offset by an increase of $238,073 related to OPEB, primarily due to the increase in changes in assumptions of $388,371, offset by a decrease in changes in contributions and proportionate share of contributions of $122,038 based upon the most recent actuarial valuation report. Refer to Notes 9 and 10 to the consolidated financial statements for more information regarding the Authority's pension and postemployment benefits other than pension, respectively.

December 31, 2023 versus 2022

Capital assets increased from December 31, 2022 to December 31, 2023 by $4,688,830 or 5.9%. This increase was primarily due to station rehabilitation work of $373,646, signals work of $248,359, depots and yards of $497,138, track and structures of $456,654, acquisition of new subways of $255,096, acquisition of new buses of $71,416, other new acquisition of $437,128 new lease buildings and structures of $77,132, and construction work of $2,407,073 related to various projects not yet completed. Accumulated depreciation and amortization increased by $2,064,085 or 6.7%, due to depreciation expense of $2,182,179 and amortization expense of $22,876, partially offset by normal asset retirements of $140,970.

Other assets decreased by $1,397,136 or 22.1% compared with the prior year. This decrease was mostly due to a reduction in MTA investment pool of $633,481 to fund operations and reduction of receivable from MTA and constituent authorities of $328,430. There was also a decrease in the receivable from MTA of $663,829 to reclassify capital assets funded by operating. These decreases were partially offset by an increase in prepaid expenses for the prepayment of the 2024 projected Actuarially Determined Contribution ("ADC") of $158,397 for the MaBSTOA Pension Plan and an increase in due from MTA for funds reserved for purchase of capital assets of $79,056.

Deferred outflows of resources decreased by $358,909 or 7.4% compared to the prior year. This was due to a decrease of $478,332 related to OPEB, primarily due to changes in assumption and changes in contributions and proportionate share of contributions based upon the most recent actuarial valuation report. In addition, the decrease is partially offset by an increase of $119,423 related to pensions, primarily

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due to actuarial loss on investments as reflected in net difference between projected versus actual plan investment earnings, based upon the most recent actuarial valuation report. Refer to Notes 9 and 10 to the consolidated financial statements for more information regarding the Authority's pension and postemployment benefits other than pension, respectively.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non-Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares, current portion of long-term liabilities, and other current liabilities. This also includes the current portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term liabilities, and other non-current liabilities. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Deferred inflows of resources reflect deferred inflows related to leases, and actuarial measurements related to pension and OPEB.

(In thousands)	2024	2023 (Restated)	2022	Increase/(Decrease) 2024-2023	Increase/(Decrease) 2023-2022 (Restated)*
Current liabilities	$ 2,241,976	$ 2,139,604	$ 2,084,258	$ 102,372	$ 55,346
Long-term liabilities	23,212,554	25,359,018	26,264,256	(2,146,464)	(905,238)
Total liabilities	25,454,530	27,498,622	28,348,514	(2,044,092)	(849,892)
Deferred inflows of resources	5,803,603	3,646,124	1,939,245	2,157,479	1,706,879
Total liabilities and deferred inflows of resources	$31,258,133	$31,144,746	$30,287,759	$ 113,387	$ 856,987

* GASB 101 restatement is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

At the end of 2024, the Authority's liabilities consisted primarily of employee fringe benefit-related liabilities (for retirement, health and other benefits) of 56.3%, net pension liability of 17.1%, and injuries to persons (public liability and workers' compensation) of 18.2%. Included in the employee fringe benefit-related liabilities were $13,799,159 of postemployment benefits other than pensions.

At the end of 2023, the Authority's liabilities consisted primarily of employee fringe benefit-related liabilities (for retirement, health and other benefits) of 58.8%, net pension liability of 18.2%, and injuries to persons (public liability and workers' compensation) of 15.2%. Included in the employee fringe benefit-related liabilities were $15,629,504 of postemployment benefits other than pensions.

Significant changes in liabilities and deferred inflows of resources include:

<u>December 31, 2024 versus 2023</u>

Total liabilities decreased from December 31, 2023 to December 31, 2024 by $2,044,092 or 7.4%. Current liabilities increased by $102,372, or 4.8%, and long-term liabilities decreased by $2,146,464 or 8.5%.

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The net increase in current liabilities of $102,372 was mainly due to an increase in estimated liability arising from injuries to persons of $105,714 due to an increase in the claims reserve balance per the current actuarial valuation. This increase is partially offset by a decrease in compensated absences of $1,554.

- The net decrease in long-term liabilities of $2,146,464 was primarily due to a decrease of $1,830,345 in net OPEB liability, which was attributable to employer contribution $1,499,720 and changes in proportionate share of OPEB liability which $346,700. In addition, there was a decrease of $667,415 in net pension liability. The decrease in OPEB and pension were partially offset by an increase in the estimated liability arising from injuries to persons of $336,267 primarily due to the increase in claims reserve for selected cases.

Deferred inflows of resources increased by $2,157,479, or 59.2% compared with prior year primarily due to an increase in deferred inflows related to OPEB of $2,241,212 as a result of change in differences between expected and actual experience of $1,797,919, and changes in proportion and differences between contribution and proportionate share of contribution of $1,048,863, offset by decrease in changes in assumptions of $604,850 based upon the most current actuarial valuation report. Refer to Notes 9 and 10 to the consolidated financial statements for more information regarding the Authority's pensions and postemployment benefits other than pension, respectively.

<u>December 31, 2023 versus 2022</u>

Total liabilities decreased from December 31, 2022 to December 31, 2023 by $849,892, or 3.0%. Current liabilities increased by $55,346, or 2.7%, and long-term liabilities decreased by $905,238, or 3.4%.

The net increase in current liabilities of $55,346 was mainly due to an increase in estimated liability arising from injuries to persons of $105,254 as a result of increases in the number and amount of claims, an increase of $61,764 in accrued expenses, which was partially offset by a decrease in compensated absences of $119,836 primarily due to the implementation of GASB No. 101, *Compensated Absences* resulting in the recalculation and reclassification to long-term liability.

The net decrease in long-term liabilities of $905,238 was primarily due to a decrease of $2,045,893 in net OPEB liability, which was attributable to change in assumption of $2,403,112. This decrease was offset by an increase in compensated absences of $450,359, an increase of $449,713 in net pension liability primarily attributable to an actuarial loss on the market value of plan assets, an increase in the estimated liability arising from injuries to persons of $167,791, based on the current actuarial valuation, and an increase in lease payable of $68,197.

Deferred inflows of resources increased by $1,706,879, or 88.0% compared with prior year primarily due to an increase in deferred inflows related to OPEB of $2,038,268 as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions. The net increase in inflows due to OPEB was partially offset by a decrease of $321,306 related to pensions primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings based upon the most current actuarial valuation report. Refer to Notes 10 and 9 to the consolidated financial statements for more information regarding the Authority's pensions and postemployment benefits other than pension, respectively.

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Total Net Position, Distinguishing Among Net Investment in Capital Assets, Restricted and Unrestricted Amounts

(In thousands)	2024	2023 (Restated)	2022	Increase/(Decrease) 2024-2023	Increase/(Decrease) 2023-2022 (Restated)*
Net investment in capital assets	$ 52,792,128	$ 50,349,806	$ 47,784,196	$ 2,442,322	$ 2,565,610
Unrestricted	(21,695,964)	(21,222,796)	(18,668,899)	(473,168)	(2,553,897)
Total net position	$ 31,096,164	$ 29,127,010	$ 29,115,297	$ 1,969,154	$ 11,713

* GASB 101 and change in Accounting policy regarding timing on recognition of projects in progress and capital accruals restatement is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets includes capital assets and right-of-use lease assets, net of accumulated depreciation and amortization, lease liabilities, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted.

December 31, 2024 versus 2023

Total net position was $31,096,164 at the end of 2024, a net increase of $1,969,154 , or 6.8% from the end of 2023. The net increase was primarily due to an operating loss of $8,184,499 offset by net nonoperating income of $6,411,670 and capital contributions from the MTA of $3,741,983. The 2023 net position includes a restatement increase of $107,584 as a result of the change in Accounting policy regarding timing on recognition of projects in progress and corresponding net position of $406,301, which was offset by a decrease of $298,717 due to the implementation of GASB Statement No. 101, *Compensated Absences.* Refer to Note 2 for additional information.

December 31, 2023 versus 2022

Total net position was $29,127,010 at the end of 2023, a net increase of $11,713, or 0.0% from the end of 2022. The net increase was primarily due to an increase in net nonoperating income of $5,496,743 and capital contributions from the MTA of $3,156,381, offset by an operating loss of $8,641,411.

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Condensed Statements of Revenues, Expenses, and Changes in Net Position

(In thousands)	2024	2023 (Restated)	2022	Increase/(Decrease) 2024-2023	Increase/(Decrease) 2023-2022 (Restated)*
Operating revenues	$ 4,356,932	$ 4,006,529	$ 3,468,793	$ 350,403	$ 537,736
Operating expenses	(12,541,431)	(12,647,940)	(11,791,546)	106,509	(856,394)
Operating loss	(8,184,499)	(8,641,411)	(8,322,753)	456,912	(318,658)
Nonoperating revenues (expenses):					
Subsidies: New York State and The City of New York	3,531,005	5,000,803	5,035,041	(1,469,798)	(34,238)
Triborough Bridge and Tunnel Authority	679,095	604,535	546,905	74,560	57,630
Federal Transit Administration Preventive Maintenance	2,302,006	-	-	2,302,006	-
Federal Transit Administration ARPA	-	-	4,850,084	-	(4,850,084)
Other nonoperating revenues	34,727	28,986	16,878	5,741	12,108
Other nonoperating expenses	(135,139)	(137,280)	(48,754)	2,141	(88,526)
Loss on disposal - subway cars and track & structures	(24)	(301)	(620)	277	319
Total nonoperating revenues (expenses)	6,411,670	5,496,743	10,399,534	914,927	(4,902,791)
Income (loss) before capital contributions	(1,772,829)	(3,144,668)	2,076,781	1,371,839	(5,221,449)
Capital contributions	3,741,983	3,156,381	2,389,418	585,602	766,963
Change in net position	1,969,154	11,713	4,466,199	1,957,441	(4,454,486)
Net position — beginning of year	29,127,010	29,115,297	24,649,098	11,713	4,466,199
Net position — end of year	$ 31,096,164	$ 29,127,010	$ 29,115,297	$ 1,969,154	$ 11,713

* GASB 101 and change in Accounting policy regarding timing on recognition of projects in progress and capital accruals restatement is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

Revenue from Fares/Ridership

(In thousands)	2024	2023	2022	Increase/(Decrease) 2024-2023	Increase/(Decrease) 2023-2022
Subway revenue	$ 2,820,175	$ 2,645,967	$ 2,280,202	$ 174,208	$ 365,765
Bus revenue	614,946	623,984	609,178	(9,038)	14,806
Expired fare media revenue	71,554	56,838	43,753	14,716	13,085
Paratransit revenue	26,950	22,175	18,244	4,775	3,931
Total revenue from fares	$ 3,533,625	$ 3,348,964	$ 2,951,377	$ 184,661	$ 397,587
Total ridership (in thousands)	1,532,082	1,503,926	1,365,672	28,156	138,254
Non-student average fare	$ 2.38	$ 2.29	$ 2.24	$ 0.09	$ 0.05

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2024 versus 2023

Total revenue from fares was $3,533,625 in 2024, an increase of $184,661, or 5.5% was primarily due to increased subway ridership and measures taken to reduce fare evasion. Total ridership was 1,532,082, an increase of 28,156, or 1.9% from 2023.

2023 versus 2022

Total revenue from fares was $3,348,964 in 2023, an increase of $397,587, or 13.5%. This growth stems from both the August 2023 fare increase and a ridership surge as pandemic anxieties waned, prompting a return to work, travel, and leisure activities. Total ridership was 1,503,926, an increase of 138,254, or 10.1% from 2022.

Operating Expenses, by Major Function

(In thousands)	2024	2023	2022	Increase/(Decrease) 2024-2023	Increase/(Decrease) 2023-2022
		(Restated)			(Restated)*
Salaries and wages	$ 4,539,519	$ 4,756,969	$ 4,226,936	$ (217,450)	$ 530,033
Health and welfare	1,170,180	1,095,747	978,008	74,433	117,739
Pensions	870,319	880,765	538,201	(10,446)	342,564
Other fringe benefits	502,128	636,504	580,941	(134,376)	55,563
Reimbursed overhead expenses	(331,634)	(283,713)	(219,974)	(47,921)	(63,739)
Postemployment benefits other than pensions	797,610	1,086,509	1,425,889	(288,899)	(339,380)
Electric power	324,316	302,015	342,879	22,301	(40,864)
Fuel	121,912	131,496	166,691	(9,584)	(35,195)
Insurance	75,715	71,990	73,296	3,725	(1,306)
Public liability claims	490,127	243,770	237,501	246,357	6,269
Paratransit service contracts	616,823	517,151	411,972	99,672	105,179
Maintenance and other operating contracts	338,527	298,286	306,142	40,241	(7,856)
Professional service contracts	222,286	180,152	137,512	42,134	42,640
Pollution remediation projects	41,015	33,051	483	7,964	32,568
Materials and supplies	346,020	343,150	290,525	2,870	52,625
Depreciation and amortization	2,268,948	2,205,055	2,180,338	63,893	24,717
Other expenses	147,620	149,043	114,206	(1,423)	34,837
Total operating expenses	$12,541,431	$12,647,940	$11,791,546	$ (106,509)	$ 856,394

2024 versus 2023

Total operating expenses decreased by $106,509, or 0.8% compared to 2023 as follows:

- Salaries and wages were lower than 2023 by $217,450, or 4.6% mainly due to the implementation of GASB Statement No. 101, *Compensated Absences* which resulted in a restatement increase of $272,545 in 2023 and an increase of $13,034 in 2024, partially offset by $65,413 due to salary increases caused by retroactive wage adjustments from contract settlements, and higher vacancies and employee unavailability tour backfilled on overtime.

- Health and welfare expenses increased by $74,433, or 6.8%, primarily due to an increase in per capita claims activity.

- Pension expenses decreased by $10,446, or 1.2%, primarily due to the amortization of deferred outflow of resources of $140,256, which was partially offset by an increase in amortization of deferred inflow of resources of $63,106, a net increase in pension expense components of $69,523, and tier 6 pension refund of $3,808.

- Other fringe benefit expenses decreased by $134,376, or 21.1%, primarily due to lower workers compensation claims of $100,556 which is a result of reductions to indemnity cost estimates for 2007 and subsequent claims partially caused by a more favorable impact than expected of the duration cap imposed on permanent partial claims in New York's 2007 workers compensation legislation, an increase of $24,135 in fringe benefit overhead reimbursement due to an increase in capital project activity, a decrease in FICA reserve of $19,853 due to GASB 101 restatement in 2023 which is partially offset by an increase in FICA reserve of $13,459 due to payroll increases.
- Postemployment benefits other than pensions decreased by $288,899, or 26.6%, which was primarily due to the net amortization of deferred inflow and outflow of $166,334, amortization of proportionate share of $164,090 partially offset by OPEB component expense of $68,651.
- Electric power expenses increased by $22,301, or 7.4%, mainly due to higher energy costs.
- Fuel expenses decreased by $9,584, or 7.3%, mainly due to lower consumption.
- Public liability claims expenses increased by $246,357, or 101.1%, which was primarily due to the increase in claims reserve for selected cases.
- Paratransit service contract expenses increased by $99,672, or 19.3%, primarily due to higher trip volume and increasing trip costs.
- Maintenance and other operating contracts increased by $40,241, or 13.5%, mainly due to paratransit and bus fleet purchases of $18 million, and an increased security services of $24 million.
- Professional service contracts increased by $42,134, or 23.4%, mainly due to IT maintenance of $20,900; additional outside services expense of $4,929 and increased MTA Real Estate charge back expenses of $12,802.
- Pollution remediation project expenses increased by $7,964, or 24.1%, due to the identification of additional areas of exposure requiring environmental remediation.
- Materials and supplies increased by $2,870, or 0.8%, primarily due to rising costs.
- Depreciation and amortization expenses increased by $63,893, or 2.9%, due to depreciation and amortization of additional capital projects reaching substantial completion which includes right-of-way equipment, communication-based train control, and mainline track rehabilitation.

2023 versus 2022

Total operating expenses increased by $856,394 or 7.3% compared to 2022 as follows:

- Salaries and wages were higher than 2022 by $530,033, or 12.5% mainly due to gross wages increases including retroactive wage adjustments from contract settlements, and higher vacancies and employee unavailability tour backfilled on overtime. In addition, for 2023, this includes a restatement of $272,545 as a result of the implementation of GASB No. 101, *Compensated Absences*.
- Health and welfare expenses increased by $117,739, or 12.0%, primarily due to an increase in per capita claims activity.

- Pension expenses increased by $342,564, or 63.7%, primarily due to actuarial loss on investments as reflected in net difference between projected versus actual plan investment earnings of $187,898, decrease of expected investment rate of return net of expense of $92,432, and increase of interest expense on total pension liability of $74,314.

- Other fringe benefit expenses increased by $55,563, or 9.6%, primarily due to higher workers compensation claims frequency and average worker compensation claim cost, and an increase in FICA social security primarily driven by increases in salaries and wages. This is partially offset by an increase in fringe benefit overhead reimbursement due to an increase in capital project activity. In addition, for 2023, this includes a restatement of $20,849 as a result of the implementation of GASB Statement No. 101, *Compensated Absences.*
- Postemployment benefits other than pensions decreased by $339,380, or 23.8%, primarily due to the net effect of plan assumption changes.

- Electric power expenses decreased by $40,864, or 11.9%, mainly due to lower rates and lower consumption.

- Fuel expenses decreased by $35,195, or 21.1%, mainly due to lower rates and lower consumption.

- Public liability claims expenses increased by $6,269, or 2.6%, based on the most current actuarial valuation update, which reflected the increase in the number of major claims and the cost of claims.

- Paratransit service contract expenses increased by $105,179, or 25.5%, primarily due to higher trip volume and increasing trip costs.

- Maintenance and other operating contracts decreased by $7,856, or 2.6%, mainly due to discontinued COVID-19 cleaning initiative of $69 million or 23%, offset by total paratransit fleet purchases, increased security services, additional water charges, and additional repairs for aging facilities and equipment of $61 million.

- Professional service contracts increased by $42,640, or 31.0%, mainly due to increased Subway Action Plan project spending, increased professional contract costs and increased real estate charge back expenses.

- Pollution remediation project expenses increased to $33,051 versus $483 in 2022, due to the identification of additional areas of exposure requiring environmental remediation.

- Materials and supplies increased by $52,625, or 18.1%, primarily due to increasing inflation costs and resuming normal maintenance activities post-COVID.

- Depreciation and amortization expenses increased by $24,717, or 1.1%, due to depreciation and amortization of additional capital projects reaching substantial completion which includes right-of-way equipment, communication-based train control, and mainline track rehabilitation.

Nonoperating Revenues and Expenses

The Authority receives a variety of tax-supported and operating assistance subsidies from New York State, the City of New York, and the Federal government. New York State's and New York City's subsidies represent state mobility tax and corporate franchise, sales, energy, mortgage recording and real estate taxes and are impacted by the strength of the State and City economies and prevailing interest rates. The Federal government also reimburses the Authority for Preventive Maintenance expenses.

Tax supported and operating assistance subsidies from New York State and The City have decreased $1,469,798, or 29.4% in 2024 and decreased $34,238, or 0.7% in 2023. The reduction in 2024 was primarily due to decrease in mobility tax of $1,562,974 caused by reallocation of Payroll Mobility Tax to other MTA agencies, and decrease in Petroleum business tax $42,419 which was partially offset by increase in Mass transportation operating assistance fund of $112,404. The reduction in 2023 was primarily due to decrease in urban tax of $292,834, and decrease in mobility tax of $125,480, which was partially offset by increase in Mass transportation operating assistance fund of $162,977 and Petroleum business tax $221,524.

The Triborough Bridge & Tunnel Authority ("TBTA"), another affiliate of the MTA, distributes to the Authority each year, funds that vary based upon its operating surplus. The surplus distributed increased by $74,560, or 12.3% in 2024 over 2023, and $57,630, or 10.5% in 2023 over 2022, from TBTA's toll revenue as a result of increase in toll crossings. Pursuant to Public Authorities Law §553-j, created by the MTA Reform and Traffic Mobility Act enacted as part of the New York State budget for Fiscal Year 2019-2020, TBTA is required to establish the Central Business District Tolling ("CBDT") capital lockbox fund consisting of all monies received by TBTA under the Central Business District Tolling Program ("CBDTP"), as well as real estate transfer tax ("Mansion Tax") and portions of New York City and State sales tax revenue ("Internet Tax"). Monies in the fund are to be applied, subject to agreements with bondholders and applicable federal law, to the payment of operating, administration, and other necessary expenses of TBTA, or to New York City subject to the memorandum of understanding between the City and MTA Bridges and Tunnels properly allocable to the CBDTP, including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the CBDT collection system and the CBDT tolling infrastructure, the CBDT customer service center, and the costs of any MTA's capital projects included within the 2020-2024 MTA capital program or any successor programs.

In 2024, the Authority received $2,302,006 of Federal Transit Administration Preventive Maintenance grant. This grant represents a reimbursement for the Authority's labor costs related to subway, bus and facility maintenance.

Capital contributions from the MTA of $3,741,983 in 2024 and $3,156,381 in 2023, represent capital program funding from several sources including bonds, Federal, State and City funding. Capital contributions increased by $585,602, or 18.6%, compared to 2023 due to a timing of capital funding for various capital projects, including reduced debt services payments of $221,903. Capital contributions increased by $766,963, or 32.1%, compared to 2022 due to a timing of capital funding for various capital projects, including reduced debt services payments of $195,918. More detailed information about the Authority's contributed capital is presented in Note 2.

In 2022, nonoperating revenues included the MTA operating assistance allocation of $4,850,084 from the Federal government under the COVID-19 economic relief program known as the ARPA. This is not a recurring revenue.

Changes in Net Position

The change in net position represents the net total of capital contributions, operating losses and nonoperating income. The net position increased by $1,969,154 in 2024. The net position increased by $11,713 in 2023. The 2023 net position was restated due to the change in the Accounting policy regarding recognition of projects in progress and capital accruals, offset by the impacts of the adoption of GASB Statement No. 101, *Compensated Absences.* See Note 2 for information.

Budget Highlights

Total non-reimbursable operating revenues in 2024 of $4,358,576 (excluding Preventive Maintenance fund grant of $2,302,006) were lower than budget by $90,732, or 2.0%, primarily due to unfavorable Farebox revenue. Paratransit revenues were higher than the budget by $66,717, or 14.4% due to favorable timing of billing offset by higher trip volume. Farebox revenues were lower than budget by $154,437, or 4.2% mainly due to lower yield per passenger, partially offset by higher ridership.

The non-reimbursable operating expenses in 2024 of $12,572,947 were lower than budget by $176,550, or 1.4%, which was primarily due to GASB adjustments of $712,207 attributed to GASB 75 adjustments vs projected amount partially offset by unfavorable pollution remediation of $41,015, unfavorable depreciation expense of $2,244,257, and unfavorable paratransit service contracts of $616,823. Labor-related expenses of $7,548,121 underran the budget (including favorable GASB 75 and unfavorable GASB 68 adjustments, respectively) by $634,563, or 7.8%. Health & welfare and OPEB expenses were lower than budget by $71,379, or 3.8%. Favorable actuarial valuations of GASB 75 in addition to favorable rates, higher prescription drug contract rebates, and vacancy savings resulted in significant underruns. Pension expenses before GASB 68 were also unfavorable to budget by $7,194, or 0.8% due to lower actuarial valuation.

Jobs vacancies also caused payroll underruns of $220,232, or 5.4% offset by the essential worker payments. Reimbursable overhead underran the budget by $72,894, or 28.2% reflecting higher (favorable) reimbursable project requirements. Partial offset occurred as overtime expenses were higher than budget by $266,940, or 63.8%, reflecting higher than projected absenteeism and vacancy coverage needs, additional maintenance requirements, scheduled and unscheduled service, as well as weather related emergencies.

Non-labor expenses were favorable to the budget by $392,220, or 16.9%. Electric power underran budget by $60,878, or 15.8%, due to lower consumption and rates, fuel underran budget by $26,690, or 18.0%, was also due to lower consumption and rates. Insurance was down $2,872, or 3.7%, due to less than projected vehicle and liability premium, materials and supplies were over by $34,770, or 11.2%, primarily due to timing, and professional service contract expenses were unfavorable by $11,325, or 5.3% primarily due to the timing of professional contract payments and lower than projected real estate charge backs. This was offset by overruns in paratransit service contract, other business expenses, claims, and maintenance and other operating contract expenses. Paratransit service contracts were higher by $87,943, or 16.6%, mainly due to higher than projected trip and support costs, partially offset by lower trip volume. Other business expenses were higher than budget by $22,661, or 18.1% resulting from higher card processing transaction fees. Claims expense for public liability overran the budget by $253,680, or 107.3%, reflecting higher reserve requirements based on increased claims activity. Maintenance and other operating contract expenses overran the budget by $72,280 or 25.0%, due to due to higher than projected maintenance costs to maintain aging fleet and facilities, partially offset by savings in track and the timing of safety and security investments. Materials & supplies expenses overran the budget by $34,770 or 11.2%, due to the timing of signal and maintenance materials.

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations and Overall Financial Position

Total revenue from fares was $3,533,625 in 2024, an increase of $184,661 or 5.5% from 2023. Total ridership was 1,532,082, an increase of 28,156 or 1.9% from 2023. Total operating expenses, including depreciation and amortization, other postemployment benefits and pollution remediation project expenses, were $12,541,431 in 2024, a decrease of $106,509 or 0.8%.

Going forward, the stability of the Authority's financial position is subject to certain risks, requiring the efficient management of costs, including the establishment of new cost reduction programs, in order to counteract any adverse impacts to revenue streams or cost increases.

Economic Conditions

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. New York City Transit ("NYCT") consists of urban subway and bus systems, including paratransit services. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The fourth quarter 2024 rose above paid ridership during the fourth quarter of 2023 by 32 million (7.4%). For the fourth quarter of 2024 compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 19.9 million trips (6.6%), MTA New York City Transit bus paid ridership increased by 7 million trips (8.8%).

MTA The Central Business District Tolling Program was established by New York State legislation in 2019 to both manage traffic congestion in Manhattan and be implemented in a manner that achieves a minimum $15 billion of funding for the projects identified in MTA's 2020-2024 Capital Program, and any additional revenues above that amount to be available for any successor program. On June 5, 2024, several weeks before CBDTP's scheduled start, Governor Hochul announced a pause of its implementation. Then on November 14, 2024, Governor Hochul announced a proposal to proceed with CBDTP, but with the toll rates that had been adopted by the TBTA Board in March 2024 phased-in over several years (the "Phase-In Approach"). Under this approach, CBDTP tolls will be implemented in three steps, culminating with the rates set in the March 2024 adopted toll structure. The interim steps will have tolls for each vehicle class and time of day, as well as tunnel crossing credits, proportionally reduced from the corresponding values in the March 2024 adopted toll structure. The proportional reductions will result in values for Phase 1 (2025, 2026, and 2027) equaling 60% of the corresponding values for the March 2024 adopted toll structure. For Phase 2 (2028, 2029, and 2030), the tolls and credits would equal 80% of the March 2024 adopted toll structure values. The March 2024 adopted toll structure values would come into full effect in 2031.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 86.7 thousand jobs (1.8%). On a quarter-to-quarter basis, New York City employment gained 16.5 thousand jobs (0.3%), the eighteenth consecutive quarterly increase. These increases were preceded by the steep decline of 880.5 thousand jobs (18.8%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 3.1%. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending.

Real GDP increased 2.8% in 2024 (from the 2023 annual level to the 2024 annual level), compared with an increase of 2.9% in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports; conversely, increases in imports had a dampening impact on real GDP.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the fourth quarter of 2024, with the metropolitan area index increasing 4.2% while the national index increased 2.7% when compared with the fourth quarter of 2023. Regional prices for energy products increased 0.6% while national prices for energy products fell 2.9%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.4%, while nationally, inflation exclusive of energy products increased 3.2%. The New York Harbor spot price for conventional gasoline decreased by 10.6% from an average price of $2.35 per gallon to an average price of $2.10 per gallon between the fourth quarters of 2023 and 2024.

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.5% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5% on September 18, 2024 , decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 million (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42 million (-57.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

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SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

The MTA has ongoing programs on behalf of the Authority and other affiliated agencies, subject to approval by the New York State Metropolitan Transportation Authority Capital Program Review Board (the State Review Board), which are intended to improve public transportation in the New York Metropolitan area.

2005-2009 Capital Program—The MTA Capital Program for 2005-2009 was approved by the CPRB in July 2005 and amended in July 2006. The 2005-2009 Program, as approved, provided for $20.1 billion in capital expenditures, of which the Authority's share was $11.2 billion. In February 2007, the MTA Board further amended the Program to add $1.2 billion of Federal East Side Access Full Funding Grant Agreement ("FFGA") funds to the East Side Access project, which relates to the Capital Construction Company's capital program. In July 2008, the MTA Board further amended the Program to add an additional $267 of Federal East Side Access FFGA funds and $764 in Federal Second Avenue Subway FFGA funds relating to the Capital Construction Company's capital program. Also included in this amendment were the rollover of unused LaGuardia Airport Project funds from the 2000-2004 Capital Program and other miscellaneous funding adjustments. In 2009, the capital program received $0.7 billion in federal stimulus funding. In 2011, the program received $0.2 billion in HYIC funds to cover the full value of additional work associated with the Number 7 Extension.

The 2005-2009 Capital Program is designed to continue a program of capital expenditures that would support on-going maintenance and provide needed improvements to enhance services to its customers. Reallocation between programs, subsequent to the amendments and federal stimulus funding noted above, resulted in the overall plan totaling $24.4 billion, of which the Authority's share is $11.5 billion. The Authority's portion of the capital program excludes $7.7 billion of approved capital projects managed by the MTA Capital Construction Company on behalf of the Transit Authority and the Long Island Rail Road. Among the projects in the 2005-2009 Transit Capital Program are the following: normal replacement of 1,002 B Division Cars, fleet growth of 23 A Division Cars, the purchase of 1,236 new buses including 1,043 standard, 90 articulated and 103 express buses, the purchase of 1,387 new paratransit vehicles, rehabilitation of 36 stations, replacement of 23 escalators, replacement of 52 miles of mainline track and 143 mainline switches, signal modernization, communications improvements, and improvements to shops, yards, and depots.

The combined funding sources for the 2005-2009 Capital Program are comprised of $7.7 billion in federal funds, $1.5 billion from the New York State voter approved State-Wide Transportation Bond Act, $12.2 billion in bonds and cash, and $2.9 billion from other sources.

At December 31, 2024, $11.5 billion has been encumbered to Authority projects from the 2005-2009 approved plan, of which approximately $11.4 billion has been expended.

2010-2014 Capital Program—The 2010-2014 Capital Program was approved by the MTA Board in September 2009. The program totaling approximately $25.6 billion was subsequently submitted to the NYS Capital Program Review Board ("CPRB") for their review and approval. The submitted Program was vetoed without prejudice by the Review Board in December 2009. Subsequently, the resubmitted 2010-2014 Program, totaling $26.3 billion was approved by the MTA Board in April 2010. In June 2010, the CPRB approved the 2010-2014 Capital Program totaling $23.8 billion, as submitted, of which the Authority's share was $12.8 billion. The approved CPRB program fully funded only the first two years of the plan, with a commitment to come back to CPRB with a funding proposal for the last three years. On December 21, 2011, the MTA Board approved an amendment to the 2010-2014 Program that funds the last three years of the program through a combination of self-help (efficiency improvements and real estate initiatives), participation by our funding providers and innovative and pragmatic financing arrangements. The

Authority's share of the $24.3 billion revised program was $11.6 billion. On March 27, 2012, the CPRB approved the amended 2010-2014 Capital Program as submitted for the Transit and Commuter systems totaling $22.2 billion. On December 19, 2012, the MTA Board approved an amendment to the 2010-2014 Capital Programs to add projects for the repair and restoration of MTA agency assets damaged as a result of Tropical Storm Sandy, which struck the region on October 29, 2012. The revised programs provide for an additional $4.8 billion in Sandy recovery-related capital expenditures, of which the Authority's share is $3.4 billion. On January 23, 2013, the amended program for the Transit and Commuter systems totaling $26.2 billion as submitted was deemed approved by the CPRB. On July 24, 2013, the MTA Board approved a further amendment to the 2010-2014 Capital Programs for the Transit, Commuter and Bridges and Tunnels systems to include specific revisions to planned projects and to include new resilience/mitigation initiatives, totaling $5.8 billion in response to Tropical Storm Sandy. The Authority's share of the new initiative is $5.1 billion. On August 26, 2013, the CPRB deemed approved those amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted. On July 28, 2014, the MTA Board approved an amendment to the 2010-2014 Capital Programs to reflect revised project estimates. However, the overall program remained unchanged at $34.8 billion. On September 3, 2014, the amended program for the Transit and Commuter systems totaling $31.8 billion as submitted was deemed approved by the CPRB. On May 24, 2017, the MTA Board approved a further amendment to reduce the overall 2010-2014 capital program by $2.8 billion. The reduction reflects adjustments to the Sandy program to match funding and administrative scope transfers for projects in the Core program. On July 31, 2017, the amended program for the Transit and Commuter systems totaling $29.2 billion as submitted was deemed approved by the CPRB. On September 25, 2019, the MTA Board approved an amendment to the overall 2010-2014 capital program totaling $31.7 billion reflecting administrative budget adjustments and updated project cost and timing assumptions. The Authority's share of the amended program totaled $11.4 billion. On February 21, 2020, the CPRB deemed approved the revised 2010-2014 Capital Programs for the Transit and Commuter systems, as submitted. On October 30, 2024, the MTA Board approved an amendment to reduce the 2010-2014 Capital Program by $0.1billion reflecting project closeout savings to the CPRB portion and the Bridges and Tunnels program envelopes. This amendment includes administrative funding transfers between approved capital programs and new funding to support existing initiatives. The amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The combined funding sources for the last MTA Board approved 2010-2014 Capital Program are comprised of $11.7 billion in MTA bonds, $7.4 billion in federal funds, $2.0 billion in Bridges and Tunnels dedicated funds, $0.1 billion in MTA Bus Federal and City Match, $0.8 billion in State Assistance, $0.7 billion in City Capital Funds, and $1.3 billion from other sources. The funding strategy for Tropical Storm Sandy repair and restoration assumes the receipt of $6.7 billion in insurance and federal reimbursement proceeds (including interim borrowing by MTA to cover delays in the receipt of such proceeds), $0.02 billion in Pay-as-you-go capital, supplemented, to the extent necessary, by external borrowing of up to $1.0 billion in additional MTA and MTA Bridges and Tunnels bonds.

In December 31, 2024, $11.3 billion has been encumbered to Authority projects from the 2010-2014 approved plan, of which approximately $10.9 billion has been expended.

2015-2019 Capital Program—The 2015-2019 Capital Program totaling $32.0 billion was approved by the MTA Board in September 2014. The program totaling approximately $29.0 billion was subsequently submitted to the CPRB for their review and was vetoed without prejudice by the Review Board in October 2014. On October 28, 2015, the MTA Board approved a revised 2015-2019 capital program totaling $26.1 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion was approved by the MTA Board in October 2015 and was not subject to CPRB approval. On April 20, 2016, the MTA Board approved a further revised 2015-2019 capital program totaling

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$29.5 billion, of which $26.6 billion was subsequently approved by the CPRB on May 23, 2016 (The MTA Bridges and Tunnels 2015-2019 Capital Program totaling $2.9 billion is not subject to CPRB approval.). The Authority's share of the approved 2015-2019 capital program was $15.8 billion. On February 23, 2017, the MTA Board approved an amendment to add three station investment projects to the NYCT and LIRR portions of the Capital Program resulting in a net increase of $0.1 billion transferred from prior capital programs. On May 24, 2017, the MTA Board approved further amendment, adding $2.9 billion to the 2015-2019 Capital Program reflecting increasing support for new priority projects, new funding for Second Avenue Subway Phase 2, and administrative scope transfers. The amended Capital Program, as submitted, was deemed approved by the CPRB on July 31, 2017. On December 13, 2017, the MTA Board approved an amendment to the Capital Program, adding $0.349 billion to incorporate the NYC Subway Action Plan. The Authority's share of the amended 2015-2019 capital program totaling $32.8 billion is $16.7 billion. On April 25, 2018, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33.3 billion reflecting updated project cost estimates, emerging new needs across the agencies, and reallocation of funds within the East Side Access and Regional Investment programs, among others. On June 1, 2018, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30.3 billion as submitted. The Authority's share of the amended capital program was $16.7 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion as approved by the MTA Board in April 2018, was not subject to CPRB approval.

In the 2015-2019 Capital Program, NYC Transit continues normal replacement of key assets like rolling stock and mainline track/switches while also emphasizing overdue investments in signals and other infrastructure. Stations continue to be an important focus of investment given the importance of the station environment to NYC Transit's customers and their communities. Core infrastructure investments include: modernization of six interlockings; the purchase of 535 railcars to replace railcars reaching the end of their useful lives; 1,441 new buses, including 1,086 standard, 305 articulated and 50 express buses; replacement of approximately 51 miles of mainline track and 127 mainline switches; communications improvements and improvements to shops, yards, and depots; ADA accessibility improvements; completion of the new fare payment system; elimination of station defects; substantial access and circulation improvements at the Grand Central and Times Square stations. On September 25, 2019, the MTA Board approved a full amendment to the 2015-2019 Capital Programs totaling $33.9 billion, reflecting updated project timing and cost estimates, new needs, and changing priorities. On February 21, 2020, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems, as submitted. The Authority's share of the amended capital program was $16.7 billion. Reallocation between programs, subsequent to the amendment resulted in the overall plan totaling $34 billion, of which the Authority's share is $16.7 billion. On June 27, 2023, the MTA Board approved an amendment to change the Program's funding mix to allow the MTA to best meet the funding requirements of the Second Avenue Subway Phase 2 project. This amendment did not change the Program's budget at $33.9 billion, as last approved by the Board in 2019. On October 30, 2024, the MTA Board approved an amendment to reduce the 2015-2019 Capital Program by $0.3 billion reflecting project closeout savings and removal of unneeded reserves to the CPRB and Bridges and Tunnels program envelopes. This amendment includes administrative funding transfers between approved capital programs and new funding to support existing initiatives. The amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The combined funding sources for the last MTA Board approved 2015-2019 Capital Program are comprised of $9.1 billion in MTA Bonds, $2.7 billion in MTA Bridges and Tunnels dedicated funds, $9.1 billion in funding from the State of New York, $6.8 billion in Federal Funds, $2.7 billion from City Capital Funds, $2.1 billion in pay-as-you-go (PAYGO) capital, and $1.2 billion from Other Sources.

As of December 31, 2024, $16.3 billion has been encumbered to Authority projects from the 2015-2019 approved plan, of which approximately $13.6 billion has been expended.

2020-2024 Capital Program—The 2020-2024 Capital program totaling $54.8 billion was approved by the MTA Board on September 25, 2019. The capital programs for the transit and commuter systems totaling $51.5 billion was subsequently submitted to the CPRB on October 1, 2019 and approved on January 1, 2020. The Authority's share of the capital program was $35.4 billion. On December 15, 2021, a Letter Amendment was submitted to the Board that increased the total funding for the 2020-2024 Capital Program to $55.4 billion. The amendment addressed budget adjustments and additional funding to support Penn Station Access and other program projects. The amended Capital Program was deemed approved by the CPRB on December 23, 2021. The Authority's share of the amended capital program was $35.1 billion. On July 27, 2022 the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $108 to reflect addition of new projects, additional support for existing projects and changes to existing project budgets. The capital programs were subsequently submitted to the CPRB on August 1, 2022 and approved on August 30, 2022. The Authority's share of the amended capital program was $34.6 billion. On June 27, 2023, the MTA Board approved an amendment primarily to reflect $678 in budget transfers from the core agencies to support Network Expansion's Penn Station Access project. The amendment to the capital programs was subsequently submitted to the CPRB, and deemed approved on July 31, 2023. The revised 2020-2024 MTA Bridges and Tunnels Capital Program totaling $3.3 billion as last approved by the MTA Board on July 27, 2022, remain unchanged and is not subject to CPRB approval. The Authority's share of the 2023 amended capital program was $34.0 billion. On October 30, 2024, the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $0.1 billion received from MTA's capital funding partners to support Penn reconstruction, Interborough Express project, and Second Avenue Subway West. This amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The combined funding sources for the MTA Board approved 2020-2024 MTA Capital Programs include $15 billion in Central Business District tolling sources, $10 billion in new revenue sources, $7.4 billion in MTA bonds and PAYGO, $13.1 billion in Federal funds, $3.2 billion in State of New York funding, $3 billion in City of New York funding, $3.3 billion in MTA Bridges and Tunnels dedicated funds, and $0.6 billion in from Other contributions.

As of December 31, 2024, $18.5 billion has been encumbered to Authority projects from the 2020-2024 approved plan, of which approximately $6.7 billion has been expended.

The federal government has a contingent equity interest in assets acquired by the MTA with federal funds and upon disposal of such assets, the federal government may have a right to its share of the proceeds from the sale. This provision has not been a substantial impediment to the MTA's operation.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2024 MTA November Financial Plan

The 2023 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2023 November Forecast, the 2024 Final Proposed Budget and a Financial Plan for the years 2024 to 2027, updates the 2023 July Financial Plan (the "July Plan"). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial and operational impacts stemming from the Covid-19 pandemic, and the recovery of the MTA Region.

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The 2024 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2024 November Forecast, the 2025 Final Proposed Budget and a Financial Plan for the years 2025 to 2028, updates the 2024 July Financial Plan (the "July Plan"), which includes the 2024 Mid year Forecast.

The November Plan remains balanced through 2026 with deficits of $378 million in 2027 and $419 million in 2028, compared with the July Plan which was also balanced through 2026 and included deficits of $428 million in 2027 and $469 million in 2028. The February Plan was balanced through 2027.

Changes from the July Plan are $100 million favorable over the Plan period, and reflect Agency re-estimates – including New Needs, Operating Efficiencies, Farebox and Toll Revenue, and other changes – as well as Subsidy revenues and Debt Service expense re-forecasts. The most significant changes over the Plan period are farebox revenue, which is $250 million favorable including Volume 1 below-the-line items in both the July and November Plans, and toll revenue which is $139 million favorable. Over the Plan period, additional expenses for critical New Needs total $195 million, Debt Service expense is $148 million favorable and Subsidy revenues are $8million favorable.

Information on New Needs, which cover critical cybersecurity needs, maintenance, service and customer and employee safety, can be found in Volume 2 of this Plan.

The February Plan baseline included operating efficiencies initiatives that are expected to generate $1.88 billion through 2027 directly impacting MTA. The November Plan includes an additional $312 million in savings, which have been incorporated into Agency baseline financial plans and meet the MTA annual $500 million savings target from Operating Efficiencies as of 2025.

Operating expenses, beyond New Needs and Operating Efficiencies savings, remain under control and are just $102 million greater over the Plan period when compared with the July Plan.

The Plan assumes collection of toll revenue from Central Business District Tolling Program (CBDTP) will commence in January 2025.

The Plan continues to reflect additional farebox and toll revenue from biennial 4 percent yield increases, which are proposed for August 2025 and March 2027.

The November Plan presents a balanced budget through 2026, with deficits of $378 million in 2027 and $419 million in 2028.

Risks to MTA's Financial Future

Additional risks to the November Plan include:

Continued paid ridership recovery. Progress in reducing fare evasion is critical to balancing the financial plan. The potential cost for 5 percent lower recovery is estimated at $325 million per year.

Paratransit reimbursement. The financial plan assumes the extension of legislation requiring the city of New York to fund 80% of the net paratransit operating expenses. The potential impact of reverting to 50% reimbursement is estimated at $200 million growing to $250 million per year.

MTA operating efficiencies. Agencies have been implementing initiatives that achieve savings in excess of $400 million annually and have identified actions that bring the total annual savings to $500 million annually. These actions need to be fully implemented and the savings sustained.

Dedicated tax receipts. An economic slowdown or recession could have a significant impact on the level of dedicated tax receipts received by MTA. Real estate related tax receipts continue to decline related to fewer real estate transactions both in the residential and commercial markets.

Casino license and gaming tax revenues. The approval, awarding, and commencement of operations of downstate casinos is uncertain in both outcome and timing, which risks the $500 million assumed to be received by MTA in 2026 and 2027, and the $600 million assumed for 2028.

Approval and funding for 2025-2029 Capital Program. Funding for the next five-year capital program is needed for MTA to continue its investment in critical state of good repair projects for safe and reliable service. Securing substantial new federal, state and city funding will be required. Over-reliance on MTA debt as a capital funding source could increase debt service costs beyond what is included in the financial plan and put pressure on fares and/or service levels.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of MTA finances and to demonstrate MTA's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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UNADITED

NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2024**	**2023 (Restated)**
CURRENT ASSETS:		
Cash (Note 3)	$ 66,144	$ 23,179
Receivables:		
Billed and unbilled charges due from New York City	94,205	22,129
Accrued subsidies	91,718	29,925
Due from MTA and constituent Authorities (Note 12)	3,040,046	3,016,670
Other	139,620	131,016
Less allowance for doubtful accounts	(6,835)	(4,086)
Net receivables	3,358,754	3,195,654
Materials and supplies—at average cost—net	375,070	350,177
Prepaid expenses and other current assets	238,163	223,126
Total current assets	4,038,131	3,792,136
NONCURRENT ASSETS:		
Due from MTA for the purchase of capital assets (Note 12)	964,730	1,105,794
Capital assets (Note 5):		
Construction work-in-progress	8,784,461	8,221,031
Other capital assets, net of accumulated depreciation and amortization	44,492,893	42,631,249
Lease receivables (Note 6)	36,511	39,363
Restricted deposits and other escrow funds	1,098	846
Total noncurrent assets	54,279,693	51,998,283
Total assets	58,317,824	55,790,419
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 9)	1,209,442	1,892,379
Related to OPEB (Note 10)	2,827,031	2,588,958
Total deferred outflows of resources	4,036,473	4,481,337
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 62,354,297	$ 60,271,756

(Continued)

UNAUDITED

NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2024**	**2023 (Restated)**
CURRENT LIABILITIES:		
Accounts payable	$ 196,768	$ 189,005
Accrued expenses:		
Salaries, wages, and payroll taxes	283,592	241,287
Compensated absences (Note 8)	508,532	510,086
Retirement and death benefits	29,522	27,856
Estimated liability arising from injuries to persons (Note 14)	602,687	496,973
Pollution remediation projects (Note 15)	25,500	22,357
Other	401,557	408,137
Total accrued expenses	1,851,390	1,706,696
Unredeemed farecards	175,353	195,987
Revenue advances	-	32,979
Lease payable (Note 6)	11,638	8,659
Subscription-based IT arrangements payable (Note 7)	790	277
Loans Payable (Note 11)	6,037	6,001
Total current liabilities	2,241,976	2,139,604
NONCURRENT LIABILITIES:		
Net pension liability (Note 9)	4,343,552	5,010,967
Net OPEB liability (Note 10)	13,799,159	15,629,504
Compensated absences (Note 8)	466,022	450,359
Estimated liability arising from injuries to persons (Note 14)	4,026,643	3,690,376
Lease payable (Note 6)	438,430	445,690
Subscription-based IT arrangements (Note 7)	265	426
Loans payable (Note 11)	35,385	41,421
Pollution remediation projects (Note 15)	102,000	89,429
Restricted deposits and other escrow funds	1,098	846
Total noncurrent liabilities	23,212,554	25,359,018
Total liabilities	25,454,530	27,498,622
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 9)	229,676	310,005
Related to OPEB (Note 10)	5,534,192	3,292,980
Related to leases (Note 6)	39,735	43,139
Total deferred inflows of resources	5,803,603	3,646,124
NET POSITION:		
Net investment in capital assets	52,792,128	50,349,806
Unrestricted	(21,695,964)	(21,222,796)
Total net position	31,096,164	29,127,010
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 62,354,297	$ 60,271,756

UNAUDITED

NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities	
	2024	**2023 (Restated)**
OPERATING REVENUES:		
Rapid transit	$ 2,820,175	$ 2,645,967
Surface transit	614,946	623,984
Expired fare media	71,554	56,838
Paratransit fares	26,950	22,175
School, elderly, and paratransit reimbursement	614,051	464,200
Advertising and other	209,256	193,365
Total operating revenues	4,356,932	4,006,529
OPERATING EXPENSES:		
Salaries and wages	4,539,519	4,756,969
Health and welfare	1,170,180	1,095,747
Pensions (Note 9)	870,319	880,765
Other fringe benefits	502,128	636,504
Reimbursed overhead expenses	(331,634)	(283,713)
Postemployment benefits other than pensions (Note 10)	797,610	1,086,509
Electric power	324,316	302,015
Fuel	121,912	131,496
Insurance	75,715	71,990
Public liability claims	490,127	243,770
Paratransit service contracts	616,823	517,151
Maintenance and other operating contracts	338,527	298,286
Professional service contracts	222,286	180,152
Pollution remediation projects (Note 15)	41,015	33,051
Materials and supplies	346,020	343,150
Depreciation and amortization (Note 2 and Note 5)	2,268,948	2,205,055
Other expenses	147,620	149,043
Total operating expenses	12,541,431	12,647,940
OPERATING LOSS	(8,184,499)	(8,641,411)

(Continued)

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities 2024	Business-Type Activities 2023 (Restated)
NONOPERATING REVENUES (EXPENSES):		
Tax-supported subsidies:		
New York State (Note 2)	$ 2,535,448	$ 4,028,437
New York City	387,248	363,856
Operating assistance subsidies:		
New York State	158,672	158,672
New York City	158,672	158,672
Triborough Bridge and Tunnel Authority	679,095	604,535
Less amounts provided to Staten Island Rapid Transit Operating Authority	(9,035)	(8,834)
Other subsidies—assistance fund (Note 2)	300,000	300,000
Total subsidies revenues	4,210,100	5,605,338
Federal Transit Administration Preventive Maintenance reimbursement	2,302,006	-
Other nonoperating revenues	34,727	28,986
Other nonoperating expenses	(135,139)	(137,280)
Loss on disposal of subway cars and track & structures	(24)	(301)
Total nonoperating income	6,411,670	5,496,743
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,772,829)	(3,144,668)
CAPITAL CONTRIBUTIONS (Note 2)	3,741,983	3,156,381
CHANGE IN NET POSITION	1,969,154	11,713
NET POSITION:		
Beginning of year	29,127,010	29,115,297
End of year	$ 31,096,164	$ 29,127,010

See notes to consolidated financial statements.

(Concluded)

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities	
	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from passengers, tenants, advertisers, and others	$ 4,179,138	$ 4,013,772
Cash payments for payroll and related employee costs	(7,314,194)	(7,143,900)
Cash payments to suppliers for goods and services	(2,342,392)	(2,304,807)
Net cash used in operating activities	(5,477,448)	(5,434,935)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES—Subsidies received	6,762,948	5,942,973
Net cash provided by noncapital financing activities	6,762,948	5,942,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments	(6,000)	(5,821)
Interest paid	(99,475)	(101,095)
Receipts from leases	10,764	7,685
Payments of leases	(41,581)	(40,079)
Payments of subscription-based IT arrangements	(1,540)	(315)
Payments on MTA Transportation Bonds issued to fund capital assets	(1,005,047)	(989,170)
Subsidies designated for debt service payments	221,903	195,918
Capital project costs incurred for capital program	(1,213,994)	(1,051,646)
Cash transferred to capital program fund	-	(85,581)
Reimbursement of capital project costs from MTA	1,180,889	945,537
Net cash used in capital and related financing activities	(954,081)	(1,124,567)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in MTA investment pool	(310,236)	596,208
Interest on investments	21,782	18,007
Net cash (used in) provided by investing activities	(288,454)	614,215
NET INCREASE (DECREASE) IN CASH	42,965	(2,314)
CASH—Beginning of year	23,179	25,493
CASH—End of year	$ 66,144	$ 23,179

(Continued)

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business-Type Activities	
	2024	**2023 (Restated)**
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (8,184,499)	$ (8,641,411)
Adjustments to reconcile operating loss to net cash used in operating activities—depreciation and amortization	2,268,948	2,205,055
On-behalf payments related to rent (Note 6)	9,528	7,553
Changes in operating assets and liabilities:		
(Increase) decrease in operating receivables	(148,039)	23,357
Increase in prepaid expenses and other current assets	(15,036)	(165,455)
(Increase) in materials and supplies	(24,893)	(30,827)
Decrease (increase) in deferred outflows of resources related to pensions	682,937	(119,423)
(Increase) decrease in deferred outflows of resources related to OPEB	(238,073)	478,332
Decrease in farecard liability	(20,634)	(8,013)
Increase (decrease) in accrued salaries, wages and payroll taxes	42,305	(19,556)
(Decrease) increase in accounts payable and other accrued liabilities	(11,886)	99,028
Increase in compensated absences	14,109	311,290
Increase (decrease) in accrued retirement and death benefits	1,666	(1,742)
(Decrease) increase in net pension liability	(667,415)	449,713
Decrease in net OPEB liability	(1,830,345)	(2,045,893)
Decrease in deferred inflows of resources related to pensions	(80,329)	(321,306)
Increase in deferred inflows of resources related to OPEB	2,241,212	2,038,268
Increase in estimated liability arising from injuries to persons	441,981	273,044
Increase in liability for pollution remediation projects	41,015	33,051
NET CASH USED IN OPERATING ACTIVITIES	$ (5,477,448)	$ (5,434,935)
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ 3,216,776	$ 2,856,722
Capital asset related liabilities	451,124	455,052
Interest expense for leases	31,092	26,919
Interest expense for subscription-based IT arrangements	154	20
Interest income from leases	1,397	1,254
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 3,700,543	$ 3,339,967

See notes to consolidated financial statements.

(Concluded)

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF FIDUCIARY NET POSITION PENSION FUND
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	Fiduciary Activities*	
	2024	2023
ASSETS:		
Cash	$	$ 3,583
Receivables:		
Employee loans		28,016
Investment securities sold		2,928
Accrued interest and dividends		2,996
Other receivables		
Total receivables		33,940
Investments at fair value/NAV:		
Equity securities		1,732,373
Fixed income securities		861,680
Other Alternative investments **		1,196,195
Total Investments at fair value/NAV		3,790,248
TOTAL ASSETS	$	$3,827,771
LIABILITIES:		
Accounts payable and accrued liabilities	$	$ 317
Payable for investment securities purchased		9,290
Accrued benefits payable		21
Accrued postretirement death benefits (PRDB) payable		5,720
Accrued 55/25 Additional Members Contribution (AMC) payable		1,504
Other liabilities		443
Total liabilities		17,295
NET POSITION—Restricted for pensions		3,810,476
TOTAL LIABILITIES AND NET POSITION	$	$3,827,771

* Includes the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (MaBSTOA Plan) only.

** Other Alternative investments include Opportunistic, Real assets, Real estate, Absolute return, Private equity and Short-term investment.

See notes to consolidated financial statements.

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Fiduciary Activities*	
	2024	**2023**
ADDITIONS:		
Contributions:		
Employer contributions	$	$ 328,430
Member contributions		25,390
Total contributions		353,820
Investments income:		
Net appreciation (depreciation) in fair value of investments		382,998
Dividend income		40,027
Interest income		20,357
Less—investment expenses		29,648
Investment income (loss)—net		413,734
Total additions		767,554
DEDUCTIONS:		
Benefit payments and withdrawals		266,622
Distribution to participants		
Administrative expenses		567
Total deductions		267,189
Net increase (decrease) in fiduciary net position		500,365
NET POSITION—Restricted for pensions:		
Beginning of year		3,310,111
End of year	$	$3,810,476

* Includes the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (MaBSTOA Plan) only.

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

Reporting Entity—The accompanying consolidated financial statements include the accounts of the New York City Transit Authority ("Transit Authority"), and its component unit, the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") (collectively, the Authority), which are public benefit corporations and component units of the Metropolitan Transportation Authority ("MTA") created pursuant to the Public Authorities Law (the Act) of the State of New York ("the State") to operate public subway and bus services within The City of New York ("The City").

The operations of the Authority are classified as Business-Type activities in these consolidated financial statements. The Authority is operationally and legally independent of the MTA. The Authority enjoys certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, the Authority is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability and the Authority is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the Authority and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include the Authority in its consolidated financial statements.

MaBSTOA is a component unit of the Transit Authority and, therefore, the financial results of MaBSTOA are combined with those of the Transit Authority in the consolidated financial statements. MaBSTOA is operationally and legally independent of the Authority. MaBSTOA enjoy certain rights typically associated with separate legal status. However, MaBSTOA is included in the Authority's consolidated financial statements as a blended component unit because of the Authority's financial accountability. The Manhattan and Bronx Surface Transit Operating Authority Pension Plan (MaBSTOA Plan) is categorized as a Pension Fund and is a fiduciary component unit of the Authority.

The Authority has material transactions with affiliated agencies included in the MTA financial reporting group. Such agencies include the MTA, Triborough Bridge and Tunnel Authority ("TBTA"), Metro North Commuter Railroad ("MNCR"), Long Island Rail Road ("LIRR"), MTA Bus Company ("MTA Bus"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), and First Mutual Transportation Assurance Company ("FMTAC"). See Note 12.

The Authority is a part of the financial reporting group of the MTA and is included in the consolidated financial statements of the MTA in accordance with GASB Statement No. 14, as amended by GASB Statement No. 61. The MTA is a component unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the State Comptroller as a public benefit corporation.

In July 2003, the MTA Capital Construction Company was created by action of the MTA Board of Directors as a public benefit corporation subsidiary of the MTA under section 1266(s) of the Public

Authorities Law. The mission of this subsidiary company is to plan, design and construct current and future major MTA system expansion projects. Projects currently underway, include all activities associated with the Long Island Rail Road East Side access, the Number 7 Line Extension, the Lower Manhattan Fulton Transit Center, the new South Ferry station complex, system-wide capital Security Projects, and the Second Avenue Subway, which are consolidated under the management of the MTA Capital Construction Company.

In December of 2004, MTA Bus was created as a public benefit corporation subsidiary of the MTA specifically to operate certain City bus routes. These routes are currently operated by MTA Bus and not by the Authority. All material transactions between MTA Bus and the Authority have been recorded as of December 31, 2023.

In October 2021, the MTA Grand Central Madison Operating Company ("MTA GCMC") was created as a public benefit corporation subsidiary of the MTA under section 1266(s) of the Public Authorities Law. The mission of this subsidiary is to operate and maintain the infrastructure and structures supporting Long Island Rail Road's access into Grand Central Terminal. On January 25, 2023, MTA GCMC, a 714,000 square foot terminal underneath Grand Central Terminal began limited, temporary shuttle service between Grand Central and Jamaica prior to the full service launch on February 27, 2023.

Staten Island Rapid Transit Operating Authority—The Staten Island Rapid Transit Operating Authority ("SIRTOA") is a component unit of the MTA and provides transportation service on Staten Island. SIRTOA is managed by the Authority on behalf of The City. The Authority has no responsibility for the operating deficit of SIRTOA. The Authority collects, on SIRTOA's behalf, its share of certain operating assistance subsidies determined by formula, and transfers such subsidies to SIRTOA. The amount of subsidy funds to which SIRTOA is entitled is recorded as a reduction of the subsidy revenues of the Authority.

Operations—Operations are conducted pursuant to leases with The City which expired on November 1, 1989, except that the terms of the leases continue so long as any financing agreement between the Authority and the MTA and any MTA Transportation Revenue Bonds remain outstanding. The City has the option to terminate the leases at any time. In the event of termination, The City is required to assume the assets and liabilities of the Authority and must pay or make provision for the payment of any debt incurred pursuant to financing agreements of the Authority.

Substantial operating losses (the difference between operating revenues and expenses) result from the essential services that the Authority provides; such operating losses will continue in the foreseeable future. To meet the funding requirements of these operating losses, the Authority receives subsidies from:

a. The State, in the form of annual subsidies of special State and regional tax revenues, operating assistance, and reimbursement of certain expenses;

b. The City, in the form of operating assistance, tax revenues, and reimbursement of certain expenses;

c. An affiliated agency (TBTA), in the form of a portion of its operating surplus;

d. In 2022, the Federal government, in the form of ARPA. This is not recurring in 2023.

The New York State Public Authorities Law and the financing agreement between the Authority and the MTA provide that the Authority shall establish fares, tolls, and other fees for the use of its facilities as may be necessary to maintain its combined operations on a self-sustaining basis as defined in such law. It is the opinion of management that the Authority is in compliance with these requirements. The Authority is not liable for real estate taxes, franchise taxes, or sales taxes on substantially all of its purchases or other excise taxes on its properties.

Capital Financing—The MTA has ongoing programs on behalf of the Authority and other affiliated agencies, subject to approval by the New York State Metropolitan Transportation Authority Capital Program Review Board (the State Review Board), which are intended to improve public transportation in the New York Metropolitan area.

The federal government has a contingent equity interest in assets acquired by the MTA with federal funds and upon disposal of such assets, the federal government may have a right to its share of the proceeds from the sale. This provision has not been a substantial impediment to the MTA's operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—Enterprise Fund—The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Authority applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, *Proprietary Accounting and Financial Reporting*.

Basis of Accounting—Fiduciary Fund—The fiduciary fund financial statements provide information about the funds that are used to report resources held in trust for retirees and beneficiaries covered by pension plans. Separate financial statements are presented for the fiduciary fund.

The MaBSTOA Plan is categorized as a Pension Fund and is a fiduciary component unit of the Authority.

The fiduciary statements of the fiduciary funds are prepared using the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits.

New Accounting Standards Adopted—The Authority adopted the following GASB Statement for the year ended December 31, 2024, with retroactive effect of this adoption as of January 1, 2023.

GASB Statement No. 100*, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The Authority evaluated the requirements of GASB 100 and concluded that that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the Authority.

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GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Authority evaluated the requirements under GASB Statement No. 101, *Compensated Absences*, and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and decreased by $298,717.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 and the change in the Accounting policy regarding recognition of projects in progress and capital accruals in the Consolidated Statement of Net Position as of December 31, 2023 (in thousands):

	As Previously Stated	**GASB Statement No. 101 Impact**	**Capital Accruals Impact**	**Restated**
NONCURRENT ASSETS:				
Construction work-in-progress	$ 7,814,730	$ -	$ 406,301	$ 8,221,031
Total noncurrent assets	51,591,982	-	406,301	51,998,283
Total assets	55,384,118	-	406,301	55,790,419
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	59,865,455	-	406,301	60,271,756
CURRENT LIABILITIES:				
Compensated Absences *	830,027	(319,941)	-	510,086
Other *	239,838	168,299	-	408,137
Total accrued expenses	1,858,338	(151,642)	-	1,706,696
Total Current liabilities	2,291,246	(151,642)	-	2,139,604
NONCURRENT LIABILITIES:				
Compensated Absences	-	450,359	-	450,359
Total noncurrent liabilities	24,908,659	450,359	-	25,359,018
Total liabilities	27,199,905	298,717	-	27,498,622
NET POSITION:				
Net investment in capital assets	49,943,505	-	406,301	50,349,806
Unrestricted	(20,924,079)	(298,717)	-	(21,222,796)
Total net position	29,019,426	(298,717)	406,301	29,127,010
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	59,865,455	-	406,301	60,271,756

* Reclass IBNR reserve from compensated absences to Other

In addition, revenues, expenses and changes in net position for the year ended December 31, 2023 were required to be restated by GASB Statement No. 101, *Compensated Absences* and the change in

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the Accounting policy regarding recognition of projects in progress and capital accruals, as follows (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	Capital Accrual Impact	Restatement Reported
OPERATING EXPENSES:				
Salaries and wages	$ 4,484,424	$ 272,545	$ -	$ 4,756,969
Other fringe benefits	615,655	20,849	-	636,504
Other expenses	143,720	5,323	-	149,043
Total operating expenses	12,349,223	298,717	-	12,647,940
OPERATING LOSS	(8,342,694)	(298,717)	-	(8,641,411)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(2,845,951)	(298,717)	-	(3,144,668)
CAPITAL CONTRIBUTIONS	2,750,080	-	406,301	3,156,381
CHANGE IN NET POSITION	(95,871)	(298,717)	406,301	11,713
NET POSITION—End of period	29,019,426	(298,717)	406,301	29,127,010

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101, *Compensated Absences* and the change in the Accounting policy regarding recognition of projects in progress and capital accruals for the year ended December 31, 2023:

Year Ended December 31, 2023	As Previously Stated	GASB Statement No. 101 Impact	Capital Accrual Impact	Restatement Reported
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss	$ (8,342,694)	$ (298,717)	$ -	$ (8,641,411)
Increase in accounts payable and other accrued liabilities *	79,795	19,233	-	99,028
Increase in compensated absences *	31,806	279,484	-	311,290
Supplemental schedule of noncash capital related financing activities:				
Contributed capital assets	2,450,421	-	406,301	2,856,722

* Reclass IBNR reserve from compensated absences to other accrued liabilities.

Accounting Standards Issued but Not Yet Adopted—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the Authority upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Authority Required Year of Adoption
102	*Certain Risk Disclosures*	2025
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026

Net Position—The Authority follows the "business type" activity requirements of GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which requires that resources be classified for accounting and reporting purposes into the following two net position categories:

- Net investment in capital assets: Capital assets including right-of-use assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

- Unrestricted: Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Subsidies—The Authority receives subsidies from various sources, including the State and The City, which are included in nonoperating revenues. In general, these subsidies are subject to annual appropriations by the governmental units and periodic approval of the continuation of the taxes supporting the subsidies.

The principal funding sources for the Authority are as follows:

Operating Assistance Appropriations and Grants—The Authority receives, subject to annual appropriations, State and City operating assistance funds. The funds received under the State transit operating assistance program are fully matched by contributions from The City. State and City operating assistance subsidies are recognized as non-operating revenue in the amount of the respective annual appropriation when such appropriation becomes effective.

Triborough Bridge and Tunnel Authority—The New York State Public Authorities law requires the TBTA to transfer its annual operating surplus, as defined, to MTA with allocation to the Authority. The initial $24 million of the operating surplus is provided to the Authority and the balance is divided equally between the Authority and the MTA. However, the amounts transferred to the Authority and the MTA are net of a provision for debt service on TBTA bonds issued to finance the acquisition of facilities under their respective portions of the Capital Program. For the years ended December 31, 2024 and 2023, $163.4 million and $197.4 million, respectively, were paid from the operating surplus of the TBTA to satisfy the Authority's portion of debt service requirements.

In April 2019, the approved 2019-2020 New York State Budget enacted legislation that included new, dedicated revenue streams for the MTA. The additional sources of revenue include a Central Business District Tolling Program. The Central Business District Tolling Program will assess a toll for vehicles entering the Central Business District, defined as south of 60th Street in Manhattan, but will exclude

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vehicles traveling on the FDR Drive or the West Side Highway, which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street. The Federal Highway Administration has provided MTA guidance to proceed with an environmental assessment, which will allow for the congestion pricing program to proceed.

The enacted State Budget also included provisions for a new Real Property Transfer Tax Surcharge (referred to as the "Mansion Tax") on high-priced residential property sales in New York City and an Internet Marketplace Sales Tax. The Mansion Tax went into effect on July 1, 2019 and increases the transfer tax on a sliding scale by a 0.25% starting at $2, with a combined top rate of 4.15%, on the sale of New York City residential properties valued at $25 or above. The Internet Marketplace 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 sites that have gross receipts exceeding $300,000 (dollars) and delivering more than one hundred sales into New York State in the previous four quarters. The sales tax will be collected at the normal rate of 4% plus local sales tax.

The proceeds from the Central Business District Tolling Program, the Internet Marketplace Sales Tax and the Real Property Transfer Tax Surcharge will be deposited into the MTA's Central Business District Tolling Program capital lock box and may only be used to support financing of the 2020-2024 Capital Program.

Mortgage Recording Taxes—Under New York State law, the MTA receives operating and capital assistance from the State Mortgage Recording Tax, which is collected by The City and the seven counties within the MTA transportation region, at the rate of three-tenths of 1% of the debt secured by certain real estate mortgages. Such legislation governs the use of the funds from this revenue source whereby the proceeds of this tax are first used by the MTA to meet the operating costs of the MTA headquarters, with the remaining funds allocated 55% to the Authority and 45% to the commuter railroads for their capital and operating needs. The Authority recognizes such sources of funds when designated by the MTA for the Authority's use. The portion of this subsidy attributable to the Authority is reported in "Tax-supported subsidies: New York State" in the accompanying consolidated statements of Revenues, Expenses, and Changes in Net Position.

In addition, the State designated for the MTA's use an additional mortgage recording tax (the Additional Mortgage Recording Tax) of one-quarter of 1% of mortgages secured by real estate improved or to be improved by structures containing one to six dwelling units in the MTA transportation region. The funds from this additional tax are available, after satisfying debt service requirements, to meet the capital and operating needs of the Authority and the commuter railroads to be disbursed at MTA's discretion.

No funds from the Additional Mortgage Recording Tax were disbursed to the Authority in 2024 and 2023.

The Authority receives operating assistance directly from The City through The City Mortgage Recording Tax at the rate of five-eighths of 1% of the debt secured by certain real estate mortgages and through the Real Property Transfer Tax at the rate of 1% of certain properties' assessed value (collectively referred to as Urban Tax Subsidies). These Urban Tax Subsidies are reflected in Tax supported subsidies: New York City, in the accompanying consolidated statements of Revenues, Expenses, and Changes in Net Position. These funds are recognized as revenue, based upon the reported amount of taxes collected by The City from underlying transactions, within the Authority's fiscal year.

New York State Regional Mass Transit Taxes—The Authority receives, subject to annual appropriations, revenues from taxes enacted by the State legislature from various taxing sources.

In 1980, the State enacted a series of taxes, portions of which are deposited in the Metro Mass Transportation Operating Account ("MMTOA"), to fund the operating deficits of State mass transportation systems. MMTOA taxes currently include a business privilege tax imposed on petroleum business in the State, a one-quarter of 1% sales and use tax on certain personal property and services, a corporate franchise tax imposed on transportation and transmission companies, and a temporary franchise tax surcharge on certain corporations, banks, insurance, utility, and transportation companies attributable to business activity carried on in the State. MMTOA taxes are subject to annual appropriation, availability of sufficient tax collections, and determination of operating need by the State for the MTA. They are recognized as revenue in the amount of the annual appropriation when such appropriation becomes effective.

Under New York State law, subject to annual appropriation, the MTA receives operating and capital assistance through a portion of petroleum business tax receipts, certain motor fuel taxes, and certain motor vehicle fees, which are collected by the State. Such assistance is required by law to be allocated, after provision for debt service on any bonds secured by such taxes, 85% to the Authority and 15% to the commuter railroads for their operating and capital needs. MTA Dedicated Tax Fund Bonds (DFT Bonds) are secured by certain petroleum business tax receipts. The Authority recognizes such sources of funds when designated by the MTA for the Authority's use. A portion of the petroleum business tax receipts collected by the MTA is used to satisfy the debt service requirements for the DTF Bonds and is recorded as capital contributions.

Metropolitan Commuter Transportation Mobility Tax—In June 2009, Chapter 25 of the Laws of 2009 added Article 23, which established the Metropolitan Commuter Transportation Mobility Tax ("MCTMT"). This tax is administered by the NYS Tax Department, and the proceeds from this tax are distributed to the MTA. This tax is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District ("MCTD"), which includes all counties in New York City, and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Duchess, and Westchester. This tax requires certain employers that have payroll expenses within the MCTD to pay at a rate of 0.34% of an employer's payroll expenses for all covered employees for each calendar quarter. The effective date of this tax was March 1, 2009 for employers other than public schools districts; September 1, 2009 for public schools districts, and January 1, 2009 for individuals. Also in 2009, several amendments to the existing tax law provided the MTA supplemental revenues to be deposited into the MTA's Aid Trust Account. These amendments imposed a supplemental fee of one dollar for each six month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD, a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD, imposed on taxicab owners a tax of fifty cents per ride on taxicab rides originating in New York City and terminating within the MCTD, and a supplemental tax of 5% of the cost of rentals of automobiles rented within the MCTD. The supplemental Aid Tax receipts are included in the Mobility Tax amounts for reporting purposes.

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The composition of New York State tax-supported subsidies for 2024 and 2023, is as follows (in thousands):

	2024	2023
Petroleum business tax	$ 282,952	$ 325,371
Metro mass tax	2,060,171	1,947,767
Payroll mobility tax	192,325	1,755,299
	$ 2,535,448	$ 4,028,437

Paratransit—Pursuant to an agreement between The City and the MTA, the Authority, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with Disability Act of 1990. Services are provided by private vendors under contract with the Authority. The City reimburses the Authority for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above, or an amount that is 20% greater than the amount paid by The City for the preceding calendar year. Fare revenues and The City reimbursement aggregated approximately $557.0 million in 2024 and $402.4 million in 2023. Total paratransit expenses, including paratransit service contracts, were $715.6 million and $601.5 million in 2024 and 2023, respectively.

Operating and Non-operating Expenses—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the Authority (e.g., salaries, compensated absences, insurance, depreciation, lease and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, fuel hedge transactions, etc.) are reported as non-operating expenses.

Reimbursement of Expenditures—Engineering and labor costs incurred by the Authority for capital projects are reimbursed under the capital program by the MTA to the extent that they relate to approved expenditures applicable to capital projects primarily initiated after April 1, 1982. They were reimbursed by The City to the extent they related to amounts approved for prior projects. In 2024 and 2023, reimbursements were netted against gross operating expenses on the consolidated statements of Revenues, Expenses, and Changes in Net Position.

Fare and Service Reimbursement from the State and City—In 1995, The City ceased reimbursing the Authority for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and The City each began paying $45 million per annum to the Authority toward the cost of the program. In 2009, the State reduced its $45 million reimbursement to $6.3 million. Beginning in 2010, the State increased its annual commitment to $25.3 million while The City's annual commitment remained at $45 million. These commitments have been met by both the State and The City in 2023 and by the State in 2024. For the year ended December 31, 2024, the Authority received $25.3 million from the State. The City had advanced $30 million in 2023 for the year 2024 and there is outstanding remaining balance of $15.0 million.

Prior to April 1995, The City was obligated to reimburse the Authority for the transit police force. As a result of the April 1995 merger of the transit police force into the New York City Police Department, The City no longer reimburses the Authority for the costs of policing the Transit System on an ongoing basis since policing of the Transit System is being carried out by the New York City Police Department at The City's expense. The Authority continues to be responsible for certain capital costs and support services related to such police activities, a portion of which is reimbursed by The City. The Authority received approximately $1.9 million and $3.4 million in 2024 and 2023, respectively, for the reimbursement of transit police costs.

Assistance Fund—Congestion Zone Surcharges—In April 2018, the approved 2018-2019 New York State Budget enacted legislation that provided additional sources of revenue, in the form of surcharges and fines, as defined by Article 29-C, Chapter 59 of the Tax Law, to address the financial needs of the MTA. Beginning on January 1, 2019, the legislation imposed the following:

- A surcharge of $2.75 on for-hire transportation trips provided by motor vehicles carrying passengers for hire (or $2.50 in the case of taxicabs that are subject to the $0.50 cents tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulance and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the City of New York, in the Borough of Manhattan (the "Congestion Zone"), (2) originates anywhere in NYS and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in NYS, or (4) originates anywhere in NYS, enters into the Congestion Zone while in transit, and terminates anywhere in NYS.

- A surcharge of $0.75 cents for each person who both enters and exits a pool vehicle in NYS and who is picked up in, dropped off in, or travels through the Congestion Zone.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services.

The April 2018 legislation also created the New York City Transportation Assistance Fund, held by MTA. The fund consists of the three sub-accounts, the Subway Action Plan Account, the Outer Borough Transportation Account and the General Transportation Account.

- ***Subway Action Plan Account***—Funds in this account may be used exclusively for funding the operating and capital costs, and debt service associated, with the Subway Action Plan.

- ***Outer Borough Transportation Account***—Funds in this account may be used exclusively for funding (1) the operating and capital costs of, and debt service associated with, the MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels.

- ***General Transportation Account***—Funds in this account may be used exclusively for funding the operating and capital costs of MTA. In each case, funds may be used for various operations and capital needs or for debt service and reserve requirements.

MTA Investment Pool—The MTA, on behalf of the Authority, invests funds which are not immediately required for Authority's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The Authority categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Authority's investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs).

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Due from/to MTA and Constituent Authorities—Due from/to MTA and constituent Authorities consists of reimbursements due from the MTA Capital Program for billed and unbilled charges relating to capital projects, farecards and intercompany operating receivables, payables, and inter-agency loan transactions.

Prepaid Expenses and Other Current Assets—The Authority made the following prepayments in 2024: $32.6 million to the New York Health Insurance Plan ("NYSHIP"), $31.5 million in risk management related insurance coverage, and $174.1 million for the 2025 projected actuarially determined contributions of MaBSTOA Pension Plan. The Authority made the following prepayments in 2023: $32.8 million to the NYSHIP, $31.9 million in risk management related insurance coverage, and $158.4 million for the 2024 projected actuarially determined contributions of MaBSTOA Pension Plan.

Due from/to MTA for Purchase of Capital Assets—Due from/to MTA for purchase of capital assets consists of funds held by the MTA which are restricted for capital asset acquisitions by the Authority pursuant to the 2002 Transportation Revenue Bond Resolution. This capital program pool is comprised of non-bond proceed funds derived from safe harbor and sale/leaseback transactions, operating fund transfers, legal settlements, TBTA bond purchase rights and swap option agreements, and interest earnings on these pooled funds.

Capital Assets—Capital assets acquired prior to April 1982 were funded primarily by The City, with capital grants made available to the Authority. The City has title to a substantial portion of such assets and, accordingly, these assets are not recorded on the books of the Authority. Subsequent acquisitions, which are part of the capital program, are recorded at cost by the Authority. Funding sources for the acquisition of these capital assets include Federal, State, and City capital grants, grants from the Port Authority of New York and New Jersey, the proceeds from the issuance of Transportation Revenue Bonds, and various TBTA bonding and other sources. Capital assets are recorded at cost and are depreciated on a straight-line basis over 25 or 35 years for subway cars, 12 years for buses, and lives generally ranging from 10 years to 60 years for the other capital assets. GASB 87 leases are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received. Accumulated depreciation and amortization are reported as reductions of capital and right-of-use assets. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Leases—Per GASB Statement No. 87, certain lease agreements are classified as financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

Subscription-Based Information Technology Arrangements -Per GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets

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(the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or the Authority's incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

Compensated Absences – Per GASB Statement No. 101, *Compensated Absences*, the Authority has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means (if any).

Contributed Capital—Capital assets contributed by the MTA and restricted funds due from the MTA for the purchase of capital assets are recorded as capital contributions on the consolidated statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributions for the years ended December 31, 2024 and 2023, consist of the following (in thousands):

	2024	**2023** (Restated)
Capital assets contributed by MTA from:		
Federal grants	$ 1,912,286	$ 1,543,079
Other than federal grants	2,532,179	2,378,521
Petroleum business taxes received net of principal and interest payments on debt	221,903	195,918
Principal and interest payments on MTA Transportation bonds issued to fund capital assets	(771,765)	(781,506)
Decrease in funds due from MTA for purchase of capital assets	(152,620)	(179,631)
Total capital contributions	$ 3,741,983	$ 3,156,381

Passenger Revenue—Sale of farecards is reported as deferred revenue and recognized as operating income when used. Expired fare media revenue is recognized on the date of the expiration on the farecard.

Materials and Supplies—Materials and supplies are recorded at weighted average cost, net of a reserve for obsolescence at December 31, 2024 and 2023, of $107.4 million and $94.8 million, respectively.

Employee Benefits—In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the Authority recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the Authority's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the pension plans' measurement dates. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the year incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

In 2003, and as a result of collective bargaining, the Authority assumed responsibility for providing health benefits to its employees who are members of the Transport Workers Union ("TWU") Local 100, as well as to retirees who were members of the TWU Local 100 and reach normal retirement age while working for the Authority. During 2005, the Authority also began providing health benefits for active and retired members of the Amalgamated Transit Union ("ATU") Local 1056 and Local 726. Previously, these benefits were being provided by the TWU and ATU Health Benefits Trusts ("the Trusts") with the Authority required to make monthly contributions to the Trusts on behalf of the participants on a 'pay as you go' basis. The majority of the benefits provided under the plan are self-insured with administrative services provided by various health insurance companies.

The Authority has recorded a liability for claims incurred but not reported ("IBNR"). The liability represents those estimated future payments that are attributable, under the plan's provisions, to services rendered to participants prior to year-end. The estimated liability of claims includes benefits expected to be paid to retired or terminated employees or their beneficiaries and present employees or their beneficiaries, as applicable. The estimated liability for claims incurred but not reported or paid is $175.3 million and $181.3 million as of December 31, 2024 and 2023, respectively.

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and GASB Statement No. 85, *Omnibus*, the Authority recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

Receivables—Receivables are recorded as amounts due to the Authority, reduced by an allowance for doubtful accounts, to report the receivables at their net realizable value.

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Pollution Remediation Projects—Pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 15). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the Authority is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the Authority is named by a regulator as a responsible or potentially responsible party to participate in remediation; the Authority voluntarily commences or legally obligates itself to commence remediation efforts; or the Authority is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Use of Management's Estimates—The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. In addition, they affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

3. CASH

The bank balances are insured up to $250 thousand in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. Cash, including funds on hand and in transit, consists of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Book Balance	**Bank Balance**	**Book Balance**	**Bank Balance**
Insured and collateralized deposits	$ 56,151	$54,620	$ 10,935	$ 9,888
Less escrow and other restricted deposits	(2,689)	(2,687)	(1,044)	(1,044)
Commercially insured funds on-hand and in-transit	12,682	-	13,288	-
	$ 66,144	$51,933	$ 23,179	$ 8,844

Deposits in the Authority's bank accounts are collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds, pursuant to the New York State Public Authorities Law. The on-hand and in-transit funds consist primarily of passenger revenue funds collected, but not yet deposited.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover the value of its deposits. While the Authority does not have a formal deposit policy for custodial credit risk, New York State statues govern the Authority's investment policies.

UNAUDITED

4. MTA INVESTMENT POOL

The MTA, on behalf of the Authority, invests funds which are not immediately required for the Authority's operations, in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by the MTA's agent, in custody accounts, in the name of the MTA. The Authority records its position in the Pool based upon a net asset value derived on assets invested in the Pool plus all realized income and losses earned. The Authority's earnings from short-term investments approximated $22.1 million and $18.4 million for the years ended December 31, 2024 and 2023, respectively. The Authority also incurred interest expense of $96.7 million and $104.1 million for the years ended December 31, 2024 and 2023, respectively, which was due to negative investment pool balance of $938.3 million and $1,248.5 million, as funds were used for working capital purposes to offset the shortfall in Tax subsidy revenue. With right of offset, the deficit amounts have been reclassified in the Due from MTA and constituent authorities category in the consolidated balance sheets.

5. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the Authority having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 or 35 years for subway cars, 12 years for buses, and lives generally ranging from 10 years to 60 years for the other capital assets. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-to-use assets consist of the following at January 1, 2023, December 31, 2023, and December 31, 2024 (in thousands):

UNAUDITED

The following is a summary of capital and right-of-use assets activity at January 1, 2023, December 31, 2023, and December 31, 2024:

(In thousands)	January 1, 2023 (Restated) *	Additions/ Reclassifications (Restated) *	Deletions/ Reclassifications (Restated) *	December 31, 2023 (Restated) *	Additions/ Reclassifications	Deletions/ Reclassifications	December 31, 2024
Capital assets not being depreciated—construction work-in-progress	$ 5,813,958	$ 4,653,286	$ (2,246,213)	$ 8,221,031	$ 4,525,849	$ (3,962,419)	$ 8,784,461
Total capital assets not being depreciated	5,813,958	4,653,286	(2,246,213)	8,221,031	4,525,849	(3,962,419)	8,784,461
Capital assets being depreciated:							
Subway cars	9,502,200	255,096	(24,827)	9,732,469	911,593	(21,552)	10,622,510
Buses	3,319,948	71,416	(116,003)	3,275,361	84,059	(83,141)	3,276,279
Track and structures	15,917,989	456,654	-	16,374,643	889,241	-	17,263,884
Depots and yards	5,363,090	497,138	-	5,860,228	807,451	(14,296)	6,653,383
Stations	24,258,762	373,646	-	24,632,408	1,168,999	-	25,801,407
Signals	9,727,907	248,359	-	9,976,266	154,991	-	10,131,257
Service vehicles	556,358	4,999	-	561,357	357	-	561,714
Building	166,733	-	-	166,733	-	-	166,733
Other	3,910,253	437,128	(140)	4,347,241	105,970	(745)	4,452,466
Total capital asset being depreciated	72,723,240	2,344,436	(140,970)	74,926,706	4,122,661	(119,734)	78,929,633
Less accumulated depreciation:							
Subway cars	(5,227,084)	(212,028)	24,827	(5,414,285)	(220,477)	21,537	(5,613,225)
Buses	(1,791,536)	(242,147)	116,003	(1,917,680)	(218,079)	83,141	(2,052,618)
Track and structures	(6,599,254)	(413,063)	-	(7,012,317)	(429,273)	-	(7,441,590)
Depots and yards	(2,749,022)	(126,836)	-	(2,875,858)	(141,306)	14,296	(3,002,868)
Stations	(8,182,025)	(679,357)	-	(8,861,382)	(753,889)	-	(9,615,271)
Signals	(3,194,793)	(284,829)	-	(3,479,622)	(260,626)	-	(3,740,248)
Service vehicles	(260,864)	(18,474)	-	(279,338)	(18,554)	-	(297,892)
Building	(102,720)	(3,308)	-	(106,028)	(3,308)	-	(109,336)
Other	(2,456,008)	(202,137)	140	(2,658,005)	(198,720)	745	(2,855,980)
Total accumulated depreciation	(30,563,306)	(2,182,179)	140,970	(32,604,515)	(2,244,232)	119,719	(34,729,028)
Total capital assets being depreciated—net	42,159,934	162,257	-	42,322,191	1,878,429	(15)	44,200,605
Right-of-use assets being amortized:							
Leased buildings and structures	295,812	77,132	-	372,944	4,598	-	377,542
Leased equipment and vehicles	2,992	1,053	-	4,045	1,274	-	5,319
Leased other	420	106	-	526	336	-	862
Subscription-based IT arrangements	2,280	-	-	2,280	1,738	-	4,018
Total right-of-use assets being amortized	301,504	78,291	-	379,795	7,946	-	387,741
Less accumulated amortization: right-of-use assets							
Leased buildings and structures	(45,840)	(20,865)	-	(66,705)	(21,495)	-	(88,200)
Leased equipment and vehicles	(1,087)	(1,103)	-	(2,190)	(1,312)	-	(3,502)
Leased other	(239)	(213)	-	(452)	(203)	-	(655)
Subscription-based IT arrangements	(695)	(695)	-	(1,390)	(1,706)	-	(3,096)
Total accumulated amortization	(47,861)	(22,876)	-	(70,737)	(24,716)	-	(95,453)
Right-of-use assets being amortized—net	253,643	55,415	-	309,058	(16,770)	-	292,288
Total capital assets, including right-of-use asset—net	$ 48,227,535	$ 4,870,958	$ (2,246,213)	$ 50,852,280	$ 6,387,508	$ (3,962,434)	$ 53,277,354

* Restated due to change in Accounting policy regarding recognition of projects in progress and capital accruals.

In accordance with GASB Statement No. 89, there is no interest capitalized related to the construction of capital assets.

As of December 31, 2024, $53.0 billion is unexpended from the overall MTA Capital program (2005-2024) and $22.4 billion has been committed.

As of December 31, 2023, $60.2 billion is unexpended from the overall MTA Capital program (2005-2024) and $25.1 billion has been committed.

6. LEASES

The Authority entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivable and lease liabilities are measured at the present value of payments expected to be made during the lease term, using NYCTA's incremental borrowing rate at the time of valuation ranging from 0.97% to 9.11% if an applicable stated or implicit rate is not available.

The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Interest revenues are recognized on the lease receivables and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor—The Authority leases its land, building, station concession, equipment, and right-of-way to other entities. These leases have terms between 1 year to 22 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 19 years. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivables.

The total amount of inflows of resources recognized for the year ended December 31, 2024 and 2023, is presented below (in thousands):

	2024	**2023**
Lease revenue	$9,118	$8,384
Interest revenue	1,397	1,254
Other variable revenue	1,694	992

A summary of activity in lease receivable for the years ended December 31, 2024 and 2023, is presented below (in thousands):

	2024	**2023**
Balance—beginning of year	$47,930	$56,344
Additions/remeasurements	5,506	(2,869)
Receipts/interest	(9,157)	(5,545)
Balance—end of year	44,279	47,930
Less current portion	(7,768)	(8,567)
Lease receivable noncurrent	$36,511	$39,363

The Authority did not recognize any revenue associated with residual value guarantees and termination penalties for years ended December 31, 2024 and 2023, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2025	$ 7,768	$ 1,231	$ 8,999
2026	8,318	1,026	9,344
2027	8,083	808	8,891
2028	6,069	600	6,669
2029	2,044	489	2,533
2030–2034	7,020	1,641	8,661
2035–2039	3,688	636	4,324
2040-2044	1,289	162	1,451
Total	$ 44,279	$ 6,593	$ 50,872

As Lessee—The Authority leases building, office space, storage space, equipment, vehicle, and cell tower space from other entities. These leases have terms between 1 year to 67 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 64 years.

The amount of lease expenses recognized for variable payments not included in the measurement of lease liability were $11,882 and $949 for the years ended December 31, 2024 and 2023, respectively. The Authority recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023, respectively.

A summary of activity in lease liability for the year ended December 31, 2024 and 2023, is presented below (in thousands):

	2024	2023
Balance—beginning of year	$ 454,349	$ 389,219
Additions/remeasurements	6,208	78,290
Payments/interest	(10,489)	(13,160)
Balance—end of year	450,068	454,349
Less current portion	(11,638)	(8,659)
Lease liability noncurrent	$ 438,430	$ 445,690

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2025	$ 11,638	$ 32,501	$ 44,139
2026	11,450	32,188	43,638
2027	5,334	31,937	37,271
2028	5,393	31,756	37,149
2029	10,412	31,362	41,774
2030–2034	53,063	147,691	200,754
2035–2039	94,626	121,888	216,514
2040–2044	98,084	83,276	181,360
Thereafter	160,068	73,417	233,485
Total	$ 450,068	$ 586,016	$ 1,036,084

Significant Lease Transactions—In 1990, the Authority acquired an office building located at 130 Livingston Street in Brooklyn, New York. The property is located on land owned by the New York City Economic Development Corporation ("NYC EDC"), as trustee for The City, with whom the Authority has entered into a 99-year ground lease. In 2011, the ground lease between the MTA and NYC EDC for Livingston Street was renegotiated with monthly lease payments increasing from approximately $47 to $111 per month. In January 2020, the base rent was increased to $205 per month as a result of a revaluation of the land appraisal. Rent expense payments under the lease were approximately $2.5 million and $2.5 million in 2024 and 2023, respectively.

On July 29, 1998, the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate $937.4 million. Under the subleases, the lease is apportioned as follows: the Authority, 68.7%, MTA, 21%; and TBTA, 10.3%. However, the involved agencies have agreed to sub-sublease space from one another as necessary to satisfy actual occupancy needs. The agencies will be responsible for obligations under the lease based on such actual occupancy percentages. Actual occupancy percentages at December 31, 2024, for the Authority, TBTA and MTA (including MTA Bus, MTA Construction and Development, and MTA Business Service Center) were 48.4%, 7.4%, and 44.2%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2024 and 2023, the total of the rental payments charged to the Authority was $9.5 million and $7.6 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority entered into various subscription-based information technology arrangements ("SBITAs") that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using NYCTA's incremental borrowing rate at the time of valuation ranging from 2.46% to 4.44% if an applicable stated or implicit rate is not available.

The initial measurement of The Authority's subscription asset and lease liability was as of January 1, 2022. The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

The Authority's subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 2 years to 7 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining subscriptions terms are between 1 year to 4 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $386 and $53 for the years ended December 31, 2024 and 2023, respectively. The Authority recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and 2023, respectively.

The summary of activity in SBITA liability for the years ended December 31, 2024 and 2023, is presented below (in thousands):

	2024	**2023**
Balance—beginning of year	$ 703	$ 997
Additions/remeasurements	1,738	-
Payments/interest	(1,386)	(294)
Balance—end of year	1,055	703
Less current portion	(790)	(277)
SBITA liability noncurrent	$ 265	$ 426

The principal and interest requirements to maturity for the lease liabilities subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	**Principal**	**Interest**	**Total**
2025	$ 790	$ 16	$ 806
2026	129	5	134
2027	81	2	83
2028	55	1	56
Total	$ 1,055	$ 24	$ 1,079

8. COMPENSATED ABSENCES

MTA provides employee benefits for vacation, compensatory time, sick, and other leave days. Certain leave that has not been used are recorded as compensated absences liabilities if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Short-term liability is recorded based on average usage or applicable leave expiration, while long-term liability is recorded for leave that accumulates and is carried forward to a future reporting period during which it may be used for time off or otherwise paid or settled at separation of service, or according to timing as provided for in the policy or collective bargaining agreement.

The initial measurement of MTA's compensated absences liability under GASB Statement No. 101, *Compensated Absences* was as of January 1, 2023. The liability including certain salary-related payments were recalculated and adjusted based on the estimated outstanding leave balances as of the years ended December 31, 2024 and 2023.

A summary of activity indicated as net increase or decrease in compensated absences liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	2024	2023
Balance—beginning of year	$ 960,445	$ 798,221
Net adjustment	14,109	162,224
Balance—end of year	974,554	960,445
Less current portion	(508,532)	(510,086)
Compensated absences liability noncurrent	$ 466,022	$ 450,359

9. EMPLOYEE BENEFITS

Pensions—The Authority participates in two defined benefit pension plans for their employees, the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Pension Plan") and New York City Employees' Retirement System ("NYCERS"). A brief description of each of the pension plans follows:

Plan Descriptions

MaBSTOA—The MaBSTOA Pension Plan is a cost-sharing multiple-employer defined benefit retirement plan administered by MTA Headquarters and funded by MTA New York City Transit covering employees of MaBSTOA and certain employees of MTA Headquarters. Prior to January 1, 2020, this was a single employer defined benefit retirement plan covering only MaBSTOA employees. Employees of MaBSTOA and MTA Headquarters are specifically excluded from participating in the NYCERS. The Plan provides retirement as well as death, accident and disability benefits. Effective January 1, 1999, in order to afford managerial and non-represented MaBSTOA employees the same pension rights as like title employees in the MTA New York City Transit Authority, membership in the MaBSTOA Pension Plan is mandatory.

The Board of Administration, established in 1963, determines the eligibility of employees and beneficiaries for retirement and death benefits. The MaBSTOA Pension Plan assigns authority to the MaBSTOA Board to modify, amend or restrict the MaBSTOA Pension Plan or to discontinue it altogether, subject, however, to the obligations under its collective bargaining agreements. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100

("TWU") and three employer representatives. The MaBSTOA Pension Plan is a fiduciary component unit of the Authority and is reflected in the Pension Fund section of the Authority's basic financial statements.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information regarding the employee benefit plan. The report may be obtained by writing to MaBSTOA Pension Plan, New York City Transit Authority, 2 Broadway, 10th Floor, New York, New York, 10004 or at www.mta.info.

NYCERS—The NYCERS Plan is a cost-sharing, multiple-employer retirement system for employees of The City of New York ("The City") and certain other governmental units whose employees are not otherwise members of The City's four other pension systems. NYCERS administers the New York City Employees' Retirement System qualified pension plan.

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the Laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law ("RSSL"), and the Administrative Code of the City of New York ("ACNY"), which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees. NYCERS is a fiduciary component unit of The City and is in the pension and Other Employee Benefit Trust Funds sections of The City's Annual Comprehensive Financial Report ("ACFR").

NYCERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the New York City Employees' Retirement System at 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724 or at www.nycers.org.

All employees holding permanent civil service positions in the competitive or labor class are required to become members of the NYCERS six months after their date of appointment, but may voluntarily elect to join the NYCERS prior to their mandated membership date. All other eligible employees have the option of joining the NYCERS upon appointment or anytime thereafter. NYCERS members are assigned to a "tier" depending on the date of their membership.

Tier 1 All members who joined prior to July 1, 1973.

Tier 2 All members who joined on or after July 1, 1973 and before July 27, 1976.

Tier 3 Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012.

Tier 4 All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.

Tier 6 Members who joined on or after April 1, 2012.

Benefits Provided

MaBSTOA—MaBSTOA Pension Plan provides retirement as well as death, accident, and disability benefits to plan members and beneficiaries. The benefits provided by the Plan are generally similar to the benefits provided to MTA New York City Transit participants in NYCERS. Benefits vest after either 5, 10, or 20 years of credited service, depending on the date of membership.

In 2008, NYCERS has determined that Tier 4 employees are and have been eligible for a post-retirement death benefit retroactive to 1986. In June 2012, the MTA Board approved an amendment to the MaBSTOA Pension Plan to provide for incorporation of this benefit.

Chapter 716 of the Laws of 2023 enacted in December 2023 modified the pre-retirement and postretirement ordinary death benefits applicable to Tier 2, 3, 4 and 6 members effective July 1, 2021. This affects the benefits payable after the death of a member who is over age 60. The law lowers the existing age-based reductions, resulting in an increased benefit for eligible beneficiaries.

Chapter 55 of the Laws of 2024, Part KK, extends until December 31, 2026 the exclusion of pensionable earnings above the annual base wages of Tier 6 members for purposes of calculating Basic Member Contributions.

Chapter 56 of the Laws of 2024, Part QQ, reduces the number of years used to calculate the Final Average Salary from five years to three years for certain Tier 6 members.

Tier 1—

Eligibility and Benefit Calculation—Tier 1 members must be at least age 50 with the completion of 20 years of service to be eligible to collect a service retirement benefit. Generally, the benefit is 1.50% for service before March 1, 1962, plus 2.0% for service from March 1, 1962 to June 30, 1970, plus 2.5% for service after June 30, 1970. The accumulated percentage, up to a maximum of 50%, is multiplied by the member's compensation, which is the greater of earned salary during the year prior to retirement. Once the accumulated reaches 50%, the percentage for each further year of service reverts back to 1.5%. The percentage in excess of 50% is multiplied by the final compensation, which is the highest average earnings over five consecutive years.

Ordinary Disability Benefits—Generally, ordinary disability benefits, are provided to eligible Tier 1 members after ten years of service with the benefit equal to the greater of the service retirement percentages or 25% multiplied by final compensation.

Accidental Disability Benefits—The accidental disability benefit to eligible Tier 1 members is equal to 75% of final compensation reduced by 100% of any worker's compensation payments.

Ordinary Death Benefits—Tier 1 members the amount of the death benefit is a lump sum equal to six months' pay for members with less than 10 years of service; a lump sum equal to 12 months of pay for members with more than 10 but less than 20 years of service, and a lump sum equal to two times 12 months of pay for members with more than 20 years of service.

Tier 2—

Eligibility and Benefit Calculation—Tier 2 members must be at least age 55 with the completion of 25 years of service to be eligible to collect a service retirement benefit. Generally, the benefit equals 50% of final 3-year average compensation, defined as the highest average earnings over three consecutive years, plus 1% of final 5-year average compensation, defined as the highest average earnings over five consecutive years, per year of credited service in excess of 20 years. For early retirement, members must be at least age 50 with the completion of at least 20 years of service. The benefit is determined in the same manner as the service retirement but not greater than 2.0% of final 3-year average compensation per year of service.

Ordinary Disability Benefits—Generally, ordinary disability benefits, are provided to eligible Tier 2 members after ten years of service with the benefit equal to the greater of the service retirement percentages or 25% multiplied by the final 5- year average compensation.

Accidental Disability Benefits—The accidental disability benefit to eligible Tier 2 members is equal to 75% of the final 5-year average compensation reduced by any worker's compensation payments.

Ordinary Death Benefits—Tier 2 members require the completion of 90 days of service to receive a lump sum equal to 3 times salary, raised to the next multiple of $1,000.

Tiers 3 and 4—

Eligibility and Benefit Calculation—Tier 3 and 4 members in the Regular 62 and 5 Plan must be at least age 62, with the completion of at least 5 years of service to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 2.0% of Final Average Salary ("FAS") for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. FAS is defined as the highest average earnings over three consecutive years, of which earnings in a year cannot exceed 110% of the average of the two preceding years. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service. For early retirement, members must be at least age 55 with the completion of at least 5 years of service. The benefit equals the service retirement benefit reduced by 6% for each of the first two years prior to age 62, and by 3% for years prior to age 60.

Tier 3 and 4 members in the Regular 55 and 25 Plan must be at least age 55 with the completion of at least 25 years of service, or be at least age 62 with the completion of at least 5 years of service, to be eligible to collect a service retirement benefit.

Generally, the benefit for members with at least 25 years of service, is equal to 2.0% of FAS for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. If the member completes less than 25 years of credited service, the benefit equals 1-2/3% of FAS multiplied by years of service.

Tier 4 members in the 57 & 5 Plan must be at least age 57 with the completion of at least 5 years of service to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 2.0% of FAS for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. If the member completes less than 20 years of credited service, the benefit equals 1-2/3% of FAS multiplied by years of service.

Ordinary and Accidental Disability Benefits—For eligible members of the Regular 62 and 5 Plan, 55 and 25 Plan and 57 and 5 Plan, ordinary and accidental disability benefits, are provided after 10 years of service for ordinary and no service required for accidental. The benefit equals the greater of 1-2/3% of FAS per year of service and 1/3 of FAS.

Ordinary Death Benefits—For eligible members of the Regular 62 and 5 Plan, 55 and 25 Plan, 57 and 5 Plan, the pre-retirement ordinary death benefit is equal to a lump sum of annual salary times the lesser of completed years of service and 3. After age 60, the benefit is reduced 5% per year, to a maximum reduction of 50%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable. Upon retirement, the post-retirement benefit is reduced by 50% and reduced an additional 25% after completion of one year of retirement. After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at age 60.

Tier 6—

Eligibility and Benefit Calculation—Chapter 56 of the Laws of 2022 enacted in April 2022 reduced the Tier 6 vesting requirement from 10 years to 5 years of service. Tier 6 members in the 55 and 25 Special Plan must be at least age 55 with the completion of at least 25 years, or at least age 63 with the completion of at least 5 years of service, to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 25 years of service, is equal to 2.0% of FAS for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service. FAS is defined as the highest average pensionable earnings over five consecutive years.

Tier 6 members in the Basic 63 and 10 Plan to be referred as the 63/5 Plan going forward, must be at least age 63 with the completion of at least 5 years to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 20 years of service, is equal to 35% of FAS plus 2.0% of FAS for years of service in excess of 20. If the member completes less than 20 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service. FAS is defined as the highest average pensionable earnings over five consecutive years. For early retirement, members must be at least age 55 with the completion of at least 10 years of service. The benefit equals the service retirement benefit reduced by 6.5% for each year early retirement precedes age 63.

Ordinary and Accidental Disability Benefits—For eligible members of the 55 and 25 Special Plan and the Basic 63 and 5 Plan, ordinary and accidental disability benefits, are provided after 10 years of service for ordinary and no service required for accidental. The benefit equals the greater of 1-2/3% of FAS per year of service and 1/3 of FAS.

Ordinary Death Benefits—For eligible members of the 55 and 25 Special Plan and the Basic 63 and 5 Plan, the pre-retirement ordinary death benefit is equal to a lump sum of annual salary times the lesser of completed years of service and 3. After age 60, the benefit is reduced 5% per year, to a maximum reduction of 50%. Accumulated regular member contributions with interest are also payable. Upon retirement, the post-retirement benefit is reduced by 50% and reduced an additional 25% after completion of one year of retirement. After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at age 60.

In 2020, an amendment to the MaBSTOA Pension Plan was approved by the Board to provide a COVID-19 Accidental Death Benefit. Chapter 89 of the Laws of 2020 (Chapter 89) was passed by the Legislature, and signed by the Governor, on May 30, 2020. Chapter 89 enacted Sections 361-b, 509-a and 607-i of the Retirement and Social Security Law and Section 13-149.1 of the New York City Administrative Code, to provide a special line-of-duty Accidental Death Benefit to eligible members of the pension plan.

NYCERS—NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (non-job-related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers.

The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of final salary. The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of final salary.

Tier 2 participants have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit.

Tier 3 participants were later mandated into Tier 4, but could retain their Tier 3 rights. The benefits for Tier 3 participants are reduced by one half of the primary Social Security benefit attributable to service, and provides for an automatic annual cost-of-living escalator in pension benefits of not more than 3.0%.

Tier 4 participants upon satisfying applicable eligibility requirements may be mandated or elected, as applicable, into the Basic 62/5 Retirement Plan, the 57/5 Plan, and the 55/25 Plan. These plans provide annual benefits of 40% to 50% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.5% to 2%) of final salary.

During March 2012, the Governor signed Chapter 18 of the Laws of 2012 that placed certain limitations on the Tier 3 and Tier 4 benefits available to participants who joined on and after April 1, 2012. In general, these changes, commonly referred to as Tier 6, increase the age requirement to 63 for most non-uniformed employees to retire and receive a full pension, require member contributions for all years of service for non-uniformed employees, institute progressive member contributions for non-uniformed employees, and lengthen the final average salary period from 3 to 5 years. Chapter 56 of the Laws of 2022 enacted in April 2022 reduced the Tier 6 vesting requirement from 10 years to 5 years of service.

Chapter 18 of the Laws of 2012 created Tier 6. These changes increase the retirement age to 63, require member contributions for all years of service, institute progressive member contributions, and lengthen the final average salary period from 3 to 5 years.

Chapter 716 of the Laws of 2023 enacted in December 2023 modified the pre-retirement and postretirement ordinary death benefits applicable to Tier 2, 3, 4 and 6 members effective July 1, 2021. This affects the benefits payable after the death of a member who is over age 60. The law lowers the existing age-based reductions, resulting in an increased benefit for eligible beneficiaries.

Chapter 55 of the Laws of 2024, Part KK, extends until December 31, 2026 the exclusion of pensionable earnings above the annual base wages of Tier 6 members for purposes of calculating Basic Member Contributions.

Chapter 56 of the Laws of 2024, Part QQ, reduces the number of years used to calculate the Final Average Salary from five years to three years for certain Tier 3 and Tier 6 members.

NYCERS provides automatic Cost-of-Living Adjustments ("COLA"), death benefits, accident, disability retirement benefits, and other supplemental pension benefits to certain retirees and beneficiaries. Members become fully vested as to benefits upon the completion of 5 years of service.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law ("RSSL") modified certain benefits for employees joining the Plan on or after the effective date of such amendments, creating membership tiers.

Chapter 89 of the Laws of 2020, passed by the Legislature and signed by the Governor on May 30, 2020, provides benefits to statutory beneficiaries of members whose death was a result or was contributed to by COVID-19. This act adds Retirement and Social Security Law Sections 509-a and 607-i and Administrative Code of the City of New York Section 13-149.1 by providing an Accidental Death Benefit to eligible members of the NYCERS Plan. This special benefit expired on December 31, 2020.

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Membership—Membership in the MaBSTOA pension plan consisted of the following at January 1, 2023 and 2022, the date of the latest actuarial valuations:

	2023	**2022**
Active plan members	8,393	8,363
Retirees and beneficiaries receiving benefits	6,307	6,192
Vested formerly active members not yet receiving benefits	1,230	1,172
Total	15,930	15,727

Contributions and Funding Policy—

MaBSTOA Pension Plan —The contribution requirements of the MaBSTOA Plan members are established and may be amended only by the MaBSTOA Board, in accordance with Article 10.01 of the MaBSTOA Pension Plan. The Plan's funding policy is for periodic employer contributions is to provide for actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due. It is MaBSTOA's policy to fund, at a minimum, the current year's normal pension cost plus amortization of the unfunded actuarial accrued liability.

The MaBSTOA Pension Plan includes the following plans, including the 2000 amendments which are all under the same terms and conditions as NYCERS:

(i.) Tier 1 – 50 and 20 Plan; (ii.) Tier 2 – 55 and 25 Plan; (iii.) Tier 4 – 62 and 5 Plan (with Tier III Supplement); (iv.) Tier 4 – 55 and 25 Plan (operating employees only); (v.) Tier 4 – 55 and 25 Plan (administrative employees only); (vi.) Tier 4 – 57 and 5 Plan; (vii.) Tier 6 – 55 and 25 Plan (operating employees only); (viii.) Tier 6 – 63 and 5 Plan (administrative employees only).

For employees, the Plan has both contributory and noncontributory requirements depending on the date of entry into service. Employees entering qualifying service on or before July 26, 1976, are non-contributing (Tiers 1 and 2). Certain employees entering qualifying service on or after July 27, 1976, are required to contribute 3% of their salary (Tiers 3 and 4).

In March 2012, pursuant to Chapter 18 of the Laws of 2012, individuals joining NYCERS or the MaBSTOA Pension Plan on or after April 1, 2012 are subject to the provisions of Tier 6. The highlights of Tier 6 include:

Increases in employee contribution rates. The rate varies depending on salary, ranging from 3% to 6% of gross wages. Contributions are made until retirement or separation from service.

- The retirement age increases to 63 and includes early retirement penalties, which reduce pension allowances by 6.5% for each year of retirement prior to age 63.

- Chapter 56 of the Laws of 2022 enacted in April 2022 reduced the vesting requirement for Tier 6 employees from 10 years to 5 years and modified the compensation used to determine the applicable member contribution rate from April 1, 2022 to December 31, 2024, to exclude overtime. Adjustments of the Pension Multiplier for calculating pension benefits (excluding Transit Operating Employees): the multiplier will be 1.75% for the first 20 years of service, and 2% starting in the 21st year; for an employee who works 30 years, their pension will be 55% of FAS under Tier 6, instead of 60% under Tier 4.

- Adjustments to the FAS Calculation; the computation changed from an average of the final 3 years to an average of the final 5 years. Pensionable overtime will be capped at $15,000 per year plus an inflation factor.
- Pension buyback in Tier 6 will be at a rate of 6% of the wages earned during the period of buyback, plus 5% compounded annually from the date of service until date of payment.

Pursuant to Section 7.03 of the MaBSTOA Pension Plan, active plan members are permitted to borrow up to 75% of their contributions with interest. Their total contributions and interest remain intact and interest continues to accrue on the full balance. The participant's accumulated contribution account is used as collateral against the loan.

Upon termination of employment before retirement, certain participants are entitled to refunds of their own contributions including accumulated interest less any loans outstanding.

The Authority's contributions to the MaBSTOA Pension Plan amounted to $174.2 million and $170.0 million for the years ended December 31, 2024 and 2023, respectively. In January 2024, the Authority made a prepayment for the projected Actuarially Determined Contributions for 2025 amounting to $174.1 million.

NYCERS—NYCERS funding policy is to contribute statutorily-required contributions (Statutory Contributions), determined by the Chief Actuary for the New York City Retirement System, in accordance with State statutes and City laws, and are generally funded by employers within the appropriate Fiscal Year. The Statutory Contributions are determined under the One-Year Lag Methodology ("OYLM"). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for NYCERS' assets to be sufficient to pay benefits when due.

Member contributions are established by law. NYCERS has both contributory and noncontributory requirements, with retirement age varying from 55 to 70 depending upon when an employee last entered qualifying service.

In general, Tier 1 and Tier 2 member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier 3 and Tier 4 members make basic contributions of 3.0% of salary, regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees enrolled in the Transit 20-Year Plan, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Effective December 2000, certain Transit Authority Tier 3 and Tier 4 members make basic member contributions of 2.0% of salary, in accordance with Chapter 10 of the Laws of 2000. Certain Tier 2, Tier 3 and Tier 4 members who are participants in special retirement plans are required to make additional member contributions of 1.85%, in addition to their base membership contribution. Tier 6 members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from City service or until they retire. Chapter 56 of the Laws of 2024, Part QQ, reduces the number of years used to calculate the Final Average Salary from five years to three years for certain Tier 3 and Tier 6 members.

The Authority is required to contribute at an actuarially determined rate. The Authority's contributions to NYCERS for the years ended December 31, 2024 and 2023, were $753.4 million and $735.2 million, respectively.

Net Pension Liability—The Authority's net pension liabilities for each of the pension plans reported at December 31, 2024 and 2023 were measured as of December 31, 2023 and 2022, respectively, for the MaBSTOA Penson Plan and June 30, 2024 and 2023, respectively, for NYCERS. The total pension liability for each of the pension plans were determined as of the actuarial valuation dates of January 1, 2023 and 2022, for MaBSTOA Pension Plan and June 30, 2023 and 2022, for NYCERS, respectively, and updated to roll forward the total pension liability to the respective measurement dates. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS and MaBSTOA. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions—The total pension liability in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for each of the pension plans as follows:

	MaBSTOA		NYCERS	
Valuation Date	**January 1, 2023**	**January 1, 2022**	**June 30, 2023**	**June 30, 2022**
Investment rate of return	6.50% per annum, net of investment expenses	6.50% per annum, net of investment expenses	7.00% per annum, net of investment expenses	7.00% per annum, net of investment expenses
Salary Increases	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.
Inflation	2.25%	2.25%	2.5%	2.5%
Cost-of living adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.
Mortality	Based on experience of all MTA-sponsored pension plan members from 1/1/15 to 12/31/20 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from 1/1/15 to 12/31/20 reflecting mortality improvement on a generational basis using Scale MP-2021	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.
Pre-retirement	Pri-2012 Employee mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	Pri-2012 Employee mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	N/A	N/A
Post-retirement healthy lives	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	N/A	N/A
Post-retirement disabled lives	Pri-2012 Disabled Annuitant mortality table for males and females.	Pri-2012 Disabled Annuitant mortality table for males and females.	N/A	N/A

Expected Rate of Return on Investments—The long-term expected rate of return on investments of 6.5% and 7.0% for the MaBSTOA plan and NYCERS, respectively, was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target asset allocations of each of the funds and the expected real rate of returns ("RROR") for each of the asset class in the MaBSTOA plan and NYCERS were as of the measurement dates of December 31, 2023, and June 30, 2024, respectively, are summarized as follows:

	MaBSTOA Plan	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
US Core Fixed Income	10.50 %	2.21 %
US Long Bonds	2.00	2.65
US Bank/Leveraged Loans	1.50	3.55
US Inflation-Indexed Bonds	2.00	1.82
US High Yield Bonds	3.00	4.02
Emerging Markets Bonds	2.00	4.81
US Large Cap Equity	18.00	5.38
US Small Cap Equity	7.00	6.94
Foreign Developed Equity	12.00	6.92
Emerging Markets Equity	4.50	9.59
Emerging Markets Small Cap Equity	1.50	9.78
US REITs	1.00	6.63
Private Real Estate Property	4.00	5.14
Private Equity	7.00	10.46
Private Credit	7.00	6.64
Commodities	4.00	3.11
Hedge Funds—MultiStrategy	13.00	4.39
	100 %	
Assumed inflation—mean		2.31
Assumed inflation—standard deviation		1.44
Portfolio nominal mean return		7.92
Portfolio standard deviation		12.47
Long term expected rate of return selected by MTA		6.50

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Asset Class	NYCERS Target Asset Allocation	NYCERS Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	23.50 %	6.80 %
Developed public market equities	11.60	7.20
Emerging public market equities	4.90	8.60
Fixed income	31.00	3.30
Private markets (alternative investments):		
Private equity	10.00	11.60
Private real estate	8.00	7.00
Infrastructure	4.50	6.30
Opportunistic fixed income	6.50	8.50
	100 %	
Assumed inflation—mean		2.50
Long term expected rate of return		7.00

Discount Rate—The discount rate used to measure the total pension liability was 6.5% and 6.5% for the MaBSTOA plan as of December 31, 2023 and 2022, respectively, and 7.0% and 7.0% for NYCERS as of June 30, 2024 and 2023, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each pension plan and that employer contributions will be made at the rates determined by each pension plan's actuary. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and non-active members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in Net Pension Liability—MaBSTOA—The Authority's net pension liability for the MaBSTOA plan at the measurement date of December 31, 2023 and 2022, were as follows (in thousands):

	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance as of December 31, 2022	$ 4,526,353	$ 3,310,111	$ 1,216,242
Changes for fiscal year 2023:			
Service cost	99,603	-	99,603
Interest on total pension liability	292,158	-	292,158
Effect of plan changes	2,586	-	2,586
Effect of economic/demographic (gains) or losses	30,978	-	30,978
Effect of assumptions changes or inputs	-	-	-
Benefit payments and withdrawals	(266,622)	(266,622)	-
Administrative expense	-	(567)	567
Member contributions	-	25,390	(25,390)
Net investment income	-	413,734	(413,734)
Employer contributions	-	328,430	(328,430)
Balance as of December 31, 2023	$ 4,685,056	$ 3,810,476	$ 874,580

	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance as of December 31, 2021	$ 4,422,017	$ 3,658,350	$ 763,667
Changes for fiscal year 2022:			
Service cost	95,860	-	95,860
Interest on total pension liability	285,410	-	285,410
Effect of plan changes	1,760	-	1,760
Effect of economic/demographic (gains) or losses	(20,721)	-	(20,721)
Effect of assumptions changes or inputs	-	-	-
Benefit payments and withdrawals	(257,973)	(257,973)	-
Administrative expense	-	(806)	806
Member contributions	-	25,548	(25,548)
Net investment income	-	(273,627)	273,627
Employer contributions	-	158,619	(158,619)
Balance as of December 31, 2022	$ 4,526,353	$ 3,310,111	$ 1,216,242

Sensitivity of the Net Pension Liability to Changes in the Discount Rate—The following presents the Authority's net pension liability calculated using the current discount rate for the MaBSTOA Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate used as of each measurement date (in thousands):

	December 31, 2023			December 31, 2022		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net pension liability	$1,403,484	$ 874,580	$ 426,535	$1,729,790	$1,216,242	$781,314

The Authority's Proportion of Net Pension Liability—NYCERS—The following table presents the Authority's proportionate share of the net pension liability of NYCERS at the measurement date of June 30, 2024 and 2023, and the proportion percentage of the net pension liability of NYCERS allocated to the Authority (in millions):

	June 30, 2024	June 30, 2023
The Authority's proportion of the net pension liability	21.091 %	21.268 %
The Authority's proportionate share of the net pension liability	$ 3,469	$ 3,795

The Authority's proportion of the net pension liability was based on the Authority's actual contributions made to NYCERS for the years ended June 30, 2024 and 2023, relative to the contributions of all employers in the plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following table presents the Authority's proportionate share of the net pension liability calculated using the current discount rate for NYCERS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate used as of each measurement date (in thousands):

	June 30, 2024			June 30, 2023		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
The Authority's proportionate share of the net pension liability	$5,890,516	$ 3,468,972	$ 1,423,460	$6,149,077	$ 3,794,724	$ 1,807,657

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Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2024 and 2023, the Authority recognized pension expense, gross of capital project reimbursements and other pension adjustments of $36,308 and $33,490 for December 31, 2024 and 2023, respectively, related to each pension plan as follows (in thousands):

Pension Plans	December 31, 2024	December 31, 2023
MaBSTOA	$ 185,108	$ 259,366
NYCERS	721,519	654,889
Total	$ 906,627	$ 914,255

For the years ended December 31, 2024 and 2023, the Authority's reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in thousands):

For the Year Ended December 31, 2024	MaBSTOA Deferred Outflows of Resources	MaBSTOA Deferred Inflows of Resources	NYCERS Deferred Outflows of Resources	NYCERS Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,781	$ 24,509	$ 488,987	$ 10,834	$ 517,768	$ 35,343
Changes in actuarial assumptions	82,937	-	-	30,835	82,937	30,835
Net difference between projected and actual earnings on pension plan investments	105,830	-	45,239	-	151,069	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	19,933	163,498	19,933	163,498
Employer contributions to plan subsequent to the measurement date of net pension liability	15,755	-	421,980	-	437,735	-
Total	$233,303	$ 24,509	$ 976,139	$205,167	$1,209,442	$229,676

For the Year Ended December 31, 2023	MaBSTOA Deferred Outflows of Resources	MaBSTOA Deferred Inflows of Resources	NYCERS Deferred Outflows of Resources	NYCERS Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,869	$30,956	$ 426,937	$ 16,906	$ 432,806	$ 47,862
Changes in actuarial assumptions	119,496	-	6	77,137	119,502	77,137
Net difference between projected and actual earnings on pension plan investments	296,972	-	473,067	-	770,039	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	21,917	185,006	21,917	185,006
Employer contributions to plan subsequent to the measurement date of net pension liability	170,033	-	378,082	-	548,115	-
Total	$592,370	$30,956	$1,300,009	$279,049	$1,892,379	$310,005

The annual differences between the projected and actual earnings on investments are amortized over a five-year closed period beginning the year in which the difference occurs.

The following table presents the recognition periods used by each pension plans to amortize the annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions, beginning the year in which the deferred amount occurs.

	Recognition Period (in Years)		
Pension Plan	**Differences between Expected and Actual Experience**	**Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions**	**Changes in Actuarial Assumptions**
MaBSTOA	6.20	N/A	6.20
NYCERS	5.50	5.50	5.50

For the years ended December 31, 2024 and 2023, $437.7 million and $548.1 million, respectively, were reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement dates. The amount of $437.7 million will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2024 will be recognized as pension expense as follows (in thousands):

Year Ending December 31	MaBSTOA	NYCERS	Total
2025	$ 90,949	$ (79,085)	$ 11,864
2026	54,614	448,082	502,696
2027	74,419	(25,208)	49,211
2028	(32,270)	(18,098)	(50,368)
2029	4,328	23,301	27,629
Thereafter	999	-	999
Total	$ 193,039	$ 348,992	$ 542,031

Deferred Compensation Plans—As permitted by Internal Revenue Code Section 457, the Authority has established a trust or custodial account to hold plan assets for the exclusive use of the participants and their beneficiaries. Plan assets and liabilities are not reflected on the Authority's consolidated statements of net position.

Certain Authority employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. The Authority is not required to contribute to the plan and did not contribute to the plan in 2024 and 2023.

10. OTHER POSTEMPLOYMENT BENEFITS

The Authority participates in a defined benefit other postemployment benefits (“OPEB”) plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (“OPEB Plan”). A description of the Plan follows:

Plan Description—The MTA Retiree Welfare Benefits Plan (“OPEB Plan”) and the related Trust Fund (Trust) was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the Authority’s various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing single-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, composed of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 15th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Pension benefits are provided upon retirement as defined in the applicable pension plan. The Authority provides benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the Authority are members of NYCERS and the MaBSTOA Pension Plan.

The Authority participates in the New York State Health Insurance Program (“NYSHIP”) and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization (“PPO”) plan and several Health Maintenance Organization (“HMO”) plans. Represented and other New York City Transit employees who retired prior to January 1, 1996 or January 1, 2001, do not participate in NYSHIP. These benefits are provided either through a self-insured health plan, a fully insured health plan or an HMO.

The Authority is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility—To qualify for benefits under the OPEB Plan, a former employee of the Authority must:

(a) have retired;

(b) be receiving a pension (except in the case of the 401(k) Plan and the VDC);

(c) have at least 10 years of credited service as a member of NYCERS, the MaBSTOA Pension Plan, 401 (k) Plan or the VDC; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

- Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. The surviving spouse coverage continues until spouse is eligible for Medicare for represented employees, retiring on or after:

  – May 21, 2014 for Transport Workers Union (“TWU”) Local 100;
  – September 24, 2014 for Amalgamated Transit Union (“ATU”) Local 726;
  – October 29, 2014 for ATU Local 1056;

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—The Authority is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, the Authority paid $637.2 million and $601.0 million of PAYGO to the OPEB Plan, respectively. The PAYGO amounts included an implicit rate subsidy adjustment of $7.8 million and $9.3 million for the years ended December 31, 2024 and 2023, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2024.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2023 and 2022 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer 20-Bond General Obligation Index. As a result, the discount rates as of December 31, 2023 and December 31, 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and 2022, the employer made a cash payment for retiree healthcare of $9.3 million and $10.8 million, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs (in thousands).

Blended and Age-Adjusted Premium	2023 Retirees	2022 Retirees
	(In Thousands)	
Total blended premiums	$ 591,711	$ 578,771
Employment payment for retiree healthcare	9,297	10,818
Net payments	$ 601,008	$ 589,589

Net OPEB Liability—The Authority's proportionate share of the Plan's net OPEB liability reported at December 31, 2024 and 2023 was measured as of the OPEB Plan's fiscal year-end of December 31, 2023 and 2022, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023 and July 1, 2021 and rolled forward to December 31, 2023 and 2022, respectively. The Authority's proportion of the net OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. The following table presents the Authority's proportionate share of the net OPEB liability and corresponding proportion percentage at the measurement date (in thousands):

	December 31, 2023	December 31, 2022
The Authority's proportion of the net OPEB liability	68.121 %	69.667 %
The Authority's proportionate share of the net OPEB liability	$ 13,799,159	$ 15,629,504

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or net asset value.

Actuarial Assumptions—Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. The Authority may not be obligated to provide the same types or levels of benefits to retirees in the future.

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The total OPEB liability was determined by actuarial valuations performed on July 1, 2023 and July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2023 and 2022, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%, net of expenses	3.72%, net of expenses
Inflation	2.31%	2.33%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Salary increases	Varies by years of service and differs for members of the various Pension Plans	Varies by years of service and differs for members of the various Pension Plans
Investment rate of return	4.25%	3.72%

Salary Scale—Salary increases vary by years of service and differ for members of NYCERS and the MaBSTOA Plan. Rates are shown below for the measurement date December 31, 2023:

			MaBSTOA	
Years of Service	NYCERS Rate of Increase	Years of Service	Operating Employee Rate	Non-operating Employee Rate
0	19.00 %	0	12.00 %	6.00 %
1	14.00	1	12.00	7.00
2	10.00	2	15.00	6.50
3	9.00	3	5.00	6.25
4	6.00	4	3.00	6.00
5	5.00	5–9	3.00	4.50
6–22	4.50	10	3.00	4.30
23+	4.00	11	3.00	4.10
		12	3.00	3.90
		13	3.00	3.80
		14	3.00	3.70
		15	3.00	3.60
		16	3.00	3.50
		17	3.00	3.40
		18	3.00	3.30
		19+	3.00	3.25

Healthcare Cost Trend—The Society of Actuaries ("SOA") developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries, which included a representative from the Authority's actuary. This model is used as the foundation for the trend that the actuary recommends for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trends where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable). Trend rates also reflect the expected impact of short-term inflation.

Healthcare Cost Trend Rates— Trend rates were developed separately for NYSHIP benefits and self-insured plans administered by New York City Transit ("Union Health Plans"). The following lists illustrative rates for the NYSHIP and self-insured trend assumptions and associated Medicare Part B reimbursements, as well as for dental and vision benefit for the measurement date December 31, 2023 (in percentages):

	NYSHIP Trend		Self-Insured Trend		Medicare	Dental/
Year	Pre-65 Trend	Post-65 Trend	Pre-65 Trend	Post-65 Trend	Part B Trend	Vision Trend
2023	6.70 %	5.90 %	7.00 %	4.90 %	7.00 %	4.00 %
2024	7.00	6.60	7.20	6.10	7.30	4.00
2025	6.40	6.40	6.40	6.40	7.20	4.00
2026	5.80	5.80	5.80	5.80	7.70	4.00
2027	5.10	5.10	5.10	5.10	6.50	4.00
2028	4.90	4.90	4.90	4.90	7.00	4.00
2029	4.70	4.70	4.70	4.70	5.50	4.00
2030	4.50	4.50	4.50	4.50	6.10	4.00
2031	4.30	4.30	4.30	4.30	6.20	4.00
2032–2039	4.10	4.10	4.10	4.10	5.60	4.00
2040–2049	4.10	4.10	4.10	4.10	4.20	4.00
2050	4.10	4.10	4.10	4.10	3.80	4.00
2051–2064	4.20	4.20	4.20	4.20	3.80	4.00
2065–2066	4.10	4.10	4.10	4.10	3.80	4.00
2067-2068	4.00	4.00	4.00	4.00	3.80	4.00
2069-2070	3.90	3.90	3.90	3.90	3.80	3.90
2071–2073	3.80	3.80	3.80	3.80	3.80	3.80
2074–2089	3.70	3.70	3.70	3.70	3.80	3.70
2090+	3.70	3.70	3.70	3.70	3.60	3.70

The following table provides the healthcare trend assumptions for the Union Health Plans. The trends shown above for Medicare Part B reimbursements and dental and vision benefits also apply to members receiving the Union Health Plans for the measurement date December 31, 2023(in percentages):

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Year	Union Health Plans Medical Trend Pre-65 Trend	Post-65 Trend	TWU MA Trend	Union Health Plans Rx Trend Pre-65 Trend	Post-65 Trend	TWU MA Trend
2023	7.20 %	4.70 %	0.00 %	5.80 %	6.70 %	6.40 %
2024	7.40	6.40	12.50	6.70	7.10	6.90
2025	6.60	6.40	6.50	6.60	6.60	6.50
2026	5.90	5.80	5.80	5.90	5.90	5.80
2027	5.20	5.10	5.10	5.20	5.20	5.10
2028	5.00	4.90	4.90	5.00	5.00	4.90
2029	4.80	4.70	4.70	4.80	4.80	4.70
2030	4.60	4.50	4.50	4.60	4.60	4.50
2031	4.40	4.30	4.30	4.40	4.40	4.30
2032	4.20	4.10	4.20	4.20	4.20	4.20
2033-2034	4.20	4.10	4.10	4.20	4.20	4.20
2035-2046	4.20	4.10	4.10	4.20	4.20	4.10
2047-2048	4.20	4.10	4.10	4.20	4.20	4.20
2049-2050	4.20	4.10	4.20	4.20	4.20	4.20
2051-2064	4.20	4.20	4.20	4.20	4.20	4.20
2065-2066	4.10	4.10	4.10	4.10	4.10	4.10
2067	4.00	4.00	4.00	4.10	4.00	4.00
2068	4.00	4.00	4.00	4.00	4.00	4.00
2069	4.00	3.90	3.90	4.00	3.90	3.90
2070	3.90	3.90	3.90	3.90	3.90	3.90
2071	3.90	3.80	3.80	3.90	3.90	3.80
2072-2073	3.80	3.80	3.80	3.80	3.80	3.80
2074+	3.70	3.70	3.70	3.70	3.70	3.70

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates, which are 3.7% for NYSHIP costs, 3.7% for self-insured medical and pharmacy costs, and 3.6% for Medicare Part B costs.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date.

The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type.

For the Authority, the mortality rates are based on the Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

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Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2023 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Cash	BAML 3-Mon Tbill	1.50 %	3.07 %
US Short (1-3 Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	98.50 %	4.39 %
Assumed inflation—mean			2.31 %
Assumed inflation—standard Deviation			1.44 %
Portfolio nominal mean return			4.37 %
Portfolio standard deviation			0.49 %
Long term expected rate of return selected by MTA			4.25 %

Discount Rate— The discount rate used in this valuation to measure the total OPEB liability was updated to incorporate GASB Statement No. 75 guidance.

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2023 and 2022 of 3.26% and 3.72%, respectively.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents the Authority's proportionate share of the net OPEB liability, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement:

	December 31, 2023			December 31, 2022		
	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
		(In Thousands)			(In Thousands)	
Proportionate share of the net OPEB liability	$15,772,262	$13,799,159	$ 12,132,846	$ 17,783,997	$ 15,629,504	$ 13,849,811

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Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents the Authority's proportionate share of the net OPEB liability, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

	December 31, 2023			December 31, 2022		
	1% Decrease	Healthcare Cost Current Trend Rate *	1% Increase	1% Decrease	Healthcare Cost Current Trend Rate *	1% Increase
		(In Thousands)			(In Thousands)	
Proportionate share of the net OPEB liability	$11,791,935	$13,799,159	$ 16,276,447	$ 13,401,645	$ 15,629,504	$ 18,434,977

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—For the years ended December 31, 2024 and 2023, the Authority recognized OPEB expense of $0.8 billion and $1.1 billion, respectively, which represents its proportionate share of the Plan's OPEB expense.

At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	December 31, 2024		December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 192,760	$1,820,834	$ 247,824	$ 23,635
Changes in assumptions	1,469,034	2,268,063	1,080,663	2,872,913
Net difference between projected and actual earnings on OPEB plan investments	3,854	-	13,192	-
Changes in proportion and differences between contributions and proportionate share of contributions	524,233	1,445,295	646,271	396,432
Employer contributions to the plan subsequent to the measurement of net OPEB liability	637,150	-	601,008	-
Total	$2,827,031	$5,534,192	$2,588,958	$3,292,980

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.8-year close period, beginning the year in which the deferred amount occurs.

For the years ended December 31, 2024 and 2023, $637.2 million and $601.0 million, respectively, were reported as deferred outflows of resources related to OPEB resulting from both the Authority's contributions subsequent to the measurement date and an implicit rate subsidy adjustment. These amounts include both the Authority's contributions subsequent to the measurement date and an implicit rate subsidy adjustment that will be recognized as a reduction of the net OPEB liability in the years ended December 31, 2025 and December 31, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Years Ending December 31	
2025	$ (538,389)
2026	(485,124)
2027	(418,603)
2028	(479,303)
2029	(624,943)
Thereafter	(797,949)
Total	$ (3,344,311)

11. LOANS PAYABLE

Loans Payable—The MTA and the New York Power Authority ("NYPA") entered into an updated Energy Services Program Agreement ("ESP Agreement"). The ESP Agreement authorized the Authority, as an affiliate of the MTA, to enter into a Customer Installation Commitment ("CIC") with NYPA for turn-key, energy efficiency projects, which would usually be long-term funded and constructed by NYPA. The repayment period for the NYPA loan can be up to 20 years, but can be repaid at any time without penalty.

The debt service requirements at December 31, 2024 are as follows (in thousands):

Year	**Principal**	**Interest**	**Total**
2025	$ 6,037	$ 2,125	$ 8,162
2026	5,972	1,802	7,774
2027	6,029	1,478	7,507
2028	6,163	1,149	7,312
2029	5,831	819	6,650
2030–2034	11,177	1,012	12,189
2035–2039	213	8	221
Total	41,422	$ 8,393	$ 49,815
Less current portion	6,037		
Long-term loans payable	$ 35,385		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") rate and is reset annually. The SIFMA rate as of December 31, 2024 was 3.62%.

12. RELATED PARTY TRANSACTIONS

The Authority receives support services from the MTA in the areas of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, most of which are charged back to the Authority through intercompany billings. The MTA also provides funding for the Authority's capital program via MTA debt issuance, federal capital grant pass-throughs, and proceeds from the sale of tax benefits on leasing transactions. The Authority recognizes funds contributed to Transit capital programs as contributed capital in the consolidated statements of revenues, expenses, and changes in net position. State and City tax-supported subsidies received by the Authority from the MTA to support operations are recorded as nonoperating revenues. The MTA also provides short-term loans, as required, to supplement the Authority's working capital needs.

The Authority has intercompany transactions with MTA, MNCR, LIRR, MTA Bus, TBTA, and SIRTOA related to farecard settlements, service agreements, shared operating contracts, inter-agency loan transactions, and other operating receivables and payables.

The resulting receivables and payables from the above transactions are recorded in Due from / Payable to MTA and constituent authorities, Due from / to MTA for the purchase of capital assets and MTA loan, included in the accompanying consolidated statements of net position.

Related party transactions consist of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 11,014,398	$ (8,095,909)	$ 10,360,308	$ (7,471,953)
Constituent authorities	163,250	(41,693)	159,467	(31,152)
Total MTA and constituent authorities	$ 11,177,648	$ (8,137,602)	$ 10,519,775	$ (7,503,105)

Shown as a separate line item on the statements of net position under due from MTA for purchase of capital assets is a balance of $964,730 and $1,105,794 as of December 31, 2024 and 2023, respectively.

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13. FUEL HEDGE

MTA partially hedges its fuel cost exposure using financial hedges. All MTA fuel hedges provide for up to 24 monthly settlements. The table below summarizes the active ultra-low sulfur diesel ("ULSD") hedges in whole dollars:

Counterparty	Cargill	Cargill	Cargill	Goldman Sachs	JPMorgan	Goldman Sachs
Trade Date	1/31/2023	2/28/2023	3/29/2023	4/24/2023	5/30/2023	6/27/2023
Effective Date	1/1/2024	2/1/2024	3/1/2024	4/1/2024	5/1/2024	6/1/2024
Termination Date	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025
Price/Gal	$2.69	$2.57	$2.44	$2.44	$2.25	$2.29
Notional Qnty (Gal)	2,826,779	2,826,759	1,633,857	2,462,350	2,636,717	2,636,709

Counterparty	Cargill	Goldman Sachs	JPMorgan	Cargill	BOA_ Merrill	Cargill
Trade Date	7/28/2023	8/29/2023	9/26/2023	10/30/2023	11/27/2023	12/27/2023
Effective Date	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024
Termination Date	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025
Price/Gal	$2.55	$2.57	$2.65	$2.58	$2.49	$2.43
Notional Qnty (Gal)	2,636,706	2,636,714	2,636,696	2,636,708	2,636,707	2,636,716

Counterparty	Cargill	Goldman Sachs	Cargill	Goldman Sachs	Cargill	Cargill
Trade Date	1/30/2024	2/28/2024	3/27/2024	4/29/2024	5/29/2024	6/27/2024
Effective Date	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025
Termination Date	12/31/2025	1/31/2026	2/28/2026	3/31/2026	4/30/2026	5/31/2026
Price/Gal	$2.43	$2.40	$2.44	$2.46	$2.43	$2.48
Notional Qnty (Gal)	2,636,709	2,636,722	2,168,753	2,329,828	2,535,018	2,535,006

Counterparty	Cargill	Cargill	Cargill	Goldman Sachs	Goldman Sachs	Goldman Sachs
Trade Date	7/30/2024	8/28/2024	9/26/2024	10/31/2024	11/26/2024	12/23/2024
Effective Date	7/1/2025	8/1/2025	9/1/2025	10/1/2025	11/1/2025	12/1/2025
Termination Date	6/30/2026	7/31/2026	8/31/2026	9/30/2026	10/31/2026	11/30/2026
Price/Gal	$2.34	$2.29	$2.21	$2.25	$2.20	$2.16
Notional Qnty (Gal)	2,535,001	2,535,006	2,535,002	2,535,017	2,535,018	2,535,019

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties, depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, the Authority will take delivery of the fuel. As of December 31, 2024, the total outstanding notional value of the ULSD contracts was 47.1 million gallons with a negative fair market value of $9.2 million. The valuation of each trade was based on discounting future net cash flows to a single current amount (the income approach) using observable commodity futures prices (Level 2 inputs).

The Transit Authority recognized a fuel hedge loss of $3.9 million and $3.5 million in 2024 and 2023, respectively.

14. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of its assets; injuries to persons, including employees; and natural disasters.

The Authority is self-insured up to certain per occurrence limits for liability claims arising from injuries to persons, excluding employees. For claims arising from incidents that occurred on or after

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November 1, 2001, but before November 1, 2006, the self-insured retention limit was $7 million per occurrence. Claims arising on or after November 1, 2006, but before November 1, 2009 were subject to an $8 million limit. Effective November 1, 2009, the retention limit was increased to $9 million per occurrence and effective November 1, 2012, the retention limit was increased to $10 million. Effective October 31, 2015, the self-insured retention limit was increased to $11 million. Lower limits applied for claims arising prior to November 1, 2001. The Authority is self-insured for work-related injuries to employees. The annual cost associated with injuries to persons, other than employees, and damage to third-party property, is reflected in expenses as public liability claims in the accompanying consolidated statements of revenues, expenses and change in net position.

The Authority establishes its liability for injuries to employees and to the general public on the basis of independent actuarial estimates of future liability.

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2024 and 2023, is as follows (in thousands):

	2024	2023
Balance at beginning of year	$ 4,187,349	$ 3,914,304
Activity during the year:		
Current year claims and changes in estimates	824,932	687,048
Claims paid	(382,951)	(414,003)
Balance at end of year	4,629,330	4,187,349
Less current portion	(602,687)	(496,973)
Long-term liability	$ 4,026,643	$ 3,690,376

Liability Insurance—First Mutual Transportation Assurance Company ("FMTAC"), an insurance captive subsidiary of MTA, provides a liability insurance program (aka "ELF") that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than $50 million for all agencies and an additional $10 million for the Authority. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was $195.04 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy ("ELP"), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of $325 million for a total limit of $375 million ($325 million excess of $50 million).

On March 1, 2024, the "Access-A-Ride" automobile liability policy program was renewed. This program provides third-party auto liability insurance coverage to vendors under the Access-A-Ride contract, to perform services on behalf of MTA New York City Transit. This policy provides a $3 million per occurrence to fund self-insured losses.

Property Insurance—Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $269.725 million within the overall $500 million per occurrence property program as follows: $28.543 million (or 57.09%) of the primary $50 million layer, plus $28.543 million (or 57.09%) of the $50 million excess $50 million layer, plus $19.293 million (or 38.59%) of the $50 million excess $100 million layer, plus $11.793 million (or 23.59%) of the $50 million excess $150 million layer, plus $8.643 million (or 17.29%) of the $50 million excess $200 million layer, plus $15.518 million (or 31.04%) of the $50 million excess $250 million layer, plus $26.893 million (or 53.79%) of the $50 million excess $300 million layer, plus $39.000 million (or 78.00%) of the $50 million excess $350 million layer, plus $41.500 million (or 83.00%) of the $50 million excess $400 million layer, and $50.000 million (or 100%) of the $50 million excess of $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An addition $25 million of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

During 2024 there were no FMTAC excess loss claim reimbursements to the Authority. At December 31, 2024, the Authority had $260 million in outstanding claims requiring FMTAC coverage from its Excess Loss Program.

15. CONTINGENCIES

The Authority is involved in various litigation and claims involving personal liability claims and certain other matters. The ultimate outcome of these claims and suits cannot be predicted at this time. Nevertheless, management does not believe that the ultimate outcome of these matters will have a material effect on the consolidated financial position of the Authority.

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or the Authority have been infrequent in prior years.

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in 2024 and 2023, the Authority recognized $41 million and $33 million, respectively, in pollution remediation expenses. The expense provision was measured at its current value utilizing the prescribed expected cash flow method (see Note 2). Pollution remediation obligations are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. The Authority does not expect any recoveries of cost that would have a material effect on the recorded obligations.

A summary of the activity in pollution remediation liability at December 31, 2024 and 2023, were as follows (in thousands):

	2024	2023
Balance at beginning of year	$ 111,786	$ 98,795
Activity during the year:		
Changes in estimates	41,015	33,051
Payments	(25,301)	(20,060)
Balance at end of year	127,500	111,786
Less current portion	(25,500)	(22,357)
Long-term liability	$ 102,000	$ 89,429

The Authority's pollution remediation liability primarily consists of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, and soil remediation.

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16. CONDENSED COMPONENT UNIT INFORMATION

The following table presents condensed financial information for MaBSTOA, a blended component unit of the Authority (in thousands):

December 31	2024	2023 (Restated)
Current assets	$ 188,029	$ 166,371
Capital assets	584,794	661,958
Deferred outflows of resources	233,303	592,370
Total assets and deferred outflows of resources	1,006,126	1,420,699
Current liabilities	345,772	410,508
Non-current liabilities	1,962,294	2,270,513
Deferred inflows of resources	24,509	30,956
Total liabilities and deferred inflows of resources	2,332,575	2,711,977
Net investment in capital assets	573,765	649,776
Unrestricted	(1,900,214)	(1,941,054)
Total net position	$ (1,326,449)	$ (1,291,278)

For the Year Ended December 31	2024	2023 (Restated)
Fare revenue	$ 256,053	$ 262,883
Advertising and other revenue	14,270	14,487
Total operating revenue	270,323	277,370
Total labor expenses	1,229,530	1,397,806
Total non-labor expenses	197,223	138,981
Depreciation	93,248	105,964
Total operating expenses	1,520,001	1,642,751
Operating deficit	(1,249,678)	(1,365,381)
Loss before capital contributions	(1,249,678)	(1,365,381)
Capital contributions	1,214,507	1,313,332
Change in net position	(35,171)	(52,049)
Net position, beginning of the year	(1,291,278)	(1,239,229)
Net position, end of year	$ (1,326,449)	$ (1,291,278)

For the Year Ended December 31	2024	2023 (Restated)
Net cash used in operating activities	$ (1,189,808)	$ (1,296,692)
Net cash provided by non-capital financing activities	1,198,423	1,297,845
Net cash used in capital and related financing activities	(1,763)	(1,739)
Net cash (used in) provided by investing activities	(618)	615
Net Increase in cash	6,234	29
Cash at beginning of year	815	786
Cash at end of year	$ 7,049	$ 815

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REQUIRED SUPPLEMENTARY INFORMATION

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NEW YORK CITY TRANSIT AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE MABSTOA PENSION PLAN AT DECEMBER 31
(In millions)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:										
Service cost	$ 100	$ 96	$ 94	$ 95	$ 90	$ 87	$ 84	$ 82	$ 77	$ 72
Interest	292	285	274	267	265	256	246	237	233	224
Differences between expected and actual experience	31	(21)	(19)	(1)	9	6	12	14	(69)	(2)
Change of plan	3	2	-	-	-	-	-	-	-	-
Change of assumptions	-	-	72	-	169	-	6	-	-	-
Benefit payments and withdrawals	(267)	(258)	(245)	(238)	(221)	(214)	(209)	(188)	(180)	(175)
Net change in total pension liability	159	104	176	123	312	135	139	145	61	119
TOTAL PENSION LIABILITY—Beginning	4,526	4,422	4,246	4,123	3,811	3,676	3,537	3,392	3,331	3,212
Total pension liability—ending(a)	4,685	4,526	4,422	4,246	4,123	3,811	3,676	3,537	3,392	3,331
FIDUCIARY NET POSITION:										
Employer contributions	328	159	156	159	206	205	202	221	215	226
Member contributions	25	26	25	25	24	22	20	19	16	15
Net investment income	414	(274)	416	60	447	(88)	350	212	(24)	105
Benefit payments and withdrawals	(266)	(258)	(245)	(238)	(221)	(214)	(209)	(188)	(180)	(175)
Administrative expenses	(1)	(1)	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	500	(348)	352	6	456	(75)	363	264	27	171
PLAN FIDUCIARY NET POSITION—Beginning	3,310	3,658	3,306	3,300	2,844	2,919	2,556	2,292	2,265	2,094
Plan fiduciary net position—ending(b)	3,810	3,310	3,658	3,306	3,300	2,844	2,919	2,556	2,292	2,265
EMPLOYER'S NET PENSION LIABILITY—Ending(a)-(b)	$ 875	$ 1,216	$ 763	$ 940	$ 823	$ 967	$ 757	$ 981	$ 1,100	$ 1,066
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	81.3 %	73.1 %	82.7 %	77.9 %	80.0 %	74.6 %	79.4 %	72.3 %	67.6 %	68.0 %
COVERED-EMPLOYEE PAYROLL	821	776	769	802	787	776	750	717	687	653
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	106.6 %	156.7 %	99.2 %	117.1 %	104.6 %	124.6 %	100.9 %	136.8 %	160.1 %	163.2 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

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NEW YORK CITY TRANSIT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE NYCERS PENSION PLAN AT JUNE 30
(In millions)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Authority's proportion of the net pension liability	21.091 %	21.268 %	20.975 %	21.285 %	23.207 %	23.271 %	22.527 %	22.788 %	22.227 %	22.380 %
The Authority's proportionate share of the net pension liability	$ 3,469	$ 3,795	$ 3,798	$ 1,365	$ 4,892	$ 4,310	$ 3,973	$ 4,732	$ 5,400	$ 4,530
The Authority's actual covered-employee payroll	$ 4,157	$ 3,782	$ 3,726	$ 3,504	$ 3,388	$ 3,256	$ 3,090	$ 3,024	$ 2,930	$ 2,862
The Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	83.450 %	100.344 %	101.932 %	38.955 %	144.392 %	132.371 %	128.576 %	156.481 %	184.300 %	158.277 %
Plan fiduciary net position as a percentage of the total pension liability	84.252 %	82.217 %	81.276 %	93.144 %	76.933 %	78.836 %	78.826 %	74.805 %	69.568 %	73.125 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 68, information was not readily available for periods prior to 2015.

* The Authority's actual covered payroll has been restated in 2023 to represent the plan fiscal year, amounts prior to 2023 represent the Authority's calendar year.

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NEW YORK CITY TRANSIT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO ALL PENSION PLANS
FOR THE YEARS ENDED DECEMBER 31
(In millions)

MaBSTOA	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 174.2	$ 170.0	$ 158.6	$ 156.2	$ 159.5	$ 209.3	$ 202.5	$ 202.9	$ 220.7	$ 214.9
Actual employer contribution	189.9	328.4	158.6	156.2	159.5	206.4	205.4	202.7	220.7	214.9
Contribution deficiency (excess)	$ (15.7)	$ (158.4)	$ -	$ -	$ -	$ 2.9	$ (2.9)	$ 0.2	$ -	$ -
Covered payroll	870.8	820.5	775.5	768.9	802.1	786.6	776.2	749.7	716.5	686.7
Contributions as a % of covered payroll	21.8 %	40.0 %	20.5 %	20.3 %	19.9 %	26.2 %	26.5 %	27.0 %	30.8 %	31.3 %

NYCERS	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 753.4	$ 735.2	$ 765.3	$ 807.7	$ 841.9	$ 904.1	$ 768.4	$ 759.6	$ 753.2	$ 694.4
Actual employer contribution	753.4	735.2	765.3	807.7	841.9	904.1	768.4	759.6	753.2	694.4
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	4,058.0	4,022.1	3,725.8	3,518.0	3,644.7	3,784.2	3,841.0	3,624.4	3,386.1	3,344.3
Contributions as a % of covered payroll	18.6 %	18.3 %	20.5 %	23.0 %	23.1 %	23.9 %	20.0 %	21.0 %	22.2 %	20.8 %

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NEW YORK CITY TRANSIT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO ALL PENSION PLANS

The following actuarial methods and assumptions were used in the January 1, 2023 and 2022 funding valuation for the MaBSTOA pension plan as follows:

	MaBSTOA	
Valuation Date	January 1, 2023	January 1, 2022
Measurement Date	December 31, 2023	December 31, 2022
Actuarial cost method	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)
Amortization method	For FIL bases, 15 years for Fresh start base as of 1/1/2020. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, 15 years for Fresh start base as of 1/1/2020. Future gains/losses are amortized through the calculatio of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.
Asset Valuation Method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Actuarial assumptions:		
Discount Rate	6.5%	6.5%
Investment rate of return	6.5%, net of investment expenses	6.5%, net of investment expenses
Mortality	Based on experience of all MTA-sponsored members from January 1, 2015-December 31, 2020 reflecting mortalityimprovement on a generational basis usingScale MP-2021.	Based on experience of all MTA-sponsored members from January 1, 2015-December 31, 2020 reflecting mortalityimprovement on a generational basis usingScale MP-2021.
Inflation	2.25% per annum	2.25% per annum
Salary increases	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by of employment.
Overtime	Except for managerial employees, rates of overtime for operating employees vary by years of service and are applied to base salary ranging from 16% to 30%, and 3.0% of base salary for nonoperating employees regardless the years of service. For Tier 6 members, all overtime was assumed to be less than the overtime cap.	Except for managerial employees, rates of overtime for operating employees vary by years of service and are applied to base salary ranging from 16% to 30%, and 3.0% of base salary for nonoperating employees regardless the years of service. For Tier 6 members, all overtime was assumed to be less than the overtime cap.
Cost-of-Living Adjustments	60% of inflation assumption or 1.35%, if applicable	60% of inflation assumption or 1.35%, if applicable
Rate of normal retirement	Rates vary by age, years of service atretirement and Tier/Plan.	Rates vary by age, years of service atretirement and Tier/Pl

(1) Under this actuarial method, the initial liability has been established by the Entry Age Actuarial Cost Method for determining changes in the Unfunded Actuarial Accrued Liability ("UAAL") due to plan provision and assumption changes.

(Continued)

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO ALL PENSION PLANS

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the NYCERS Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors.

Changes of Benefit Terms
There were no changes of benefit terms in the June 30, 2023 funding valuation.

Changes of Assumptions
There were no changes of benefit assumptions in the June 30, 2023 funding valuation.

(Concluded)

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NEW YORK CITY TRANSIT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN AT
(In millions)

Plan Measurement Date (December 31)	2023	2022	2021	2020	2019	2018	2017
The Authority's proportion of the net OPEB liability	68.12 %	69.67 %	70.80 %	67.50 %	68.70 %	67.83 %	67.88 %
The Authority's proportionate share of the net OPEB liability	$ 13,799	$ 15,630	$ 17,675	$ 16,490	$ 14,507	$ 13,281	$ 13,784
The Authority's covered payroll	$ 4,843	$ 4,501	$ 3,645	$ 4,447	$ 4,571	$ 4,617	$ 3,619
The Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	284.93 %	347.23 %	484.91 %	370.80 %	317.37 %	287.65 %	380.80 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.36 %	0.05 %	- %	- %	1.93 %	1.76 %	1.79 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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NEW YORK CITY TRANSIT AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE OPEB PLAN AND NOTES TO SCHEDULE OF THE AUTHORITY'S CONTRIBUTION TO THE OPEB PLAN FOR THE YEARS ENDED DECEMBER 31
(In millions)

	2024	2023	2022	2021	2020	2019	2018	2017
ACTUARIALLY DETERMINED CONTRIBUTION	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
ACTUAL EMPLOYER CONTRIBUTION [1]	$ 637.2	$ 601.0	$ 589.6	$ 576.8	$ 236.7	$ 505.6	$ 468.8	$ 441.9
CONTRIBUTION DEFICIENCY (EXCESS)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
COVERED PAYROLL	4,929.0	4,842.6	4,501.3	3,644.7	4,446.8	4,570.8	4,617.2	3,618.6
ACTUAL CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	12.93 %	12.41 %	13.10 %	15.40 %	11.01 %	11.06 %	10.15 %	12.21 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $7.8, $9.3, $10.8, $9.6, $12.8, $21.3, $19.9 and $19.6 for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Notes to Schedule of the Authority's Contribution to the OPEB Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26 %	3.72 %
Inflation	2.31 %	2.33 %
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	4.25 %	3.72 %

Changes of benefit terms: In the July 1, 2023 actuarial valuation, there were no changes to the benefit terms.

Changes of assumptions: In the July 1, 2023 actuarial valuation, there were changes in healthcare related assumptions, demographic and economic assumptions.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.