Metropolitan Transportation Authority

Audit Committee Meeting

July 2024

Committee Members

J. Barbas, Chair
D. Jones, Vice Chair
M. Fleischer
J. Rizzo
L. Sorin

Audit Committee Meeting

Monday, 7/29/2024
2:00 - 3:00 PM ET

MTA Board Room - 20th Floor
2 Broadway

MINUTES OF MEETING
AUDIT COMMITTEE OF THE BOARD
MONDAY, MAY 20, 2024 – 2:00 P.M.
RONAN BOARD ROOM – 20TH FLOOR
2 BROADWAY

The following were present:

Honorable:

Jamey Barbas	**David Jones**	**Lisa Sorin**
M. Woods – MTA	**K. Willens - MTA**	**J. Strohmeyer - Deloitte**
L. Kearse – MTA	**J. McGovern - MTA**	**K. Makrakis - Deloitte**
		P. Zurita - Deloitte
Also in attendance were:		**M. Tartaglia - Deloitte**
M. Murray - MTA		**D. Patel - Deloitte**
J. Patel - MTA		**A. Sharma - Deloitte**

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1. **PUBLIC COMMENTS PERIOD**

There was one speaker: Omar Vera. Refer to the video recording of the meeting produced by the MTA and maintained in MTA records for the content of their statements. https://new.mta.info/transparency/board-and-committee-meetings/may-2024.

2. **APPROVAL OF MINUTES**

The minutes of the January 29, 2024 Audit Committee were approved.

3. **AUDIT COMMITTEE WORK PLAN**

The Auditor General (Michele Woods) noted that there was one change to the Work Plan; the information technology report that was scheduled for January, will be moved to the October Audit Committee meeting.

4. **MANAGEMENT REVIEW OF MTA CONSOLIDATED FINANCIAL STATEMENTS**

Jim McGovern, MTA Deputy Chief from the Comptroller's Office, briefed the committee on management's review of the 2023 MTA consolidated financial statements. This review includes changes in capital, net assets, other assets and operating revenues and expenses. He proceeded to note that the slide in his presentation is a "summarized" version of the financial statements and that the statements in the Audit Book have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). These statements are complete but still subject to any material audit adjustments. With respect to the Component Units, McGovern noted that eight of the 10 reporting entities (Component Units) have their own separate audit report and hence their own separate levels of materiality, testing and level of complexity One Component Unit is Grand Central Madison which went live this year. In regard to the MTA's Consolidated Financial Statements, they are divided into six components. This includes the MD&A (Managements' Discussion & Analysis) and the basic financial statements consisting of the Balance Sheet, Income Statement (Net Position) and Statement of Cash Flows. Also included are the benefit plans over which the MTA has fiduciary responsibility, the notes to the financial statements, and required supplemental information (which is primarily pension related).

McGovern then referenced and discussed a slide on new GASB Accounting Standards. In fiscal year 2023, GASB 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and GASB 99 (Omnibus) were both implemented, and there was no effect on the MTA's financial statements. Omnibus is basically clarification of previously issued GASBs. The highlight of the year was implementation of GASB 96 (Subscription-Based Information Technology Arrangements). The accounting literature requires the MTA to capitalize and create a liability for software (such as a timekeeping or e-mail application) that the MTA has access to use. Accounting literature requires the MTA to treat that as an intangible asset and subsequent liability. The intangible asset is calculated by taking a net present value of the future payments which is an asset and your offsetting liability. Usually, in these subscription-based arrangements the term-length does not exceed five years. For 2024, there are three GASBs to implement: Accounting Changes and Error Corrections; Compensated Balances; and, Certain Risk Disclosures. McGovern commented that he does not foresee implementation to be overly demanding. McGovern then discussed a slide on the impact of GASB 96 on the 2022 financial statements. To implement GASB 96, the MTA had to go back and restate its 2022 financial statements. To achieve this, they had to recalculate payments made in 2022 for IT arrangements. The GASB 96 impact on the restated 2022 financials was as follows:

- $133M increase in assets
- $81M increase in liabilities
- $52M increase in operating expenses (net position)

To implement GASB 96, they had to painstakingly review, with assistance from MTA IT, 572 contracts and 3,300 purchase orders. McGovern thanked Deloitte and all the people who helped with implementation of GASB 96, especially Lisa Tan, Serge Friedman and Vikram Kukreja. McGovern then referenced a slide showing the assets and liabilities and noted that the MTA has $116 billion in assets and a corresponding $116 billion in liabilities and net position in 2023 versus $117 billion in 2022. With respect to the change in assets, he noted that the biggest change was in "Cash & Investments" and was primarily due to the repayment of principal and interest on MTA payroll mobility Bond Anticipation Notes (BANS). The MTA also transferred $1.3 billion into the MTA OPEB Plan Trust. This is when the MTA makes contributions to the pension trusts, in that it comes off the Balance Sheet and is maintained separately. Capital assets increased by about $3 billion with the highlight being that Grand Central Madison was placed in service resulting in a $102 million increase in net depreciation (long-term asset). There was also an increase in deferred outflows which was due primarily to (i) the transfer of $1.3 billion into the OPEB Plan Trust and (ii) pension plan actuarial adjustments for differences between actual earnings on the pension plan and projected actuarial pension adjustments. McGovern noted that there is a year lag between the measurement date of the plans and the accounting date, so if the stock market goes up now that probably won't be reflected until next year.

In regards to liabilities, McGovern explained that Long-Term Debit increased due to paying back of the BANS. Also, the OPEB liability decreased primarily due to changes in actuarial assumptions. As the discount rates went up, that caused a decrease in the OPEB liability in the future. Correspondingly, as noted on the fourth bullet on the slide, there was an increase in deferred inflows as a result of the change in those actuarial assumptions. The MTA's Chief Financial Officer Kevin Willens added that the BANS that were paid down was the Federal Reserve MLF (Municipal Liquidity Facility) borrowing whereby that MTA paid off the $2.9 billion of COVID emergency financing lending which allowed the MTA to avoid being left with 30 years of debt service to pay off. The MTA's net pension liability increased, which is basically the change in the actuarial loss on the market value of plan assets and McGovern noted that we're much more volatile because of the market conditions now than in the past. McGovern then referenced a slide containing two pie charts showing the assets and liabilities split up by agency and noted that NYC Transit is the largest Component Unit. He also noted that the difference between the assets and liabilities on the pie charts are the bonds and the debt that's maintained by TBTA. McGovern then referenced a slide on capital assets and liabilities and noted that it shows that infrastructure is a significant portion of our assets and that it increased from the prior year primarily because of Grand Central Madison going live. On the liabilities side, the primary component is the debt and the OPEB and pension plan liabilities is a significant portion of that. McGovern then referenced a slide on the consolidated income statement and noted that the decrease in subsidies and tax revenues was caused by ARPA (Federal American Rescue Plan) money received by the MTA as a federal grant in 2022. In regards to the slide on Cash Flows, McGovern stated that the changes from 2022 to 2023 is primarily due to the timing of investments and movement of monies. Lastly, McGovern referenced a slide that listed the 18 footnotes that accompany the financial statements. He noted that the significant footnotes were #4 (Employee Benefits) and #5 (Other Postemployment Benefits).

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

5. **2023 FINANCIAL STATEMENTS**

Jill Strohmeyer, Managing Director, Deloitte, briefed the Committee on the results of their review of the 2023 MTA Consolidated Year End Financial Statements. Deloitte is in the process of completing all the MTA audits and expects to issue them next week. Strohmeyer reminded the Committee members that these financial statements are audited in accordance with both AICPA and Government Auditing Standards. The significant accounting policies for the MTA and its agencies are set forth in Note 2 to each of the financial statements. Deloitte is aware of some changes related to the adoption of GASB 94, GASB 96, and GASB 99, but other than those three changes, they were not aware of any other significant changes in the MTA's accounting policies or their application during 2023. Also throughout the financial statements are several significant accounting estimates, prepared by management based on its judgement, that are an integral part of the financial statements. These key estimates include: OPEB pension claims and the incurred borrowing rate related to GASB 87 (Leases) and GASB 96. There were no uncorrected misstatements or disclosure items passed related to FEMTEC, Long Island Rail Road, Metro-North, MTA Bus Company, NYC Transit, SIRTOA and TBTA. As it relates to the MTA consolidation, Deloitte identified two expenses relating to 2022 (IT and other professional service expenses) that were recorded in 2023. These two items totaled $632,394, and while rather small, when projected using statistical sampling the extrapolated amount is $58,495,000. This is an estimate and the only way to determine a more precise number would be for management to perform more work related to expenses. Nonetheless, it is not material to the financial statements. There was also one material corrected item related to TBTA. Specifically, Deloitte identified a disclosure item related to debt whereby the TBTA financial statements had originally recorded $766 million of debt as non-current, but it should have been classified as current debt. The TBTA management team made that correction and that correction is reflected in the financial statements. Strohmeyer added that there were no disagreements with management and that they received the full cooperation of management (including that of executive management) throughout their audits. They also evaluated the MTA's identification and accounting for and disclosure of relationships and transactions with related parties. Based on their evaluation, Deloitte believes that the MTA has properly identified and disclosed all related party transactions within its financial statements. Strohmeyer called attention to emphasis of matter paragraphs that are included in each agency report. These emphasis of matter paragraphs detail items related to the fact that the MTA requires significant subsidies and has material transactions with other governmental entities such as the City of New York, State of New York and State of Connecticut. Additionally, there will be an emphasis of matter paragraph related to the adoption of the new accounting standards. These emphasis of matter paragraphs are not modifications and the MTA will still have clean opinions. In Deloitte's judgment, it's important for readers of the MTA's financial statements to understand that there was adoption of accounting standards and that transactions are happening with other governmental entities. Last year, Deloitte highlighted the adoption of GASB 87 for leases. This year they will be highlighting the adoption of the Subscription-Based Information Technology Arrangements (GASB 96). Strohmeyer also told the committee members that, as required under auditing standards, attached at the back of the Audit Committee Book are draft management representation letters for each of the eight audits that were conducted. In connection with the Single Audit, Deloitte plans to issue a report, dated next week, related to MTA's internal controls over financial reporting, compliance with laws, regulations, contracts and grant agreements. This will be part of the Single Audit presentation that she will perform in July. In addition, any internal control deficiencies will be reported at the July meeting. Lastly, Strohmeyer, thanked the entire MTA team (both Finance and Audit) for their cooperation throughout the year as well as the Deloitte leadership team: Kostas Makrakis, Patricia Zurita, Darshan Patel, Mike Tartaglia and Anuj Sharma.

Committee member David Jones inquired about whether a Management Letter will be issued and whether it will reflect past Management Letter comments. In response, Strohmeyer said that the Management Letter will be issued in July, and noted that it will include last year's comments (indicating whether each comment has been corrected).

A motion was made and seconded to accept the 2023 Year End Financial Statements and to be recommended to the full board for final approval.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

6. <u>2023 INVESTMENT COMPLIANCE REPORT</u>

Jill Strohmeyer, Managing Director, briefed the Committee on Deloitte's review of the MTA's compliance with the guidelines governing investment practices. She referenced the one-page Investment Compliance Report in the Audit Committee Book and noted that this is a "negative assurance" report that is needed for filing with the State of New York. During performance of their audit work relating to investments, nothing came to their attention that would indicate that the MTA is violating any investment guidelines as dictated by the State of New York, hence it is a "clean" report.

A motion was made and seconded to accept the Investment Compliance Report and to move to the full board for final approval.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

7. <u>OPEN AUDIT RECOMMENDATIONS</u>

Lamond Kearse, MTA Chief Compliance Officer briefed the Committee on the quarterly report on the status of open and past due audit recommendations previously accepted by the agencies. Kearse reminded the Committee members that at the request of this Committee, MTA Corporate Compliance continues to monitor the implementation of remediation plans by the MTA and its agencies. Kearse referenced the presentation in the Audit Committee Book and noted that they are currently monitoring over 300 remediation plans. There is a constant flow of plans being opened and closed. During the first quarter of 2024, 77 new remediation plans were opened and 109 were closed. For the second quarter, 23 were opened and 33 were closed. Of the 300 open remediation plans, there are 73 for which management has indicated they have implemented but are awaiting verification from Compliance and MTA Audit Services. As background, Kearse explained that when a remediation plan is created it's given to the business to implement. Once reported as being implemented by the business, the plan is then submitted to Compliance, and then MTA Audit Services for verification. Kearse then referenced the final slide that showed that there are 14 high priority remediation plans in total that are six months past due (Note: the slide showed 15 but Kearse noted that one was closed as of today).

Committee member David Jones inquired about what types of compliance issues are involved with this process. In response, Kearse said that it covers broad financial (accounting issues) and operational issues (e.g., compliance with maintenance schedules, safety, etc.) including IT (such as cyber security and changes to IT systems), some of which are minor and some that are significant. The MTA Auditor General added that the AlixPartners review made a recommendation to ensure the recommendations are implemented.

Refer to the video recording of the meeting, produced by the MTA and maintained in MTA records for the details.

8. EXECUTIVE SESSION

Upon motion duly made and seconded, the Committee voted to convene an executive session to discuss proposed, pending, or current litigation in accordance with NYS Public Officers Law 105.1d. The MTA General Counsel along with the agency General Counsels attended the executive committee session.

9. MOTION TO ADJOURN

Before making a motion to adjourn the meeting, Chair Barbas informed the Committee that the Auditor General (Michele Woods) will be retiring and thanked her for her work with MTA Audit Services for over 32 years. It was announced that Monica Murray, the NYCT Chief Administrative Officer will be the new Auditor General.

A motion was duly made and seconded, the committee adjourned the meeting.

Respectfully submitted,

Monica Murray
Auditor General

Metropolitan Transportation Authority

2024 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

	Responsibility
Each Meeting:	
Approval of Minutes	Committee Chair & Members
Audit Work Plan	Committee Chair & Members
As Appropriate:	
Pre-Approval of Audit and Non-Auditing Services	Committee Chair & Members
Follow-Up Items	Auditor General
Status of Audit Activities	Auditor General/MTA IG/ CCO/CFO/ Controllers/External Auditor/
Executive Sessions	Committee Chair & Members

II. SPECIFIC AGENDA ITEMS

January 2024

Quarterly Financial Statements – 3rd Quarter 2023	External Auditor
Enterprise Risk Management Update and Internal Control Guidelines	Chief Compliance Officer
Compliance with the Internal Control Act	Chief Compliance Officer
2023 Audit Plan Status Report	Auditor General
2024 Audit Plan	Auditor General
Open Audit Recommendations	Chief Compliance Officer

May 2024

2023 Audited Financial Statements	External Auditor/CFO
Management's Review of Consolidated Financial Statements	Deputy Chief, Controller's Office
Investment Compliance Report	External Auditor
Open Audit Recommendations	Chief Compliance Officer
Contingent Liabilities/Third Party Lawsuits (Executive Session)	General Counsels/External Auditor

July 2024

Quarterly Financial Statements – 1st Quarter 2024	External Auditor
Pension Audits (2023)	External Auditor/Deputy Chief, Controller
Management's Review of Pension Audits	Deputy Chief, Controller's Office
Single Audit Report	External Auditor/CFOs

Management Letter Reports	External Auditor/CFOs/Controllers
Review of MTA/IG's Office (FY 2023)	External Auditor
Enterprise Risk Management Update	Chief Compliance Officer
Ethics and Compliance Program	Chief Compliance Officer
Financial Interest Reports	Chief Compliance Officer
MTAAS 2024 Audit Plan Status Report	Auditor General
Open Audit Recommendations	Chief Compliance Officer

<u>October 2024</u>

Quarterly Financial Statements – 2nd Quarter 2024	External Auditor
Appointment of External Auditors	Committee Chair & Members
Audit Approach Plans/Coordination	External Auditor
Review of Audit Committee Charter	CCO and Committee Chair
Security of Sensitive Data & Systems and Information Technology Report (Executive Session)	Chief Technology Officer
Open Audit Recommendations	Chief Compliance Officer
Annual Audit Committee Report	Committee Chair

2024 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

Each Meeting
Approval of Minutes
Approval of the official proceedings of the previous month's Committee meeting.

Audit Work Plan
A monthly update of any edits and/or changes in the work plan.

As Appropriate
Pre-Approval of Audit and Non-Auditing Services
As appropriate, all auditing services and non-audit services to be performed by external auditors will be presented to and pre-approved by the Committee.

Follow-Up Items
Communications to the Committee of the current status of selected open issues, concerns or matters previously brought to the Committee's attention or requested by the Committee.

Status of Audit Activities
As appropriate, representatives of MTA's public accounting firm or agency management will discuss with the Committee significant audit findings/issues, the status of on-going audits, and the actions taken by agency management to implement audit recommendations.

Executive Sessions
Executive Sessions will be scheduled to provide direct access to the Committee, as appropriate.

II. SPECIFIC AGENDA ITEMS

JANUARY 2024

Quarterly Financial Statements - 3rd Quarter 2023
Representatives of the MTA public accounting firm, in conjunction with appropriate agency management, will discuss the interim financial statement that was prepared for the third quarter of 2023.

Enterprise Risk Management Update and Internal Control Guidelines
These MTA-wide guidelines, which were adopted by the Board in 2011 pursuant to Public Authority Law Section 2931, are required to be reviewed by the Committee annually. The MTA Chief Compliance Officer will brief the Committee on the agency compliance with these guidelines and answer any questions and offer additional comments, as appropriate. The MTA Chief Compliance Officer will also brief the Committee on the status of agency compliance with the ERM guidelines and any new or emerging risk.

Compliance with the Internal Control Act
The Committee will be briefed by the MTA Chief Compliance Officer on the results of the All-Agency Internal Control Reports issued to the NYS Division of the Budget as required by the Government Accountability, Audit and Internal Control Act.

MTAAS 2023/2024 Audit Plans

i. 2023 Audit Plan Status
A briefing by Audit Services that will include a status of the work completed, a summary of the more significant audit findings, and a discussion of the other major activities performed by the department in 2023.

ii 2024 Audit Plan
A discussion by Audit Services of the areas scheduled to be reviewed in 2024 as well as the guidelines and policies that were used to assess audit risk and their application in the development of the audit work plan.

Open Audit Recommendations
The MTA Chief Compliance Officer will report to the Committee on the status of audit recommendations previously accepted by their respective agency.

MAY 2024

2023 Financial Statements
The MTA public accounting firm will review the results and conclusions of their examination of the 2023 Financial Statements. The CFO/Deputy Chief, Controller's Office will be available to the Committee to answer any questions regarding the submission of their audit representation letters to the external audit firm.

Management's Review of MTA Consolidated Financial Statements
The Deputy Chief, Controller's Office will present a management's review of the 2023 MTA consolidated financial statements, including changes in capital, net assets, other assets and operating revenues and expenses.

Investment Compliance Report
Representatives of the MTA's public accounting firm will provide a review of MTA's compliance with the guidelines governing investment practices.

Open Audit Recommendations
The MTA Chief Compliance Officer will report to the Committee on the status of audit recommendations previously accepted by their respective agency.

Contingent Liabilities and Status of Third-Party Lawsuits
The General Counsels from each agency, along with representatives from the independent accounting firm, will review in Executive Session the status of major litigation that may have a material effect on the financial position of their agency, or for which a contingency has been or will be established and/or disclosed in a footnote to the financial statements. In addition, the Committee will be briefed on the status of third-party lawsuits for which there has been minimal or sporadic case activity.

JULY 2024

Quarterly Financial Statements – 1st Quarter 2024
Representatives of MTA's public accounting firm, in conjunction with appropriate agency management, will discuss the interim financial statement that was prepared for the first quarter of 2024.

Pension Audits

i Management's Review of MTA-Managed/Controlled Pension Plan Financial Statements
The Deputy Chief, Controller's Office will present a management's review of the 2023 MTA-managed and controlled Pension Plan financial statements, including changes in the plan's net position, the required supplementary information and any new GASB statements or statutory regulations affecting the financial statements.

ii Audit of the Pension Plans Financial Statements
Representatives of the MTA public accounting firm will provide the results of their audits of the pension plans that are managed and controlled by MTA HQ, Long Island Rail Road, Metro-North and NYC Transit.

Single Audit Report
Representatives of MTA's public accounting firm will provide the results of their Federal-and State-mandated single audits of MTA and NYC Transit.

Management Letter Reports
Reports will be made by the MTA's public accounting firm on the recommendations made in the auditors' Management Letter for improving the accounting and internal control systems of the MTA and its agencies. The report will also include management's response to each Management Letter comment. The response will describe the plan of action and timeframe to address each comment. In addition, the report will contain a follow-up of prior years' open recommendations conducted by the MTA's public accounting firm.

Review of the MTA Inspector General's Office
Representatives of MTA's public accounting firm will provide the results of their 2023 "agreed-upon" review procedures on the MTA/IG's operating expenses to ensure compliance with applicable policies and procedures.

Enterprise Risk Management Update
These MTA-wide guidelines, which were adopted by the Board in 2011 pursuant to Public Authority Law Section 2931, are required to be reviewed by the Committee annually. The MTA Chief Compliance Officer will brief the Committee on the agency compliance with these guidelines and answer any questions and offer additional comments, as appropriate. The MTA Chief Compliance Officer will also brief the Committee on the status of agency compliance with the ERM guidelines and any new or emerging risk.

Ethics and Compliance Program
The MTA Chief Compliance Officer will brief the Committee (i) on the status of agency compliance with the ERM guidelines and any new or emerging risk and (ii) selected aspects of the MTA Ethics and Compliance Program.

Financial Interest Reports
The MTA Chief Compliance Officer will brief the Committee on the agencies' compliance with the State Law regarding the filing of Financial Interest Reports (FIRs), including any known conflicts of interest.

MTAAS 2024 Audit Plan Status Report
A briefing by Audit Services that will include a status of the work completed as compared to the audits planned for the year, a summary of the more significant audit findings, results of audit follow-up, and a discussion of the other major activities performed by the department.

Open Audit Recommendations
The MTA Chief Compliance Officer will report to the Committee on the status of audit recommendations previously accepted by their respective agency.

OCTOBER 2024

Quarterly Financial Statements – 2nd Quarter 2024
Representatives of MTA's public accounting firm, in conjunction with appropriate agency management, will discuss the interim financial statement that was prepared for the second quarter of 2024.

Appointment of External Auditors
The Audit Committee will review the appointment of the independent auditor for MTA HQ and all the agencies. As part of this process, the Auditor General has reviewed and provided to the Committee, and will retain on file, the latest report of the firm's most recent internal quality control review.

Audit Approach Plans/Coordination
Representatives of MTA's public accounting firm will review their audit approach for their 2023 engagement. This review will describe the process used to assess inherent and internal control risks, the extent of the auditor's coverage, the timing and nature of the procedures to be performed, and the types of statements to be issued. In addition, the impact of new or proposed changes in accounting principles, regulations, or financial reporting practices will be discussed.

Review of Audit Committee Charter
The Committee Chair will report that the Committee has reviewed and assessed the adequacy of the Audit Committee Charter and, based on that review, will recommend any changes. The review will also show if the Committee's performance in 2024 adequately complied with the roles and responsibilities outlined in its Charter (i.e. monitoring and overseeing the conduct of MTA's financial reporting process; application of accounting principles; engagement of outside auditors; MTA's internal controls; and other matters relative to legal, regulatory and ethical compliance at the MTA).

Security of Sensitive Data & Systems and Information Technology Report
The MTA Chief Technology Officer will make a presentation to the Committee in Executive Session on (i) the security of sensitive data and systems at the MTA and (ii) on the activities of the MTA IT for the past year, including its accomplishments and upcoming strategies and plans.

Open Audit Recommendations
The MTA Chief Compliance Officer will report to the Committee on the status of audit recommendations previously accepted by their respective agency.

Annual Audit Committee Report

As a non-agenda information item, the Audit Committee will be provided with a draft report which outlines the Audit Committee's activities for the 12 months ended July 2024. This report is prepared in compliance with the Audit Committee's Charter. After Committee review and approval, the Committee Chair will present the report to the full MTA Board.

DRAFT

Metropolitan Transportation Authority

(A Component Unit of the State of New York)

Independent Auditor's Review Report

Interim Financial Statements as of and
for the Three-Month Period Ended March 31, 2024

Table of Contents

(A Component Unit of the State of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF MARCH 31, 2024 AND DECEMBER 31, 2023 AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In Millions, except as noted)

FINANCIAL REPORTING ENTITY

The Metropolitan Transportation Authority ("MTA" or "MTA Group") was established under the New York Public Authorities Law and is a public benefit corporation and a component unit of the State of New York 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 financial reporting entity consists of subsidiaries and affiliates, considered component units of the MTA, because the Board of the MTA serves as the overall governing body of these related entities.

The Reporting entity includes:

(1) the MTA is comprised of the following:

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.
- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in New York State ("NYS") and New Haven and Fairfield counties in Connecticut.
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.
- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.
- MTA Construction and Development Company ("MTA Construction and Development"), formerly called MTA Capital Construction Company, provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.
- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.
- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.
- MTA Grand Central Madison Operating Company ("MTA GCMOC") operates and maintains the infrastructure and structures supporting Long Island Rail Road access into Grand Central Terminal.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Construction and Development, MTA Bus, MTA New York City Transit, MTA Bridges and Tunnels, and MTA GCMOC collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.

The MTA provides transportation services in the New York metropolitan area, operations of seven bridges and two tunnels within New York City and primary insurance coverage to the MTA related entities. The MTA engages in Business-Type Activities. The financial results of the MTA are reported as consolidated financial statements.

(2) The Fiduciary Funds are comprised of Pension and Other Employee Benefit Trust Funds:

- Pension Trust Funds:
  - MTA Defined Benefit Pension Plan
  - The Long Island Rail Road Company Plan for Additional Pensions ("Additional Plan")
  - Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA Plan")
  - Metro-North Commuter Railroad Cash Balance Plan ("MNR Cash Balance Plan")
- Other Employee Benefit Trust Funds
  - MTA Other Postemployment Benefits Plan ("OPEB Plan")

OVERVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

This report consists of: Management's Discussion and Analysis ("MD&A"), Consolidated Interim Financial Statements, Fiduciary Funds Financial Statements, Notes to the Consolidated Interim Financial Statements, Required Supplementary Information, Supplementary Information - Combining Fiduciary Fund Financial Statements, and Supplementary Information.

Management's Discussion and Analysis

This MD&A provides a narrative overview and analysis of the financial activities of the Metropolitan Transportation Authority and its consolidated subsidiaries and affiliates (the "MTA" or "MTA Group") as of March 31, 2024 and December 31, 2023 and for the three-month periods ended March 31, 2024 and 2023. For financial reporting purposes, the subsidiaries and affiliates of the MTA are blended component units. This management discussion and analysis is intended to serve as an introduction to the MTA Group's consolidated interim financial statements. It provides an assessment of how the MTA Group's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the MTA Group's overall financial position. It may contain opinions, assumptions, or conclusions by the MTA Group's management that must be read in conjunction with, and should not be considered a replacement for, the consolidated interim financial statements.

The Consolidated Interim Financial Statements

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

The Consolidated Interim Statements of Revenues, Expenses and Changes in Net Position provide information about the MTA's changes in net position for the period then ended and accounts for all of the period's revenues and expenses, measures the success of the MTA Group's operations during the year and can be used to determine how the MTA has funded its costs.

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

The Fiduciary Funds Financial Statements

Fiduciary funds are used to account for resources held in a trustee capacity for the benefit of parties outside of a government entity. Fiduciary funds are not reported in the MTA's consolidated financial statements because the resources of those funds are not available to support the MTA's own programs. The MTA's fiduciary funds are collectively reported as Pension and Other Employee Benefit Trust Funds.

The Statements of Fiduciary Net Position presents financial information about the assets, liabilities, and the fiduciary net position held in trust of the fiduciary funds of the MTA.

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

Notes to the Consolidated Interim Financial Statements

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

Required Supplementary Information

The required supplementary information provides information about the changes in the net pension liability and net other postemployment benefits ("OPEB") liability, employer contributions for the OPEB and pension plans, actuarial assumptions used to calculate the net pension liability and net OPEB liability, historical trends, and other required supplementary information related to the MTA Group's cost-sharing multiple-employer defined benefit pension plans.

Supplementary Information - Combining Fiduciary Funds Financial Statements

The supplementary information combining fiduciary funds financial statements includes the combining statements of fiduciary net position and the combining statements of changes in fiduciary net position which provides financial information on each fiduciary fund in which the MTA is functioning as a trustee for another party. The MTA's fiduciary funds are categorized as Pension and Other Employee Benefit Trust Funds.

Supplementary Information

The supplementary information provides a series of reconciliations between the MTA Group's financial plan and the consolidated statements of revenues, expenses and changes in net position.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of March 31, 2024 and December 31, 2023 and for the three-month periods ended March 31, 2024 and 2023. An analysis 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, the information contained within the summaries of the consolidated interim financial statements and the various exhibits presented were derived from the MTA Group's consolidated interim financial statements.

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

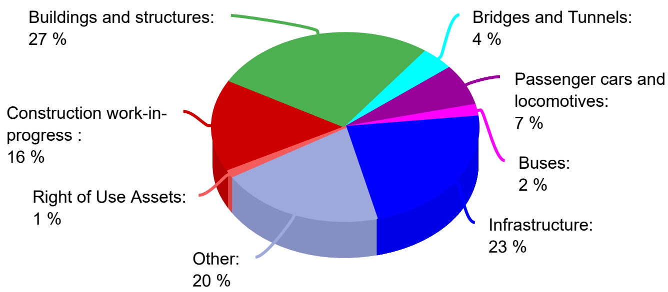
Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-of-use assets for leases on building, office space, storage space, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs) have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables, and receivables from New York State. This also includes the receivable from leases of MTA's land, building, station concession, equipment, and right-of-way to third parties.

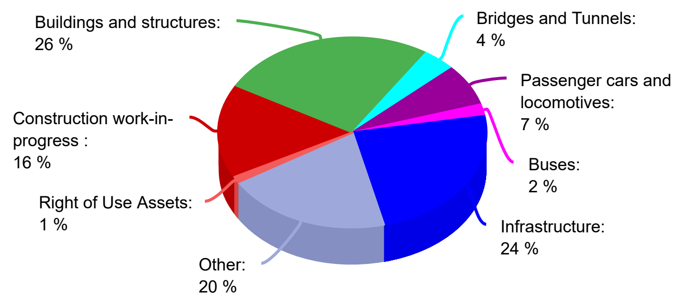
Deferred outflows of resources reflect: changes in fair values of hedging derivative instruments that are determined to be effective, unamortized loss on debt refunding and deferred outflows from pension and OPEB.

(In millions)	**March 31, 2024**	**December 31, 2023**	**Increase / (Decrease)**
Capital assets — net (see Note 6)	$ 90,688	$ 90,553	$ 135
Other assets	17,099	15,676	1,423
Total Assets	107,787	106,229	1,558
Deferred outflows of resources	9,600	9,672	(72)
Total assets and deferred outflows of resources	$ 117,387	$ 115,901	$ 1,486

Capital Assets, Net - March 31, 2024



Capital Assets, Net - December 31, 2023



Significant Changes in Assets and Deferred Outflows of Resources Include:

March 31, 2024 versus December 31, 2023

- Net capital assets increased by $135, or 0.1%. This change includes:
  - A net increase in construction in progress of $1,041.
  - An increase in buildings and structures of $3.
  - An increase in subscription-based IT arrangements of $4.
  - An increase in other capital assets of $2.
  - These increases were offset by an increase in accumulated depreciation and amortization of $880 and $35, respectively.

  See Note 6 to the MTA's Consolidated Interim Financial Statements for further information. Some of the more significant projects contributing to the increase were:
  - Continued progress on the Grand Central Madison terminal, Second Avenue Subway and the subway action plan.
  - Infrastructure work including:
    - Repairs and improvements of all MTA Bridge and Tunnels' facilities.
    - Construction of a third track between Floral Park and Hicksville by MTA Long Island Railroad.
    - Improvements to MTA Long Island Railroad's road assets, replacement of signal power lines, various right-of-way enhancements and upgrades of radio communications.
    - Continued improvements to MTA Metro-North Railroad stations, tracks and structures, power rehabilitation of substations, and security.
    - Subway and bus real-time customer information and communications systems.
    - Continued structural rehabilitation and repairs of the ventilation system at various facilities.
    - Continued passenger station rehabilitation for Penn Station and Grand Central Madison terminal.
    - Ongoing work by MTA New York City Transit to make stations fully accessible and structurally reconfigured in accordance with the Americans with Disability Act ("ADA") standards.
- Other assets increased by $1,423, or 9.1%. The major items contributing to this change include:
  - An increase in investments of $1,215, primarily due to new bond issuances in the first quarter of 2024.
  - An increase in cash of $44 from net cash flow activities, including timing of New York State's funding towards the MTA Capital Program and processing of capital payments.

- A net increase in various other current and noncurrent assets of $115, primarily due to an increase in prepaid pension expense resulting from MTA's prepayment of the 2024 projected Actuarially Determined Contributions for MTA-Sponsored Pension Plans in January 2024.
- An increase of $49 in federal and state government receivables.

- Deferred outflows of resources decreased by $72, or 0.7%, primarily attributed to decreases in the amortization of loss on debt refunding of $32 and changes in the fair value of derivative instruments of $32 and a decrease in deferred outflows related to pensions and other post-employment benefits of $8.

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

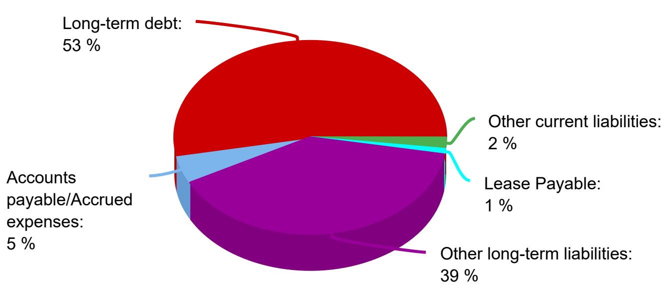
Current liabilities include: accounts payable, accrued expenses, current portion of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, the current portion of long-term lease liability, and other current liabilities.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liability, and other non-current liabilities.

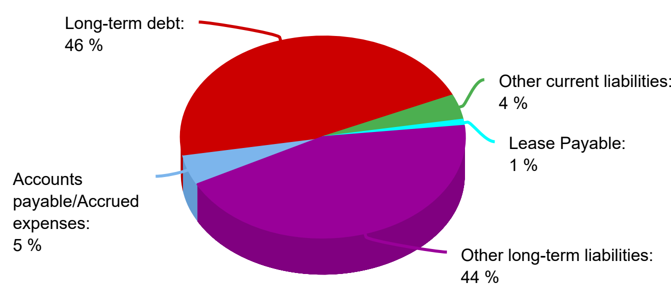
Deferred inflows of resources reflect unamortized gains on debt refunding, deferred inflows related to leases, pensions, and OPEB activities.

(In millions)	March 31, 2024	December 31, 2023	Increase / (Decrease)
Current liabilities	$ 8,934	$ 9,350	$ (416)
Non-current liabilities	85,708	83,228	2,480
Total liabilities	94,642	92,578	2,064
Deferred inflows of resources	6,065	6,076	(11)
Total liabilities and deferred inflows of resources	$ 100,707	$ 98,654	$ 2,053

Total Liabilities - March 31, 2024



Total Liabilities - December 31, 2023



Significant Changes in Liabilities and Deferred Inflows of Resources Include:

March 31, 2024 versus December 31, 2023

- Current liabilities decreased by $416 or 4.4%. The decrease was primarily due to:
  - A decrease in capital accruals of $553.
  - A decrease in unearned revenue of $150 due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.
  - A decrease in the current portion of long-term debt of $113.
  - A net decrease in other current liabilities of $65.
  - A net decrease of $52 in employee related accruals.

- A decrease in accrued expenses of $3.
- An increase in accrued interest of $470.
- An increase in accounts payable due to vendors of $50.

- Non-current liabilities increased by $2,480 or 3.0%. This increase was mainly due to:
  - An increase in the non-current portion of long-term debt of $2,468, which includes $1,289 from the issuance of MTA Transportation Revenue Refunding Green Bonds, $1,650 from the issuance of MTA Bridges and Tunnels Sales Tax Revenue Bonds and $296 from issuance of MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Refunding Green Bonds. These were offset by bond retirements of $1,685.
  - An increase of $62 in estimated liability arising from injuries to persons.

  Offsetting decreases were:

  - A decrease in lease payable of $10.
  - A decrease in derivative liabilities of $27 resulting mainly from changes in market valuation and a reduction in the notional amount of derivative contracts.
  - A net decrease in other long term liabilities of $13.
- Deferred inflows of resources decreased by $11 or 0.2%.

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

(In millions)	March 31, 2024	December 31, 2023	Increase / (Decrease)
Net investment in capital assets	$ 39,261	$ 41,333	$ (2,072)
Restricted for debt service	1,052	876	176
Restricted for claims	284	275	9
Restricted for other purposes	2,534	2,443	91
Unrestricted	(26,451)	(27,680)	1,229
Total Net Position	$ 16,680	$ 17,247	$ (567)

Significant Changes in Net Position Include:

March 31, 2024 versus December 31, 2023

At March 31, 2024, total net position decreased by $567 or 3.3%, when compared with December 31, 2023. This change is a result of net non-operating revenues of $1,430, appropriations, grants and other receipts externally restricted for capital projects of $833, which was offset by operating losses of $2,830.

The net investment in capital assets decreased by $2,072 or 5.%. Funds restricted for debt service, claims and other purposes increased by $276 or 7.7% in the aggregate, mainly due to scheduled debt service payments. Unrestricted net position increased by $1,229 or 4.4%.

Condensed Consolidated Interim Statement of Revenues, Expenses and Changes in Net Position

(In millions)	**Three-Month Period Ended March 31, 2024**	**2023**	**Increase / (Decrease)**
Operating revenues			
Passenger and tolls	$ 1,734	$ 1,615	$ 119
Other	210	149	61
Total operating revenues	1,944	1,764	180
Non-operating revenues			
Grants, appropriations and taxes	1,514	1,147	367
Other	376	410	(34)
Total non-operating revenues	1,890	1,557	333
Total revenues	3,834	3,321	513
Operating expenses			
Salaries and wages	1,792	1,656	136
Retirement and other employee benefits	925	876	49
Postemployment benefits other than pensions	214	199	15
Depreciation and amortization	914	856	58
Other expenses	929	1,002	(73)
Total operating expenses	4,774	4,589	185
Non-operating expenses			
Interest on long-term debt	459	507	(48)
Other net non-operating expenses	1	1	-
Total non-operating expenses	460	508	(48)
Total expenses	5,234	5,097	137
Loss before appropriations, grants and other receipts externally restricted for capital projects	(1,400)	(1,776)	376
Appropriations, grants and other receipts externally restricted for capital projects	833	529	304
Change in net position	(567)	(1,247)	680
Net position, beginning of period	17,247	16,917	330
Net position, end of period	$ 16,680	$ 15,670	$ 1,010

Revenues and Expenses, by Major Source:

Period ended March 31, 2024 versus 2023

- Total operating revenues increased by $180, or 10.2%. The increase was mainly due to increased ridership on trains and subways, as well as increased tolls from vehicle crossings. Fare and toll revenue had increases of $86 and $33, respectively. Other operating revenues increased by $61 when compared with the same period in 2023 due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues increased by $333, or 21.4%.
  - Net decrease of $34, primarily due to decrease in operating subsidies recoverable from NYC of $43, a decrease in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $11 and a decrease of $1 from FTA/FEMA/Cares reimbursement. These decreases were offset by increases in other net non-operating expenses of $19 and station maintenance, operation and use assessments of $2.
  - Grants, appropriations, and taxes increased by $367 primarily due to increases in Payroll Mobility tax subsidies of $384, Mass Transportation Trust Fund from New York State of $29, New York City Assistance Fund of $4 and MTA Aid Trust subsidies of $1. These increases were offset by decreases in Mortgage Recording Tax subsidies of $15, Urban tax subsidies of $15, Internet Sales Tax of $15 and Mansion tax of $6.
- Labor costs increased by $200, or 7.3% due to a $136 increase in salaries and wages and a net increase of $64 in employee benefits, including post-retirement benefits.

- Non-labor operating costs decreased by $15, or 0.8%. The variance was primarily due to:
  - A decrease in professional service contracts of $55.
  - A decrease in fuel of $8 and electric power of $30.
  - A decrease in material and supplies of $8.
  - A decrease in claims of $6.
  - A decrease in pollution remediation projects of $3.
  - An increase in depreciation and amortization of $58 primarily due to assets placed in service during 2023.
  - An increase in paratransit service contracts of $21.
  - A net increase in other non-labor expenses of $11.
  - An increase in maintenance and other operating contracts of $5.

Total net non-operating expenses decreased by $48, or 9.4%, primarily due to a decrease in interest on long-term debt.

Appropriations, grants and other receipts externally restricted for capital projects increased by $304, or 57.5% mainly due to timing of requisitioning for Federal and State grants.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

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. 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 first quarter 2024 remained below the pre-pandemic level, with paid ridership down 200 million trips (-48.7%) below 2019 first quarter ridership. Year-over-year improvements continued, with 2024 exceeding 2023 paid ridership levels by 379 thousand trips (0.1%) during the first quarter. For the first quarter of 2023 compared with the first quarter of 2024, MTA New York City Transit subway paid ridership increased by 7.3 million trips (2.7%), MTA New York City Transit bus paid ridership decreased by 10 million trips (-11.6%), MTA Long Island Rail Road paid ridership increased by 2.6 million trips (18.5%), MTA Metro-North Railroad paid ridership increased by 1.7 million trips (13.2%), MTA Bus paid ridership decreased by 1.2 million trips (-5.7%), and MTA Staten Island Railway paid ridership increased by 13 thousand trips (2.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the first quarter of 2024 was above 2019 levels by 2.5 million crossings (3.2%), and B&T traffic in the first quarter, compared with the first quarter of 2023, was up 846 thousand crossings (1.1%).

MTA Bridges and Tunnels continues the work necessary to the Central Business District Tolling Program ("CBDTP"), which aims to reduce congestion in Manhattan's Central Business District ("CBD") and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering the CBD, defined as Manhattan south of and inclusive of 60th Street, not including 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 CBDTP was subject to an Environmental Assessment ("EA") as required under the National Environmental Policy Act for the Federal Highway Administration ("FHWA") to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact ("FONSI"), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. On March 27, 2024, the board voted to adopt the initial toll schedule and the agency announced that the Congestion Toll is currently slated to begin operation June 30, 2024.

On November 30, 2023, the Traffic Mobility Review Board ("TMRB") issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the MTA Triborough Bridge and Tunnel Authority ("TBTA") for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act ("SAPA"), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024. On November 30, 2023, the TMRB issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the TBTA for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the SAPA, a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024. On June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program.

Seasonally adjusted non-agricultural employment in New York City for the first quarter was higher in 2024 than in 2023 by 46.9 thousand jobs (0.01%). On a quarter-to-quarter basis, New York City employment gained 33.3 thousand jobs (0.7%), the fifteenth 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 1.6% in the first quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the fourth quarter of 2023, the revised RGDP increased 3.4 percent. The increase in consumer spending reflected an increase in services that was partly offset by a decrease in goods. Within services, the increase primarily reflected increases in health care as well as financial services and insurance. Within goods, the decrease primarily reflected decreases in motor vehicles and parts as well as gasoline and other energy goods. Within residential fixed investment, the increase was led by brokers' commissions and other ownership transfer costs as well as new single-family housing construction. The increase in nonresidential fixed investment mainly reflected an increase in intellectual property products. The increase in state and local government spending reflected an increase in compensation of state and local government employees. The decrease in inventory investment primarily reflected decreases in wholesale trade and manufacturing. Within imports, the increase reflected increases in both goods and services.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the first quarter of 2024, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the first quarter of 2023. Regional prices for energy products increased 1.3%, and national prices of energy products fell 1.5%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.3%, while nationally, inflation exclusive of energy products increased 3.6%. The New York Harbor spot price for conventional gasoline decreased by 7.7% from an average price of $2.55 per gallon to an average price of $2.35 per gallon between the first quarters of 2023 and 2024.

In its announcement on May 1, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% 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, and most recently maintained the range at 5.25% to 5.50% range on May 1, 2024. In support of its actions, FOMC noted the Committee will continue to monitor the implications of incoming information and will be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals, taking into account labor market conditions, inflation pressures and inflation expectations, and financial and international developments. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the first quarter of 2024 were lower than the first quarter of 2023 by $24.9 million (-25.2%). Average monthly receipts in the first quarter of 2024 were $24.6 million (-61.2%) 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 first 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 $18.3 million (-16.2%) lower than receipts during the first quarter of 2023. Average monthly receipts in the first quarter of 2024 were $31.5 million (-57.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

MTA Bridges and Tunnels - For the three months ended March 31, 2024, operating revenue from tolls totaled $589.2, which was $36.5, or 6.6%, higher than the three months of 2023. Paid traffic for the first quarter of 2024 totaled 78.5 million crossings, which was 0.9 million, or 0.6 % above the first quarter of 2023. The continued increase in traffic volumes is due to the improvement in the regional economy.

MTA New York City Transit - For the three months ended March 31, 2024, revenue from fares was $820, an increase of $44, or 5.7%, compared to March 31, 2023. For the same comparative period, total operating expenses were higher by $109, or 3.8%, totaling $2,967 for the three months ended March 31, 2024.

MTA Long Island Rail Road – Total operating revenue for the three months ended March 31, 2024 was $147, which was higher by $24, or 19.5%, compared to three months ended March 31, 2023. For the same comparative period, operating expenses were higher by $36, or 6.3%, totaling $604 for the three months ended March 31, 2024.

MTA Metro-North Railroad – For the three months ended March 31, 2024, operating revenues totaled $151, an increase of $24, or 18.9%, compared to March 31, 2023. During the same period, operating expenses increased by $25, or 5.5%, to $479. For the three months ended March 31, 2024, fare revenue increased by 15.7% to $140 compared to March 31, 2023. Passenger fares accounted for 92.72% and 95.28% of operating revenues in 2024 and 2023, respectively. The remaining revenue represents collection of rental income from stores in and around passenger stations and revenue generated from advertising.

The MTA receives the equivalent of four quarters of Metropolitan Mass Transportation Operating Assistance (“MMTOA”) receipts each year, with the state advancing the first quarter of each succeeding calendar year’s receipts in the fourth quarter of the current year. This results in little or no Metropolitan Mass Transportation Operating Assistance receipts being received during the first quarter of each calendar year. The MTA has made other provisions to provide for cash liquidity during this period. During April 2024, the State appropriated $2.99 billion in MMTOA funds. There has been no change in the timing of the State’s payment of, or MTA’s receipt of, Dedicated Mass Transportation Trust Fund (“MTTF”) receipts, which MTA anticipates will be sufficient to make monthly principal and interest deposits into the Debt Service Fund for the Dedicated Tax Fund Bonds. The total MRT for the period ended March 31, 2024 was $77 compared to $92 at March 31, 2023.

Capital Programs

At March 31, 2024, $26,212 had been committed and $8,639 had been expended for the 2020-2024 MTA Bridges and Tunnels Capital Program, $30,803 had been committed and $25,736 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and $29,598 had been committed and $28,066 had been expended for the combined 2010- 2014 MTA Capital Programs and the 2010-2014 MTA Bridges and Tunnels Capital Program, and $24,107 had been committed and $23,991 had been expended for the combined 2005-2009 MTA Capital Programs and the 2005-2009 MTA Bridges and Tunnels Capital Program.

The MTA Group has ongoing capital programs, which except for MTA Bridges and Tunnels are subject to the approval of the Metropolitan Transportation Authority Capital Program Review Board (“CPRB”), and are designed to improve public transportation in the New York Metropolitan area.

2020-2024 Capital Program – Capital programs totaling $54,799 covering the years 2020-2024 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the “2020–2024 Commuter Capital Program”), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the “2020–2024 Transit Capital Program”) were originally approved by the MTA Board on September 25, 2019. The capital programs were subsequently submitted to the Capital Program Review Board (“CPRB”) on October 1, 2019 and approved on January 1, 2020. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the “2020–2024 MTA Bridges and Tunnels Capital Program”) was approved by the MTA Board on September 25, 2019 and was not subject to CPRB approval. On December 15, 2021, the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $535 million to support the Penn Station Access project. On July 27, 2022 the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $108 million 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. On June 27, 2023, the MTA Board approved an amendment primarily to reflect $678 million 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 $3,327 as last approved by the MTA Board on July 27, 2022, remains unchanged and is not subject to CPRB approval.

The last CPRB approved 2020-2024 Capital Programs provided $55,442 in capital expenditures. The combined funding sources for the 2020–2024 MTA Capital Programs and the 2020-2024 MTA Bridges and Tunnels Capital Program, include $15,000 in Central Business District tolling sources, $10,000 in new revenue sources, $7,393 in MTA bonds and PAYGO, $3,327 in MTA Bridges and Tunnels bonds, $13,073 in Federal funds, $3,101 in State of New York funding, $3,007 in City of New York funding, and $542 in other contributions.

2015-2019 Capital Program — Capital programs covering the years 2015-2019 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the "2015–2019 Commuter Capital Program"), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the "2015–2019 Transit Capital Program") were originally approved by the MTA Board in September 2014. The capital programs were subsequently submitted to the Capital Program Review Board ("CPRB") in October 2014. This plan was disapproved by the CPRB, without prejudice, in October 2014.The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the "2015–2019 MTA Bridges and Tunnels Capital Program") was approved by the MTA Board in September 2014 and was not subject to CPRB approval.

On April 20, 2016, the MTA Board approved revised capital programs for the years covering 2015-2019. The revised capital programs provided for $29,456 in capital expenditures. On May 23, 2016, the CPRB approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program, was approved by the MTA Board on April 20, 2016. On February 23, 2017, the MTA Board approved a revision to the CPRB portion of the capital programs for the years covering 2015-2019, adding $119 transferred from prior capital programs to support additional investment projects. On March 30, 2017, the CPRB approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems as submitted. On May 24, 2017, the MTA Board approved a full amendment to the 2015-2019 Capital Programs to reflect updated project estimates and rebalanced programs to address budgetary and funding needs of priority projects that include Second Avenue Subway Phase 2, MTA Long Island Rail Road regional mobility, station enhancement work, investments at Penn Station, and new Open Road Tolling at MTA Bridges and Tunnels. On July 31, 2017, the CPRB approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $29,517, as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2,940, as approved by the MTA Board in May 2017, was not subject to CPRB approval. On December 13, 2017, the MTA Board approved an amendment adding $349 to the 2015-2019 Capital Program for the Transit system in support of the NYC Subway Action Plan. On April 25, 2018, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33,270 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 May 31, 2018, the CPRB approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30,334, as submitted. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2,936, as approved by the MTA Board in April 2018, was not subject to CPRB approval. On September 25, 2019, the MTA Board approved a full amendment to increase the 2015-2019 Capital Program to $33,913 reflecting updated project timing and cost estimates, new needs, and changing priorities. On February 21, 2020, the CPRB approved the revised 2015-2019 Capital Program for the Transit and Commuter systems totaling $30,977, as submitted. The revised 2015- 2019 MTA Bridges and Tunnels Capital Program totaling $2,936, as approved by the MTA Board in September 2019, was not subject to CPRB approval. 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 does not change the Program's budget at $33,913, as last approved.

The last approved 2015-2019 Capital Programs provided $33,913 in capital expenditures, of which $16,742 relates to ongoing repairs of, and replacements to, the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $6,095 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $7,520 relates to the expansion of existing rail networks for both the transit and commuter systems; $243 relates to Planning and Customer Service; $376 relates to MTA Bus Company initiatives; and $2,936 in capital expenditures for ongoing repairs of, and replacements to, MTA Bridges and Tunnels facilities.

The combined funding sources for the approved 2015–2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, include $9,118 in MTA bonds, $2,942 in MTA Bridges and Tunnels dedicated funds, $9,064 in State of New York funding, $6,801 in Federal funds, $2,667 in City of New York funding, $2,145 in pay-as-you-go ("PAYGO") capital, $958 from asset sale/leases, and $217 from other sources.

2010-2014 Capital Program — Capital programs covering the years 2010-2014 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the "2010–2014 Commuter Capital Program"), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the "2010–2014 Transit Capital Program") were originally approved by the MTA Board in September 2009.The capital programs were subsequently submitted to the CPRB in October 2009.This plan was disapproved by the CPRB, without prejudice, in December 2009 allowing the State Legislature to review funding issues in their 2010 session. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the "2010–2014 MTA Bridges and Tunnels Capital Program") was approved by the MTA Board in September 2009 and was not subject to CPRB approval. The MTA Board approved the revised plan for the Transit and Commuter systems on April 28, 2010 and CPRB approval of the five- year program of projects was obtained on June 1, 2010. The approved CPRB program fully funded only the first two years (2010 and 2011) of the plan, with a commitment to come back to CPRB with a funding proposal for the last three years for the Transit and Commuter Programs. On December 21, 2011, the MTA Board approved an amendment to the 2010-2014 Capital Program for the Transit, Commuter, and Bridges and Tunnels systems that fund the last three years of the program through a combination of self-help (efficiency improvements and real estate initiatives), participation by our funding partners, and innovative and pragmatic financing arrangements. On March 27, 2012, the CPRB approved the amended 2010-

2014 Capital Programs for the Transit and Commuter systems as submitted.

On December 19, 2012, the MTA Board approved an amendment to the 2010-2014 Capital Programs for the Transit, Commuter, and Bridges and Tunnels systems to add projects for the repair/restoration of MTA agency assets damaged as a result of Superstorm Sandy, which struck the region on October 29, 2012.On January 22, 2013, the CPRB deemed approved the amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted. On July 22, 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 in response to Superstorm Sandy.

On August 27, 2013, the CPRB 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 select elements of the Disaster Recovery (Sandy) and MTA New York City Transit portions of the 2010- 2014 Capital Programs, and a change in the funding plan. On September 3, 2014, the CPRB approved the amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted.

In May 2017, the MTA Board approved an amendment to the 2010-2014 Capital Programs to reflect scope transfers and consolidation between the approved capital programs, and to reflect reductions to the MTA Superstorm Sandy capital projects to match current funding assumptions. This amendment, which provided $29,237 in capital expenditures for the Transit and Commuter systems, was deemed approved by the CPRB as submitted on July 31, 2017.The amended 2010-2014 MTA Bridges and Tunnels Capital Program, which provided $2,784 in capital expenditures, was not subject to CPRB approval. On September 25, 2019, the MTA Board approved an amendment to decrease the 2010-2014 Capital Programs to $31,704 reflecting administrative budget adjustments and updated project cost and timing assumptions. On February 21, 2020, the CPRB approved the revised 2010-2014 Capital Programs for the Transit and Commuter systems totaling $28,917, as submitted. The revised 2010-2014 MTA Bridges and Tunnels Capital Program totaling $2,787, as approved by the MTA Board in September 2019, was not subject to CPRB approval.

The last approved 2010-2014 MTA Capital provided $31,704 in capital expenditures, of which $11,365 relates to ongoing repairs of, and replacements to, the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $3,924 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $5,861 relates to the expansion of existing rail networks for both the transit and commuter systems to be managed by MTA Capital Construction; $254 relates to a multi-faceted security program including MTA Police Department; $223 relates to MTA Interagency; $297 relates to MTA Bus Company initiatives; $2,022 relates to the ongoing repairs of, and replacements to, MTA Bridges and Tunnels facilities; and $7,757 relates to Superstorm Sandy recovery/mitigation capital expenditures.

The combined funding sources for the CPRB-approved 2010–2014 MTA Capital Programs and 2010–2014 MTA Bridges and Tunnels Capital Program include $11,635 in MTA Bonds, $2,025 in MTA Bridges and Tunnels dedicated funds, $7,376 in Federal Funds, $132 in MTA Bus Federal and City Match, $719 from City Capital Funds, and $1,442 from other sources. Also included is $770 in State Assistance funds added to re-establish a traditional funding partnership. The funding strategy for Superstorm Sandy repair and restoration assumes the receipt of $6,698 in insurance and federal reimbursement proceeds (including interim borrowing by MTA to cover delays in the receipt of such proceeds), $18 in pay-as-you-go capital, supplemented, to the extent necessary, by external borrowing of up to $889 in additional MTA and MTA Bridges and Tunnels bonds.

2005-2009 Capital Program — Capital programs covering the years 2005-2009 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the “2005–2009 Commuter Capital Program”), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the “2005–2009 Transit Capital Program”) were originally approved by the MTA Board in April 2005 and subsequently by the CPRB in July 2005.The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the “2005–2009 MTA Bridges and Tunnels Capital Program”) was approved by the MTA Board in April 2005 and was not subject to CPRB approval. The 2005–2009 amended Commuter Capital Program and the 2005–2009 Transit Capital program (collectively, the “2005–2009 MTA Capital Programs”) were last amended by the MTA Board in July 2008.This latest 2005-2009 MTA Capital Program amendment was resubmitted to the CPRB for approval in July 2008, and was approved in August 2009.

As last amended by the MTA Board, the 2005–2009 MTA Capital Programs and the 2005–2009 MTA Bridges and Tunnels Capital Program, provided for $24,353 in capital expenditures. By March 31, 2024, the 2005-2009 MTA Capital Programs budget increased by $634 primarily due to the receipt of new American Recovery and Reinvestment Act (“ARRA”) funds and additional New York City Capital funds for MTA Capital Construction work still underway. Of the $24,353 provided in capital expenditures, $11,515 relates to ongoing repairs of, and replacements to the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $3,723 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $166 relates to certain interagency projects; $7,671 relates generally to the expansion of existing rail networks for both the transit and commuter systems to be managed by the MTA Capital Construction Company (including the East Side Access, Second Avenue Subway and No.7 subway line) and a security program throughout MTA’s transit network; $1,127 relates to the ongoing repairs of, and replacements to, bridge and tunnel facilities operated by MTA Bridges and Tunnels; and $152 relates to capital projects for the

MTA Bus.

The combined funding sources for the MTA Board-approved 2005–2009 MTA Capital Programs and 2005– 2009 MTA Bridges and Tunnels Capital Program include $11,189 in MTA and MTA Bridges and Tunnels Bonds (including funds for LaGuardia Airport initiative), $1,450 in New York State general obligation bonds approved by the voters in the November 2005 election, $7,776 in Federal Funds, $2,823 in City Capital Funds, and $1,114 from other sources.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The MTA 2024 Adopted Budget - February Financial Plan

This document includes the 2023 Final Estimate, the 2024 Adopted Budget, and the 2024-2027 Financial Plan. Financials are unchanged from the November Plan, which was adopted by the MTA Board in December 2023. Minor technical adjustments with no material financial impact have been incorporated into this Plan. The February Plan also provides schedules detailing the monthly allocation of financials, headcount, and utilization based on the 2024 Adopted Budget for the purpose of reporting actual results to the MTA Board

Farebox Revenue Loss Provision - includes a $100 million Farebox Revenue Loss Provision in 2024 to account for short term fare evasion impacts on farebox revenue.

Revised assumptions - incorporate into Agency financial plans revised wage assumptions and safety and security initiatives that were included below-the-line in the July Plan.

One-time State aid - of $300 million in th**e** current State Fiscal year, included in the NYS 2023-2024 Enacted Budget to address the extraordinary impact of COVID pandemic on MTA operating revenues, will be made in two equal $150 million disbursements to MTA, at the end of 2023 and at the end of the first quarter of 2024.

Lower subsidies - The 2023 Payroll Mobility Tax forecast is reduced by $44 million to reflect year to date shortfalls in receipts. It is still too early to determine whether the lower PMT collections through November are timing related arising from the implementation of the new tax rates or lower than budgeted due to underlying payroll levels. Receipts from For-Hire vehicle Surcharge have been reduced by $109 million over the Plan period, reflecting slower growth than have been previously projected. Collectively, receipts from the Mortgage Recording Tax, the Urban Taxes and MTA Aid are $15 million favorable in 2023.

Continued paid ridership recovery - The plan assumes a 10 percent point increase in paid ridership recovery by 2026. Progress in reducing fare evasion will be a crucial component to achieving this target. The potential cost for 5 percent lower recovery is estimated at $325 million per year.

Reserve for TBTA uncollected toll revenue - Reflects an accounting provision to increase the reserve for TBTA uncollected toll revenue of $55 million. TBTA continues to aggressively pursue all unpaid tolls.

MTA operating efficiencies - Agencies have identified and implemented initiatives that are $14 million in excess of the 2023 savings target and have identified and begun implementing initiatives that exceed the 2024 target of $28 million. For 2025 through 2027, about 85 percent of the annual target of 4500 million in savings has been identified and is being implemented. The Plan could fall short if all savings are not achieved.

Dedicated tax receipts - An economic slowdown or recession could have a significant impact on the level of dedicated tax receipts received by MTA.

Casino revenue - The approval and awarding of downstate casino licenses is uncertain in both outcome and timing, which risks the $500 million assumed to be received by MTA in 2026 and 2027.

Central Business District Tolling Program ("Congestion Pricing") - Congestion Pricing was scheduled for implementation in mid - 2024. There is a risk that recent litigation could impact this start date and the timing of congestion pricing revenues for the capital program. To manage this timing risk, the November Financial Plan incorporates earlier issuance of MTA debt for the 2020-2024 Capital Program than previously forecast to offset the potential delay of Congestion pricing. This increases debt service costs during the financial plan period and if more MTA debt issuance has to be accelerated due to a delay in Congestion Pricing, debt service costs could increase more than the revised forecast. On March 27, 2024, the board voted to adopt the initial toll schedule and the agency announced that the Congestion Toll is currently slated to begin operation June 30, 2024. It is to be noted that on June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program. The outcome of an indefinite pause cannot be predicted at this time.

More detailed information on the February Plan can be found in the MTA 2024 Adopted Budget – February Financial Plan 2024-2027at www.MTA.info.

Tropical Storm Sandy Update

The total allocation of emergency relief funding from the Federal Transit Administration ("FTA") to MTA in connection with Superstorm Sandy to date is $5.83 billion, including $1.599 billion allocated on September 22, 2014, through a competitive resiliency program. A total of $5.81 billion in FTA Emergency Relief Funding has been executed: seven repair/local priority resiliency grants totaling $4.55 billion and seventeen competitive resiliency grants totaling$1.26 billion. As of March 31, 2024, MTA has drawn down a total of $4.31 billion in grant reimbursement for eligible operating and capital expenses. The balance of funds to be drawn down from all twenty-four grants is available to MTA for reimbursement of eligible expenses as requisitions are submitted by MTA and approved by FTA. Additional requisitions are in process. At MTA and Amtrak's request, in April 2018, FTA transferred $13.5 million of MTA's emergency relief allocation to the Federal Railroad Administration ("FRA") to allow Amtrak to execute a portion of MTA Long Island Rail Road's Competitive Resilience scope.

Labor Update

In the third quarter of 2023, the MTA Board approved a 36-month labor agreement between the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, MTA Bus Company and approximately 37,000 hourly operating employees represented by the Transport Workers Union, Local 100. Spanning the 36-month period, from May 16, 2023 through May 15, 2026, the agreement provides general wage increases of 3.0% for 2023, 3.0% for 2024, and 3.5% for 2025 (9.8%, in total). It also provides an Essential Worker cash bonus of $3,000 in the first contract year and a supplemental Essential Worker cash bonus of $1,000 in the second year, along with the enhancement of certain other employee benefits. Among important savings measures, the agreement institutes TWU Enhanced Retiree Benefits coverage (Medicare Advantage Plan), by which all post-65 Medicare eligible retirees and their eligible dependents will be placed into an alternative health plan. The net economic value of the agreement has informed the MTA's financial assumptions for growth in labor costs for nearly all represented bargaining units, and it is expected that most of the MTA's 67,000 represented employees will reach future settlements that align with the TWU pattern.

The MTA's financial plan also assumes that TWU pattern-following unions that have not yet reached new agreement terms corresponding to the 2019-2023 period will do so in alignment with the previous TWU agreement, which expired on May 15, 2023.

In the first quarter of 2024, two new labor agreements were ratified by the MTA Board. The ensuing paragraphs will highlight the terms of these labor agreements and will describe in greater detail the overall status of collective bargaining at MTA agencies through March 31, 2023.

MTA Long Island Rail Road – At the end of the first quarter of 2024, MTA Long Island Rail Road has approximately 7,512 employees. Approximately 6,757 of these employees are represented by 8 different unions in 16 bargaining units. MTA Long Island Rail Road has settled agreements with nearly all of its bargaining groups along the lines of the 2019-2023 TWU agreement. On June 15, 2023, these agreements became amendable and, shortly afterwards, LIRR commenced labor negotiations towards successor agreements. Such an agreement was reached between the railroad and the Sheet Metal, Air, Rail and Transportation Workers – (SMART TD), which represents approximately 2943 employees in Maintenance of Way titles - such as Track Foremen, Trainmen, Welders, Special Service Attendants, Supervisors and Carmen, among others – who constitute more than 40% of the railroad's entire represented population. In December, the agreement was approved by the MTA Board, becoming the first railroad agreement reached since passage in July of the 2023-2026 TWU Local 100 agreement, which tipped off the current round of collective bargaining.

In March of this year, an identical agreement with a separate bargaining unit of SMART was approved by the MTA Board. This agreement covers approximately 47 Yardmasters. Like the agreement with SMART-TD, it is consistent with the MTA Financial Plan and meets the objective of realizing similar savings and costs as those obtained in the 2023-2026 TWU agreement, but by different means. The agreement with SMART-Yardmasters runs from June 16, 2023 through August 15, 2026 (38 months) and provides wage increases of 3.0%, 3.0% and 3.50%, effective each June 16, with no $3000 Bonus. The final increase (3.5%) is 0.25% higher than Financial Plan expectations, but actually matches the corresponding wage increase in the TWU agreement. The additional cost, compared with the Financial Plan, is partly offset by a 2-month extension of the contract period. Other provisions of the SMART-TD agreement are also present in the Yardmasters contract, such as the increase in employee health care contributions from 2% to 3% of straight-time wages; and the conversion of the existing dental and vision plan to a new plan with the same coverage provided to MTA Long Island Rail Road managers.

MTA Metro-North Railroad – As of March 31, 2024, MTA Metro-North Railroad employs approximately 6,306 people. Among these are approximately 5,395 employees represented by ten different unions.

In the first quarter of 2024, no new labor agreements were reached, but negotiations continued with unions whose terms have become amendable. Agreements with most of MTA Metro-North Railroad's largest unions—including the Transportation Communications Union, the International Association of Machinists, the International Brotherhood of Teamsters, the Sheet Metal Workers International Association, and the American Railway and Airway Supervisors Association in Maintenance of Equipment— became amendable in the third quarter of 2023; and, as several others also became amendable in the final quarter of

2023 and in the first quarter of 2024, all of the railroad's represented employees are currently looking forward to new agreements.

The MTA Metro-North Railroad has also been engaged in mediation with approximately 820 members in three bargaining units of the International Brotherhood of Electrical Workers, representing Mechanics, Electricians and Communications Specialists, Supervisors and Foremen and other titles. The MTA remains committed to achieving a negotiated resolution of the disputes with these labor unions and to settling new contract terms for the 2021-2023 period with approximately 1,500 members of the Association of Commuter Rail Employees.

MTA Headquarters – As of December 31, 2023, MTA Headquarters employs approximately 5,284 people, of whom 3,497 are union members[1]. As of March 31, 2024, most of the unions that cover employees on MTA Headquarters payroll remain in effect. Both MTA Police unions -- the Police Benevolent Association (PBA) and the Commanding Officers Association (COA) -- have effective agreements through April 14, 2024; the International Brotherhood of Teamsters (IBT Local 808), which represents administrative titles as well as certain titles within the MTA Police Department, has settled terms through November 30, 2025; and agreements with administrative and procurement titles represented by the Transportation Communications Union (TCU Local 643) remain effective through May 31, 2024. The agreement with TCU Local 982, which covers IT titles, expired on February 29, 2024.

MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority – As of March 31, 2023, MTA New York City Transit and MaBSTOA employs approximately 47,337people, 46,033 of whom are represented by 14 unions with 23 bargaining units. At the end of the first quarter, all NYCT/MaBSTOA unions that typically follow the TWU pattern have reached agreements in alignment with the 2019-2023 deal and are either under such effective agreements; or are looking for new terms for the ensuing period. For unions in the latter category, subsequent agreement terms are expected to align with the new TWU Local 100 agreement.

As referred to above, in July, two months after expiration of the 2019-2023 TWU agreement, the MTA Board ratified a successor memorandum of understanding that will cover approximately 37,000 hourly operating employees at NYCT, MaBSTOA and MTA Bus Company. The currently effective agreement will run through May 15, 2026. The 2023-2026 TWU agreement will, like its predecessor, set a new bargaining pattern for most other labor unions across the MTA. While not all the provisions described above will be applicable to all other unions, future negotiations will be oriented towards the same general wage increases and will not exceed the agreement's net-costs.

In the first quarter, no new labor agreements were reached with unions representing employees at NYCT/MaBSTOA.

MTA Bus Company – As of March 31, 2023, MTA Bus Company has 3,774 employees, approximately 3,650 of whom are represented by three different unions (now including the United Transit Leadership Organization) and five bargaining units. The largest of these is TWU Local 100, whose more than 2,000 members were co-parties to the agreement approved by the MTA Board in July 2023 and whose current agreement will run through May 15, 2026.

There were no new labor agreements reached during the first quarter of 2024 at MTA Bus Company. Agreements with more than 1,000 members of the two bargaining units of the Amalgamated Transit Union (ATU) at MTA Bus Company expired in October 2023, and their membership at year end is looking towards new agreement terms for the subsequent period.

MTA Bridges and Tunnels – As of March 31, 2024, MTA Bridges and Tunnels (the Triboro Bridge and Tunnel Authority, or TBTA) has 887 employees, approximately 657 of whom are represented by three different labor unions (four bargaining units).

In March, the MTA Board approved a new agreement between TBTA and the Superior Officers Benevolent Association (SOBA) for the term of September 15, 2022 through November 14, 2026. The membership consists of approximately 103 Sergeants and Lieutenants who supervise Bridge and Tunnel Officers and perform various law enforcement duties. The new agreement will run from September 15, 2022 through November 14, 2026 and includes the same wage increases (compounding to 12.82%) as agreements with TWU Local 100 over the corresponding period of time. Among other provisions, the agreement includes:

A "leave carry-over" that allows each member of the bargaining unit to carry-over 48 hours of holiday excusal and 48 hours of annual leave from one year to the next;

- Eligibility of pre-Medicare surviving spouses of deceased future retirees to receive the same medical benefits as active members until the attainment of Medicare eligibility; and:
- ·an increase to the Authority-provided life insurance (from $12,500 to $50,000). The costs of the SOBA agreement are consistent with the anticipated costs in the MTA Financial Plan.

The MTA Board in March also approved a resolution to elect coverage under Chapter 693 of the Laws of 2023 for all eligible employees represented both by SOBA and the Bridges and Tunnels Officers Association (BTOBA). The legislation[2] allows these sworn members of the TBTA workforce eligibility for retirement with unreduced pension benefits after 20 years of service, irrespective of age.[3] The law requires also that the parties (TBTA, SOBA and BTOBA) resolve/withdraw all litigation or administrative proceedings (excluding employee discipline), and it imposes an "Employer election" requirement within 120 days of enactment.[4]

At the end of the first quarter, two of the remaining bargaining units at MTA Bridges and Tunnels have expired agreements: the Bridge and Tunnel Officers Association, whose agreement expired in November 2023; and AFSCME DC 37 Local 1655, representing approximately 20 administrative/clerical employees whose agreement expired in May 2021.

MTA Staten Island Railway – As of March 31, 2024, MTA Staten Island Railway had 349 employees, approximately 335 of whom are represented by four different unions (five bargaining units). No new labor agreements were reached with these unions during the first quarter of this year, and by the end of the period, all agreements (which covered the 2019-2023 period) have expired. Going forward, the unions will therefore be looking for new agreement terms.

[1] This number includes "matrixed" employees who work at MTA Headquarters but are on the payroll of another agency.

[2] The law was signed by Governor Kathy Hochul on December 8, 2023.

[3] The NYCERS requirement was previously 20 years of service *and attainment of age 50.*

[4] The agreement between TBTA and SOBA, ratified by the union on March 22, 2024, includes the "20 and Out" election provision. Similarly, on March 21, 2024, TBTA agreed to terms and conditions that would allow consideration of the Bridge and Tunnels Officers Association (BTOBA) representing approximately 242 members, to also elect into Ch. 693 of the Laws of 2023. The BTOBA agreement does not include wages or other terms and conditions.

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF MARCH 31, 2024 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2023

($ In millions)

	Business-Type Activities	
	March 31, 2024	**December 31, 2023**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	$ 891	$ 782
Cash restricted (Note 3)	741	806
Unrestricted investments (Note 3)	5,104	6,143
Restricted investments (Note 3)	2,752	2,610
Restricted investments held under financed purchase obligations (Notes 3 and 10)	92	95
Receivables:		
Station maintenance, operation, and use assessments	198	149
State and regional mass transit taxes	353	364
Mortgage Recording Tax receivable	27	24
State and local operating assistance	6	5
Other receivable from New York City and New York State	139	158
Due from Build America Bonds	3	-
Receivable from federal and state government	226	203
Other	950	909
Less allowance for doubtful accounts	(543)	(498)
Total receivables — net	1,359	1,314
Materials and supplies	762	738
Prepaid expenses and other current assets (Note 2)	899	821
Total current assets	12,600	13,309
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	15,207	14,166
Other capital assets (net of accumulated depreciation and amortization)	75,481	76,387
Unrestricted investments (Note 3)	2,580	451
Restricted investments (Note 3)	1,287	1,302
Restricted investments held under financed purchase obligations (Notes 3 and 10)	285	284
Other non-current receivables	297	306
Other non-current assets	50	24
Total non-current assets	95,187	92,920
TOTAL ASSETS	107,787	106,229
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	76	108
Loss on debt refunding (Note 7)	366	398
Deferred outflows related to pensions (Note 4)	3,791	3,799
Deferred outflows related to OPEB (Note 5)	5,367	5,367
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,600	9,672
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 117,387	$ 115,901

See Independent Auditor's Review Report and
notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF MARCH 31, 2024 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2023

($ In millions)

	Business-Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**March 31, 2024**	**December 31, 2023**
CURRENT LIABILITIES:		
Accounts payable	$ 621	$ 571
Accrued expenses:		
Interest	755	285
Salaries, wages and payroll taxes	403	467
Vacation and sick pay benefits	1,180	1,163
Current portion — retirement and death benefits	25	30
Current portion — estimated liability from injuries to persons (Note 12)	722	725
Capital accruals	111	664
Other Accrued expenses	748	801
Total accrued expenses	3,944	4,135
Current portion — loan payable (Note 7)	9	11
Current portion — long-term debt (Note 7)	2,565	2,678
Current portion — pollution remediation projects (Note 14)	40	40
Derivative fuel hedge liability (Note 16)	-	10
Unearned revenues	1,755	1,905
Total current liabilities	8,934	9,350
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	8,335	8,335
Estimated liability arising from injuries to persons (Note 12)	5,091	5,029
Net OPEB liability (Note 5)	22,435	22,435
Loan payable (Note 7)	59	60
Long-term debt (Note 7)	47,580	45,112
Lease payable (Note 8)	890	900
Subscription-Based Information Technology Arrangements (Note 9)	91	98
Financed purchase (Note 10)	179	176
Pollution remediation projects (Note 14)	142	142
Contract retainage payable (Note 15)	443	449
Derivative liabilities (Note 7)	106	133
Other long-term liabilities (Note 15)	357	359
Total non-current liabilities	85,708	83,228
TOTAL LIABILITIES	94,642	92,578
DEFERRED INFLOWS OF RESOURCES:		
Gain on debt refunding	15	17
Deferred inflows related to leases (Note 8)	223	232
Deferred inflows related to pensions (Note 4)	429	429
Deferred inflows related to OPEB (Note 5)	5,398	5,398
TOTAL DEFERRED INFLOWS OF RESOURCES	6,065	6,076
NET POSITION:		
Net investment in capital assets	39,261	41,333
Restricted for debt service	1,052	876
Restricted for claims	284	275
Restricted for other purposes	2,534	2,443
Unrestricted	(26,451)	(27,680)
TOTAL NET POSITION	16,680	17,247
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	117,387	115,901

See Independent Auditor's Review Report and notes to the consolidated interim financial statements. (Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	March 31, 2024	**March 31, 2023**
OPERATING REVENUES:		
Fare revenue	$ 1,148	$ 1,062
Vehicle toll revenue	586	553
Rents, freight, and other revenue	210	149
Total operating revenues	1,944	1,764
OPERATING EXPENSES:		
Salaries and wages	1,792	1,656
Retirement and other employee benefits	925	876
Postemployment benefits other than pensions (Note 5)	214	199
Electric power	128	158
Fuel	57	65
Insurance	10	9
Claims	91	97
Paratransit service contracts	141	120
Maintenance and other operating contracts	176	171
Professional service contracts	90	145
Pollution remediation projects (Note 14)	2	5
Materials and supplies	159	167
Depreciation and amortization (Note 2 and Note 6)	914	856
Other	75	65
Total operating expenses	4,774	4,589
OPERATING LOSS	(2,830)	(2,825)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	151	122
Payroll Mobility Tax subsidies	899	515
MTA Aid Trust Account subsidies	58	57
Internet sales tax subsidies	73	88
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	77	92
Urban Tax subsidies	86	101
Mansion Tax	71	77
Other subsidies:		
Operating Assistance - 18-B program	7	7
Build America Bond subsidy	2	2
New York City Assistance Fund	90	86
Total grants, appropriations and taxes	$ 1,514	$ 1,147

See Independent Auditor's Review Report and notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	March 31, 2024	**March 31, 2023**
NON-OPERATING REVENUES (EXPENSES):		
Connecticut Department of Transportation	$ 66	$ 77
Subsidies paid to Dutchess, Orange, and Rockland Counties	(1)	(1)
Interest on long-term debt (Note 2)	(459)	(507)
Station maintenance, operation and use assessments	50	48
Operating subsidies recoverable from NYC	129	172
Federal Transit Administration reimbursement related ARPA	-	1
Other net non-operating revenues / (expenses)	131	112
Net non-operating revenues	1,430	1,049
LOSS BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	(1,400)	(1,776)
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	833	529
CHANGE IN NET POSITION	(567)	(1,247)
NET POSITION— Beginning of period	17,247	16,917
NET POSITION — End of period	$ 16,680	$ 15,670

See Independent Auditor's Review Report and notes to the consolidated interim financial statements.

(Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	March 31, 2024	**March 31, 2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	$ 1,722	$ 1,593
Rents and other receipts	326	250
Payroll and related fringe benefits	(3,104)	(2,879)
Other operating expenses	(918)	(2,189)
Net cash used by operating activities	(1,974)	(3,225)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	1,174	693
Operating subsidies from CDOT	43	74
Subsidies paid to Dutchess, Orange, and Rockland Counties	(8)	(14)
Other non-capital financing activities	2	(1)
Internet and Mansion Tax	-	292
Net cash provided by noncapital financing activities	1,211	1,044
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	1,905	-
MTA Bridges and Tunnels bond proceeds	2,438	2,996
MTA bonds refunded/reissued	(2,069)	(1,102)
MTA Bridges and Tunnels bonds refunded/reissued	-	(991)
MTA anticipation notes proceeds	500	-
MTA anticipation notes redeemed	-	(800)
Federal and local grants	606	445
Other capital financing activities	(208)	1,768
Payment for capital assets	(1,347)	(1,290)
Debt service payments	(280)	(248)
Internet and Mansion Tax	164	-
Receipts from leases	17	23
Payments from leases	(24)	(25)
Net cash provided by capital and related financing activities	1,702	776
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(1,341)	(1,447)
Sales or maturities of long-term securities	1,268	3,453
Net (purchases) sales or maturities of short-term securities	(924)	285
Earnings on investments	102	103
Net cash (used by) / provided by investing activities	(895)	2,394
NET INCREASE IN CASH	44	989
CASH — Beginning of period	1,588	940
CASH — End of period	$ 1,632	$ 1,929

See Independent Auditor's Review Report and
notes to the consolidated interim financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	March 31, 2024	**March 31, 2023**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss (Note 2)	$ (2,830)	$ (2,825)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	914	831
Net increase (decrease) in payables, accrued expenses, and other liabilities	(217)	(337)
Net decrease in deferred outflows related to pensions	-	(7)
Net decrease in receivables	227	98
Net decrease in materials and supplies and prepaid expenses	(68)	(985)
NET CASH USED BY OPERATING ACTIVITIES	$ (1,974)	$ (3,225)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	$ (147)	$ (67)
Total Noncash investing activities	(147)	(67)
Noncash capital and related financing activities:		
Capital assets related liabilities	1,177	328
Interest expense for leases	36	12
Interest income from leases	6	2
Total Noncash capital and related financing activities	1,218	342
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	$ 1,071	$ 275

See Independent Auditor's Review Report and
notes to the consolidated interim financial statements.

(Concluded)

(A Component Unit of the State of New York)

STATEMENTS OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2021

($ In thousands)

	Fiduciary Activities	
	December 31, 2023	**December 31, 2022**
ASSETS:		
Cash	$ 10,625	$ 10,985
Receivables:		
Employee loans	28,016	26,521
Participant and union contributions	3	-
Investment securities sold	3,404	1,810
Accrued interest and dividends	20,988	6,011
Other receivables	6,664	2,680
Total receivables	59,075	37,022
Investments at fair value	12,422,787	9,319,985
Total assets	$ 12,492,487	$ 9,367,992
LIABILITIES:		
Accounts payable and accrued liabilities	$ 6,665	$ 6,319
Payable for investment securities purchased	27,381	9,992
Accrued benefits payable	615	76
Accrued postretirement death benefits (PRDB) payable	5,720	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	1,504	2,527
Other liabilities	987	1,082
Total liabilities	42,872	25,715
NET POSITION:		
Restricted for pensions	11,075,711	9,330,542
Restricted for postemployment benefits other than pensions	1,373,904	11,735
Restricted for other employee benefits	-	-
Total net position	12,449,615	9,342,277
Total liabilities and net position	$ 12,492,487	$ 9,367,992

See Independent Auditor's Review Report and
notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2021

($ In thousands)

	Fiduciary Activities	
	December 31, 2023	**December 31, 2022**
ADDITIONS:		
Contributions:		
Employer contributions	$ 3,439,246	$ 1,418,340
Implicit rate subsidy contribution	62,445	57,989
Member contributions	63,744	60,069
Total contributions	3,565,435	1,536,398
Investment income:		
Net in fair value of investments	1,092,168	(872,844)
Dividend income	110,796	126,737
Interest income	89,805	29,151
Less:		
Investment expenses	81,759	60,081
Investment income, net	1,211,010	(777,037)
Other additions:		
Total additions	4,776,445	759,361
DEDUCTIONS:		
Benefit payments and withdrawals	1,599,856	1,541,904
Implicit rate subsidy payments	62,445	57,989
Transfer to other plans	890	-
Administrative expenses	5,916	6,077
Total deductions	1,669,107	1,605,970
Net in fiduciary net position	3,107,338	(846,609)
NET POSITION:		
Restricted for Benefits:		
Beginning of year	9,342,277	10,188,886
End of year	$ 12,449,615	$ 9,342,277

See Independent Auditor’s Review Report and
notes to the consolidated interim financial statements.

(A Component Unit of the State of New York)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF MARCH 31, 2024 AND DECEMBER 31, 2023 AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2024 AND 2023

($ In millions, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity — The Metropolitan Transportation Authority ("MTA") was established in 1965, under Section 1263 of the New York Public Authorities Law, and is a public benefit corporation and a component unit of the State of New York ("NYS") 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.

These consolidated interim financial statements are of the Metropolitan Transportation Authority ("MTA"), including its related groups (collectively, the "MTA Group"), which are listed below. The Business-Type activities in these consolidated financial statements purport the operations of the MTA Group.

Metropolitan Transportation Authority and Related Groups (Component Units)

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.
- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in NYS and New Haven and Fairfield counties in Connecticut.
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.
- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.
- MTA Construction and Development ("MTA Construction and Development") provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.
- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.
- MTA Grand Central Madison Operating Company ("MTA GCMOC") operates and maintains the infrastructure and structures supporting Long Island Rail Road access into Grand Central Terminal.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, MTA Bus, and MTA GCMOC collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.
- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.

The subsidiaries and affiliates, considered component units of the MTA, are operationally and legally independent of the MTA. These related groups enjoy certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, they are included in the MTA's consolidated financial statements as blended component units because of the MTA's financial accountability for these entities and they are under the direction of the MTA Board (a reference to "MTA Board" means the board of MTAHQ and/or the boards of the other MTA Group entities 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 these related groups in its financial statements. While certain units are separate legal entities, they do have legal capital requirements and the revenues of all of the related groups of the MTA are used to support the organizations as a whole. The components do not constitute a separate accounting entity (fund) since there is no legal requirement to account for the activities of the components as discrete accounting entities.

Therefore, the MTA financial statements are presented on a consolidated basis with segment disclosure for each distinct operating activity. All of the component units publish separate annual financial statements, which are available by writing to the MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, New York 10004.

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including anticipated revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the period ended March 31, 2024 and 2023 totaled $1.5 billion and $1.1 billion, respectively.

Basis of Presentation - Fiduciary Funds – 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 and other employee benefit trust funds of the MTA. Separate financial statements are presented for the fiduciary funds.

The following MTA fiduciary component units comprise the fiduciary activities of the MTA and are categorized within Pension and Other Employee Benefit Trust Funds.

- Pension Trust Funds
  - MTA Defined Benefit Plan
  - The Long Island Rail Road Company Plan for Additional Pensions ("Additional Plan")
  - Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA Plan")
  - Metro-North Commuter Railroad Company Cash Balance Plan ("MNR Cash Balance Plan")
- Other Employee Benefit Trust Funds
  - MTA Other Postemployment Benefits Plan ("OPEB" Plan)

These 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. Both proprietary funds and fiduciary funds use the economic resources measurement focus. For reporting purposes, the financial results of the MNR Cash Balance Plan are not material and therefore not included in the fiduciary statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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 MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2026

Use of Management Estimates — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the fair value of investments, allowances for doubtful accounts, valuation of derivative instruments, incremental borrowing rate, arbitrage rebate liability, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits.

Actual results could differ significantly from those estimates.

Principles of Consolidation — The consolidated interim financial statements consist of MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, GCMOC, FMTAC, MTA Bus, MTA Construction and Development, MTA New York City Transit (including its subsidiary MaBSTOA), and MTA Bridges and Tunnels for years presented in the financial statements. All related group transactions have been eliminated for consolidation purposes.

Net Position – Restricted and Unrestricted – When both restricted and unrestricted resources are available for use, the MTA normally uses restricted resources first, and then unrestricted resources as needed, unless there are legal requirements to the contrary. The MTA does not have a formal policy with respect to the order in which unrestricted resources are to be used, therefore, in accordance with GASB Statement No. 54, the MTA's unrestricted resources will be used in the following order: committed, assigned, and unassigned. 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.

Investments — The MTA Group's investment policies comply with the New York State Comptroller's guidelines for such operating and capital policies. Those policies permit investments in, among others, obligations of the U.S. Treasury, its agencies and instrumentalities, and repurchase agreements secured by such obligations. FMTAC's investment policies comply with New York State Comptroller guidelines and New York State Department of Insurance guidelines.

Investments expected to be utilized within a year of March 31st have been classified as current assets in the consolidated interim financial statements.

In accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, investments are recorded on the consolidated statements of net position at fair value, except for commercial paper, certificates of deposit, and repurchase agreements, which are recorded at amortized cost or contract value. All investment income, including changes in the fair value of investments, is reported as revenue on the consolidated statements of revenues, expenses and changes in net position. Fair values have been determined using quoted market values on March 31, 2024 and December 31, 2023.

Investment derivative contracts are reported at fair value using the income approach.

Materials and Supplies — Materials and supplies are valued at average cost, net of obsolescence reserve at March 31, 2024 and December 31, 2023 of $262 and $251, respectively.

Prepaid Expenses and Other Current Assets — Prepaid expenses and other current assets reflect advance payment of insurance premiums as well as 2024 projected actuarially determined contributions of MTA-sponsored pension plans for the MTA Defined Benefit Pension Plan, LIRR Additional Pension Plan, and MaBSTOA Pension Plan.

Capital Assets — Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA 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 capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-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.

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 - As a result of the adoption of GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (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 MTA'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.

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 MTA (e.g., salaries, 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, subsidies paid to counties, etc.) are reported as non-operating expenses.

Pollution remediation projects —Pollution remediation costs have been expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (See Note 12). 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 MTA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Operating Revenues — Passenger Revenue and Tolls — Revenues from the sale of tickets, tokens, electronic toll collection system, and farecards are recognized as income when tickets or farecards are used. Tickets are assumed to be used in the month of purchase, with the exception of advance purchases of monthly and weekly tickets. When the farecards expire, revenue is recorded for the unused value of the farecards.

MTA Bridges and Tunnel has two toll rebate programs at the Verrazano-Narrows Bridge: the Staten Island Resident (“SIR”) Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Verrazano-Narrows Bridge Commercial Rebate Program (“VNB Commercial Rebate Program”), available for commercial vehicles making more than ten trips per month using the same New York Customer Service Center (“NYCSC”) E-ZPass account. The VNB Commercial Rebate Program and SIR Rebate Program are funded by the State and MTA.

Capital Financing — The MTA has ongoing programs on behalf of its subsidiaries and affiliates, 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 operations.

American Rescue Plan Act (“ARPA”) — On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (“ARPA”). The $1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. The MTA received $6.2 billion in aid from ARPA in 2022 and 2023.

Non-operating Revenues

Operating Assistance — The MTA Group receives, subject to annual appropriation, New York State operating assistance funds that are recognized as revenue after the New York State budget is approved and adopted. Generally, funds received under the New York State operating assistance program are fully matched by contributions from New York City and the seven other counties within the MTA’s service area.

Mortgage Recording Taxes (“MRT”) — Under New York State law, the MTA receives capital and operating assistance through a Mortgage Recording Tax (“MRT-1”). MRT-1 is collected by New York City and the seven other counties within the MTA’s service area, at the rate of 0.25% of the debt secured by certain real estate mortgages. Effective September 2005, the rate was increased from 25 cents per 100 dollars of recorded mortgage to 30 cents per 100 dollars of recorded mortgage. The MTA also receives an additional Mortgage Recording Tax (“MRT-2”) of 0.25% of certain mortgages secured by real estate improved or to be improved by structures containing one to nine dwelling units in the MTA’s service area. MRT-1 and MRT-2 taxes are recognized as revenue based upon reported amounts of taxes collected.

- MRT-1 proceeds are initially used to pay MTAHQ’s operating expenses. Remaining funds, if any, are allocated 55% to certain transit operations and 45% to the commuter railroads operations. The commuter railroad portion is first used to fund the New York State Suburban Highway Transportation Fund in an amount not to exceed $20 annually (subject to the monies being returned under the conditions set forth in the governing statute if the Commuter Railroads are operating at a deficit).
- The first $5 of the MRT-2 proceeds is transferred to the MTA Dutchess, Orange, and Rockland (“DOR”) Fund ($1.5 each for Dutchess and Orange Counties and $2 for Rockland County). Additionally, the MTA must transfer to each County’s fund an amount equal to the product of (i) the percentage by which each respective County’s mortgage recording tax payments (both MRT-1 and MRT-2) to the MTA increased over such payments in 1989 and (ii) the

base amount received by each county as described above. The counties do not receive any portion of the September 1, 2005 increase in MRT-1 from 25 cents per $100 of recorded mortgage to 30 cents. As of March 31, 2024, the MTA paid to Dutchess, Orange and Rockland Counties the 2023 excess amounts of MRT-1 and MRT-2 totaling $7.6.

- In addition, MTA New York City Transit receives operating assistance directly from New York City through a mortgage recording tax at the rate of 0.625% of the debt secured by certain real estate mortgages and through a property transfer tax at the rate of one percent of the assessed value (collectively referred to as "Urban Tax Subsidies") of certain properties.

Mobility Tax — In June of 2009, Chapter 25 of the New York State Laws of 2009 added Article 23, which establishes the Metropolitan Commuter Transportation Mobility Tax ("MCTMT"). The proceeds of this tax, administered by the New York State Tax Department, are to be distributed to the Metropolitan Transportation Authority. This tax is imposed on certain employers and self-employed individuals engaging in business within the metropolitan commuter transportation district which includes New York City, and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester. This Tax is imposed on certain employers that have payroll expenses within the Metropolitan Commuter Transportation District, to pay at a rate of 0.34% of an employer's payroll expenses for all covered employees for each calendar quarter. The employer is prohibited from deducting from wages or compensation of an employee any amount that represents all or any portion of the MCTMT. The effective date of this tax was March 1, 2009 for employers other than public school districts; September 1, 2009 for Public school districts and January 1, 2009 for individuals.

On May 3, 2023, New York Governor Kathy Hochul approved Senate Bill 4008 which, effective July 1, 2023, increases the top rate for the MCTMT from 0.34% to 0.60% for employees and individuals in certain New York counties and clarifies the application of the tax for limited partners.

Supplemental Aid — In 2009, several amendments to the existing tax law provided the MTA supplemental revenues to be deposited into the AID Trust Account of the Metropolitan Transportation Authority Financial Assistance Fund established pursuant to Section 92 of the State Finance law. These supplemental revenues relate to: 1) supplemental learner permit/ license fee in the Metropolitan Commuter Transportation District, 2) supplemental registration fee, 3) supplemental tax on every taxicab owner per taxicab ride on every ride that originated in New York City and terminates anywhere within the territorial boundaries of the Metropolitan Commuter Transportation District, and 4) supplemental tax on passenger car rental. This Supplemental Aid Tax is provided to the MTA in conjunction with the Mobility Tax.

Dedicated Taxes — Under New York State law, subject to annual appropriation, the MTA receives operating assistance through a portion of the Dedicated Mass Transportation Trust Fund ("MTTF") and Metropolitan Mass Transportation Operating Assistance Fund ("MMTOA"). The MTTF receipts consist of a portion of the revenues derived from certain business privilege taxes imposed by the State on petroleum businesses, a portion of the motor fuel tax on gasoline and diesel fuel, and a portion of certain motor vehicle fees, including registration and non-registration fees. Effective October 1, 2005, the State increased the amount of motor vehicle fees deposited into the MTTF for the benefit of the MTA. MTTF receipts are applied first to meet certain debt service requirements or obligations and second to the Transit System (defined as MTA New York City Transit and MaBSTOA), MTA Staten Island Railway and the Commuter Railroads to pay operating and capital costs. The MMTOA receipts are comprised of 0.375% regional sales tax, regional franchise tax surcharge, a portion of taxes on certain transportation and transmission companies, and an additional portion of the business privilege tax imposed on petroleum businesses. MMTOA receipts, to the extent that MTTF receipts are not sufficient to meet debt service requirements, will also be applied to certain debt service obligations, and secondly to operating and capital costs of the Transit System, and the Commuter Railroads.

The State Legislature enacts in an annual budget bill for each state fiscal year an appropriation to the MTA Dedicated Tax Fund for the then-current state fiscal year and an appropriation of the amounts projected by the Director of the Budget of the State to be deposited in the MTA Dedicated Tax Fund for the next succeeding state fiscal year. The assistance deposited into the MTTF is required by law to be allocated, after provision for debt service on Dedicated Tax Fund Bonds (See Note 7), 85% to certain transit operations (not including MTA Bus) and 15% to the commuter railroads operations. Revenues from this funding source are recognized based upon amounts of tax reported as collected by New York State, to the extent of the appropriation.

Build America Bond Subsidy — The MTA is receiving cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the Series of Bonds issued as "Build America Bonds" and authorized by the Recovery Act. The Internal Revenue Code of 1986 imposes requirements that MTA must meet and continue to meet after the issuance in order to receive the cash subsidy payments. The interest on these bonds is fully subject to Federal income taxation to the bondholder.

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 New York City, in the Borough of Manhattan (the “Congestion Zone”), (2) originates anywhere in New York State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in New York State, or (4) originates anywhere in New York State, enters into the Congestion Zone while in transit, and terminates anywhere in New York State.

- A surcharge of $0.75 cents for each person who both enters and exits a pool vehicle in New York State 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.

Dedicated Revenues - 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 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. On June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program.

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 quarter percent 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 $500,000 (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.

Operating Subsidies Recoverable from Connecticut Department of Transportation (“CDOT”) — A portion of the deficit from operations relating to MTA Metro-North Railroad’s New Haven line is recoverable from CDOT. Under the terms of a renewed Service Agreement, which began on January 1, 2015, and the 1998 resolution of an arbitration proceeding initiated by the State of Connecticut, CDOT pays 100.0% of the net operating deficit of MTA Metro-North Railroad’s branch lines in Connecticut (New Canaan, Danbury, and Waterbury), 65.0% of the New Haven mainline operating deficit, and 54.3% of the Grand Central Terminal (“GCT”) operating deficit. The New Haven line’s share of the net operating deficit for the use of GCT is comprised of a fixed fee, calculated using several years as a base, with annual increases for inflation, and the actual cost of operating GCT’s North End Access beginning in 1999. The Service Agreement also provides that CDOT pay 100% of the cost of non-movable capital assets located in Connecticut, 100% of movable capital assets to be used primarily on the branch lines and 65% of the cost of other movable capital assets allocated to the New Haven line. Remaining funding for New Haven line capital assets is provided by the MTA. Capital assets completely funded by CDOT are not reflected in these financial statements, as ownership is retained by CDOT. The Service Agreement provides that final billings for each year be subject to audit by CDOT. The audits of 2022 and 2021 billings are still open.

Reimbursement of Expenses — The cost of operating and maintaining the passenger stations of the Commuter Railroads in New York State is assessable by the MTA to New York City and the other counties in which such stations are located for each New York State fiscal year ending December 31, under provisions of the New York State Public Authorities Law. This funding is recognized as revenue based upon an amount, fixed by statute, for the costs to operate and maintain passenger stations and is revised annually by the increase or decrease of the regional Consumer Price Index.

In 1995, New York City ceased reimbursing the MTA for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and New York City each began paying $45 per annum to the MTA toward the cost of the program. In 2009, the State reduced their $45 reimbursement to $6.3. Beginning in 2010, the State increased their annual commitment to $25.3 while New York City's annual commitment remained at $45. These commitments have been met by both the State and New York City for both 2022 and 2023. For the year ended December 31, 2022, the MTA received $70.3 from the State and New York City combined, which include $30.0 prepayment for the year 2024 from New York City.

Prior to April 1995, New York City was obligated to reimburse MTA New York City Transit 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, New York City no longer reimburses MTA New York City Transit 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 New York City's expense. MTA New York City Transit continues to be responsible for certain capital costs and support services related to such police activities, a portion of which is reimbursed by New York City. MTA New York City Transit received approximately $0.8 in the three months ended March 31, 2024 and $0.6 in the three months ended March 31, 2023 from New York City for the reimbursement of transit police costs.

MTAHQ bills MTA Metro-North Railroad through its consolidated services for MTA police costs in the New Haven line of which MTA Metro-North Railroad recovers approximately 65% from Connecticut Department of Transportation. The amounts billed for the periods ended March 31, 2024 and 2023 were $7.2 and $6.2, respectively. The amounts recovered for the periods ended March 31, 2024 and 2023 were approximately $4.7 and $4.0, respectively.

Federal law and regulations require a paratransit system for passengers who are not able to ride the buses and trains because of their disabilities. Pursuant to an agreement between New York City and the MTA, MTA New York City Transit, 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 MTA New York City Transit. New York City reimburses MTA New York City Transit 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 New York City for the preceding calendar year. Fare revenues and New York City's reimbursement aggregated approximately $123.3 for the three months ended March 31, 2024 and $70.6 for the three months ended March 31, 2023.

Grants and Appropriations — Grants and appropriations for capital projects are recorded when requests are submitted to the funding agencies for reimbursement of capital expenditures meeting eligibility requirements. These amounts are reported separately after Net Non-operating Revenues in the Statements of Revenues, Expenses, and Changes in Net Position.

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 MTA (e.g., salaries, insurance, depreciation, and amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, subsidies paid to counties, etc.) are reported as non-operating expenses.

Liability Insurance — FMTAC, an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: $8 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road, and MTA Metro-North Railroad; $2.3 for MTA Long Island Bus and MTA Staten Island Railway; and $1.6 for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: $9 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $2.6 for MTA Long Island Bus and MTA Staten Island Railway; and $1.9 for MTAHQ and MTA Bridges and Tunnels. Effective November 1, 2012, the self-insured retention limits for ELF were increased to the following amounts: $10 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3 for MTA Staten Island Railway; and $2.6 for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015, the self-insured retention limits for ELF were increased to the following amounts: $11 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3.2 for MTA Staten Island Railway, MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than $50. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of $50 per occurrence with a $50 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On September 30, 2023, the balance of the assets in this program was $178.9.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $357.5 for a total limit of $407.5 ($357.5 excess of $50). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50.

On March 1, 2023, the “nonrevenue fleet” automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for MTA Long Island Rail Road, MTA Staten Island Railway, MTA Police, MTA Metro-North Railroad, MTA Inspector General, MTA Construction & Development Company and MTA Headquarters. The program limit is $11 per occurrence on a combined single limit with a $1 per occurrence deductible. Primary limits of $6 were procured through the commercial marketplace. Excess limits of $5 were procured through FMTAC. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

On March 1, 2023, 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 per occurrence to fund self-insured losses.

On December 15, 2022, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11 per occurrence loss for MTA Metro-North Railroad and MTA Long Island Rail Road.

Property Insurance — Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 per occurrence deductible, subject to an annual $75 aggregate deductible. The total All Risk program annual limit is $500 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 per occurrence. In addition to the noted $25 per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 within the overall $500 per occurrence property program as follows: $20.277 (or 40.55%) of the primary $50 layer, plus $23.777 (or 47.55%) of the $50 excess $50 layer, plus $14.792 (or 29.58%) of the $50 excess $100 layer, plus $8.827 (or 17.65%) of the $50 excess $150 layer, plus $4.484 (or 8.96%) of the $50 excess $200 layer, plus $12.548 (or 25.09%) of the $50 excess $250 layer, plus $13.547 (or 27.09%) of the $50 excess $300 layer, plus $14.997 (or 29.99%) of the $50 excess $350 layer, plus $18.664 (or 37.32%) of the $50 excess $400 layer, and $15.164 (or 30.32%) of the $50 excess $450 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 per occurrence noted above, FMTAC’s property insurance program has been expanded to include a further layer of $100 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. 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. 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 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 and less than the $200 TRIPRA trigger up to a maximum recovery of $200 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. Recovery under the terrorism policy is subject to a deductible of $25 per occurrence and $75 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 future losses in that policy year are subject to a deductible of $7.5. The terrorism coverage expires at midnight on May 1, 2025.

Pension Plans — In accordance with the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the MTA 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 MTA's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the measurement date of each of the qualified pension plans. 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 year in which the difference occurred.

Postemployment Benefits Other Than Pensions — In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan, the MTA recognizes a net OPEB liability, 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.

3. CASH AND INVESTMENTS

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. As of March 31, 2024, restricted cash, primarily for capital projects, totaled $741.

Cash, including deposits in transit, consists of the following at March 31, 2024 and December 31, 2023 (in millions):

	March 31, 2024		December 31, 2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	$ 152	$ 149	$ 114	$ 113
Uninsured and not collateralized	1,480	1,446	1,474	1,453
Total Balance	$ 1,632	$ 1,595	$ 1,588	$ 1,566

All collateralized deposits are held by the MTA or its agent in the MTA's name.

The MTA, on behalf of itself, its affiliates and subsidiaries, invests funds which are not immediately required for the MTA's operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the MTA will not be able to recover the value of its deposits. While the MTA does not have a formal deposit policy for custodial credit risk, New York State statues govern the MTA's investment policies. The MTA's uninsured and uncollateralized deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

Investments - MTA holds most of its investments at a custodian bank. The custodian must meet certain banking institution criteria enumerated in MTA's Investment Guidelines. The Investment Guidelines also require the Treasury Division to hold at least $100 of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that the MTA's main custodian cannot execute transactions due to an emergency outside of the custodian's control, the MTA has an immediate alternate source of liquidity.

The MTA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The MTA had the following recurring fair value measurements as of March 31, 2024 and December 31, 2023 (in millions):

Investments by fair value level	**March 31, 2024**	**Fair Value Measurements Level 1**	**Fair Value Measurements Level 2**	**December 31, 2023**	**Fair Value Measurements Level 1**	**Fair Value Measurements Level 2**
Debt Securities:						
U.S. treasury securities	$ 10,975	$ 9,729	$ 1,246	$ 9,478	$ 7,975	$ 1,503
U.S. government agency	384	-	384	403	-	403
Commercial paper	-	-	-	-	-	-
Asset-backed securities	70	-	70	71	-	71
Commercial mortgage-backed securities	23	-	23	172	-	172
Foreign bonds	12	12	-	10	10	-
Corporate bonds	112	112	-	114	114	-
Tax Benefit Lease Investments:						
U.S. treasury securities	141	141	-	146	146	-
U.S. government agency	121	67	54	122	67	55
Repurchase agreements	148	148	-	258	258	-
Total investments by fair value level	11,986	$ 10,209	$ 1,777	10,774	$ 8,570	$ 2,204
Financed Purchases	114			111		
Total Investments	$ 12,100			$ 10,885		

Investments classified as Level 1 of the fair value hierarchy, totaling $10,209 and $8,570 as of March 31, 2024 and December 31, 2023, respectively, are valued using quoted prices in active markets. Fair values include accrued interest to the extent that interest is included in the carrying amounts. Accrued interest on investments other than Treasury bills and coupons is included in other receivables on the statement of net position. The MTA's investment policy states that securities underlying repurchase agreements must have a fair value at least equal to the cost of the investment.

U.S. Government agency securities totaling $438 and $458, U.S, treasury securities totaling #VALUE! and $1,503, commercial paper totaling - and $0, asset-backed securities totaling $70 and $71, and commercial mortgage-backed securities totaling $23 and $172 as of March 31, 2024 and December 31, 2023, respectively, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by a third-party pricing service. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and indices. Fair value is defined as the quoted fair value on the last trading day of the period. These prices are obtained from a third-party pricing service or our custodian bank.

In connection with certain financed purchases transactions described in Note 9, the MTA has purchased securities or entered into payment undertaking, letter of credit, or similar type agreements or instruments (guaranteed investment contracts) with financial institutions, which generate sufficient proceeds to make basic rent and purchase option payments under the terms of the leases. If the obligors do not perform, the MTA may have an obligation to make the related rent payments.

All investments, other than the investments restricted for financed purchase obligations, are either insured or registered and held by the MTA or its agent in the MTA's name. Investments restricted for financed purchases are either held by MTA or its agent in the MTA's name or held by a custodian as collateral for MTA's obligation to make rent payments under financed purchase obligations. Investments had weighted average yields of 5.04% and 3.93% for the three months ended March 31, 2024 and year ended December 31, 2023, respectively.

Credit Risk — At March 31, 2024 and December 31, 2023, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in millions):

Quality Rating Standard & Poor's	March 31, 2024	Percent of Portfolio	December 31, 2023	Percent of Portfolio
A-1+	$ 15	0%	$ 175	2%
AAA	315	3%	315	3%
AA+	54	0%	55	1%
AA	15	0%	14	0%
A	78	1%	77	1%
A-	80	1%	113	1%
BBB	41	0%	41	0%
Not Rated	205	2%	291	2%
U.S. Government	11,183	93%	9,693	90%
Total	11,986	100%	10,774	100%
Financed Purchases	114		111	
Total investment	$ 12,100		$ 10,885	

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of bond price's sensitivity to a 100 basis point change in interest rates.

	March 31, 2024		December 31, 2023	
	Fair Value	Duration	Fair Value	Duration
(In millions)		**(in years)**		**(in years)**
U.S. treasury securities	$ 10,976	3.92	$ 9,478	4.85
U.S. government agency	384	5.10	403	6.40
Tax benefit financed purchase investments	261	5.50	268	5.35
Repurchase agreement	148	-	258	-
Asset-backed securities [(1)]	70	3.31	71	3.26
Commercial mortgage-backed securities [(1)]	23	3.94	172	5.25
Foreign bonds [(1)]	12	7.45	10	5.66
Corporates [(1)]	112	6.40	114	5.89
Total fair value	11,986		10,774	
Modified duration		3.97		4.81
Investments with no duration reported	114		111	
Total investments	$ 12,100		$ 10,885	

[(1)] These securities are only included in the FMTAC portfolio.

MTA is a public benefit corporation established under the New York Public Authorities Law. MTA's Treasury Division is responsible for the investment management of the funds of the component units. The investment activity covers all operating and capital funds, including bond proceeds, and the activity is governed by State statutes, bond resolutions and the Board-adopted investment guidelines (the "Investment Guidelines"). The MTA Act currently permits the Related Entities to invest in the following general types of obligations:

- obligations of the State or the United States Government;
- obligations of which the principal and interest are guaranteed by the State or the United States government;
- obligations issued or guaranteed by certain Federal agencies;
- repurchase agreements fully collateralized by the obligations of the foregoing United States Government and Federal agencies;
- certain certificates of deposit of banks or trust companies in the State;
- certain banker's acceptances with a maturity of 90 days or less;
- certain commercial paper;

- certain municipal obligations; and
- certain mutual funds up to $10 in the aggregate.

MTA adopted NYS Statutory Requirements with respect to credit risk of its investments, which include, but are not limited to the following sections:

i. Public Authorities Law Sections 1265(4) (MTA), 1204(19) (MTA New York City Transit Authority) and 553(21) (MTA Bridges and Tunnels);

ii. Public Authorities Law Section 2925 Investment of funds by public authorities and public benefit corporations; general provisions; and

iii. State Finance Law Article 15 – EXCELSIOR LINKED DEPOSIT ACT.

MTA Investment Guidelines limit the dollar amount invested in banker acceptances, commercial paper, and obligations issued or guaranteed by certain Federal agencies to $250 at cost. There are no dollar limits on the purchase of obligations of the United States government, the State or obligations the principal and interest of which are guaranteed by the State or the United States government. Investments in collateralized repurchase agreements are limited by dealer or bank's capital. MTA can invest no greater than $300 with a bank or dealer rated in Tier 1 (i.e. $1 billion or more of capital).

FMTAC is created as a MTA subsidiary and is licensed as a captive direct insurer and reinsurer by the New York State Department of Insurance. As such, FMTAC is responsible for the investment management of its funds. The investment activity is governed by State statutes and the FMTAC Board adopted investment guidelines. The minimum surplus to policyholders and reserve instruments are invested in the following investments:

- obligations of the United States or any agency thereof provided such agency obligations are guaranteed as to principal and interest by the United States;
- direct obligations of the State or of any county, district or municipality thereof;
- any state, territory, possession or any other governmental unit of the United States;
- certain bonds of agencies or instrumentalities of any state, territory, possession or any other governmental unit of the United States;
- the obligations of a solvent American institution which are rated investment grade or higher (or the equivalent thereto) by a securities rating agency; and
- certain mortgage backed securities in amounts no greater than five percent of FMTAC's admitted assets.

FMTAC may also invest non-reserve instruments in a broader range of investments including the following general types of obligations:

- certain equities; and
- certain mutual funds.

FMTAC is prohibited from making the following investments:

- investment in an insolvent entity;
- any investment as a general partner; and
- any investment found to be against public policy.

FMTAC investment guidelines do include other investments, but FMTAC has limited itself to the above permissible investments at this time.

4. EMPLOYEE BENEFITS

Pensions — The MTA Related Groups sponsor and participate in several defined benefit pension plans for their employees, the Long Island Railroad Company Plan for Additional Pensions (the "Additional Plan"), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Plan"), the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan"), the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"), the New York City Employees' Retirement System ("NYCERS"), and the New York State and Local Employees' Retirement System ("NYSLERS"). A brief description of each of these pension plans follows:

Plan Descriptions

1. Additional Plan —

The Additional Plan is a single-employer defined benefit pension plan that provides retirement, disability and survivor benefits to members and beneficiaries. The Additional Plan covers MTA Long Island Rail Road employees hired effective July 1, 1971 and prior to January 1, 1988. The Additional Plan's activities, including establishing and amending contributions and benefits are administered by the Board of Managers of Pensions. The Additional Plan is a governmental plan and accordingly, is not subject to the funding and other requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Additional Plan is a closed plan.

The Board of Managers of Pensions is comprised of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer or the designee of a member of the Board of Managers. The Additional Plan for Additional Pensions may be amended by action of the MTA Board. The Additional Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan has a separately issued financial statement that is publicly available and contains required descriptions and supplemental information regarding the employee benefit plan. The financial statements may be obtained at www.mta.info or by writing to, MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 10004 or at www.mta.info.

2. MaBSTOA Plan —

The MaBSTOA Plan is a cost-sharing multiple-employer defined benefit 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 New York City Employees' Retirement System (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 Plan is mandatory.

The Board of Administration, established in 1963, determines the eligibility of employees and beneficiaries for retirement and death benefits. The MaBSTOA Plan assigns authority to the MaBSTOA Board to modify, amend or restrict the MaBSTOA 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 Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to, MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 10004 or at www.mta.info.

3. MNR Cash Balance Plan —

The MNR Cash Balance Plan is a single employer, defined benefit pension plan administered by MTA Headquarters and funded by MTA Metro-North Railroad. The MNR Cash Balance Plan covers non-collectively bargained employees formerly employed by Conrail, who joined MTA Metro-North Railroad as management employees between January 1 and June 30, 1983, and were still employed as of December 31, 1988. Effective January 1, 1989, these management employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the MNR Cash Balance Plan was closed to new participants. The assets of the Management Plan were merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees (now titled as the Metropolitan Transportation Authority Defined Benefit Pension Plan) as of the asset transfer date of July 14, 1995. The MNR Cash Balance Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the MNR Cash Balance Plan is tax-exempt and is not subject to the provisions of ERISA.

The MTA Board of Trustees appoints a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The Board of Managers control and manage the operation and administration of the MNR Cash Balance Plan's activities, including establishing and amending contributions and benefits.

Further information about the MNR Cash Balance Plan is more fully described in the separately issued financial statements that can be obtained by writing to, MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 10004 or at www.mta.info.

4. MTA Defined Benefit Plan —

The MTA Defined Benefit Pension Plan (the "MTA Plan" or the "Plan") is a cost sharing, multiple-employer defined benefit pension plan. The Plan covers certain MTA Long Island Railroad non-represented employees hired after January 1, 1988, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 24, 1983, MTA Police, MTA Long Island Railroad represented employees hired after December 31, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and non-represented employees and certain employees of the MTA Bus Company ("MTA Bus"). The MTA, MTA Long Island Railroad, MTA Metro-North Railroad, MTA Staten Island Railway and MTA Bus contribute to the MTA Defined Benefit Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Plan is administered by the Board of Managers of Pensions. The MTA Defined Benefit Plan, including benefits and contributions, may be amended by action of the MTA Board. The MTA Defined Benefit Plan is a fiduciary component unit of the MTA and is reflected in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 10004 or at www.mta.info.

5. NYCERS —

NYCERS 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. This plan covers employees of MTA New York City Transit and MTA Bridges and Tunnels.

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 section of The City's Annual Comprehensive Financial Report ("ACFR").

NYCERS issues a publicly available comprehensive annual financial. 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 of the Related Group holding permanent civil service positions in the competitive or labor class are required to become members of NYCERS six months after their date of appointment, but may voluntarily elect to join NYCERS prior to their mandated membership date. All other eligible employees have the option of joining 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.

6. NYSLERS —

NYSLERS is a cost-sharing, multiple-employer defined benefit retirement system. The New York State Comptroller's Office administers the NYSLERS' plan. The net position of NYSLERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the plan. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of NYSLERS. NYSLERS' benefits are established under the provisions of the New York State RSSL. Once a public employer elects to participate in NYSLERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. This plan covers nonrepresented MTA HQ employees earning less than $70,000 per year, those nonrepresented MTA HQ employees that do not choose the Voluntary Defined Contribution Plan provided for under RSSL Tier 6 legislation, and employees represented by the International Brotherhood of Teamsters.

NYSLERS is included in New York State's financial report as a pension trust fund. The report can be accessed on the New York State Comptroller's website at: www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244-001.

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of tier 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	Generally, certain members who joined on or after July 27, 1976 but before January 1, 2010 and all other members who joined on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, members (with certain member exceptions) who joined on or after September 1, 1983, but before January 1, 2010.
Tier 5	Members who joined on or after January 1, 2010, but before April 1, 2012.
Tier 6	Members who joined on or after April 1, 2012.

Benefits Provided

1. Additional Plan —

Pension Benefits — A eligible Long Island Rail Road employee who retires under the Additional Plan, either: (a) after completing at least 20 years of credited service, or (b) after both attaining age 65 while in service and completing at least five years of credited service, or in the case of those who were active employees on January 1, 1988, after completing at least 10 years of credited service, is entitled to an annual retirement benefit, payable monthly for life. Payments commence to an employee referred to in: (a) only after attaining age 50, or (b) only after attaining age 65.

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the MTA Long Island Rail Road, subject to the obligations of the MTA Long Island Rail Road under its collective bargaining agreements.

The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

Participants who entered qualifying service before July 1, 1978 are not required to contribute. Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages. The MTA Long Island Railroad contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

Death Benefits — Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than five thousand dollars is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

Retirement benefits establishment and changes for representative employees are collectively bargained and must be ratified by the respective union and the MTA Board. For non-represented employees, amendments must be approved by the MTA Board.

2. MaBSTOA Plan —

The MaBSTOA Plan provides retirement as well as death, accident, and disability benefits. The benefits provided by the MaBSTOA 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 had 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 Plan to provide for incorporation of this benefit.

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 — For 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 a 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 dollars.

Tiers 3, 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 Compensation ("FAC") for the first 30 years of service plus 1.5% of FAC for years of service in excess of 30. FAC 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 FAC 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 basic 55/25 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 FAC for the first 30 years of service plus 1.5% of FAC 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 FAC 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 FAC for the first 30 years of service plus 1.5% of FAC 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 FAC multiplied by years of service.

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

Ordinary Death Benefits — For eligible members of the Regular 62/5 Plan, 55/25 Plan, 57/5 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 55/25 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 Final Average Salary ("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 compensation over five consecutive years.

Tier 6 members in the Basic 63/10 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 55/25 Special Plan and the Basic 63/5 Plan, ordinary and accidental disability benefits, are provided after 10 years of credited service for ordinary disability benefit. There is no service requirement for accidental disability benefit. 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 55/25 Special Plan and the Basic 63/5 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.

3. MNR Cash Balance Plan —

Pension Benefits — Participants of the MNR Cash Balance Plan are vested in their benefit upon the earlier of (a) the completion of 5 years of service with MTA Metro-North Railroad or (b) the attainment of age 62. The accrued benefit is a participant's Initial Account Balance increased each month by the benefit escalator. The benefit escalator is defined as the Pension Benefit Guaranty Corporation ("PBGC") immediate annuity rate in effect for December of the year preceding the year for which the determination is being made) divided by 180. The accrued benefit is paid as an escalating annuity. Vested participants are entitled to receive pension benefits commencing at age sixty-five. Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or they may elect a monthly life annuity. Participants may elect to receive their pension in the form of a joint and survivor annuity.

Participants of the MNR Cash Balance Plan are eligible for early retirement benefits upon termination of employment, the attainment of age 62, or age 60 and completion of 15 years of service, or age 55 and the completion of 30 years of service. The early retirement benefits paid is the normal retirement pension deferred to age 65 or an immediate pension equal to the life annuity actuarial equivalent of a participant's escalating annuity at normal retirement date indexed by the Initial Benefit Escalator from early retirement date to normal retirement date and reduced by 5/9 of 1% for each month retirement precedes age 65 up to 60 months and 5/18 of 1% for each month after 60 months.

For members with cash balances who are currently members of the Metropolitan Transportation Authority Defined Benefit Pension Plan, an additional benefit is provided equal to the amount needed to bring their total benefits (i.e., Railroad Retirement Tier I and II benefits, Conrail Plan benefits, Cash Balance Plan benefits, and MTA Defined Benefit Pension Plan benefits) up to a minimum of 65% of their 3-year final average pay under the MTA Defined Benefit Plan. In no event will the Additional Benefit exceed 2% of 3-year final average pay multiplied by the Conrail Management Service prior to July 1, 1983. This benefit is payable as a life annuity and is reduced for commencement prior to age 65 in the same manner as the regular cash balance benefit. This additional benefit is payable only in the form of a life annuity or 100% or 50% contingent annuity.

Death Benefits — Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death. Pre-retirement death benefits paid for a participant's death after 55 is equal to the amount the spouse would have received had the participant elected retirement under the normal form of payment on the day preceding his death. Pre-retirement death benefits paid for a participant's death before 55 is equal to the amount the spouse would have received had the participant survived to age 55 and retired under the normal form of payment on that date. The benefit is based on service to the participant's date of death and is payable beginning on the date the participant would have attained age 55.

In lieu of the above benefit, the surviving spouse can elect to receive the participant's account balance in a single lump sum payment immediately. If the participant was not married, the participant's beneficiary is entitled to receive the participant's Account Balance as of the participant's date of death in a single lump sum payment.

4. MTA Defined Benefit Plan

Pension Benefits — Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad, MTA Staten Island Railway and post - 1987 MTA Long Island Rail Road employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirements. A participant is eligible for an early retirement allowance if the participant has attained age 55 and completed at least 10 years of credited service. Terminated participants with 5 or more years of credited service are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on the first day of the month following the participant's 62nd birthday.

Certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad continue to make contributions to the Plan for 10 or 15 years, depending on Date of Hire and Collective Bargaining Agreement. Certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad are eligible for an early retirement allowance if the participant has attained age 60 or 62 and completed at least 5 years of credited service, or has attained age 55 and completed at least 30 years of credited service for unreduced benefit. The early retirement allowance is reduced one-quarter of 1% per month for each full month that retirement predates age 60 for certain represented employees of the MTA Long Island Rail Road and the MTA Metro-North Railroad, and one-half of 1% per month for each full month that retirement predates age 62 until age 60, for certain represented employees of the MTA LIRR and MTA MNR.

Effective in 2007, members and certain former members who become (or became) employed by another MTA agency which does not participate in the Plan continue to accrue service credit based on such other employment. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the final average salary of the subsequent MTA agency, if higher. Moreover, the Plan benefit will be reduced by the benefit, if any, payable by the other plan based on such MTA agency employment. Such member's disability and ordinary death benefit will be determined in the same way.

Retirement benefits are paid from the Plan under the MTA 20-Year Police Retirement Program. A participant is eligible for service retirement at the earlier of completing twenty years of credited Police service or attainment of age 62. Terminated participants with five years of credited police service, who are not eligible for retirement, are eligible for a deferred benefit. Deferred vested benefits are payable on the first of the month following the participant's attainment of age 55 or age 63 for a Participant who first joins the MTA 20-Year Police Retirement Program on or after April 1, 2012.

Retirement benefits paid from the Plan to covered represented MTA Bus employees include service retirement allowances or early retirement allowances. Under the programs covering all represented employees at Baisley Park, Eastchester, La Guardia, Spring Creek, and Yonkers Depots and the represented employees at College Point Depot, JFK, Far Rockaway a participant is eligible for a service retirement allowance upon termination if the participant has attained age sixty-five and completed at least five years of credited service or if the participant has attained age 57 and completed at least 20 years of credited service. A participant hired prior to June 2009 from Baisley Park, College Point, and La Guardia Depots is eligible for an early retirement allowance if the participant has attained age 55 and completed 20 years of credited service. Terminated participants with five or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 65.

At Baisley Park, Far Rockaway, JFK, La Guardia and Spring Creek Depots, a participant who is a non-represented employee is eligible for an early retirement allowance upon termination if the participant has attained age 55 and completed 15 years of service. Terminated participants with five or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 62.

The MTA Bus retirement programs covering represented and non-represented employees at Eastchester and Yonkers and covering the represented employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek are fixed dollar plans, i.e., the benefits are a product of credited service and a specific dollar amount.

The retirement benefits for certain non-represented employees at Baisley Park, Far Rockaway, JFK, La Guardia and Spring Creek are based on final average salary. Certain participants may elect to receive the retirement benefit as a single life annuity or in the form of an unreduced 75% joint and survivor benefit.

Pre-1988 MTA Long Island Rail Road participants are eligible for a service retirement allowance upon termination if the participants has either: (a) attained age sixty-five and completed at least five years of credited service, or if an employee on January 1, 1988 completed at least 10 years of credited service, or (b) attained age fifty and has completed at least 20 years of credited service. Terminated participants who were not employees on January 1, 1988 with five or more years of credited service are eligible for a deferred vested benefit. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earning of each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65 regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including supplemental annuity) value at age 65 under the Federal Railroad Retirement Act. The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is 50%.

Death and Disability Benefits — In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after 10 years of covered MTA Bus service; 10 years of credited service for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented employees, covered MTA Staten Island Railway employees and covered MTA police participants.

The disability retirement allowance for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented covered MTA Staten Island Railway employees is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS. Under the MTA 20 Year Police Retirement Program, a disabled participant may be eligible for one of three forms of disability retirement: (a) ordinary disability which is payable if a participant has ten years of credited Police service and is calculated based on the participant's credited Police service and FAS but not less than ⅓ of FAS; (b) performance of duty, which is payable if a participant is disabled in the performance of duty and is ½ of FAS, and (c) accidental disability, which is payable if a participant is disabled as the result of an on-the-job accidental injury and is ¾ of FAS subject to an offset of Workers' Compensation benefits. Pursuant to the MTA Bus programs, the disability benefit is the same as the service retirement benefit.

Survivorship benefits for pre-1988 MTA Long Island Rail Road participants are paid to the spouse when a survivorship option is elected or when an active participant has not divested their spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 (whole dollars) is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Metro-North Railroad, post-1987 MTA Long Island Rail Road or MTA Staten Island Railway employee after completion of one year of credited service. The death benefit payable is calculated based on a multiple of a participant's salary based on years of credited service up to three years and is reduced beginning at age 61. There is also a post-retirement death benefit which, in the 1st year of retirement, is equal to 50% of the pre-retirement death benefit amount, whichever is greater, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years. For the Police 20 Year Retirement Program, the death benefit is payable after ninety days of credited MTA Police service, and is equal to three times their salary. For non-Police groups, this death benefit is payable in a lump sum distribution while for Police, the member or the beneficiary can elect to have it paid as an annuity. The MTA Police do not have a post retirement benefit.

In the MSBA Employees' Pension Plan, there are special spousal benefits payable upon the death of a participant who is eligible for an early retirement benefit, or a normal service retirement benefit, or who is a vested participant or vested former participant. To be eligible, the spouse and participant must have been married at least one year at the time of death. Where the participant was eligible for an early service retirement benefit or was a vested participant or former participant, the benefit is a pension equal to 40% of the benefit payable to the participant as if the participant retired on the date of death. Where the participant was eligible for a normal service retirement benefit, the eligible spouse can elect either the benefit payable as a pension, as described in the prior sentence, or a lump sum payment based on an actuarially determined pension reserve. If there is no eligible spouse for this pension reserve benefit, a benefit is payable to the participant's beneficiary or estate.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad or post-1987 MTA Long Island Rail Road employee, a covered MTA Staten Island Railway employee or a covered MTA Police member and dies as the result of an on-the-job accidental injury. This death benefit is paid as a pension equal to 50% of the participant's salary and is payable to the spouse for life, or, if none, to children until age eighteen (or twenty-three, if a student), or if none, to a dependent parent.

For MTA Bus employees, there is varied death benefit coverage under the Plan. For all represented and non-represented MTA Bus employees at Eastchester and Yonkers Depots and represented MTA Bus employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek Depots, if a participant dies prior to being eligible for a retirement benefit, the participant's beneficiary may elect to receive a refund of the participant's contributions plus interest.

Moreover, the spouses of the above employees who are vested are entitled to a presumed retirement survivor annuity which is based on a 50% Joint and Survivor annuity. The date as of which such annuity is determined and on which it commences varies among the different programs depending on whether the participants are eligible for retirement and for payment of retirement benefits.

In addition, the spouse of a non-represented MTA Bus employee at Spring Creek, JFK, La Guardia, Baisley Park and Far Rockaway, if such employee is age 55 and has 15 years of service and is a terminated member with a vested benefit which is not yet payable, may elect the presumed retirement survivor annuity or 1/2 the participant's accrued benefit paid monthly and terminating on the 60th payment or the spouse's death. The spouse of a non-represented MTA Bus employee at Yonkers Depot may also receive a pre-retirement survivor annuity from the supplemental plan. If there is no such spouse, the actuarial equivalent of such annuity is payable.

Dependent children of MTA Bus employees are also entitled to an annuity based on the spouse's pre-retirement survivor annuity (1/2 of the spouse's annuity is payable to each child, but no more than 100% of the spouse's annuity is payable). In addition, the dependent children of retirees who were MTA Bus employees at these Depots are entitled to an annuity based on the presumed retirement survivor's annuity (25% of the spouse's annuity; but no more than 50% of the spouse's annuity is payable).

Retirement benefits establishment and changes for represented employees are collectively bargained and must be ratified by the respective union and the MTA Board. For non-represented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

5. 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, the 55/25 Plan, the Transit 55/25 Plan, the MTA Triborough Bridge and Tunnel Authority 50/20 Plan, and the Automotive Member 25/50 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.

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 56 of the Laws of 2022 amended the RSSL and the Administrative Code of New York to reduce the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for certain Tier 3 and Tier 6 members of NYCERS who joined on or after April 1, 2012.

NYCERS also provides automatic Cost-of-Living Adjustments ("COLA") for certain retirees and beneficiaries, death benefits; and certain retirees also receive supplemental benefits. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 years of service.

6. NYSLERS —

NYSLERS provides retirement benefits as well as death and disability benefits. Members who joined prior to January 1, 2010 need 5 years of service to be fully vested. Members who joined on or after January 1, 2010 need 10 years of service to be fully vested. Subsequent to March 31, 2022, legislation was passed that reduced the number of years of service credit from ten years to five years. Therefore, all Members are vested when they reach five years of service credit.

Tiers 1 and 2 —

Eligibility: Tier 1 members generally must be at least age 55 to be eligible for a retirement benefit. There is no minimum service requirement for Tier 1 members. Generally, Tier 2 members must have 5 years of service and be at least age 55 to be eligible for a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year's compensation used in the final average salary calculation is limited to no more than 20 percent greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent greater than the average of the previous two years.

Tiers 3, 4, and 5 —

Eligibility: Most Tier 3 and 4 members must have 5 years of service and be at least age 55 to be eligible for a retirement benefit. Tier 5 members, must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6 —

Eligibility: Generally, Tier 6 members must have 10 years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned, limited by overtime caps, in the three highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years. Chapter 56 of the Laws of 2024 amended the RSSL and the Administrative Code of New York to reduce the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years.

Disability Benefits— Generally, disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan. Civilian MTA HQ employees get either Ordinary Disability or Accidental Disability. Ordinary Disability benefits, pay no less than one-third of salary, and are provided to eligible members after ten years of service. The Accidental Disability benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits — Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 (whole dollars) of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases — A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for ten years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 (whole dollars) of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Membership

As of January 1, 2022 and January 1, 2021, the dates of the most recent actuarial valuations, membership data for the following pension plans are as follows:

Membership at:	**January 1, 2022**				
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	-	15	8,363	18,394	26,772
Retirees and beneficiaries receiving benefits	22	5,122	6,192	12,060	23,396
Vested formerly active members not yet receiving benefits	5	15	1,172	1,670	2,862
Total	27	5,152	15,727	32,124	53,030

Membership at:	**January 1, 2021**				
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	-	23	8,533	18,556	27,112
Retirees and beneficiaries receiving benefits	23	5,298	6,020	11,788	23,129
Vested formerly active members not yet receiving benefits	5	19	1,125	1,541	2,690
Total	28	5,340	15,678	31,885	52,931

Contributions and Funding Policy

1. Additional Plan —

Employer contributions are actuarially determined on an annual basis and are recognized when due. The Additional Plan is a defined benefit plan administered by the Board of Pension Managers and is a governmental plan and accordingly, is not subject to the funding and other requirements of ERISA.

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the MTA Long Island Railroad's Board of Managers of Pensions (1.5% in 2022 and 2021), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the MTA Long Island Railroad's Board of Managers of Pensions (1.5% in 2022 and 2021).

Funding for the Additional Plan by the MTA Long Island Railroad is provided by MTA. Certain funding by MTA is made to the MTA Long Island Railroad on a discretionary basis. The continuance of the MTA Long Island Railroad's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

2. MaBSTOA Plan —

The contribution requirements of MaBSTOA Plan members are established and may be amended only by the MaBSTOA Board in accordance with Article 10.01 of the MaBSTOA Plan. MaBSTOA's funding policy 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 and 2 - Basic Plans;

ii. Tier 3 and 4 - 55 and 25 Plan;

iii. Tier 3 and 4 - Regular 62 and 5 Plan;

iv. Tier 4 - 57 and 5 Plan

v. Tier 6 - 55 and 25 Special Plan

vi. Tier 6 - Basic 63 and 10 Plan, now referred to as the Basic 63 and 5 Plan

For employees, the MaBSTOA 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 new law increased the employee contribution rates which varies depending on salary, ranging from 3% to 6% of gross wages. Contributions are made until retirement or separation from service.

Pursuant to Section 7.03 of the MaBSTOA 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.

3. MNR Cash Balance Plan —

Funding for the MNR Cash Balance Plan is provided by MTA Metro-North Railroad, a public benefit corporation that receives funding for its operations and capital needs from the MTA and the Connecticut Department of Transportation ("CDOT"). Certain funding by MTA is made to the MTA Metro-North Railroad on a discretionary basis. The continuance of funding for the MNR Cash Balance Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

MTA Metro-North Railroad's funding policy with respect to the MNR Cash Balance Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately $2.977 to the trust fund in 1989. As participants retire, the Trustee has made distributions from the MNR Cash Balance Plan. MTA Metro-North Railroad anticipated that no further contributions would be made to the MNR Cash Balance Plan. However, due to changes in actuarial assumptions and market performance, additional contributions were made to the MNR Cash Balance Plan in several subsequent years. Per the January 1, 2021 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. Per the January 1, 2022 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. Actual employer contributions for the years ended December 31, 2023 and 2022 were $12,589 (whole dollars) and $4,463 (whole dollars) respectively.

4. MTA Defined Benefit Plan —

Employer contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the MTA Defined Benefit Plan are recognized in the period in which the contributions are due. There are no contributions required under the Metropolitan Suburban Bus Authority Employee's Pension Plan.

The following summarizes the employee contributions made to the MTA Defined Benefit Plan:

Effective January 1, 1994, covered MTA Metro-North Railroad and MTA Long Island Railroad non-represented employees are required to contribute to the MTA Plan to the extent that their Railroad Retirement Tier II employee contribution is less than the pre-tax cost of the 3% employee contributions. Effective October 1, 2000, employee contributions, if any, were eliminated after ten years of making contributions to the MTA Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 through December 31, 1993 and MTA Long Island Railroad employees may purchase prior service from January 1, 1988 through December 31, 1993 by paying the contributions that would have been required of that employee for the years in question, calculated as described in the first sentence, had the MTA Plan been in effect for those years.

Police Officers who become participants of the MTA Police Program prior to January 9, 2010 contribute to that program at various rates. Police Officers who become participants on or after January 9, 2010, but before April 1, 2012 contribute 3% up to the completion of 32 years of service, the maximum amount of service credit allowed. Police Officers who become participants on or after April 1, 2012 contribute 3%, with additional new rates starting April 2013, ranging from 3.5%, 4.5%, 5.75%, to 6%, depending on salary level, for their remaining years of service.

Covered MTA Metro-North Railroad represented employees and MTA Long Island Railroad represented employees who first became eligible to be MTA Plan participants prior to January 30, 2008 contribute 3% of salary. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. SIRTOA represented and non-represented employees hired before 6/1/2010 contribute 3%. represented and non-represented employees hired on and after 6/1/2010 contribute 4%. SIRTOA employees hired after various contract dates in 2015 are required to contribute 4% for 15 years of service. MTA Long Island Railroad represented employees who became participants after January 30, 2008 contribute 4% of salary. For the MTA Staten Island Railway employees, contributions are not required after the completion of ten years of credited service. MTA Long Island Railroad represented employees are required to make the employee contributions for ten years, or fifteen years if hired after certain dates in 2014 as per collective bargaining agreements. Certain Metro-North represented employees hired after various contract dates in 2014 and 2015 are required to contribute for 15 years of service depending on their collective bargaining agreements. Certain Metro-North employees hired prior to 2014 are required to make the employee contributions until January 1, 2014, January 1, 2017, June 30, 2017, or the completion of required years of credited service as per the relevant collective bargaining agreements.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by depot. Nonrepresented MTA Bus employees contribute a percentage of pensionable earnings ranging from 3%, 3.5%, 4.5%, 5.75% and 6%. Represented employees contribute a fixed dollar ranging from $83.03 to $85.52 bi-weekly. Currently, non-represented employees at certain Depots, contribute $21.50 (whole dollars) per week. Non-represented employees at Eastchester hired prior to 2007 contribute $25 (whole dollars) per week. Certain limited number of represented employees promoted prior to the resolution of a bargaining impasse continue to participate in the MTA Defined Benefit Plan that was in effect before their promotion. Certain MTA Bus non-represented employees who are formerly employed by the private bus companies (Jamaica, Green, Triboro and Command) at Baisley Park, Far Rockaway, JFK, LaGuardia and Spring Creek Depots who are in the pension program covering only such employees make no contributions to the program. (Note: the dollar figures in this paragraph are in dollars, not in millions of dollars).

5. NYCERS —

NYCERS funding policy is to contribute statutorily-required contributions ("Statutory Contributions"), determined by the Chief Actuary for the New York City Retirement Systems, 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 MTA New York City 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 MTA New York City 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.

NYCERS established a "special program" for employees hired on or after July 26, 1976. A plan for employees, who have worked 20 years, and reached age 50, is provided to Bridge and Tunnel Officers, Sergeants and Lieutenants and Maintainers. Also, an age 57 retirement plan is available for all other such MTA Bridges and Tunnels employees. Both these plans required increased employee contributions. Chapter 56 of the Laws of 2022 enacted in April 2022 excludes certain forms of overtime and extracurricular compensation from the salary used to determine Tier 6 Basic Member Contribution rates during the specified period from 2022 to 2024.

Certain retirees also receive supplemental benefits from MTA Bridges and Tunnels. Certain participants are permitted to borrow up to 75% of their own contributions including accumulated interest. These loans are accounted for as reductions in such participants' contribution accounts. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

MTA New York City Transit and MTA Bridges and Tunnels are required to contribute at an actuarially determined rate. The contribution requirements of plan members, MTA New York City Transit and MTA Bridges and Tunnels are established and amended by law.

6. NYSLERS —

Employer Contributions - Under the authority of the RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the NYSLERS fiscal year ending June 30.

Member Contributions - NYSLERS is noncontributory except for employers who joined the plan after July 27, 1976. Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to NYSLERS. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with NYSLERS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

MTAHQ, MTA Construction and Development and MTA Long Island Bus are required to contribute at an actuarially determined rate.

A summary of the aggregate actual contributions made to each pension plan for the years ended December 31, 2023 and 2022 are as follows:

Year ended December 31,	**2023**	**2022**
($ in millions)	Actual Employer Contributions	Actual Employer Contributions
Additional Plan	$ 140.4	$ 70.8
MaBSTOA Plan	328.5	158.6
MNR Cash Balance Plan	0.0 *	0.0 *
MTA Defined Benefit Plan	829.7	404.2
NYCERS	763.9	797.3
NYSLERS	14.1	11.2
Total	$ 2,076.6	$ 1,442.1

*MNR Cash Balance Plan's actual employer contributions for the periods ended March 31, 2024 and 2023 were $12,589 (whole dollars) and $4,463 (whole dollars), respectively.

Net Pension Liability

The MTA's net pension liabilities for each of the pension plans reported at December 31, 2023 and 2022 were measured as of the fiscal year-end dates for each respective pension plan. The total pension liabilities used to calculate those net pension liabilities were determined by actuarial valuations as of each pension plan's valuation date, and rolled forward to the respective year-ends for each pension plan. Information about the fiduciary net position of each qualified pension plan's fiduciary net position has been determined on the same basis as reported by each respective qualified pension plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan, and investments are reported at fair value. The following table provides the measurement and valuation dates used by each pension plan to calculate the MTA's aggregate net pension liability.

Year ended December 31,	**2023**		**2022**	
Pension Plan	**Plan Measurement Date**	**Plan Valuation Date**	**Plan Measurement Date**	**Plan Valuation Date**
Additional Plan	December 31, 2022	January 1, 2022	December 31, 2021	January 1, 2021
MaBSTOA Plan	December 31, 2022	January 1, 2022	December 31, 2021	January 1, 2021
MNR Cash Balance Plan	December 31, 2022	January 1, 2022	December 31, 2021	January 1, 2021
MTA Defined Benefit Plan	December 31, 2022	January 1, 2022	December 31, 2021	January 1, 2021
NYCERS	June 30, 2023	June 30, 2022	June 30, 2022	June 30, 2021
NYSLERS	March 31, 2023	April 1, 2022	March 31, 2022	April 1, 2021

Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan, MTA Defined Benefit Plan, NYCERS plan and the NYSLERS plan is available in the separately issued pension plan financial reports for each respective plan.

Actuarial Assumptions

The total pension liabilities in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for each pension plan, applied to all periods included in the measurement date:

	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan	
Valuation Date:	**January 1, 2022**	**January 1, 2021**	**January 1, 2022**	**January 1, 2021**	**January 1, 2022**	**January 1, 2021**
Investment Rate of Return	6.50%, net of investment expenses.	6.50%, net of investment expenses.	6.50%, net of investment expenses.	6.50%, net of investment expenses.	4.00%, net of investment expenses.	3.00%, net of investment expenses.
Salary Increases	3.00%	3.00%	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.	Not applicable	Not applicable
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%	2.25%	2.40%	2.25%
Cost-of-Living Adjustments	Not applicable	Not applicable	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	Not applicable	Not applicable

	MTA Defined Benefit Plan		NYCERS		NYSLERS	
Valuation Date:	**January 1, 2022**	**January 1, 2021**	**June 30, 2022**	**June 30, 2021**	**April 1, 2022**	**April 1, 2021**
Investment Rate of Return	6.50%, net of investment expenses	6.50%, net of investment expenses	7.0% per annum, net of Investment Expenses	7.0% per annum, net of Investment Expenses	5.90% per annum, including inflation, net of investment expenses.	5.90% per annum, including inflation, net of investment expenses.
Salary Increases	Varies by years of employment, and employee group; 2.75%. GWI increases for MTA Bus hourly employees.	Varies by years of employment, and employee group; 2.75% GWI increases for TWU Local 100 MTA Bus hourly	In general, merit and promotion increases plus assumed General Wage Increases of 3.0% per annum.	In general, Merit and Promotion Increases plus assumed General Wage Increase of 3.0% per year.	4.4% in ERS, 6.2 % in PFRS	4.4% in ERS, 6.2 % in PFRS
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.50%	2.50%	2.90%	2.70%
Cost-of-Living Adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	AutoCOLA – 1.5% per annum Escalation – 2.5% per annum	AutoCOLA – 1.5% per year Escalation – 2.5% per year	1.50% per annum.	1.40% per annum.

Mortality

Additional Plan / MaBSTOA Plan/ MNR Cash Balance Plan and MTA Defined Benefit Plan:

The actuarial assumptions used in the January 1, 2022 and 2021 valuations for the MTA plans are based on an experience study covering the period from January 1, 2012 to December 31, 2017, with certain assumptions modified subsequently. The mortality assumption used in the January 1, 2022 and 2021 valuations are based on an experience study for all MTA plans covering the period from January 1, 2015 to December 31, 2020. The pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee. As generational tables, they reflect mortality improvements both before and after the measurement date.

Pre-retirement: The MTA plans utilized RP-2000 Employee Mortality Table for Males and Females with Blue collar adjustments.

Post-retirement Healthy Lives: Assumption utilized 95% of RP-2000 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.

Post-retirement Disabled Lives: Assumption utilized in the January 1, 2022 and 2021 valuation was the RP-2014 Disabled Annuitant mortality table for males and females. This assumption was not applicable for the Additional Plan and the MNR Cash Balance Plan.

NYCERS:

Pursuant to Section 96 of the New York City Charter, an independent actuarial firm conducts studies of the actuarial assumptions used to value liabilities of the NYCERS pension plan every two years. In accordance, with the Administrative Code of the City of New York ("ACNY"), the Board of Trustees of NYCERS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions, which are also generally used to determine the total pension liability, as applicable.

Mortality tables for service and disability pensioners were developed from experience studies of the NYCERS Plan. The mortality tables for beneficiaries were developed from an experience review.

The actuarial assumptions used in the June 2022 valuation is based on the most recent actuarial experience study and recommendations prepared by Bolton, Inc. for the four-year and ten-year periods ended June 30, 2017. Based, in part, on this report issued in June 2019, the Actuary proposed and the Board of Trustees of NYCERS adopted changes in actuarial assumptions including a change to Mortality Improvement Scale MP-2020 beginning in Fiscal Year 2019. The actuarial assumptions used in the June 2018 valuation was based on the previous study by Gabriel, Roeder, Smith & Company ('GRS") published in October 2015 for the four-year and ten-year periods ended June 30, 2013. Based, in part, on the GRS Report, the Actuary proposed, and the Boards of Trustees of the NYCERS adopted, new post-retirement mortality tables including the application of Mortality Improvement Scale MP-2015 for use in determining employer contributions beginning in Fiscal Year 2016. Scale MP-2015 replaced Mortality Improvement Scale AA.

NYSLERS:

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study completed April 1, 2020. Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2021 used the same assumptions for the measure of total pension liability.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments for each pension plan is presented in the following table.

Pension Plan	Plan Measurement Date	Rate
Additional Plan	December 31, 2022	6.50%
MaBSTOA Plan	December 31, 2022	6.50%
MNR Cash Balance Plan	December 31, 2022	4.00%
MTA Defined Benefit Plan	December 31, 2022	6.50%
NYCERS	June 30, 2023	7.00%
NYSLERS	March 31, 2023	5.90%

For the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan, MTA Defined Benefit Plan, NYCERS plan and NYSLERS plan, the long-term expected rate of return on investments 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.

The target asset allocation of each of the funds and the expected real rate of returns ("RROR") for each of the asset classes are summarized in the following tables for each of the pension plans:

	Additional Plan		MaBSTOA Plan	
Asset Class	**Target Asset Allocation**	**Long - Term Expected Real Rate of Return**	**Target Asset Allocation**	**Long - Term Expected Real Rate of Return**
US Core Fixed Income	10.50%	2.27%	10.50%	2.27%
US Long Bonds	2.00%	2.51%	2.00%	2.51%
US Bank / Leveraged Loans	1.50%	3.79%	1.50%	3.79%
US Inflation-Indexed Bonds	2.00%	1.58%	2.00%	1.58%
US High Yield Bonds	3.00%	4.40%	3.00%	4.40%
Emerging Markets Bonds	2.00%	4.99%	2.00%	4.99%
US Large Caps	18.00%	5.64%	18.00%	5.64%
US Small Caps	7.00%	7.25%	7.00%	7.25%
Foreign Developed Equity	12.00%	6.90%	12.00%	6.90%
Emerging Markets Equity	4.50%	9.58%	4.50%	9.58%
Emerging Markets Small Cap Equity	1.50%	9.81%	1.50%	9.81%
US REITs	1.00%	6.71%	1.00%	6.71%
Private Real Estate Property	4.00%	4.86%	4.00%	4.86%
Private Equity	7.00%	10.74%	7.00%	10.74%
Private Credit	7.00%	6.99%	7.00%	6.99%
Commodities	4.00%	2.96%	4.00%	2.96%
Hedge Funds - MultiStrategy	13.00%	4.52%	13.00%	4.52%
	100.00%		100.00%	
Assumed Inflation - Mean		2.33%		2.33%
Assumed Inflation - Standard Deviation		1.41%		1.41%
Portfolio Nominal Mean Return		8.08%		8.08%
Portfolio Standard Deviation		12.42%		12.42%
Long Term Expected Rate of Return selected by MTA		**6.50%**		**6.50%**

Asset Class	MTA Defined Benefit Plan Target Asset Allocation	MTA Defined Benefit Plan Long - Term Expected Real Rate of Return	MNR Cash Balance Plan Target Asset Allocation	MNR Cash Balance Plan Long - Term Expected Real Rate of Return
US Core Fixed Income	10.50%	2.27%	100.00%	2.16%
US Long Bonds	2.00%	2.51%	-	-
US Bank / Leveraged Loans	1.50%	3.79%	-	-
US Inflation-Indexed Bonds	2.00%	1.58%	-	-
US High Yield Bonds	3.00%	4.40%	-	-
Emerging Markets Bonds	2.00%	4.99%	-	-
US Large Caps	18.00%	5.64%	-	-
US Small Caps	7.00%	7.25%	-	-
Foreign Developed Equity	12.00%	6.90%	-	-
Emerging Markets Equity	4.50%	9.58%	-	-
Emerging Markets Small Cap Equity	1.50%	9.81%	-	-
Global REITs	1.00%	6.71%	-	-
Private Real Estate Property	4.00%	4.86%	-	-
Private Equity	7.00%	10.74%		
Private Credit	7.00%	6.99%	-	-
Commodities	4.00%	2.96%	-	-
Hedge Funds - MultiStrategy	13.00%	4.52%	-	-
	100.00%		100.00%	
Assumed Inflation - Mean		2.33%		2.40%
Assumed Inflation - Standard Deviation		1.41%		1.41%
Portfolio Nominal Mean Return		8.08%		4.56%
Portfolio Standard Deviation		12.42%		4.22%
Long Term Expected Rate of Return selected by MTA		**6.50%**		**4.00%**

Asset Class	NYCERS Target Asset Allocation	NYCERS Long - Term Expected Real Rate of Return	NYSLERS Target Asset Allocation	NYSLERS Long - Term Expected Real Rate of Return
U.S. Public Market Equities	27.00%	6.90%	32.00%	4.30%
International Public Market Equities	0.00%	0.00%	15.00%	6.85%
Developed Public Market Equities	12.00%	7.20%	0.00%	0.00%
Emerging Public Market Equities	5.00%	9.10%	0.00%	0.00%
Fixed Income	30.50%	2.70%	23.00%	1.50%
Private Equities	8.00%	11.10%	10.00%	7.50%
Alternatives (Real Assets, Hedge Funds)	0.00%	0.00%	3.00%	5.84%
Real Estate	7.50%	7.10%	9.00%	4.60%
Infrastructure	4.00%	6.40%	0.00%	0.00%
Absolute Return Strategies	0.00%	0.00%	0.00%	0.00%
Opportunistic Portfolio	6.00%	8.60%	3.00%	5.38%
Cash	0.00%	0.00%	1.00%	0.00%
Credit	0.00%	0.00%	4.00%	5.43%
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.50%
Long Term Expected Rate of Return		**7.00%**		**5.90%**

Discount rate

The discount rate used to measure the total pension liability of each pension plan is presented in the following table:

Year ended December 31,	Discount Rate			
	2023		2022	
Pension Plan	Plan Measurement Date	Rate	Plan Measurement Date	Rate
Additional Plan	December 31, 2022	6.50%	December 31, 2021	6.50%
MaBSTOA Plan	December 31, 2022	6.50%	December 31, 2021	6.50%
MNR Cash Balance Plan	December 31, 2022	4.00%	December 31, 2021	3.00%
MTA Defined Benefit Plan	December 31, 2022	6.50%	December 31, 2021	6.50%
NYCERS	June 30, 2023	7.00%	June 30, 2022	7.00%
NYSLERS	March 31, 2023	5.90%	March 31, 2022	5.90%

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 inactive plan 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.

Changes in Net Pension Liability – Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan

Changes in the MTA's net pension liability for the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan for the year ended December 31, 2023, based on the December 31, 2022 measurement date, and for the year ended December 31, 2022, based on the December 31, 2021 measurement date, were as follows:

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2021	$ 1,322,471	$ 777,323	$ 545,148	$ 4,422,017	$ 3,658,350	$ 763,667
Changes for fiscal year 2021:						
Service Cost	146	-	146	95,860	-	95,860
Interest on total pension liability	81,371	-	81,371	285,410	-	285,410
Effect of plan changes	-	-	-	1,760	-	1,760
Effect of economic /demographic (gains) or losses	(1,347)	-	(1,347)	(20,721)	-	(20,721)
Benefit payments	(143,764)	(143,764)	-	(257,973)	(257,973)	-
Administrative expense	-	(761)	761	-	(806)	806
Member contributions	-	51	(51)	-	25,548	(25,548)
Net investment income	-	(51,214)	51,214	-	(273,627)	273,627
Employer contributions	-	70,763	(70,763)	-	158,619	(158,619)
Balance as of December 31, 2022	$ 1,258,877	$ 652,398	$ 606,479	$ 4,526,353	$ 3,310,111	$ 1,216,242

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2020	$ 1,357,323	$ 760,690	$ 596,633	$ 4,246,385	$ 3,306,615	$ 939,770
Changes for fiscal year 2021:						
Service Cost	260	-	260	93,934	-	93,934
Interest on total pension liability	83,489	-	83,489	274,270	-	274,270
Effect of economic /demographic (gains) or losses	3,729	-	3,729	(19,177)	-	(19,177)
Effect of assumption changes or inputs	26,300	-	26,300	72,032	-	72,032
Benefit payments	(148,630)	(148,630)	-	(245,427)	(245,427)	-
Administrative expense	-	(610)	610	-	(264)	264
Member contributions	-	73	(73)	-	24,935	(24,935)
Net investment income	-	95,247	(95,247)	-	416,287	(416,287)
Employer contributions	-	70,553	(70,553)	-	156,204	(156,204)
Balance as of December 31, 2021	$ 1,322,471	$ 777,323	$ 545,148	$ 4,422,017	$ 3,658,350	$ 763,667

	MNR Cash Balance Plan			MTA Defined Benefit Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2021	$ 355	$ 351	$ 4	$ 7,427,785	$ 5,753,129	$ 1,674,656
Changes for fiscal year 2021:						
Service Cost	-	-	-	220,423	-	220,423
Interest on total pension liability	10	-	10	485,878	-	485,878
Effect of economic / demographic (gains) or losses	(6)	-	(6)	95,172	-	95,172
Effect of assumption changes or inputs	(16)	-	(16)	-	-	-
Benefit payments	(33)	(33)	-	(351,857)	(351,857)	-
Administrative expense	-	-	-	-	(4,334)	4,334
Member contributions	-	-	-	-	34,471	(34,471)
Net investment income	-	(43)	43	-	(464,023)	464,023
Employer contributions	-	4	(4)	-	400,648	(400,648)
Balance as of December 31, 2022	$ 310	$ 279	$ 31	$ 7,877,401	$ 5,368,034	$ 2,509,367

	MNR Cash Balance Plan			MTA Defined Benefit Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(in thousands)					
Balance as of December 31, 2020	$ 378	$ 394	$ (16)	$ 6,950,035	$ 5,012,765	$ 1,937,270
Changes for fiscal year 2021:						
Service Cost	-	-	-	213,675	-	213,675
Interest on total pension liability	11	-	11	455,230	-	455,230
Effect of economic / demographic (gains) or losses	(11)	-	(11)	20,656	-	20,656
Effect of assumption changes or inputs	15	-	15	113,662	-	113,662
Benefit payments	(38)	(38)	-	(325,473)	(325,473)	-
Administrative expense	-	-	-	-	(3,513)	3,513
Member contributions	-	-	-	-	33,832	(33,832)
Net investment income	-	(5)	5	-	639,374	(639,374)
Employer contributions	-	-	-	-	396,144	(396,144)
Balance as of December 31, 2021	$ 355	$ 351	$ 4	$ 7,427,785	$ 5,753,129	$ 1,674,656

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the MTA's net pension liability calculated for the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan using the discount rate as of each measurement date, 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 actual discount rate used for each measurement date:

Measurement Date:	December 31, 2022			December 31, 2021		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
	(in thousands)			(in thousands)		
Additional Plan	$ 703,189	$ 606,479	$ 522,065	$ 648,472	$ 545,148	$ 455,156
MaBSTOA Plan	1,729,789	1,216,242	781,313	1,269,779	763,667	335,356
MTA Defined Benefit Plan	3,499,092	2,509,367	1,678,112	2,615,168	1,674,656	884,831

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)	1% Decrease (2.0%)	Discount Rate (3.0%)	1% Increase (4.0%)
	(in whole dollars)			(in whole dollars)		
MNR Cash Balance Plan	$ 49,069	$ 30,726	$ 14,453	$ 26,611	$ 3,865	$ (16,181)

The MTA's Proportion of Net Pension Liability – NYCERS and NYSLERS

The following table presents the MTA's proportionate share of the net pension liability of NYCERS based on the June 30, 2022 and June 30, 2021 actuarial valuations, rolled forward to June 30, 2023 and June 30, 2022, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYCERS	
	June 30, 2023	June 30, 2022
	($ in thousands)	
MTA's proportion of the net pension liability	22.075%	21.900%
MTA's proportionate share of the net pension liability	$ 3,938,599	$ 3,964,996

The following table presents the MTA's proportionate share of the net pension liability of NYSLERS based on the April 1, 2022 and April 1, 2021 actuarial valuations, rolled forward to March 31, 2023 and March 31, 2022, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYSLERS	
	March 31, 2023	March 31, 2022
	($ in thousands)	
MTA's proportion of the net pension liability	0.299%	0.316%
MTA's proportionate share of the net pension liability	$ 64,289	$ (25,856)

Sensitivity of the MTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the MTA's proportionate share of the net pension liability for NYCERS and NYSLERS calculated using the discount rate as of each measurement date, as well as what the proportionate share of 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 actual discount rate used as of each measurement date ($ in thousands):

Measurement Date:	**June 30, 2023**			**June 30, 2022**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYCERS	$ 6,382,217	$ 3,938,599	$ 1,876,193	$ 6,309,639	$ 3,964,996	$ 1,984,590

Measurement Date:	**March 31, 2023**			**March 31, 2022**		
	1% Decrease (4.9%)	Discount Rate (5.9%)	1% Increase (6.9%)	1% Decrease (4.9%)	Discount Rate (5.9%)	1% Increase (6.9%)
NYSLERS	$ 155,359	$ 64,289	$ (11,810)	$ 66,552	$ (25,856)	$ (103,150)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the three-month period ended March 31, 2024 and year ended December 31, 2023, the MTA recognized pension expense related to each pension plan as follows (in $ thousands):

Pension Plan	**March 31, 2024**	**December 31, 2023**
Additional Plan	$ 17,470	$ 58,880
MaBSTOA Plan	39,817	259,366
MNR Cash Balance plan	-	(12)
MTA Defined Benefit Plan	102,170	608,895
NYCERS	189,434	665,871
NYSLERS	3,547	23,325
Total	**$ 352,438**	**$ 1,616,325**

For the three-month period ended March 31, 2024 and year ended December 31, 2023, the MTA reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in $ thousands):

For the Year Ended March 31, 2024	**Additional Plan** Deferred Outflows of Resources	**Additional Plan** Deferred Inflows of Resources	**MaBSTOA Plan** Deferred Outflows of Resources	**MaBSTOA Plan** Deferred Inflows of Resources	**MNR Cash Balance Plan** Deferred Outflows of Resources	**MNR Cash Balance Plan** Deferred Inflows of Resources	**MTA Defined Benefit Plan** Deferred Outflows of Resources	**MTA Defined Benefit Plan** Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 5,869	$ 30,956	$ -	$ -	$ 219,589	$ 7,024
Changes in assumptions	-	-	119,496	-	-	-	458,638	-
Net difference between projected and actual earnings on pension plan investments	56,874	-	296,972	-	40	-	498,707	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	54,191	54,191
Employer contributions to the plan subsequent to the measurement of net pension liability	72,666	-	170,033	-	13	-	416,538	
Total	$ 129,540	$ -	$ 592,370	$ 30,956	$ 53	$ -	$ 1,647,663	$ 61,215

For the Year Ended March 31, 2024	**NYCERS** Deferred Outflows of Resources	**NYCERS** Deferred Inflows of Resources	**NYSLERS** Deferred Outflows of Resources	**NYSLERS** Deferred Inflows of Resources	**Total** Deferred Outflows of Resources	**Total** Deferred Inflows of Resources
Differences between expected and actual experience	$ 443,124	$ 17,546	$ 6,847	$ 1,806	$ 675,429	$ 57,332
Changes in assumptions	6	80,062	31,223	345	609,363	80,407
Net difference between projected and actual earnings on pension plan investments	491,003	-	-	378	1,343,596	378
Changes in proportion and differences between contributions and proportionate share of contributions	31,168	234,524	3,349	2,119	88,708	290,834
Employer contributions to the plan subsequent to the measurement of net pension liability	400,694	-	14,045	-	1,073,989	-
Total	$ 1,365,995	$ 332,132	$ 55,464	$ 4,648	$ 3,791,085	$ 428,951

For the Year Ended December 31, 2023	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan		MTA Defined Benefit Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 5,869	$ 30,956	$ -	$ -	$ 219,589	$ 7,014
Changes in assumptions	-	-	119,496	-	-	-	458,638	-
Net difference between projected and actual earnings on pension plan investments	56,874	-	296,972	-	40	-	498,707	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	54,191	54,191
Employer contributions to the plan subsequent to the measurement of net pension liability	72,666	-	170,033	-	13	-	416,538	
Total	$ 129,540	$ -	$ 592,370	$ 30,956	$ 53	$ -	$ 1,647,663	$ 61,205

For the Year Ended December 31, 2023	NYCERS		NYSLERS		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 443,124	$ 17,546	$ 6,847	$ 1,806	$ 675,429	$ 57,322
Changes in assumptions	6	80,062	31,223	345	609,363	80,407
Net difference between projected and actual earnings on pension plan investments	491,003	-	-	378	1,343,596	378
Changes in proportion and differences between contributions and proportionate share of contributions	31,168	234,524	3,349	2,119	88,708	290,834
Employer contributions to the plan subsequent to the measurement of net pension liability	408,232	-	14,045	-	1,081,527	-
Total	$ 1,373,533	$ 332,132	$ 55,464	$ 4,648	$ 3,798,623	$ 428,941

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 plan to amortize the annual differences between expected and actual experience, changes in proportion and differences between employer contributions and proportionate share of contributions, and changes in actuarial assumptions, 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**
Additional Plan	1.00	N/A	N/A
MaBSTOA Plan	6.20	N/A	6.20
MNR Cash Balance Plan	1.00	N/A	1.00
MTA Defined Benefit Plan	8.10	8.10	8.10
NYCERS	5.55	5.55	5.55
NYSLERS	5.00	5.00	5.00

For the three-month period ended March 31, 2024 and year ended December 31, 2023, $1,074.0 and $1,081.5 were reported as deferred outflows of resources related to pensions resulting from the MTA's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024 and December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023 will be recognized as pension expense as follows:

Year Ending December 31:	Additional Plan	MaBSTOA Plan	MNR Cash Balance plan	MTA Defined Benefit Plan	NYCERS	NYSLERS	Total
				(in thousands)			
2024	$ 7,218	$ 75,413	$ 5	$ 216,736	$ 116,924	$ 8,834	$ 425,130
2025	19,664	123,180	10	280,466	(42,342)	(3,268)	377,710
2026	10,140	86,844	14	238,182	509,498	13,635	858,313
2027	19,852	106,650	11	293,048	20,010	17,570	457,141
2028	-	(38)	-	89,346	29,079	-	118,387
Thereafter	-	(668)	-	52,132	-	-	51,464
	$ 56,874	$ 391,381	$ 40	$ 1,169,910	$ 633,169	$ 36,771	$ 2,288,145

Deferred Compensation Program

Description - The Deferred Compensation Program consists of two defined contribution plans that provide benefits based solely on the amount contributed to each participant's account(s), plus or minus any income, expenses and gains/losses. The Deferred Compensation Program is comprised of the Deferred Compensation Plan For Employees of the Metropolitan Transportation Authority ("MTA"), its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates ("401(k) Plan"). Certain MTA Related Groups employees are eligible to participate in both deferred compensation plans. Both Plans are designed to have participant charges, including investment and other fees, cover the costs of administering the Deferred Compensation Program.

Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the accompanying consolidated statements of net position.

The Deferred Compensation Program is administered and may be amended by the Deferred Compensation Committee.

As the Deferred Compensation Program's asset base and contribution flow increased, participants' investment options were expanded by the Deferred Compensation Committee with the advice of its Financial Advisor to provide greater diversification and flexibility. In 1988, after receiving an IRS determination letter for the 401(k) Plan, the MTA offered its managers the choice of either participating in the 457 Plan or the 401(k) Plan. By 1993, the MTA offered eight investment funds: a Guaranteed Interest Account Fund, a Money Market Fund, a Common Stock Fund, a Managed Fund, a Stock Index Fund, a Government Income Fund, an International Fund and a Growth Fund.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were restructured to set up a four-tier strategy:

- Tier 1 – The MTA Asset Allocation Programs offer two options for those participants who would like to make retirement investing easy – the MTA Target Year Funds and Goal maker. Investments will be automatically diversified among a range of investment options.
- Tier 2 – The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Barclays Capital U.S. Aggregate (bond) index. The typical objective of an index fund is to achieve approximately the same return as that specific market index. Index funds provide investors with lower-cost investments because they are less expensive to administer than actively managed funds.
- Tier 3 – The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform selected indices. The funds provide a diversified array of distinct asset classes, with a single option in each class. They combine the value and growth disciplines to create a "core" portfolio for the mid-cap and international categories.
- Tier 4 – The Self-Directed Mutual Fund Option is designed for the more experienced investors. The fund offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this Tier.

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $20,500 dollars or $27,000 dollars for those over age 50 for the year ended December 31, 2022. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $22,500 dollars or $30,000 dollars for those over age 50 for the year ended December 31, 2023.

The two Plans offer the same array of investment options to participants. Eligible participants in the Deferred Compensation Program include employees (and in the case of MTA Long Island Bus, former employees) of:

- MTA
- MTA Long Island Rail Road
- MTA Bridges and Tunnels
- MTA Long Island Bus
- MTA Metro-North Railroad
- MTA New York City Transit
- MTA Staten Island Rapid Transit
- MTA Construction and Development
- MTA Bus

Employer Contributions - MTA Bus on behalf of certain MTA Bus employees, MTA Metro-North Railroad on behalf of certain MNR employees who opted-out of participation in the MTA Defined Benefit Pension Plan and MTA on behalf of certain represented MTA Business Service Center employees and on behalf of certain MTA Police Officers, make contributions to the 401(k) Plan. The rate for the employer contribution varies.

MTA Bus – Effective in 2019, there are no employees receiving these employer contributions. Prior to 2019, certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, receive a matching contribution equal to 50% of member's before-tax contributions provided that the maximum matching contribution shall not exceed 3% of the member's base pay. MTA Bus also makes a basic contribution equal to 2% of the member's compensation. These contributions vest as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

MTA Metro-North Railroad – MNR employees represented by certain unions and who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of the member's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible MNR member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member's compensation. Eligible MNR members vest in these employer contributions as set forth below:

Years of Service	Vested Percentage
Less than 5	0%
5 or more	100%

MTA Headquarters - Police - For each plan year, the MTA shall make contributions to the account of each eligible MTA Police Benevolent Association member in the amounts required by the collective bargaining agreement ("CBA") and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters – Commanding Officers - In addition, for each plan year, the MTA shall make contributions to the account of each eligible MTA Police Department Commanding Officers Benevolent Association member in the amounts required by the CBA and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. These members are immediately 100% vested in these employer contributions.

MTA Headquarters – Business Services - Effective January 1, 2011, all newly hired MTA Business Services Center employees represented by the Transportation Communications Union are eligible to receive a matching contribution up to a maximum of 3% of the participant's compensation. A participant's right to the balance in his or her matching contributions shall vest upon the first of the following to occur:

1. Completing 5 years of service,
2. Attaining the Normal Retirement Age of 62 while in continuous employment, or
3. Death while in continuous employment.

Additional Deposits (Incoming Rollover or Transfers) - Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans. Under certain conditions, both Plans accept rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

Forfeitures – Non vested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses.

	2023	**2022**
	(In thousands)	
Employer 401K contributions	$3,936	$3,833

5. OTHER POSTEMPLOYMENT BENEFITS

The MTA 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:

(1) 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 retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA'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 single-employer plan.

The OPEB Plan Board of Managers, comprised 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 OPEB Plan is a fiduciary component unit of the MTA and is in the Pension and Other Employee Benefit

Trust Funds section of the MTA's basic financial statements.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 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 agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA are members of the following pension plans: the MTA Defined Benefit Plan, the Additional Plan, the MNR Cash Balance Plan, the MaBSTOA Plan, NYCERS, and NYSLERS. Certain represented employees of MTA Metro-North Railroad participate in the 401(k) Plan. Eligible employees of the MTA may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA 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 MTA New York City Transit employees, other MTA New York City Transit former employees who retired prior to January 1, 1996 or January 1, 2001, MTA Staten Island Railway represented employees as of March 1, 2010, June 1, 2010 or January 1, 2013 depending on the union and MTA Bus retirees 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 MTA 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 MTA must:

i. have retired;

ii. be receiving a pension (except in the case of the 401(k) Plan);

iii. have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTA Defined Benefit Plan, the Additional Plan, the MaBSTOA Plan, the MNR Cash Balance Plan, the 401(k) Plan or the VDC; and

iv. 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 of MTA New York City Transit and MTA Staten Island Railway, 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;
    - March 25, 2015 for Transportation Communication Union ("TCU"); and
    - December 16, 2015 for United Transportation Union ("UTU") and American Train Dispatchers Association ("ATDA").
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

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.

Employees Covered by Benefit Terms — As of July 1, 2021 and July 1, 2019, the date of the most recent actuarial valuation, the following classes of employees were covered by the benefit terms:

	Number of Participants	
	July 1, 2021	**July 1, 2019**
Active plan members	68,672	73,588
Inactive plan members currently receiving benefit payments	48,888	46,994
Inactive plan members entitled to but not yet receiving benefit payments	131	186
Total	117,691	120,768

Contributions — The MTA 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, 2023 and 2022, the MTA paid $882 and $846.3 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $62 and $58 for the years ended December 31, 2023 and 2022, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2023. In addition to the 2023 PAYGO, MTA made an advance contribution to the OPEB Trust on April 11, 2023 and May 2, 2023 for a total of $1,319 for use in future years. The OPEB Plan paid $846.2 in OPEB benefits, increasing the employer contributions to $793.

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 2020 exceeded the current fair 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 General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, 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, 2022 and 2021, the employer made a cash payment for retiree healthcare of $57,989 and $52,933, 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.

Blended and Age-adjusted Premium (in thousands)		
	2022 Retirees	**2021 Retirees**
Total blended premiums	$788,310	$740,051
Employment payment for retiree healthcare	57,989	52,933
Net Payments	$846,299	$792,984

(2) Actuarial Assumptions

Actuarial valuation involve 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 MTA may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2021 and July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement dates of December 31, 2022, and December 31, 2021, 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, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%, net of expenses	2.06%, net of expenses
Inflation	2.33%	2.30%
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	3.72%	2.06%

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 MTA'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 trend 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 — The following lists illustrative rates for the NYSHIP and self-insured trend assumptions (all amounts are in percentages).

	NYSHIP		TBTA		Self-Insured		Medicare Part B Trend
Fiscal Year	< 65	> = 65	< 65	> = 65	< 65	> = 65	
2021	12.20%	0.30%	12.20%	0.30%	5.80%	-6.80%	14.50%
2022	14.10%	13.40%	14.10%	13.40%	6.30%	5.40%	-3.10%
2023	6.70%	5.90%	7.10%	4.90%	7.00%	5.90%	7.30%
2024	7.00%	6.70%	7.20%	6.10%	7.20%	7.20%	7.70%
2025	6.40%	6.40%	6.40%	6.40%	6.50%	6.60%	9.00%
2026	5.80%	5.80%	5.80%	5.80%	5.90%	5.90%	8.30%
2027	5.10%	5.10%	5.10%	5.10%	5.20%	5.10%	6.00%
2028	4.90%	4.90%	4.90%	4.90%	5.00%	4.90%	6.10%
2029	4.70%	4.70%	4.70%	4.70%	4.80%	4.70%	5.30%
2030	4.50%	4.50%	4.50%	4.50%	4.60%	4.50%	6.20%
2031	4.30%	4.30%	4.30%	4.30%	4.40%	4.30%	5.60%
2032	4.20%	4.10%	4.20%	4.10%	4.20%	4.20%	5.60%
2033-2039	4.10%	4.10%	4.10%	4.10%	4.20%	4.10%	5.60%
2040-2049	4.10%	4.10%	4.10%	4.10%	4.20%	4.10%	4.10%
2050	4.20%	4.20%	4.20%	4.10%	4.20%	4.20%	3.80%
2051-2064	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	3.80%
2065-2066	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	3.80%
2067	4.00%	4.00%	4.00%	4.00%	4.10%	4.00%	3.80%
2068	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.80%
2069	3.90%	3.90%	3.90%	3.90%	4.00%	3.90%	3.80%
2070	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.80%
2071	3.80%	3.80%	3.80%	3.80%	3.90%	3.80%	3.80%
2072-2073	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
2074-2089	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.80%
2090+	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.60%

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:

- Headquarters Non-Police Members: PubG.H-2010 Mortality Table, headcount weighted for general employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants.
- Headquarters Police Members: Rates from the June 30, 2019 (Lag) Actuarial Valuation for NYCERS dated December 29, 2021 as follows: Service Retirees for Housing Police and Transit Police (Table XII-5), Disabled Retirees for Housing Police and Transit Police (Table XII-6) and Active Members for Transit and TBTA Ordinary Death and Accidental Death (Table XII-4). No adjustments were made to convert from lives-weighted to amounts-weighted. Base year is 2012 for mortality improvement purposes.
- Rail Members (LI Bus, LIRR, Metro-North, and SIRTOA): 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 97%.
- Transit Members (Bridges and Tunnels, MTA Bus, and Transit): 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%.

(3) Net OPEB Liability

At December 31, 2023 and 2022, the MTA reported a net OPEB liability of $22,435 and $24,956, respectively. The MTA's net OPEB liability was measured as of December 31, 2022 and December 31, 2021, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and July 1, 2019 and rolled forward to December 31, 2021 and December 31, 2020, respectively.

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. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report or at www.mta.info.

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 are as of December 31, 2022.

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Short (1-3 Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	100.00%	1.31%
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.41%
Portfolio Nominal Mean return			3.64%
Portfolio Standard Deviation			2.05%
Long Term Expected Rate of Return selected by MTA			**3.72%**

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, 2022 of 3.72% and as of December 31, 2021 of 2.06%.

Changes in Net OPEB Liability — Changes in the MTA's net OPEB liability for the year ended December 31, 2023 based on the December 31, 2022 measurement date, and for the year ended December 31, 2022, based on the December 31, 2021 measurement date, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2021	$ 24,956,514	$ 84	$ 24,956,430
Changes for the year:			
Service Cost	1,240,342	-	1,240,342
Interest on total OPEB liability	530,983	-	530,983
Effect of economic/demographic gains or losses	14,299	-	14,299
Effect of assumptions changes or inputs	(3,449,438)	-	(3,449,438)
Benefit payments	(846,299)	(846,299)	-
Employer contributions	-	846,299	(846,299)
Net investment income	-	11,828	(11,828)
Administrative expenses	-	(176)	176
Net changes	(2,510,113)	11,652	(2,521,765)
Balance as of December 31, 2022	$ 22,446,401	$ 11,736	$ 22,434,665

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2020	$ 24,409,581	$ 130	$ 24,409,451
Changes for the year:			
Service Cost	1,250,950	-	1,250,950
Interest on total OPEB liability	535,642	-	535,642
Effect of economic/demographic gains or losses	292,154	-	292,154
Effect of assumptions changes or inputs	(738,829)	-	(738,829)
Benefit payments	(792,984)	(792,984)	-
Employer contributions	-	792,984	(792,984)
Administrative expenses	-	(46)	46
Net changes	546,933	(46)	546,979
Balance as of	$ 24,956,514	$ 84	$ 24,956,430

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following presents the net OPEB liability of the MTA, calculated using the discount rate as of each measurement date, as well as what the MTA's 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 date:

Measurement Date:	**December 31, 2022**		
	1% Decrease (2.72%)	**Discount Rate (3.72%)**	**1% Increase (4.72%)**
Net OPEB liability	$25,527,146	$22,434,665	$19,880,016

Measurement Date:	**December 31, 2021**		
	1% Decrease (1.06%)	**Discount Rate (2.06%)**	**1% Increase (3.06%)**
Net OPEB liability	$28,857,427	$24,956,431	$21,790,175

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

Measurement Date:	**December 31, 2022**		
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
Net OPEB liability	$19,236,719	$22,434,665	$26,461,562

Measurement Date:	**December 31, 2021**		
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
Net OPEB liability	$21,198,435	$24,956,431	$29,769,162

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

(4) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2023 and 2022, the MTA recognized OPEB expense of $1.92 billion and $1.89 billion, respectively.

At December 31, 2023 and 2022, the MTA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	March 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	$ 355,728	$ 33,927	$ 355,728	$ 33,927
Changes of assumptions	1,551,188	4,123,792	1,551,188	4,123,792
Net difference between projected and actual earnings on OPEB plan investments	18,937	-	18,937	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,240,197	1,240,197	1,240,197	1,240,197
Employer contributions to the plan subsequent to the measurement of net OPEB liability	2,201,541	-	2,201,541	-
Total	**$ 5,367,591**	**$ 5,397,916**	**$ 5,367,591**	**$ 5,397,916**

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 and changes in assumptions are amortized over a 7.6-year closed period, beginning the year in which the deferred amount occurs.

For the years ended December 31, 2023 and 2022, $2,201.5 and $846.3 were reported as employer contributions subsequent to measurement date. The 2023 amount of $2,201.5 included a contribution of $1,319 to the OPEB Trust Fund for health and other welfare benefits to be used in future years. The current year contributions (except for the OPEB Trust contribution of $1,319) included MTA'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 year ending December 31, 2024 and December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year ending December 31:		**Amount**
2024	$	(320,826)
2025		(387,668)
2026		(308,422)
2027		(210,070)
2028		(269,832)
Thereafter		(735,048)
	$	(2,231,866)

6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA 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-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.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-use assets. GASB 96, Subscription-Based Information Technology Arrangements are classified as 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 implementation costs, less any incentives received. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. 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. Capital and right-of-use assets consist of the following at December 31, 2022, December 31, 2023 and March 31, 2024 (in millions):

	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023	Additions / Reclassifications	Deletions / Reclassifications	Balance March 31, 2024
Capital assets not being depreciated:							
Land	$ 331	$ -	$ -	$ 331	$ -	$ -	$ 331
Construction work-in-progress	22,597	6,449	15,211	13,835	1,046	5	14,876
Total capital assets not being depreciated	22,928	6,449	15,211	14,166	1,046	5	15,207
Capital assets being depreciated:							
Buildings and structures	25,274	9,807	33	35,048	3	-	35,051
Bridges and tunnels	4,421	228	-	4,649	-	-	4,649
Equipment:							
Passenger cars and locomotives	14,479	383	48	14,814	-	-	14,814
Buses	3,989	137	172	3,954	-	-	3,954
Infrastructure	32,640	3,445	6	36,079	-	-	36,079
Other	30,386	1,127	8	31,505	2	-	31,507
Total capital assets being depreciated	111,189	15,127	267	126,049	5	-	126,054
Less accumulated depreciation:							
Buildings and structures	9,889	684	33	10,540	198	-	10,738
Bridges and tunnels	783	112	-	895	12	-	907
Equipment:							
Passenger cars and locomotives	8,505	391	43	8,853	97	-	8,950
Buses	2,237	275	171	2,341	68	-	2,409
Infrastructure	13,523	1,024	6	14,541	252	-	14,793
Other	12,332	1,061	9	13,384	253	-	13,637
Total accumulated depreciation	47,269	3,547	262	50,554	880	-	51,434
Total capital assets being depreciated - net	63,920	11,580	5	75,495	(875)	-	74,620
Capital assets - net	86,848	18,029	15,216	89,661	171	5	89,827

	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023	Additions / Reclassifications	Deletions / Reclassifications	Balance March 31, 2024
Right of Use Assets being amortized:							
Leased buildings and structures	$ 745	$ 100	$ 2	$ 843	$ -	$ -	$ 843
Leased equipment and vehicles	41	7	-	48	-	-	48
Leased other	4	6	-	10	-	-	10
Subscription based IT arrangements	190	135		325	4	-	$ 329
Total Right of Use Assets being amortized	980	248	2	1,226	4	-	1,230
Less accumulated amortization:							
Leased buildings and structures	105	51	-	156	13	-	169
Leased equipment and vehicles	26	12	-	38	2	-	40
Leased other	1	2	-	3	1	-	4
Subscription based IT arrangements	57	80	-	137	19	-	156
Total accumulated amortization	189	145	-	334	35	-	369
Right of Use Assets being amortized – net	791	103	2	892	(31)	-	861
Total Capital Assets, including Right of Use Assets, net of depreciation and amortization	$ 87,639	$ 18,132	$ 15,218	$ 90,553	$ 140	$ 5	$ 90,688

Capital assets acquired prior to April 1982 for MTA New York City Transit were funded primarily by New York City with capital grants made available to MTA New York City Transit. New York City has title to a substantial portion of such assets and, accordingly, these assets are not recorded on the books of the MTA. Subsequent acquisitions, which are part of the MTA Capital Program, are recorded at cost by MTA New York City Transit. In certain instances, title to MTA Bridges and Tunnels' real property may revert to New York City in the event the MTA determines such property is unnecessary for its corporate purpose. With respect to MTA Metro-North Rail Road, capital assets completely funded by CDOT are not reflected in MTA's financial statements, as ownership is retained by CDOT.

For certain construction projects, the MTA holds in a trust account marketable securities pledged by third-party contractors in lieu of cash retainages. At March 31, 2024 and December 31, 2023, these securities, which are not included in these interim financial statements, totaled $115.0 and $111.0, respectively, including securities with a fair value of $100.1 and $66.1, respectively.

As of March 31, 2024, $58.7 billion is unexpended from the MTA's Capital Program (2005-2024) and $24.3 billion has been committed.

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

7. LONG-TERM DEBT

(In millions)	Original Issuance	December 31, 2023	Issued	Retired	March 31, 2024
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	$ 44,080	$ 18,794	$ 1,625	$ 1,973	$ 18,446
Bond Anticipation Notes					
1.33% due through 2023	24,135	0	500	0	500
Dedicated Tax Fund Bonds					
1.86%–5.00% due through 2057	11,527	4,122	-		4,122
	79,742	22,916	2,125	1,973	23,068
Net unamortized bond premium	-	613	56	47	622
	79,742	**23,529**	**2,181**	**2,020**	**23,690**
TBTA:					
General Revenue Bonds					
1.00%–5.5% due through 2057	18,521	8,553	-	48	8,505
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	7,385	10,623	478	-	11,101
Subordinate Revenue Bonds					
1.00%–5.5% due through 2032	4,066	259	-	-	259
Sales Tax Revenue Bonds					
3.73%-5.5% due through 2057	700	1,954	1,650	-	3,604
Bond Anticipation Notes					
5.0% due through 2025	193	193	-	-	193
	30,865	21,582	2,128	48	23,662
Net unamortized bond premium	-	1,798	204	55	1,947
	30,865	**23,380**	**2,332**	**103**	**25,609**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	796	-	33	763
Net unamortized bond premium	-	85	-	2	83
	1,220	**881**	**-**	**35**	**846**
Total	**$ 111,827**	**$ 47,790**	**$ 4,513**	**$ 2,158**	**$ 50,145**
Current portion		$ 2,678			$ 2,565
Long-term portion		$ 45,344			$ 47,580

(In millions)	Original Issuance	December 31, 2022	Issued	Retired	December 31, 2023
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	$ 44,080	$ 21,283	$ -	$ 2,489	$ 18,794
Bond Anticipation Notes					
1.33% due through 2023	23,635	3,707	-	3,707	-
Dedicated Tax Fund Bonds					
1.86%-5.00% due through 2057	11,527	4,788	-	666	4,122
	79,242	29,778	-	6,862	22,916
Net unamortized bond premium	-	1,158	74	387	845
	79,242	**30,936**	**74**	**7,249**	**23,761**
TBTA:					
General Revenue Bonds					
1.00%-5.5% due through 2057	11,512	8,320	1,198	965	8,553
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	4,959	8,159	2,495	31	10,623
Subordinate Revenue Bonds					
1%-5.5% due through 2032	1,832	719	-	460	259
Sales Tax Revenue Bonds					
3.73%-5.5% due through 2063	1,954	700	1,254	-	1,954
Bond Anticipation Notes					
5.0% due through 2025	193	193	-	-	193
	20,450	18,091	4,947	1,456	21,582
Net unamortized bond premium	-	1,689	366	257	1,798
	20,450	**19,780**	**5,313**	**1,713**	**23,380**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	804	-	8	796
Net unamortized bond premium	-	86	-	1	85
	1,220	**890**	**-**	**9**	**881**
Total	**$ 100,912**	**$ 51,293**	**$ 5,387**	**$ 8,971**	**$ 48,022**
Current portion		$ 4,800			$ 2,678
Long-term portion		$ 46,493			$ 45,344

MTA Transportation Revenue Bonds — are secured under MTA's General Resolution Authorizing Transportation Revenue Obligations adopted on March 26, 2002. The Transportation Revenue Bonds are MTA's special obligations payable solely from transit and commuter systems revenues, surplus toll revenues and certain state and local operating subsidies.

On March 6, 2024, MTA redeemed $33.27 Transportation Revenue Variable Rate Refunding Bonds, Subseries 2020B-2. The remaining outstanding portion of the Subseries 2020B-2 bonds were consolidated with the outstanding Subseries 2020B-1 during the March 20, 2024 remarketing as listed below

On March 7, 2024, Fitch Ratings upgraded its ratings on the Transportation Revenue Bonds to AA from A, due to a review under the application of Fitch's revised Government-Related Entities Rating Criteria. On March 8, 2024 Fitch upgraded the enhanced ratings on existing Transportation Revenue Variable Rate Demand Bonds (VRDBs) to AAA as a result of the March 7, 2024 upgrade.

On March 20, 2024, MTA effectuated a mandatory tender and remarketed $80.115 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2020B-1 and Transportation Revenue Variable Rate Refunding Bonds, Subseries 2020B-2 as their respective irrevocable direct-pay letters of credit (LOC) issued by PNC Bank, National Association, were to expire by their terms. Both subseries of bonds were consolidated and redesignated as the "Series 2020B Bonds". The Series 2020B Bonds were remarketed as VRDBs in Daily Mode and are supported with an irrevocable direct-pay LOC issued by Royal Bank of Canada that will expire on March 19, 2027. The Series 2020B Bonds final maturity is November 15, 2046.

On March 27, 2024, MTA issued $1,289.26 Transportation Revenue Refunding Green Bonds, Series 2024A. Proceeds from the transaction were used to refinance $1,332.65 MTA Transportation Revenue Bonds and $118.74 TBTA Payroll Mobility Tax Senior Lien Bonds, Subseries 2021A-2. The refunding resulted in net present value savings of $99.12 million or 9.054% of the par amount of the refunded bonds. The Series 2024A bonds were priced as fixed rate tax-exempt bonds with a final maturity of November 15, 2049.

On March 28, 2024, MTA effectuated a mandatory tender and remarketed $50.000 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a-1, $100.000 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2b, and $105.825 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2005D-1 as their respective interest rate periods were set to expire by their terms. Each subseries of bonds were remarketed as VRDBs in Daily Mode and will be supported with separate irrevocable direct-pay LOCs issued by Truist Bank, N.A. Each LOC will expire on March 28, 2029.

MTA Transportation Revenue Bond Anticipation Notes — From time to time, MTA issues Transportation Revenue Bond Anticipation Notes (BANs) in accordance with the terms and provisions of the General Resolution described above to fund its transit and commuter capital needs. The interest rate payable on the notes depends on the maturity and market conditions at the time of issuance. The MTA Act requires MTA to refund its bond anticipation notes with bonds no later than five years from the issuance of the notes. As of March 31, 2024, MTA has not issued any Transportation Revenue BANs in 2024.

MTA Revenue Anticipation Notes — are secured by a lien on Operating Subsidies (as defined in the Transportation Resolution) prior to the lien in favor of the owners of Transportation Revenue Bonds, Subordinated Contract Obligations, and Subordinated Indebtedness issued under the Transportation Resolution. The maturity on such Revenue Anticipation Notes (RANs) may not exceed 18 months. While such notes can be rolled over, the final maturity cannot exceed five years from the date of their original issuance. From time to time, MTA enters into Revolving Credit Agreements pursuant to the Transportation RAN Resolution. Draws under such agreements are evidenced by RANs.

On August 2, 2022, MTA entered into revolving credit agreements for $800 and $400 with JP Morgan Chase Bank, N.A. and Bank of America, N.A., respectively. Unless renewed, the agreements are set to expire under their own terms on August 1, 2025.

MTA Dedicated Tax Fund Bonds — as secured under MTA's Dedicated Tax Fund Obligation Resolution adopted on March 26, 2002. The Dedicated Tax Fund Bonds are MTA's special obligations payable solely from monies held in the Pledged Amounts Account of the MTA Dedicated Tax Fund. State law requires that the MTTF revenues and MMTOA revenues (described above in Note 2 under "Nonoperating Revenues") be deposited, subject to appropriation by the State Legislature, into the MTA Dedicated Tax Fund. As of March 31, 2024, MTA has not issued any Dedicated Tax Fund Bond in 2024.

2 Broadway CoP Swap Payments— 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 executed and delivered three Series of Certificates of Participation in the aggregate principal amount of $807 million to finance certain building and leasehold improvements to an office building at Two Broadway in Manhattan occupied principally by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, and MTAHQ. At the same time, MTA entered into a swap agreement.

The Certificates of Participation have been paid off in 2016 and are no longer outstanding. There are no net expenses in 2024 related to the interest rate swap associated with the issuance. The swap will mature in 2029.

MTA Bridges and Tunnels General Revenue Bonds — as secured under TBTA's General Resolution Authorizing General

Revenue Obligations adopted on March 26, 2002. The General Revenue Bonds are MTA Bridges and Tunnels' general obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels. As of March 31, 2024, there have been no MTA Bridges and Tunnels General Revenue Bonds issued.

MTA Bridges and Tunnels Subordinate Revenue Bonds — as secured under its 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations adopted on March 26, 2002. The Subordinate Revenue Bonds are MTA Bridges and Tunnels' special obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels after the payment of debt service on the MTA Bridges and Tunnels General Revenue Bonds described in the preceding paragraph. As of March 31, 2024, there have been no MTA Bridges and Tunnels Subordinate Revenue Bonds issued.

MTA Bridges and Tunnels Second Subordinate Bond Anticipation Notes — are issued in accordance with the terms and provisions of the CBDTP Second Subordinate Revenue Resolution authorizing CBDTP Second Subordinate Revenue Obligations. The purpose of the issuance of BANs or bonds under the CBDTP Second Subordinate Revenue Resolution, in one or more series from time to time, is to provide funds in an amount not to exceed $506 million to finance costs of the CBD Tolling Program infrastructure, tolling systems, and allowable implementation expenses or to retire any such BANs when due. There have been no Triborough Bridge and Tunnel Authority Second Subordinate BANs issued since the 2021 issuance.

MTA and TBTA Payroll Mobility Tax Senior Lien Bonds— as secured under both the MTA Payroll Mobility Tax Obligation Resolution (MTA PMT Resolution), adopted by the Board on November 18, 2020, and the TBTA Payroll Mobility Tax Obligation Resolution (TBTA PMT Resolution) adopted by the Board on March 17, 2021. Each of the MTA PMT Senior Lien Obligations and any TBTA PMT Senior Lien Obligations are secured by a first lien on, and parity pledge of, the PMT Receipts, consisting of two distinct revenue streams: Mobility Tax Receipts and MTA Aid Trust Account Receipts (also referred to as "ATA Receipts"). MTA and MTA Bridges and Tunnels have entered into the Financing Agreement, dated as of April 9, 2021, to provide the mechanism by which MTA and MTA Bridges and Tunnels share PMT Receipts on a parity basis (i) first with respect to the PMT Senior Lien and then (ii) with respect to PMT Second Lien. Under State law, the MTA PMT Senior Lien Indebtedness and the MTA Bridges and Tunnels PMT Senior Lien Indebtedness are special obligations of MTA and MTA Bridges and Tunnels, respectively, which means that they are payable solely from a gross lien on the money pledged for payment under the MTA PMT Resolution and the TBTA PMT Resolution. Such bonds are not general obligations of MTA or MTA Bridges and Tunnels.

On January 25, 2024, MTA issued $296.340 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024A. Proceeds from the transaction were used to finance existing approved transit and commuter projects. The Series 2024A bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2054.

MTA and TBTA Payroll Mobility Tax Bond Anticipation Notes – are issued pursuant to the MTA and TBTA PMT Resolutions, respectively.

On March 20, 2024, MTA issued $500 MTA Payroll Mobility Tax Bond Anticipation Notes, Series 2024A (Federally Taxable) to address seasonal liquidity needs. The Series 2024A Notes were issued as fixed rate taxable notes with a final maturity of December 19, 2024.

On March 20, 2024, MTA issued $300 TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2024B. Proceeds from the transaction were used to finance approved 2020-2024 Capital Program transit and commuter projects. The Series 2024B Notes were issued as fixed rate tax-exempt notes with a final maturity of March 15, 2027.

MTA Bridges and Tunnels Sales Tax Revenue Bonds (TBTA Capital Lockbox – City Sales Tax) — as secured under TBTA's 2021 TBTA Special Obligation Resolution Authorizing Sales Tax Revenue Obligation (TBTA Capital Lockbox-City Sales Tax) adopted on September 15, 2021. The Sales Tax Revenue Bonds are MTA Bridges and Tunnels' special, not general, obligations, payable solely from monies in the Obligations Trust Estate pledged by the TBTA Sales Tax Resolution derived primarily from the Sales Tax Receipts paid from the Central Business District Tolling Capital Lockbox Fund and deposited into the Revenue Fund.

On February 8, 2024, MTA issued $1,650.295 of Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2024A (TBTA Capital Lockbox - City Sales Tax). Proceeds from the transaction will be used to finance approved 2020-2024 Capital Program transit and commuter projects and to finance a portion of the capital costs of the Central Business District Tolling Program. The Series 2024A bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2064.

MTA Hudson Rail Yards Trust Obligations — The Hudson Rail Yard Trust Obligations and Hudson Rail Yard Refunding Trust Obligations (together, the "HRY Trust Obligations") were issued pursuant to the MTA Hudson Rail Yards Trust Agreement, dated as of September 1, 2016 (the "Original HRY Trust Agreement"), as supplemented by the MTA Hudson Rail Yards First Supplemental Trust Agreement, dated as of March 1, 2020 (the "Supplemental HRY Trust Agreement" and, together with the Original HRY Trust Agreement, the "HRY Trust Agreement"), each by and between MTA and Wells Fargo Bank, National Association, as trustee. The HRY Trust Obligations are payable solely from and secured by certain payments made by MTA under the Financing Agreement referred to in the HRY Trust Agreement.

On February 15, 2024, MTA effectuated the early mandatory redemption of a portion of the MTA Hudson Rail Yards Trust Obligations, Series 2020A maturing on November 15, 2046 in the Principal Component of $33.27. This is due to the payment of Fee Purchase Payments in connection with the acquisition of office space at the Retail Podium and certain residential condominium units described in the Official Statement of Series 2020A.

There have been no HRY Trust Obligations issued since the 2020 refunding issuance.

Refer to Note 8 for further information on Leases.

Debt Limitation — The New York State Legislature has imposed limitations on the aggregate amount of debt that the MTA and MTA Bridges and Tunnels can issue to fund the approved transit and commuter capital programs. The current aggregate ceiling, subject to certain exclusions, is $90,100 compared with issuances totaling approximately $47,095as of February 8, 2024. The MTA expects that the current statutory ceiling will allow it to fulfill the bonding requirements of the approved Capital Programs.

Bond Refundings — From time to time, the MTA and MTA Bridges and Tunnels issue refunding bonds to achieve debt service savings or other benefits. The proceeds of refunding bonds are generally used to purchase U.S. Treasury obligations that are placed in irrevocable trusts. The principal and interest within the trusts will be used to repay the refunded debt. The trust account assets and the refunded debt are excluded from the consolidated statements of net position.

(In millions)	March 31, 2024	December 31, 2023
MTA Transit and Commuter Facilities:		
Transit Facilities Revenue Bonds	$ 54	$ 54
Commuter Facilities Revenue Bonds	53	53
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	122	122
Special Obligation Subordinate Bonds	26	26
Total	$ 255	$ 255

For the three months ended March 31, 2024, MTA refunding transactions decreased aggregate debt service payments by $200 and provided an economic gain of $99. For the three months ended March 31, 2023, MTA refunding transactions decreased aggregate debt service payments by $201 and provided an economic gain of $166. Details of bond refunding savings for the period ended March 31, 2024 and for the year ended December 31, 2023 are as follows (in millions):

Refunding Bonds Issued in 2024	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)	Net Present Value of Savings
MTA Transportation Revenue Refunding Green Bonds	2024A	3/27/2024	$ 1,289	$ 200	$ 99
Total Bond Refunding Savings			$ 1,289	$ 200	$ 99

Refunding Bonds Issued in 2023	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)	Net Present Value of Savings
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds	2023A	1/12/2023	$ 829	$ 75	$ 61
Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds	2023A	2/14/2023	931	126	105
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds	2023B	7/6/2023	193	36	19
Triborough Bridge and Tunnel Authority General Revenue Refunding Green Bonds	2023B-2	8/17/2023	75	6	5
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Bonds	2023C	10/19/2023	1,210	76	69
Total Bond Refunding Savings			$ 3,238	$ 319	$ 259

Unamortized losses related to bond refundings were as follows:

	December 31, 2022	(Gain)/loss on refunding	2023 amortization	December 31, 2023	(Gain)/loss on refunding	Current year amortization	March 31, 2024
MTA:							
Transportation Revenue Bonds	$ 223	$ (4)	$ (23)	$ 196	$ (62)	$ 54	$ 188
State Service Contract Bonds	(12)	12	-	-	-	-	-
Dedicated Tax Fund Bonds	171	(35)	(10)	126	-	(27)	99
	382	(27)	(33)	322	(62)	27	287
TBTA:							
General Revenue Bonds	138	(47)	(13)	78	(5)	8	81
Subordinate Revenue Bonds	20	(21)	(1)	(2)	-	-	(2)
	158	(68)	(14)	76	(5)	8	79
Total	$ 540	$ (95)	$ (47)	$ 398	$ (67)	$ 35	$ 366

Debt Service Payments — Future principal and interest debt service payments at March 31, 2024 are as follows:

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 1,205	$ 1,115	$ 1,360	$ 962	$ 2,565	$ 2,077
2025	$ 647	$ 1,043	$ 954	$ 974	1,601	2,017
2026	$ 760	$ 984	$ 750	$ 937	1,510	1,921
2027	$ 726	$ 936	$ 1,239	$ 906	1,965	1,842
2028	$ 774	$ 846	$ 880	$ 874	1,654	1,720
2029-2033	$ 5,108	$ 3,706	$ 3,991	$ 3,922	9,099	7,628
2034-2038	$ 4,262	$ 2,782	$ 2,542	$ 3,341	6,804	6,123
2039-2043	$ 3,460	$ 1,947	$ 2,909	$ 2,598	6,369	4,545
2044-2048	$ 3,668	$ 1,101	$ 3,176	$ 1,862	6,844	2,963
2049-2053	$ 2,365	$ 334	$ 3,101	$ 1,064	5,466	1,398
2054-2058	$ 856	$ 1,199	$ 1,465	$ 509	2,321	1,708
Thereafter			1,295	200	1,295	200
Total	$ 23,831	$ 15,993	$ 23,662	$ 18,149	$ 47,493	$ 34,142

The above interest amounts include both fixed-rate and variable-rate calculations. The interest rate assumptions for variable rate bonds are as follows:

- *Transportation Revenue Refunding Bonds, Series 2002D* — 4.45% per annum taking into account the interest rate swap plus the current fixed floating rate note spread.
- *Transportation Revenue Refunding Bonds, Series 2002G* — 3.542% per annum taking into account the interest rate swap plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Transportation Revenue Bonds, Series 2005D* — 3.561% per annum taking into account the interest rate swaps.
- *Transportation Revenue Bonds, Series 2005E* — 3.561% per annum taking into account the interest rate swaps and 4.00% per annum on the unhedged portion.
- *Transportation Revenue Bonds, Series 2012A* — 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2012G* — 3.563% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015E* — 4.00% per annum.
- *Dedicated Tax Fund Variable Rate Refunding Bonds, Series 2008A* — 3.316% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Dedicated Tax Fund Refunding Bonds, Subseries 2008B-3c*— 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001C* — 4.00% per annum.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2003B* — 4.00% per annum; and 4.00% per annum plus the current fixed floating rate note spread on Subseries 2003B-2.

- *MTA Bridges and Tunnels General Revenue Bonds, Series 2005A* — 4.00% per annum except from November 1, 2027 through November 1, 2030, 3.076% per annum taking into account the interest rate swap.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2005B* — 3.076% per annum based on the Initial Interest Rate Swaps plus the current fixed floating rate note spread.
- MTA Bridges and Tunnels General Revenue Bonds, Series 2018E — 4.00% per annum.

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 MTA affiliates and subsidiaries 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 Loans Payable debt service requirements at March 31, 2024 are as follows (in millions):

Year	Principal	Interest	Total
2024	$ 9	$ 3	$ 12
2025	10	3	13
2026	8	2	10
2027	8	2	10
2028	9	2	11
2029-2033	21	3	24
2034-2038	3	0	3
2039-2043	0	0	0
Total	$ 68	$ 15	$ 83
Current portion	$ 9		
Long-term portion	59		
Total NYPA Loans Payable	$ 68		

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.

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebateable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. The arbitrage liability is payable to the federal government every five years. No accruals or payments were made during the periods ended March 31, 2024, and December 31, 2023.

Liquidity Facility — MTA and MTA Bridges and Tunnels have entered into several Standby Bond Purchase Agreements ("SBPA") and Letter of Credit Agreements ("LOC") as listed on the table below.

Resolution	Series	Swap	Provider (Insurer)	Type of Facility	Exp. Date
Transportation Revenue	2002D-2a-1	Y	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2005D-2b	Y	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2002G-1g	Y	TD Bank, N.A.	LOC	11/1/2024
Transportation Revenue	2005D-1	Y	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2005D-2	Y	Bank of Montreal, acting through its Chicago branch	LOC	10/31/2025
Transportation Revenue	2005E-1	Y	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2005E-2	Y	Bank of America, N.A.	LOC	12/8/2026
Transportation Revenue	2012A-2	N	Bank of Montreal, acting through its Chicago branch	LOC	6/2/2025
Transportation Revenue	2012G-1	Y	Barclays Bank	LOC	7/17/2026
Transportation Revenue	2012G-2	Y	TD Bank, N.A.	LOC	11/1/2024
Transportation Revenue	2012G-4	Y	Bank of Montreal, acting through its Chicago branch	LOC	10/31/2025
Transportation Revenue	2015E-1	N	Barclays Bank	LOC	8/18/2025

Resolution (continued)	Series	Swap	Provider (Insurer)	Type of Facility	Exp. Date
Transportation Revenue	2015E-[3]	N	Bank of America, N.A.	LOC	9/2/2025
Transportation Revenue	2020B	N	Royal Bank of Canada	LOC	3/19/2027
Dedicated Tax Fund	2008A-[1]	Y	TD Bank, N.A.	LOC	6/13/2025
Dedicated Tax Fund	2008A-2a	Y	TD Bank, N.A.	LOC	11/1/2026
Dedicated Tax Fund	2008A-2b	Y	PNC Bank	LOC	10/24/2025
Dedicated Tax Fund	2008B-3c	N	PNC Bank	LOC	10/24/2025
MTA Bridges and Tunnels General Revenue	2001C	Y	Barclays Bank	LOC	6/22/2028
MTA Bridges and Tunnels General Revenue	2003B-[1]	Y	U.S. Bank National Association	LOC	1/17/2025
MTA Bridges and Tunnels General Revenue	2005A	Y	Barclays Bank	LOC	7/19/2028
MTA Bridges and Tunnels General Revenue	2005B-2a	Y	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-2b	Y	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-[3]	Y	Bank of America, N.A	LOC	6/22/2027
MTA Bridges and Tunnels General Revenue	2005B-4a	Y	TD Bank, N.A.	LOC	12/13/2028
MTA Bridges and Tunnels General Revenue	2005B-4c	Y	U.S. Bank National Association	LOC	5/23/2025
MTA Bridges and Tunnels General Revenue	2018E	N	UBS AG	LOC	12/5/2025

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Derivative Instruments — Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA/ MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The fair value balances and notional amounts of derivative instruments outstanding at March 31, 2024 and December 31, 2023, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2023 are as follows (in $ millions):

Derivative Instruments - Summary Information as of March 31, 2024

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Hedge Type	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
MTA Bridges and Tunnels Senior Revenue Bonds	2018E & 2003B (Citi 2005B)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument / Dollar Offset	6/2/2005	$ 174.700	$ (3.836)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	524.100	(11.510)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	13.260	(0.220)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	6.000	(0.114)
MTA Dedicated Tax Fund Bonds	2008A	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	232.695	(5.068)
MTA Transportation Revenue Bonds	2002D-2	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(22.836)
MTA Transportation Revenue Bonds	2005D & 2005E	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	282.240	(13.779)
MTA Transportation Revenue Bonds	2012G	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	354.600	(20.908)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	28.645	(0.044)
MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Bonds	2022E	SOFR Fixed Payer	Cash Flow	Regression	4/1/2016	86.845	(1.869)
					Total	**$ 1,903.085**	**$ (80.184)**

Derivative Instruments - Summary Information as of December 31, 2023

Bond Resolution Credit	Underlying Bond Series	Underlying Bond Series	Type of Derivative	Hedge Type	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
MTA Bridges and Tunnels Senior Revenue Bonds	2018E & 2003B (Citi 2005B)	SOFR Fixed Payer	Synthetic Instrument/ Dollar Offset	Cash Flow	Synthetic Instrument / Dollar Offset	6/2/2005	$ 185.000	-$6.760
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-[2,3,4]	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	6/2/2005	555.000	-$20.280
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	4/1/2016	15.515	-$0.364
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	12/5/2016	7.000	-$0.184
MTA Dedicated Tax Fund Bonds	2008A	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	3/8/2005	232.695	-$8.099
MTA Transportation Revenue Bonds	2002D-[2]	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	7/11/2002	200.000	-$27.249
MTA Transportation Revenue Bonds	2005D & 2005E	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	9/10/2004	282.240	-$18.489
MTA Transportation Revenue Bonds	2012G	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	12/12/2007	354.600	-$27.717
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	SOFR Fixed Payer	Synthetic Instrument	Cash Flow	Synthetic Instrument	4/1/2016	46.805	-$0.164
MTA Bridges and Tunnels Payroll Mobility Tax Senior Revenue Bonds	2022E	SOFR Fixed Payer	Regression	Cash Flow	Synthetic Instrument	4/1/2016	88.330	(3.005)
						Total	**$ 1,967.185**	**$ (112.311)**

	Changes In Fair Value		Fair Value at March 31, 2024		
	Classification	Amount (in millions)	Classification	Amount (in millions)	Notional (in millions)
Government activities					
Cash Flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow of resources	$32.125	Debt	$(80.186)	$1,903.085

Swap Agreements Relating to Synthetic Fixed Rate Debt

Board-adopted Guidelines. The Related Entities adopted guidelines governing the use of swap contracts on March 26, 2002. The guidelines were amended and approved by the MTA Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives that may be outstanding and specific requirements that must be satisfied for a Related Entity to enter into a swap contract, such as suggested swap terms and objectives, retention of a swap advisor, credit ratings of the counterparties, collateralization requirements and reporting requirements.

Objectives of synthetic fixed rate debt. To achieve cash flow savings through a synthetic fixed rate, MTA and MTA Bridges and Tunnels have entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what MTA and MTA Bridges and Tunnels would have paid to issue fixed-rate debt, and in some cases where Federal tax law prohibits an advance refunding to synthetically refund debt on a forward basis.

Terms and Fair Values. The terms, fair values and counterparties of the outstanding swaps of MTA and MTA Bridges and Tunnels are reflected in the following tables (as of March 31, 2024).

Metropolitan Transportation Authority						
Related Bonds	**Notional Amount as of 3/31/24**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings(S&P / Moody's / Fitch)**	**Fair Value as of 3/31/24**
TRB 2002D-2	$ 200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% SOFR + 0.079%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	$ (22.836)
TRB 2005D & 2005E	211.680	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.0767%	UBS AG (A+ / Aa3 / AA-)	(10.334)
TRB 2005E	70.560	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.0767%	AIG Financial Products [1] (BBB+ / Baa2 / BBB+)	(3.444)
TRB 2012G	354.600	11/15/12	11/01/32	Pay 3.563%; receive 67% SOFR + 0.0767%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(20.908)
DTF 2008A	232.695	03/24/05	11/01/31	Pay 3.3156%; receive 67% SOFR + 0.0767%	Bank of New York Mellon (AA- / Aa2 / AA)	(5.067)
Total	$ 1,069.535					$ (62.589)

1 Guarantor: American International Group, Inc., parent of AIG Financial Products.

MTA Bridges and Tunnels						
Related Bonds	Notional Amount as of 3/31/24	Effective Date	Maturity Date	Terms	Counterparty and Ratings (S&P / Moody's / Fitch)	Fair Value as of 3/31/24
TBTA 2018E & 2003B [4]	$ 174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	Citibank, N.A. (A+ / Aa3/ A+)	$ (3.836)
TBTA 2005B-2	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(3.836)
TBTA 2005B-3	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	BNP Paribas North America (A+ / Aa3 / AA-)	(3.836)
TBTA 2005B-4	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	UBS AG (A+ / Aa3 / AA-)	(3.836)
TRB 2002G-1, PMT 2022E, TBTA 2005A & 2001C [2,5]	67.375 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.0767%	U.S. Bank N.A. (A+ / A2/ A+)	(1.124) [3]
TRB 2002G-1, PMT 2022E, TBTA 2005A & 2001C [2,5]	67.375 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.0767%	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(1.124) [3]
Total	**$ 833.550**					**$ (17.592)**

1 Guarantor: BNP Paribas.

2 Between November 22, 2016 and December 5, 2016, the Variable Rate Certificates of Participation, Series 2004A were redeemed. Corresponding notional amounts from the Series 2004A COPs were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C.

3 Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and TBTA is responsible for 10.3% of the transaction.

4 On October 27, 2021 the 2002F bonds were changed to fixed-rate mode and a portion of the Citi swap was reassigned to the 2018E bonds.

5 On November 1, 2022 the TRB Series 2011B bonds were refunded with the PMT Series 2022E-2a bonds, and the portion of the U.S. Bank and Wells Fargo swaps associated with the 2011B bonds were allocated to the PMT 2022E bonds.

SOFR: Secured Overnight Financing Rate
TRB: Transportation Revenue Bonds
DTF: Dedicated Tax Fund Bonds

Risks Associated with the Swap Agreements

From MTA's and MTA Bridges and Tunnels' perspective, the following risks are generally associated with swap agreements:

Credit Risk. The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Generally, MTA and MTA Bridges and Tunnels' swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA and MTA Bridges and Tunnels require its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ or Baa2/BBB levels), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "Collateralization/Contingencies"). As of March 31, 2024, all of the valuations were in liability positions to MTA and MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The following table shows, as of March 31, 2024, the diversification, by percentage of notional amount, among the various counterparties that have entered into ISDA Master Agreements with MTA and/or MTA Bridges and Tunnels. The notional amount totals below include all swaps.

Counterparty	S&P	Moody's	Fitch	Notional Amount (in thousands)	% of Total Notional Amount
JPMorgan Chase Bank, NA	A+	Aa2	AA	$729,300	38.32%
UBS AG	A+	Aa3	A+	386,380	20.30
The Bank of New York Mellon	AA-	Aa2	AA	232,695	12.23
Citibank, N.A.	A+	Aa3	A+	174,700	9.18
BNP Paribas US Wholesale Holdings, Corp.	A+	Aa3	AA-	174,700	9.18
U.S. Bank National Association	A+	A2	A+	67,375	3.54
Wells Fargo Bank, N.A.	A+	Aa2	AA-	67,375	3.54
AIG Financial Products Corp.	BBB+	Baa2	BBB+	70,560	3.71
Total				**$1,903,085**	**100.00%**

Interest Rate Risk. MTA and MTA Bridges and Tunnels are exposed to interest rate risk on the interest rate swaps. On the pay-fixed, receive variable interest rate swaps, as LIBOR or SIFMA (as applicable) decreases, MTA and MTA Bridges and Tunnels' net payments on the swaps increase.

Basis Risk. The risk that the variable rate of interest paid by the counterparty under the swap and the variable interest rate paid by MTA or MTA Bridges and Tunnels on the associated bonds may not be the same. If the counterparty's rate under the swap is lower than the bond interest rate, then the counterparty's payment under the swap agreement does not fully reimburse MTA or MTA Bridges and Tunnels for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty's rate on the swap, there is a net benefit to MTA or MTA Bridges and Tunnels.

Termination Risk. The risk that a swap agreement will be terminated and MTA or MTA Bridges and Tunnels will be required to make a swap termination payment to the counterparty and, in the case of a swap agreement which was entered into for the purpose of creating a synthetic fixed rate for an advance refunding transaction may also be required to take action to protect the tax-exempt status of the related refunding bonds.

The ISDA Master Agreement sets forth certain termination events applicable to all swaps entered into by the parties to that ISDA Master Agreement. MTA and MTA Bridges and Tunnels have entered into separate ISDA Master Agreements with each counterparty that govern the terms of each swap with that counterparty, subject to individual terms negotiated in a confirmation. MTA and MTA Bridges and Tunnels are subject to termination risk if its credit ratings fall below certain specified thresholds or if MTA/MTA Bridges and Tunnels commits a specified event of default or other specified event of termination. If, at the time of termination, a swap were in a liability position to MTA or MTA Bridges and Tunnels, a termination payment would be owed by MTA or MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

The following tables set forth the Additional Termination Events for MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty Name	**MTA**	**Counterparty**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Below Baa3 (Moody's) or BBB- (S&P)*	Below Baa3 (Moody's) or BBB- (S&P)*

**Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Dedicated Tax Fund		
Counterparty Name	**MTA**	**Counterparty**
Bank of New York Mellon	Below BBB (S&P) or BBB (Fitch)*	Below A3 (Moody's) or A- (S&P)**

**Note: Equivalent Moody's rating is replacement for S&P or Fitch.*
***Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Bridges and Tunnels Senior Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa1 (Moody's) or BBB+ (S&P)*

**Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA Bridges and Tunnels Subordinate Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa2 (Moody's) or BBB (S&P)**

**Note: Equivalent Fitch rating is replacement for Moody's or S&P. If not below Investment Grade, MTA Bridges and Tunnels may cure such Termination Event by posting collateral at a Zero threshold.*

***Note: Equivalent Fitch rating is replacement for Moody's or S&P.*

MTA and MTA Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered into under the same ISDA Master Agreement. Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the amounts so that a single sum will be owed by, or owed to, the non-defaulting party.

Rollover Risk. The risk that the swap agreement matures or may be terminated prior to the final maturity of the associated bonds on a variable rate bond issuance, and MTA or MTA Bridges and Tunnels may be exposed to then market rates and cease to receive the benefit of the synthetic fixed rate for the duration of the bond issue. The following debt is exposed to rollover risk:

Associated Bond Issue	Bond Maturity Date	Swap Termination Date
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2018E (swap with Citibank, N.A.)	November 15, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue Variable Rate Bonds, Series 2022E (swaps with U.S. Bank/Wells Fargo)	November 1, 2032	January 1, 2030

Collateralization/Contingencies. Under the majority of the swap agreements, MTA and/or MTA Bridges and Tunnels is required to post collateral in the event its credit rating falls below certain specified levels. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain Federal agency securities, based on the valuations of the swap agreements in liability positions and net of the effect of applicable netting arrangements. If MTA and/or MTA Bridges and Tunnels do not post collateral, the swap(s) may be terminated by the counterparty(ies).

As of March 31, 2024, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was $58.86 million; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of March 31, 2024, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $17.53 million; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

The following tables set forth the ratings criteria and threshold amounts applicable to MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty	**MTA Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $10 million Baa2/BBB & below: Zero	Baa1/BBB+: $10 million Baa2/BBB & below: Zero

Note: Based on Moody's and S&P ratings. In all cases except JPMorgan counterparty thresholds, Fitch rating is replacement for either Moody's or S&P, at which point threshold is based on lowest rating.

MTA Dedicated Tax Fund		
Counterparty	**MTA Collateral Thresholds**	**Counterparty Collateral Thresholds (based on lowest rating)**
Bank of New York Mellon	N/A–MTA does not post collateral	Aa3/AA- & above: $10 million A1/A+: $5 million A2/A: $2 million A3/A-: $1 million Baa1/BBB+ & below: Zero

Note: Counterparty thresholds based on Moody's and S&P ratings. Fitch rating is replacement for either Moody's or S&P.

MTA Bridges and Tunnels Senior Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $30 million Baa2/BBB: $15 million Baa3/BBB- & below: Zero	A3/A-: $10 million Baa1/BBB+ & below: Zero

Note: MTA Bridges and Tunnels thresholds based on Moody's, S&P, and Fitch ratings. Counterparty thresholds based on Moody's and S&P ratings; Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on lowest rating)**	**Counterparty Collateral Thresholds (based on lowest rating)**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Baa3/BBB- & below: Zero (*note: only applicable as cure for Termination Event*)	Aa3/AA- & above: $15 million A1/A+ to A3/A-: $5 million Baa1/BBB+ & below: Zero

Note: Thresholds based on Moody's and S&P ratings. Fitch rating is replacement for Moody's or S&P.

Swap payments and Associated Debt. The following tables contain the aggregate amount of estimated variable- rate bond debt service and net swap payments during certain years that such swaps were entered into in order to: protect against the potential of rising interest rates; achieve a lower net cost of borrowing; reduce exposure to changing interest rates on a related bond issue; or, in some cases where Federal tax law prohibits an advance refunding, achieve debt service savings through a synthetic fixed rate. As rates vary, variable-rate bond interest payments and net swap payments will vary. Using the following assumptions, debt service requirements of MTA's and MTA Bridges and Tunnels' outstanding variable-rate debt and net swap payments are estimated to be as follows:

- It is assumed that the variable-rate bonds would bear interest at a rate of 4.0% per annum.
- The net swap payments were calculated using the actual fixed interest rate on the swap agreements.

MTA (in millions)				
Period Ended March 31, 2024	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2024	68.2	37.5	(3.8)	101.9
2025	70.8	34.8	(3.4)	102.2
2026	63.6	32.0	(3.1)	92.5
2027	55.9	29.6	(2.8)	82.7
2028	70.2	39.5	(2.5)	107.2
2029-2033	790.8	423.2	(6.5)	1,207.5
2034-2038	108.4	22.7	(1.1)	130.0
2039-2041	62.1	4.6	(0.1)	66.6

MTA Bridges and Tunnels (in millions)				
Period Ended March 31, 2024	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2024	57.2	31.5	(6.4)	82.3
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.3)	54.3
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029-2033	644.2	43.2	(10.1)	677.3
2034-2038	-	2.5	-	2.5
2039-2041	-	-	-	-

8. LEASES

MTA entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be received during the lease term, using MTA'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 was reduced as payments were made, and an outflow of resources for interest on the liability was 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 receivable 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

MTA leases its land, buildings, station space, equipment, and right of way to other entities. These leases have terms between 1 year to 100 years, with payments required monthly, quarterly, semi-annually, or annually. As of March 31, 2024, the remaining lease terms are between 1 year to 87 years. In addition, MTA also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

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

	March 31, 2024	December 31, 2023
Lease Revenue	$8,695	$35,434
Interest Revenue	2,005	6,659
Other Variable Revenue	1,467	17,377

A summary of activity in lease receivable for the is presented below (in thousands):

	March 31, 2024	December 31, 2023
Balance – beginning of year	$264,050	$326,247
Additions/remeasurements	2,240	(25,121)
Receipts/Interest	(16,636)	(37,075)
Balance – end of year	249,654	264,051
Less current portion	32,073	38,520
Lease receivable noncurrent	$217,581	$225,531

MTA recognized revenue of $1,369 and $7,531 associated with residual value guarantees and termination penalties for each of March 31, 2024 and December 31, 2023, respectively.

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

March 31, 2024	Principal	Interest	Total
2024	$22,957	$5,204	$28,161
2025	36,841	6,124	42,965
2026	35,246	5,209	40,455
2027	30,883	4,362	35,245
2028	26,300	3,637	29,937
2029-2033	29,828	14,038	43,866
2034-2038	7,514	11,761	19,275
2039-2043	2,791	11,036	13,827
Thereafter	57,294	63,689	120,983
Total	$249,654	$125,060	$374,714

As Lessee

MTA leases buildings, office space, storage space, equipment, vehicles, 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 March 31, 2024, the remaining lease terms are between 1 year to 64 years.

The amount of lease expense recognized for variable payments not included in the measurement of lease liability were $2,983 and $6,033 for March 31, 2024 and December 31, 2023 respectively. MTA recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for each of the years ended March 31, 2024 and December 31, 2023 respectively.

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

	March 31, 2024	December 31, 2023
Balance – beginning of year	$941,036	$877,965
Additions/remeasurements	0	110,819
Receipts/Interest	(12,814)	(47,749)
Balance – end of year	928,222	941,035
Less current portion	38,007	40,530
Lease liability noncurrent	$890,215	$900,505

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

March 31, 2024	Principal	Interest	Total
2024	$27,287	$39,316	$66,603
2025	40,354	51,395	91,749
2026	37,896	50,285	88,181

2027	30,831	49,326	80,157
2028	29,639	48,448	78,087
2029-2033	201,191	221,221	422,412
2034-2038	164,905	175,139	340,044
2039-2043	137,907	124,739	262,646
Thereafter	258,212	102,940	361,152
Total	$928,222	$862,809	$1,791,031

Significant Lease Transactions - 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 $968 million. Under the subleases, the lease is apportioned as follows: MTA New York City Transit, 68.7%, MTA, 21%; and MTA Bridges and Tunnels, 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, 2023, for the MTA New York City Transit, MTA Bridges and Tunnels and MTA (including MTA Bus, MTA Construction and Development and MTA Business Service Center) were 48.40%, 7.36% and 44.24%, respectively. MTAs' sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by MTA. The total annual rental payments over the initial lease term were $1,602 with rent being abated from the commencement date through June 30, 1999. The office building at 2 Broadway, is principally occupied by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, MTAHQ, and MTA Bus.

MTA pays the lease payments on behalf of MTA New York City Transit and MTA Bridges and Tunnels and subsequently makes monthly chargebacks in the form of rental payments treated as management fees.

9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA entered into various Subscription-Based Information Technology Arrangements ("SBITA") 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 MTA's incremental borrowing rate at the time of valuation ranging from 1.33% to 5.87% if an applicable stated or implicit rate is not available.

The initial measurement of MTA'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.

MTA'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 10 years, with payments required monthly, quarterly, or annually. As of December 31, 2023, the remaining subscription terms are between 1 year to 7 years.The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $2,144 and $10,654 for the period ended March 31, 2024 and year ended December 31, 2023, respectively. MTA recognized $0 and $0 expense attributable to termination penalties and impairment for the period ended March 31, 2024 and year ended December 31, 2023, respectively.

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

	March 31, 2024	December 31, 2023
Balance – beginning of year	$ 138,110	$ 80,778
Additions / remeasurements	$ 4,046	$ 135,027
Payments/Interest	$ (5,379)	$ (77,695)
Balance – end of year	136,777	138,110
Less current portion	$ 45,793	$ 39,909
SBITA liability noncurrent	$ 90,984	$ 98,201

The principal and interest requirements to maturity for the Subscription-Based Information Technology Arrangements liability subsequent to March 31, 2024, are as follows:

March 31, 2024	Principal	Interest	Total
2024	$36,478	$4,417	$40,895
2025	39,811	4,234	44,045
2026	33,349	2,597	35,946
2027	26,808	1,155	27,963
2028	331	9	340
2029 - 2033	0	0	0
2034-2038	0	0	0
2039-2043	0	0	0
Thereafter	0	0	0
Total	$136,777	$12,412	$149,189

10. FINANCED PURCHASES

MTA made an assessment of its existing sale/leaseback transactions and determined that these transactions are not eligible to be treated as leases but as financed purchases under GASB Statement No. 87, *Leases*. Accordingly, under GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance, a sale-leaseback is required to include a transaction that qualifies as a sale under the guidance for sales of real estate. The sales-of-real estate criteria include the provision that an option or requirement for a seller to repurchase the asset would preclude a sale treatment. Furthermore, a qualifying sale should occur for a transaction to be accounted for as a sale-leaseback and that the sales-of-real-estate criteria should be used to determine whether a sale has occurred, regardless of whether a leaseback is involved. The transaction should be accounted for as financing, leasing or profit-sharing arrangement rather than a sale when the seller has an obligation to repurchase the property, or the terms of the transaction allow the buyer to compel the seller or give an option to the seller to repurchase the property.

Subway Cars — On September 3, 2003, the MTA entered into a sale/leaseback transaction whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit subway cars to the MTA, the MTA sold those cars to a third party, and the MTA leased those cars back from such third party. The MTA subleased the cars to MTA New York City Transit. The lease expires in 2033. At the lease expiration, the MTA has the option of either exercising a fixed-price purchase option for the cars or returning the cars to the third-party owner.

Under the terms of the sale/leaseback agreement, the MTA initially received $168.1, which was utilized as follows: The MTA paid $126.3 to an affiliate of one of the lenders to the third party, which affiliate has the obligation to pay to the MTA an amount equal to the rent obligations under the lease attributable to the debt service on such loan from such third party's lender. The obligations of the affiliate of the third party's lender are guaranteed by American International Group, Inc. The MTA also purchased the Federal National Mortgage Association ("FNMA") and U.S. Treasury securities in amounts and with maturities which are sufficient to make the lease rent payments equal to the debt service on the loans from the other lender to the third party and to pay the remainder of the regularly scheduled rent due under that lease and the purchase price due upon exercise by the MTA of the fixed price purchase option if exercised. The amount remaining after payment of transaction expenses, $7.4, was the MTA's benefit from the transaction.

Subway Cars — On September 25, 2003 and September 29, 2003, the MTA entered into two sale/leaseback transactions whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit subway cars to the MTA, the MTA sold those cars to third parties, and the MTA leased those cars back from such third parties. The MTA subleased the cars to MTA New York City Transit. Both leases expire in 2033. At the lease expiration, MTAHQ has the option of either exercising a fixed-price purchase option for the cars or returning the cars to the third-party owner.

Under the terms of the sale/leaseback agreements, the MTA initially received $294, which was utilized as follows: In the case of one of the leases, the MTA paid $97 to an affiliate of one of the lenders to the third party, which affiliate has the obligation to pay to the MTA an amount equal to the rent obligations under the lease attributable to the debt service on the loan from such third party's lender. The obligations of the affiliate of such third party's lender are guaranteed by American International Group, Inc. In the case of the other lease, the MTA purchased US Treasury debt securities in amounts and with maturities, which are sufficient for the MTA to make the lease rent payments equal to the debt service on the loan from the lender to that third party. In the case of both of the leases, the MTA also purchased Resolution Funding Corporation ("REF-CO") debt securities that mature in 2030. Under an agreement with AIG Matched Funding Corp(guaranteed by American International Group, Inc.), AIG Matched Funding Corp. receives the proceeds from the REFCO debt securities at maturity and is obligated to pay to the MTA amounts sufficient for the MTA to pay the remainder of the regularly scheduled lease rent payments under those leases and the purchase price due upon exercise by the MTA of the purchase options if exercised. The amount remaining after payment of transaction expenses, $24, was the MTA's net benefit from these two transactions.

On December 17, 2008, MTA terminated the Ambac Assurance Corp. surety bond for the lease transaction that closed on September 25, 2003 and since then MTA has provided short-term U.S. Treasury debt obligations as replacement collateral. As of December 31, 2023, the fair value of total collateral funds was $39.5.

On January 12, 2009, MTA provided a short-term U.S.Treasury debt obligation as additional collateral in addition to the Ambac Assurance Corp. surety bond for the lease transaction that closed on September 29, 2003. As of December 31, 2023, the fair value of total collateral funds was $55.6.

As a result of the implementation of GASB Statement No. 87, *Leases*, the Two Broadway office building lease has been reclassified as a right-of-use asset with its corresponding lease liability and excluded from the schedule below. See footnote 8 for additional information.

Financed Purchases Schedule

	For the period ended March 31, 2024			
Description	December 31, 2023	Increase	Decrease	March 31, 2024
Met Life	8	-	-	8
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	41	2		43
Bank of America Equity	16	-	-	16
Met Life Equity	70	1	-	71
Total MTA Financed Purchase	$ 176	$ 3	$ -	$ 179

Current Portion Financed Purchase	-	-
Long Term Portion Financed Purchase	$ 176	$ 179

Financed Purchases Schedule

	For the Year Ended December 31, 2023			
Description	December 31, 2022	Increase	Decrease	December 31, 2023
Met Life	7	1	-	8
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	38	3	-	41
Bank of America Equity	16	-	-	16
Met Life Equity	68	2	-	70
Total MTA Financed Purchase	$ 170	$ 6	$ -	$ 176
Long Term Portion Financed Purchase	$ 170			$ 176

MTA Hudson Rail Yards Air Rights Leases – MTA assessed the MTA Hudson Rail Yards Leases and associated air rights and determined that these are intangible assets and excluded as leases under GASB Statement No. 87, *Leases*.

In the 1980's, the MTA developed a portion of the Hudson Rail Yards as a storage yard, car wash and repair facility for the Long Island Railroad Company ("LIRR") rail cars entering Manhattan. It was anticipated that, eventually, the air rights above the Hudson Rail Yards would be developed to meet the evolving needs for high-quality commercial, retail, residential and public space in Manhattan.

To undertake the development of the Hudson Rail Yards, the MTA entered into two 99-year leases for the airspace within the boundary of the Hudson Rail Yards, one for the Eastern Rail Yards ("ERY") beginning December 3, 2012, and the other for the Western Rail Yards ("WRY") beginning December 3, 2013.

As of April 10, 2013, the ERY Lease was terminated and substituted with separate Severed Parcel Leases. Several Tenants under the Severed Parcel Leases have exercised their options to purchase fee title, as well as numerous condominium owners in residential buildings. The WRY Lease is also expected to be severed into separate parcels as development progresses.

The Severed Parcel Leases in the ERY, fee title for which has not been purchased, and the WRY Lease (until any severed parcel leases are purchased) are pledged as security for the Series 2016A Hudson Yards Trust Obligations.

Minimum rent receipts for ERY and WRY Ground Leases are as follows as of March 31, 2024:

Year	ERY	WRY	Total
2024	$ 7	$ 36	$ 43
2025	$ 7	$ 36	43
2026	$ 7	$ 36	43
2027	$ 7	$ 36	43
2028	$ 7	$ 36	43
Thereafter	2,616	14,171	16,787
Total	$ 2,651	$ 14,351	$ 17,002

11. FUTURE OPTION

In 2010, MTA and MTA Long Island Railroad entered into an Air Space Parcel Purchase and Sale Agreement ("Agreement") with Atlantic Yards Development Company, LLC ("AADC") pursuant to which AADC has obtained an exclusive right to purchase fee title to a parcel (subdivided into six sub-parcels) of air space above the MTA Long Island Railroad Vanderbilt Yard in Brooklyn, New York. Initial annual payments of $2 (covering all six sub-parcels) commenced on June 1, 2012 and were paid on the following three anniversaries of that date. Starting on June 1, 2016, and continuing on each anniversary thereof through and including June 1, 2031, an annual option payment in the amount of $11 is due. The Agreement provides that all such payments are (i) fully earned by MTA as of the date due in consideration of the continuing grant to AADC of the rights to purchase the air space sub-parcels, (ii) are non-refundable except under certain limited circumstances and (iii) shall be deemed to be payments on account of successive annual options granted to AADC.

After AADC and its affiliates have completed the new yard and transit improvements to be constructed by them at and in the vicinity of the site, AADC has the right from time to time until June 1, 2031, to close on the purchase of any or all of the six air rights sub-parcels. The purchase price for the six sub-parcels is an amount, when discounted at 6.5% per annum from the date of each applicable payment that equals a present value of $80 as of January 1, 2010. The purchase price of any particular air space sub-parcel is equal to a net present value as of January 1, 2010 (calculated based on each applicable payment) of the product of that sub-parcel's percentage of the total gross square footage of permissible development on all six air space sub-parcels multiplied by $80.

12. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability as computed by actuaries arising from injuries to persons, including employees, and damage to third-party property for the period ended March 31, 2024 and year ended December 31, 2023 is presented below (in millions):

	March 31, 2024	December 31, 2023
Balance - beginning of year	$ 5,754	$ 5,435
Activity during the year:		
Current year claims and changes in estimates	211	897
Claims paid	(152)	(578)
Balance - end of year	5,813	5,754
Less current portion	(722)	(725)
Long-term liability	$ 5,091	$ 5,029

See Note 2 for additional information on MTA's liability and property disclosures.

13. COMMITMENTS AND CONTINGENCIES

The MTA Group monitors its properties for the presence of pollutants and/or hazardous wastes and evaluates its exposure with respect to such matters. When the expense, if any, to clean up pollutants and/or hazardous wastes is estimatable it is accrued by the MTA (see Note 13).

Management has reviewed with counsel all actions and proceedings pending against or involving the MTA, including personal injury claims. Although the ultimate outcome of such actions and proceedings cannot be predicted with certainty at this time, management believes that losses, if any, in excess of amounts accrued resulting from those actions will not be material to the financial position, results of operations, or cash flows of the MTA.

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 there have been some questioned costs in recent years, ultimate repayments required of the MTA have been infrequent.

Financial Guarantee — *Moynihan Station Development Project* - On May 22, 2017, the MTA Board approved entering into various agreements, including a Joint Services Agreement ("JSA"), necessary to effectuate Phase 2 of the Moynihan Station Development Project (the "Project"), which entailed the redevelopment of the James A. Farley Post Office Building to include a new world-class train hall to be shared by National Railroad Passenger Corporation ("Amtrak"), The Long Island Rail Road ("LIRR") and Metro-North Commuter Railroad (the "Train Hall"), as well as retail and commercial space (the "Retail and Commercial Space").

On July 21, 2017, New York State Urban Development Corporation d/b/a Empire State Development ("ESD") executed a TIFIA Loan Agreement with the United States Department of Transportation (the "TIFIA Lender") in an amount of up to $526 (the "2017 TIFIA Loan"), to pay for costs of the construction of the Train Hall. The 2017 TIFIA Loan was amended and restated on November 18, 2021 in an amount up to $607 (the "2021 TIFIA Loan"), to lower the interest rate to 1.99% per annum and to provide additional capital financing for the Train Hall. The 2021 TIFIA Loan has a final maturity date of the earlier of (1) October 30, 2055 and (2) the last semi-annual payment date occurring no later than the date that is thirty-five (35) years following the date on which the Train Hall is substantially completed. The proceeds of the 2021 TIFIA Loan are being used to reimburse or pay for costs of the construction of the Train Hall. The 2021 TIFIA Loan is secured by mortgages on the Train Hall property. The principal and interest on the 2021 TIFIA Loan is payable from a pledged revenue stream that primarily consists of PILOT payments to be paid by certain tenants in the Retail and Commercial Space. The amount of the PILOT payments is fixed through June, 2030 and is thereafter calculated based upon the assessed value of the properties as determined by New York City. The amount equal to the sum of the highest aggregate TIFIA Loan debt service amounts that will become due and payable on any two consecutive semi-annual payment dates in a five-year prospective period (the "TIFIA Debt Service Reserve Account").

Simultaneously with the execution of the 2017 TIFIA Loan, the JSA was entered into by and among the MTA, the TIFIA Lender, ESD, and Manufacturers and Traders Trust Company (as PILOT trustee). MTA ratified and confirmed its obligations under the JSA in connection with the closing of 2021 TIFIA Loan.

Under the JSA, MTA is obligated to satisfy semi-annual deficiencies in the TIFIA Debt Service Reserve Account. MTA's obligations under the JSA are secured by the same monies available to MTA for the payment of the operating and maintenance expenses of the operating agencies.

MTA's obligation under the JSA remains in effect until the earliest to occur of (a) the MTA JSA Release Date (as defined in the JSA and generally summarized below), (b) the date on which the 2021 TIFIA Loan has been paid in full and (c) foreclosure by the TIFIA Lender under the Mortgage (as defined in the 2021 TIFIA Loan).

The obligations of the MTA under the JSA will be terminated and released on the date (the "MTA JSA Release Date") on which each of the following conditions have been satisfied: (a) substantial completion of (1) the Train Hall Project and initiation by LIRR and Amtrak of transportation operations therein, and (2) the Retail and Commercial Space; (b) all material construction claims have been discharged or settled; (c) the PILOT payments have been calculated based upon assessed value for at least three years (i.e., 2033); (d) certain designated defaults or events of default under the 2021 TIFIA Loan have not occurred and are continuing; and (e) either of the following release tests shall have been satisfied:

- Release Test A: (a) certain debt service coverage ratios have equaled or exceeded levels set forth in the JSA, taking into consideration assessment appeals; (b) occupancy levels have equaled or exceeded levels set forth in the JSA; and (c) the 2021 TIFIA Loan is rated no lower than "BBB-" or "Baa3" by one rating agency, all as more fully described in the JSA; or
- Release Test B: the 2021 TIFIA Loan is rated no lower than "A-" or "A3" by two rating agencies, all as more fully described in the JSA.

On the date the JSA was executed and delivered, MTA deposited $20 into an account, which MTA invests, to be used in accordance with the JSA to reimburse MTA in the event it is obligated under the JSA to make semi-annual deficiency payments to the TIFIA Debt Service Reserve Account.

On June 12, 2017, the MTA entered into a Memorandum of Understanding with ESD and the New York State Division of the Budget (the "Division"). Under the Memorandum of Understanding, which was updated in November 2020 to reflect the 2021 TIFIA Loan, the Division agreed that in the event in any given year during the term of the JSA (i) the MTA is required to make a semi-annual deficiency payment to the TIFIA Debt Service Reserve Account, and (ii) the Division has determined that the MTA has incurred an expense that would otherwise have been incurred by the State of New York (the "State Expense"), the Division will consider entering into a cost recovery agreement with the MTA pursuant to subdivision 4 of Section 2975 of the Public Authorities Law (the "PAL") for such year that will provide that in lieu of paying the full assessment pursuant to subdivisions 2 and 3 of Section 2975 of the PAL in any such year, any such assessment shall be reduced by the State Expense.

On December 28, 2022, MTA Construction and Development, on behalf of the MTA, entered into a Project Agreement with a Developer comprising the design, construction, financing and maintenance of station accessibility improvements for MTA New York City Transit that will satisfy the requirements of the Americans with Disabilities Act. The Project Agreement includes the design and construction period (which is anticipated to be approximately 41 months) as well as a fifteen (15) year maintenance period commencing upon substantial completion of the design and construction work, with two optional five (5) year extensions at the sole discretion of MTA Construction and Development. Total costs of the project are currently estimated to be approximately $752 million consisting of periodic progress payments, completion payments, and capital availability payments over 27 years. The first periodic progress payment is projected to be achieved in August 2024.

14. POLLUTION REMEDIATION COST

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, an operating expense provision and corresponding liability measured at its current value using the expected cash flow method is recognized when an obligatory event occurs. Pollution remediation obligations are estimates and subject to changes resulting from price increase or reductions, technology, or changes in applicable laws or regulations. The MTA does not expect any recoveries of cost that would have a material effect on the recorded obligations.

The MTA recognized pollution remediation expenses of $1 and $5 for the periods ended March 31, 2024 and 2023, respectively. A summary of the activity in pollution remediation liability at March 31, 2024 and December 31, 2023 were as follows:

	March 31, 2024	December 31, 2023
Balance at beginning of year	$ 182	$ 156
Current year expenses/changes in estimates	1	51
Current year payments	(1)	(25)
Balance at end of year	182	182

Less current portion	40	40
Long-term liability	$ 142	$ 142

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

15. NON-CURRENT LIABILITIES

Changes in the activity of non-current liabilities for the periods ended March 31, 2024 and December 31, 2023 are presented below:

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023	Additions	Reductions	Balance March 31, 2024
Non-current liabilities:	(Restated) *						
Contract retainage payable	$ 416	$ 19	$ -	435	$ 8	$ -	$ 443
Other long-term liabilities	414	-	(48)	366	-	(9)	357
Total non-current liabilities	**$ 830**	**$ 19**	**$ (48)**	**$ 801**	**$ 8**	**$ (9)**	**$ 800**

* Restated due to the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Refer to 2023 MTA Consolidated Financial Statements.

16. 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 twenty-four (24) active ultra-low sulfur diesel ("ULSD") hedges in whole dollars:

Counterparty	Cargill	Goldman Sachs	Goldman Sachs	BOA_ Merrill	BOA_ Merrill	Cargill	BOA_ Merrill	BOA_ Merrill
Trade Date	4/28/2022	5/31/2022	6/27/2022	7/25/2022	8/29/2022	9/29/2022	10/25/2022	11/30/2022
Effective Date	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023	9/1/2023	10/1/2023	11/1/2023
Termination Date	3/31/2024	4/30/2024	5/31/2024	6/30/2024	7/31/2024	8/31/2024	9/30/2024	10/31/2024
Price/Gal	$2.8675	$2.9450	$3.0195	$2.8739	$2.9620	$2.6846	$2.7422	$2.7624
Original Notional Quantity	2,826,752	2,826,757	2,826,738	2,826,751	2,826,725	2,826,740	2,826,749	2,826,751

Counterparty	Goldman Sachs	Cargill	Cargill	Cargill	Goldman Sachs	JPMorgan	Goldman Sachs	Cargill
Trade Date	12/28/2022	1/31/2023	2/28/2023	3/29/2023	4/24/2023	5/30/2023	6/27/2023	7/28/2023
Effective Date	12/1/2023	1/1/2024	2/1/2024	3/1/2024	4/1/2024	5/1/2024	6/1/2024	7/1/2024
Termination Date	11/1/2024	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Price/Gal	$2.7030	$2.6867	$2.5711	$2.4373	$2.4357	$2.2500	$2.2942	$2.5468
Original Notional Quantity	2,826,765	2,826,779	2,826,759	1,633,857	2,462,350	2,636,717	2,636,709	2,636,706

Counterparty	Goldman Sachs	JPMorgan	Cargill	BOA_ Merrill	Cargill	Cargill	Goldman Sachs	Cargill
Trade Date	8/29/2023	9/26/2023	10/30/2023	11/27/2023	12/27/2023	1/30/2024	2/28/2024	3/27/2024
Effective Date	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025
Termination Date	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	1/31/2026	2/28/2026
Price/Gal	$2.5697	$2.6525	$2.5798	$2.4914	$2.4289	$2.4291	$2.3965	$2.4441
Original Notional Quantity	2,636,714	2,636,696	2,636,708	2,636,707	2,636,716	2,636,709	2,636,722	2,168,753

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 MTA will take delivery of the fuel. As of March 31, 2024, the total outstanding notional value of the ULSD contracts was -63.7 million gallons with a negative fair value of $0.2. 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).

17. CONDENSED COMPONENT UNIT INFORMATION

The following tables present condensed financial information for MTA's component units (in millions).

March 31, 2024	MTA	Metro - North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 9,678	$ 419	$ 595	$ 777	$ 1,263	$ (132)	$ 12,600
Capital assets	14,132	7,318	10,734	50,506	7,998	-	90,688
Other Assets	29,198	65	66	39	2,590	(27,459)	4,499
Intercompany receivables	141	510	654	3,391	12,271	(16,967)	-
Deferred outflows of resources	2,774	864	1,142	4,481	397	(58)	9,600
Total assets and deferred outflows of resources	**$ 55,923**	**$ 9,176**	**$ 13,191**	**$ 59,194**	**$ 24,519**	**$ (44,616)**	**$ 117,387**
Current liabilities	$ 3,982	$ 426	$ 286	$ 2,106	$ 2,271	$ (137)	$ 8,934
Non-current liabilities	28,309	2,812	4,203	24,975	25,428	(19)	85,708
Intercompany payables	15,892	190	55	383	500	(17,020)	-
Deferred inflows of resources	638	546	916	3,645	320	-	6,065
Total liabilities and deferred inflows of resources	**$ 48,821**	**$ 3,974**	**$ 5,460**	**$ 31,109**	**$ 28,519**	**$ (17,176)**	**$ 100,707**
Net investment in capital assets	$ (17,293)	$ 7,085	$ 10,665	$ 50,007	$ (10,657)	$ (546)	$ 39,261
Restricted	3,300	-	-	-	1,034	(464)	3,870
Unrestricted	21,095	(1,883)	(2,934)	(21,922)	5,623	(26,430)	(26,451)
Total net position	**$ 7,102**	**$ 5,202**	**$ 7,731**	**$ 28,085**	**$ (4,000)**	**$ (27,440)**	**$ 16,680**
For the period ended March 31, 2024							
Fare revenue	$ 43	$ 140	$ 145	$ 820	$ -	$ -	$ 1,148
Vehicle toll revenue	-	-	-	-	589	(3)	586
Rents, freight and other revenue	13	11	3	186	6	(9)	210
Total operating revenue	**56**	**151**	**148**	**1,006**	**595**	**(12)**	**1,944**
Total labor expenses	336	297	362	1,861	70	5	2,931
Total non-labor expenses	115	100	107	573	49	(15)	929
Depreciation and amortization	111	82	135	533	55	(2)	914
Total operating expenses	562	479	604	2,967	174	(12)	4,774
Operating (deficit) surplus	(506)	(328)	(456)	(1,961)	421	-	(2,830)
Subsidies and grants	(97)	-	-	86	(2)	112	99
Tax revenue	1,296	-	-	649	-	(530)	1,415
Interagency subsidy	353	150	273	92	-	(868)	-
Interest expense	(306)	(2)	(1)	(34)	(114)	(2)	(459)
Other	41	68	-	6	(61)	321	375
Total non-operating revenues (expenses)	**1,287**	**216**	**272**	**799**	**(177)**	**(967)**	**1,430**
Gain (Loss) before appropriations	781	(112)	(184)	(1,162)	244	(967)	(1,400)
Appropriations, grants and other receipts externally restricted for capital projects	(519)	78	194	227	(294)	1,147	833
Change in net position	262	(34)	10	(935)	(50)	180	(567)
Net position, beginning of period	6,840	5,236	7,721	29,020	(3,950)	(27,620)	17,247
Net position, end of period	**$ 7,102**	**$ 5,202**	**$ 7,731**	**$ 28,085**	**$ (4,000)**	**$ (27,440)**	**$ 16,680**
For the period ended March 31, 2024							
Net cash (used by) / provided by operating activities	$ (302)	$ (197)	$ (387)	$ (1,521)	$ 433	$ -	$ (1,974)
Net cash provided by / (used by) non-capital financing activities	1,572	195	387	1,689	1,995	(4,627)	1,211
Net cash (used by) / provided by capital and related financing activities	(1,624)	3	11	(262)	(115)	3,689	1,702
Net cash provided by / (used by) investing activities	324	-	-	98	(2,255)	938	(895)
Cash at beginning of period	1,530	21	5	23	9	-	1,588
Cash at end of period	**$ 1,500**	**$ 22**	**$ 16**	**$ 27**	**$ 67**	**$ -**	**$ 1,632**

December 31, 2023	MTA	Metro-North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 10,671	$ 503	$ 614	$ 776	$ 2,191	$ (1,446)	$ 13,309
Capital assets	14,076	7,324	10,740	50,446	7,967	-	90,553
Other Assets	29,320	68	69	40	173	(27,303)	2,367
Intercompany receivables	304	452	664	4,122	11,461	(17,003)	-
Deferred outflows of resources	2,842	864	1,143	4,482	413	(72)	9,672
Total assets and deferred outflows of resources	**$ 57,213**	**$ 9,211**	**$ 13,230**	**$ 59,866**	**$ 22,205**	**$ (45,824)**	**$ 115,901**
Current liabilities	$ 4,056	$ 444	$ 341	$ 2,291	$ 2,678	$ (460)	$ 9,350
Non-current liabilities	28,455	2,812	4,204	24,909	22,882	(34)	83,228
Intercompany payables	17,222	169	44	-	275	(17,710)	-
Deferred inflows of resources	640	550	920	3,646	320	-	6,076
Total liabilities and deferred inflows of resources	**$ 50,373**	**$ 3,975**	**$ 5,509**	**$ 30,846**	**$ 26,155**	**$ (18,204)**	**$ 98,654**
Net investment in capital assets	$ (17,506)	$ 7,084	$ 10,621	$ 49,944	$ 2,015	$ (10,825)	$ 41,333
Restricted	3,315	-	-	-	1,245	(966)	3,594
Unrestricted	21,031	(1,848)	(2,900)	(20,924)	(7,210)	(15,829)	(27,680)
Total net position	**$ 6,840**	**$ 5,236**	**$ 7,721**	**$ 29,020**	**$ (3,950)**	**$ (27,620)**	**$ 17,247**
For the period ended March 31, 2023							
Fare revenue	$ 43	$ 121	$ 122	$ 775	$ -	$ 1	$ 1,062
Vehicle toll revenue	-	-	-	-	552	1	553
Rents, freight and other revenue	12	6	1	134	6	(10)	149
Total operating revenue	**55**	**127**	**123**	**909**	**558**	**(8)**	**1,764**
Total labor expenses	328	260	336	1,748	58	1	2,731
Total non-labor expenses	173	115	112	564	53	(15)	1,002
Depreciation and amortization	58	79	120	545	54	-	856
Total operating expenses	**559**	**454**	**568**	**2,857**	**165**	**(14)**	**4,589**
Operating (deficit) surplus	**(504)**	**(327)**	**(445)**	**(1,948)**	**393**	**6**	**(2,825)**
Subsidies and grants	93	-	-	87	2	(87)	95
Tax revenue	939	-	-	367	-	(254)	1,052
Interagency subsidy	275	263	218	65	-	(821)	-
Interest expense	(375)	(2)	-	(22)	(102)	(6)	(507)
Other	379	78	(1)	6	(225)	172	409
Total non-operating revenues (expenses)	**1,311**	**339**	**217**	**503**	**(325)**	**(996)**	**1,049**
Gain (Loss) before appropriations	807	12	(228)	(1,445)	68	(990)	(1,776)
Appropriations, grants and other receipts externally restricted for capital projects	(708)	69	207	32	(124)	1,053	529
Change in net position	99	81	(21)	(1,413)	(56)	63	(1,247)
Net position, beginning of the period	5,076	4,962	7,567	29,115	(2,772)	(27,031)	16,917
Net position, end of period	**$ 5,175**	**$ 5,043**	**$ 7,546**	**$ 27,702**	**$ (2,828)**	**$ (26,968)**	**$ 15,670**
For the period ended March 31, 2023							
Net cash (used in) / provided by operating activities	$ (328)	$ (345)	$ (1,318)	$ (1,671)	$ 437	$ -	$ (3,225)
Net cash provided by / (used in) non-capital financing activities	1,165	336	1,250	967	(581)	(2,093)	1,044
Net cash (used in) / provided by capital and related financing activities	(676)	8	72	(311)	1,722	(39)	776
Net cash provided by / (used in) investing activities	826	-	-	1,013	(1,577)	2,132	2,394
Cash at beginning of period	882	19	5	25	9	-	940
Cash at end of period	**$ 1,869**	**$ 18**	**$ 9**	**$ 23**	**$ 10**	**$ -**	**$ 1,929**

18. SUBSEQUENT EVENTS

On April 29, 2024, MTA executed a 2,329,828 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.4632 (whole dollars) per gallon. The hedge covers the period from April 2025 through March 2026.

On May 20, 2024, MTA issued $591.785 Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024B. Proceeds from the transaction were used to retire $525.685 TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2022A and refund $115.000 of certain Transportation Revenue Bonds. The Series 2024B bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2054.

On May 29, 2024, MTA executed a 2,535,018 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.4272 (whole dollars) per gallon. The hedge covers the period from May 2025 through April 2026.

On June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program. The outcome of an indefinite pause cannot be predicted at this time.

On June 6, 2024, MTA purchased $240.142 for four portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, TBTA General Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through May 15, 2025. The funds were deposited in four escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose.

On June 27, 2024, MTA executed a 2,535,006 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.4759 (whole dollars) per gallon. The hedge covers the period from June 2025 through May 2026.

On July 10, 2024, MTA issued $770.105 Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2024C. Proceeds from the transaction were used to refund $510.025 Dedicated Tax Fund Bonds and $325.000 Transportation Revenue Bonds of the MTA, including bonds issued as Build America Bonds and to pay certain financing, legal and miscellaneous expenses. The Series 2024C bonds were issued as fixed rate tax-exempt bonds with a final maturity of November 15, 2039.

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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans

($ in thousands)					Additional Plan				
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 146	$ 260	$ 453	$ 621	$ 1,057	$ 1,874	$ 2,752	$ 3,441	$ 3,813
Interest	81,371	83,489	86,918	93,413	97,611	101,477	104,093	106,987	110,036
Effect of economic / demographic (gains) or losses	(1,347)	3,729	10,428	13,455	213	1,890	15,801	6,735	-
Effect of assumption changes or inputs		26,300	-	50,191	-	-	-	-	-
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Net change in total pension liability	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)	(39,908)	(43,125)
Total pension liability—beginning	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159	1,645,284
Total pension liability—ending (a)	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159
Plan fiduciary net position:									
Employer contributions	70,764	70,553	68,724	62,774	59,500	76,523	81,100	100,000	407,513
Nonemployer contributions			-	-	-	145,000	70,000	-	-
Member contributions	50	73	140	249	333	760	884	1,108	1,304
Net investment income	(51,214)	95,247	4,024	116,092	(31,098)	112,614	58,239	527	21,231
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Administrative expenses	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)	(1,218)	(975)
Net change in plan fiduciary net position	(124,925)	16,633	(79,770)	21,143	(132,010)	174,110	51,019	(56,654)	272,099
Plan fiduciary net position—beginning	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852	510,753
Plan fiduciary net position—ending (b)	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852
Employer's net pension liability—ending (a)-(b)	$ 606,479	$ 545,148	$ 596,633	$ 571,110	$ 591,827	$ 520,501	$ 749,087	$ 836,053	$ 819,307
Plan fiduciary net position as a percentage of the total pension liability	51.82%	58.78%	56.04%	59.54%	58.06%	64.64%	50.92%	46.48%	48.86%
Covered payroll	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267
Employer's net pension liability as a percentage of covered payroll	29685.71%	16877.65%	11531.37%	7892.62%	4526.06%	2539.03%	2555.56%	2106.09%	1893.61%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans

($ in thousands)	MaBSTOA Plan								
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 95,859	$ 93,934	$ 95,514	$ 89,814	$ 86,979	$ 84,394	$ 82,075	$ 77,045	$ 72,091
Interest	285,410	274,270	266,588	265,454	256,084	246,284	236,722	232,405	223,887
Effect of plan changes	1,760	-	-	-	-	-	-	-	-
Effect of economic / demographic (gains) or losses	(20,721)	(19,177)	(720)	9,011	5,412	11,826	13,784	(68,997)	-
Effect of assumption changes or inputs		72,032		168,752	-	6,347	-	-	-
Differences between expected and actual experience				-	-	-	-	-	(1,596)
Benefit payments and withdrawals	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Net change in total pension liability	104,335	175,632	123,452	311,810	134,648	139,729	144,758	60,525	118,935
Total pension liability—beginning	4,422,018	4,246,386	4,122,934	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464	3,212,529
Total pension liability—ending (a)	4,526,353	4,422,018	4,246,386	4,122,934	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464
Plan fiduciary net position:									
Employer contributions	158,618	156,204	159,486	206,390	205,433	202,684	220,697	214,881	226,374
Member contributions	25,548	24,935	24,709	23,552	21,955	19,713	18,472	16,321	15,460
Net investment income	(273,627)	416,287	60,326	447,365	(87,952)	350,186	212,260	(24,163)	105,084
Benefit payments and withdrawals	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Administrative expenses	(806)	(264)	(244)	(220)	(196)	(208)	(186)	(88)	(74)
Net change in plan fiduciary net position	(348,240)	351,735	6,347	455,866	(74,587)	363,253	263,420	27,023	171,397
Plan fiduciary net position—beginning	3,658,351	3,306,616	3,300,268	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293	2,093,896
Plan fiduciary net position—ending (b)	3,310,111	3,658,351	3,306,616	3,300,268	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293
Employer's net pension liability—ending (a)-(b)	$1,216,242	$ 763,667	$ 939,770	$ 822,666	$ 966,722	$ 757,487	$ 981,011	$ 1,099,673	$ 1,066,171
Plan fiduciary net position as a percentage of the total pension liability	73.13%	82.73%	77.87%	80.05%	74.63%	79.40%	72.26%	67.58%	68.00%
Covered payroll	$775,512	$768,868	$ 802,100	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287
Employer's net pension liability as a percentage of covered payroll	156.83%	99.32%	117.16%	104.59%	124.55%	101.04%	136.91%	160.14%	163.20%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans (continued)

($ in thousands)	MNR Cash Balance Plan								
Plan Measurement Date (December 31):	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Interest	$ 10	$ 11	$ 14	$ 18	$ 20	$ 21	$ 24	$ 29	$ 32
Effect of economic / demographic (gains) or losses	(6)	(11)	10	4	(11)	12	(15)	(10)	-
Effect of assumption changes or inputs	(16)	15	11	-	-	-	-	18	-
Benefit payments and withdrawals	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)	(88)
Net change in total pension liability	(45)	(23)	(70)	(31)	(49)	(38)	(68)	(76)	(56)
Total pension liability—beginning	355	378	448	479	528	566	634	710	766
Total pension liability—ending (a)	310	355	378	448	479	528	566	634	710
Plan fiduciary net position:									
Employer contributions	4		9	-	5	-	23	18	-
Net investment income	(43)	(5)	32	40	1	20	16	6	41
Benefit payments and withdrawals	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)	(88)
Administrative expenses			3	(3)	-	-	-	3	(3)
Net change in plan fiduciary net position	(72)	(43)	(61)	(16)	(52)	(51)	(38)	(86)	(50)
Plan fiduciary net position—beginning	351	394	455	471	523	574	612	698	748
Plan fiduciary net position—ending (b)	279	351	394	455	471	523	574	612	698
Employer's net pension liability—ending (a)-(b)	$ 31	$ 4	$ (16)	$ (7)	$ 8	$ 5	$ (8)	$ 22	$ 12
Plan fiduciary net position as a percentage of the total pension liability	90.00%	98.87%	104.23%	101.45%	98.33%	99.05%	101.41%	96.53%	98.31%
Covered payroll	$ 0	$ 0	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274
Employer's net pension liability as a percentage of covered payroll	0.00%	0.00%	-5.78%	-2.52%	2.99%	1.06%	-0.95%	1.49%	0.53%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net Pension Liability and Related Ratios for Single Employer Pension Plans (continued)

($ in thousands)	MTA Defined Benefit Plan								
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 220,423	$ 213,675	$ 213,494	$ 173,095	$ 162,273	$ 148,051	$ 138,215	$ 124,354	$ 121,079
Interest	485,878	455,230	427,672	387,193	358,118	335,679	308,009	288,820	274,411
Effect of economic / demographic (gains) or losses	95,172	20,656	92,019	35,935	75,744	(27,059)	86,809	121,556	2,322
Effect of assumption changes or inputs	-	113,662	-	690,958	-	10,731	-	(76,180)	-
Effect of plan changes	-	-	-	-	61,890	76,511	73,521	6,230	-
Benefit payments and withdrawals	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Net change in total pension liability	449,616	477,750	439,349	1,022,196	415,676	310,937	396,931	265,208	206,755
Total pension liability—beginning	7,427,785	6,950,035	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738	3,892,983
Total pension liability—ending (a)	7,877,401	7,427,785	6,950,035	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Plan fiduciary net position:									
Employer contributions	400,648	396,144	394,986	344,714	338,967	321,861	280,768	221,694	331,259
Member contributions	34,471	33,832	32,006	31,504	29,902	31,027	29,392	34,519	26,006
Net investment income	(464,023)	639,374	99,045	651,919	(150,422)	516,153	247,708	(45,122)	102,245
Benefit payments and withdrawals	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Administrative expenses	(4,334)	(3,513)	(3,660)	(3,408)	(3,152)	(4,502)	(3,051)	(1,962)	(9,600)
Net change in plan fiduciary net position	(385,095)	740,364	228,541	759,744	(27,054)	631,563	345,194	9,557	258,853
Plan fiduciary net position—beginning	5,753,129	5,012,765	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220	2,806,367
Plan fiduciary net position—ending (b)	5,368,034	5,753,129	5,012,765	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220
Employer's net pension liability—ending (a)-(b)	$2,509,367	$1,674,656	$1,937,270	$1,726,462	$1,464,010	$1,021,280	$1,341,906	$ 1,290,169	$ 1,034,518
Plan fiduciary net position as a percentage of the total pension liability	68.14%	77.45%	72.13%	73.48%	73.33%	79.87%	71.82%	70.44%	74.77%
Covered payroll	$2,111,293	$2,028,938	$2,050,970	$2,052,657	$2,030,695	$1,857,026	$1,784,369	$ 1,773,274	$ 1,679,558
Employer's net pension liability as a percentage of covered payroll	118.85%	82.54%	94.46%	84.11%	72.09%	55.00%	75.20%	72.76%	61.59%

Note: Information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Proportionate Share of the Net Pension Liabilities of Cost-Sharing Multiple-Employer Pension Plans

($ in thousands)

NYCERS Plan

Plan Measurement Date:	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
MTA's proportion of the net pension liability	22.075%	21.900%	22.218%	24.420%	24.493%	23.682%	24.096%	23.493%	23.585%
MTA's proportionate share of the net pension liability	$ 3,938,599	$ 3,964,996	$ 1,424,952	$ 5,147,445	$ 4,536,510	$ 4,176,941	$ 5,003,811	$ 5,708,052	$4,773,787
MTA's actual covered payroll	$ 4,169,696	$ 3,848,798	$ 3,618,339	$ 3,514,665	$ 3,385,743	$ 3,216,837	$ 3,154,673	$ 3,064,007	$2,989,480
MTA's proportionate share of the net pension liability as a percentage of the MTA's covered payroll	94.458%	103.019%	39.000%	146.456%	113.989%	129.846%	158.616%	186.294%	159.686%
Plan fiduciary net position as a percentage of the total pension liability	82.200%	81.276%	77.000%	76.933%	78.836%	78.826%	74.805%	69.568%	73.125%

NYSLERS Plan

Plan Measurement Date:	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
MTA's proportion of the net pension liability	0.299%	0.310%	0.314%	0.346%	0.345%	0.327%	0.311%	0.303%	0.289%
MTA's proportionate share of the net pension liability	$ 64,289	$ (25,856)	$ 313	$ 91,524	$ 24,472	$ 10,553	$ 29,239	$ 48,557	$ 9,768
MTA's actual covered payroll	$ 150,682	$ 110,702	$ 102,838	$ 105,457	$ 109,252	$ 105,269	$ 96,583	$ 87,670	$ 87,315
MTA's proportionate share of the net pension liability as a percentage of the MTA's covered payroll	42.665%	-23.360%	0.000%	86.788%	22.400%	10.025%	30.273%	55.386%	11.187%
Plan fiduciary net position as a percentage of the total pension liability	90.780%	103.650%	99.950%	86.392%	96.267%	98.240%	94.703%	90.685%	97.947%

Note: Information was not readily available for periods prior to 2015. This schedule is intended to show information for ten years. Additional years will be displayed as they become available. The data provided in this schedule is based on the measurement date used by NYCERS and NYSLERS for the net pension liability.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions for All Pension Plans for the Year Ended December 31,

($ in thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Additional Plan*										
Actuarially Determined Contribution	$ 72,666	$ 70,764	$ 70,553	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183	$ 82,382	$ 112,513
Actual Employer Contribution	140,400	70,764	70,553	68,724	62,774	59,500	221,523	151,100	100,000	407,513
Contribution Deficiency (Excess)	$ (67,734)	$ -	$ -	$ (1)	$ -	$ (304)	$ (145,000)	$ (67,917)	$ (17,618)	$ (295,000)
Covered Payroll	$ 1,972	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267
Contributions as a % of Covered Payroll	7119.68%	3463.99%	2184.33%	1328.26%	867.54%	455.02%	1080.62%	515.49%	251.91%	941.87%
MaBSTOA Plan										
Actuarially Determined Contribution	$ 170,033	$ 158,618	$ 156,204	$ 159,486	$ 209,314	$ 202,509	$ 202,924	$ 220,697	$ 214,881	$ 226,374
Actual Employer Contribution	328,430	158,618	156,204	159,486	206,390	205,434	202,684	220,697	214,881	226,374
Contribution Deficiency (Excess)	$ (158,397)	$ -	$ -	$ -	$ 2,924	$ (2,925)	$ 240	$ -	$ -	$ -
Covered Payroll	$ 820,468	$ 775,512	$ 768,868	$ 802,100	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287
Contributions as a % of Covered Payroll	40.03%	20.45%	20.32%	19.88%	26.24%	26.47%	27.04%	30.80%	31.29%	34.65%
Metro-North Cash Balance Plan*										
Actuarially Determined Contribution	$ 13	$ 4	$ -	$ -	$ 8	$ 5	$ -	$ 23	$ -	$ 5
Actual Employer Contribution	13	4	-	-	-	5	-	23	14	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14)	$ 5
Covered Payroll	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274
Contributions as a % of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	0.00%	2.68%	0.96%	0.00%
MTA Defined Benefit Plan*										
Actuarially Determined Contribution	$ 416,538	$ 404,245	$ 392,547	$ 392,921	$ 349,928	$ 331,566	$ 316,916	$ 290,415	$ 273,700	$ 271,523
Actual Employer Contribution	829,720	404,245	396,144	393,961	343,862	339,800	321,861	280,767	221,694	331,259
Contribution Deficiency (Excess)	$ (413,182)	$ -	$ (3,597)	$ (1,040)	$ 6,066	$ (8,234)	$ (4,945)	$ 9,648	$ 52,006	$ (59,736)
Covered Payroll	$ 2,347,700	$ 2,111,293	$ 2,028,938	$ 2,050,970	$ 2,052,657	$ 2,030,695	$ 1,857,026	$ 1,784,369	$ 1,773,274	$ 1,679,558
Contributions as a % of Covered Payroll	35.34%	19.15%	19.52%	19.21%	16.75%	16.73%	17.33%	15.73%	12.50%	19.72%

* For the MTA Defined Benefit Plan, Additional Plan and Metro-North Cash Balance Plan, information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions for All Pension Plans for the Year Ended December 31,

($ in thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NYCERS											
Actuarially Determined Contribution	$ 763,929	$ 797,299	$ 842,269	$ 882,690	$ 952,616	$ 807,097	$ 800,863	$ 797,845	$ 736,212	$ 741,223	$ 736,361
Actual Employer Contribution	763,929	797,299	842,269	882,690	952,616	807,097	800,863	797,845	736,212	741,223	736,361
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,169,696	$ 3,848,798	$ 3,637,544	$ 3,771,595	$ 3,948,283	$ 3,974,494	$ 3,768,885	$ 3,523,993	$ 3,494,907	$ 3,617,087	$ 2,943,195
Contributions as a % of Covered Payroll	18.32%	20.72%	23.15%	23.40%	24.13%	20.31%	21.25%	22.64%	21.07%	20.49%	25.02%
NYSLERS **											
Actuarially Determined Contribution	$ 14,125	$ 16,284	$ 16,284	$ 14,533	$ 14,851	$ 14,501	$ 13,969	$ 12,980	$ 15,792	$ 13,816	$ -
Actual Employer Contribution	14,125	16,284	16,284	14,533	14,851	14,501	13,969	12,980	15,792	13,816	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 150,682	$ 110,702	$ 99,129	$ 102,838	$ 106,913	$ 109,210	$ 103,787	$ 94,801	$ 86,322	$ 84,041	$ -
Contributions as a % of Covered Payroll	9.37%	14.71%	16.43%	14.13%	13.89%	13.28%	13.46%	13.69%	18.29%	16.44%	N/A

** For the NYSLERS plan, information was not readily available for periods prior to 2014. This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	Additional Plan		
Valuation Dates:	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date:	December 31, 2022	December 31, 2021	December 31, 2020
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 11-year period from January 1, 2022) with level dollar payments.	Period specified in current valuation report (closed 12-year period from January 1, 2021) with level dollar payments.	Period specified in current valuation report (closed 13 year period beginning January 1, 2020) with level dollar payments.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	3.00%	3.00%	3.00%
Actuarial assumptions:			
Discount Rate:	6.50%	6.50%	6.50%
Investment rate of return :	6.50%, net of investment expenses	6.50%, net of investment expenses	6.50%, net of investment expenses.
Mortality:	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	Additional Plan (continued)		
Valuation Dates:	January 1, 2019	January 1, 2018	January 1, 2017
Measurement Date:	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 14 year period beginning January 1, 2019) with level dollar payments.	Period specified in current valuation report (closed 15 year period beginning January 1, 2018) with level dollar payments.	Period specified in current valuation report (closed 16 year period beginning January 1, 2017) with level dollar payments.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	3.00%	3.00%	3.00%
Actuarial assumptions:			
Discount Rate:	6.50%	7.00%	7.00%
Investment rate of return :	6.50%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.25%; 3.25%	2.50%; 3.50%	2.50%; 3.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	Additional Plan (continued)		
Valuation Dates:	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 17 year period beginning January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 18 year period beginning January 1, 2015) with level dollar payments.	Period specified in current valuation report (closed 19 year period beginning January 1, 2014) with level dollar payments.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/ losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	3.00%	3.00%	3.00%
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MaBSTOA Plan		
Valuation Dates:	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date:	December 31, 2022	December 31, 2021	December 31, 2020
Actuarial cost method:	Frozen Initial Liability cost method	Frozen Initial Liability cost method	Frozen Initial Liability (FIL)
Amortization method:	For FIL bases, 15 years for Fresh Start base as of January 1, 2020, mortality change and recognition of Chapter 56 Laws of 2022. 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 January 1, 2020 and period specified in current valuation report for specific assumption changes. 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, period specified in current valuation 30-year level dollar. 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.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
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.	Reflecting general wage, merit and promotion increases for operating employees and non-operating members. Varies by years of employment.
Actuarial assumptions:			
Discount Rate:	6.50%	6.50%	6.50%
Investment rate of return :	6.50%, net of investment expenses	6.50%, net of investment expenses.	6.50%, net of investment expenses.
Mortality:	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.
Inflation/Railroad Retirement Wage Base:	2.25%	2.25%	2.25%
Cost-of-Living Adjustments:	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35% per annum, if applicable	1.35% per annum

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MaBSTOA Plan (continued)		
Valuation Dates:	January 1, 2019	January 1, 2018	January 1, 2017
Measurement Date:	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial cost method:	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)
Amortization method:	For FIL bases, period specified in current valuation 30-year level dollar. 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, period specified in current valuation 30-year level dollar. 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, period specified in current valuation 30-year level dollar. 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.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	Reflecting general wage, merit, and promotion increases of 3.5% for operating employees and 4.0% for non-operating employees per year. Large increases are assumed in the first 5 years of a member's career.	Varies by years of employment and employment type.	Varies by years of employment and employment type.
Actuarial assumptions:			
Discount Rate:	6.50%	7.00%	7.00%
Investment rate of return :	6.50%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.
Inflation/Railroad Retirement Wage Base:	2.25%	2.50%	2.50%
Cost-of-Living Adjustments:	1.35% per annum	1.375% per annum	1.375% per annum

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MaBSTOA Plan (continued)		
Valuation Dates:	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)	Frozen Initial Liability (FIL)
Amortization method:	For FIL bases, period specified in current valuation 30-year level dollar. 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, period specified in current valuation 30-year level dollar. 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, period specified in current valuation 30-year level dollar. 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.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized fair value restart as of 1/1/96, then gains/losses over a 5-year period. Gains/losses are five-year moving average of fair values based on fair value of assets.
Salary increases:	Varies by years of employment and employment type.	Varies by years of employment and employment type.	In general, merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for nonoperating employees per year, depending on years of service.
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females.
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.375% per annum	1.375% per annum	1.375% per annum

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MNR Cash Balance Plan		
Valuation Dates:	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date:	December 31, 2022	December 31, 2021	December 31, 2020
Actuarial cost method:	Unit Credit	Unit Credit Cost	Unit Credit Cost
Amortization method:	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method:	Actuarial value equals fair value.	Actuarial value equals fair value.	Actuarial value equals fair value.
Salary increases:	N/A	N/A	N/A
Actuarial assumptions:			
Discount Rate:	4.00%	3.00%	3.00%
Investment rate of return :	4.00%, net of investment expenses	3.00%, net of investment expenses.	3.00%, net of investment expenses.
Mortality:	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on an experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments, projected on a generational basis using Scale AA.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments, projected on a generational basis using Scale AA.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females, noth projected on a generational basis using Scale AA.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females, noth projected on a generational basis using Scale AA.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.40%	2.25%	2.25%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MNR Cash Balance Plan (continued)		
Valuation Dates:	January 1, 2019	January 1, 2019	January 1, 2018
Measurement Date:	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial cost method:	Unit Credit Cost	Unit Credit Cost	Unit Credit Cost
Amortization method:	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method:	Actuarial value equals fair value.	Actuarial value equals fair value.	Actuarial value equals fair value.
Salary increases:	N/A	N/A	N/A
Actuarial assumptions:			
Discount Rate:	3.50%	4.00%	4.00%
Investment rate of return :	3.50%, net of investment expenses.	4.00%, net of investment expenses.	4.00%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on an experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2017 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2017 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.25%	2.50%	2.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MNR Cash Balance Plan (continued)		
Valuation Dates:	January 1, 2017	January 1, 2016	January 1, 2014
Measurement Date:	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Unit Credit Cost	Unit Credit Cost	Unit Credit Cost
Amortization method:	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	Period specified in current valuation report (closed 10 year period beginning January 1, 2008 - 4 year period for the January 1, 2014 valuation).
Asset Valuation Method:	Actuarial value equals fair value.	Actuarial value equals fair value.	Effective January 1, 2015, the Actuarially Determined Contribution (ADC) will reflect one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.
Salary increases:	N/A	N/A	There were no projected salary increase assumptions used in the January 1, 2014 valuation as the participants of the Plan were covered under the Management Plan effective January 1, 1989. For participants of the Plan eligible for additional benefits, these benefits were not valued as the potential liability is de minimus.
Actuarial assumptions:			
Discount Rate:	4.00%	4.00%	4.50%
Investment rate of return :	4.00%, net of investment expenses.	4.00%, net of investment expenses.	4.50%, net of investment expenses.
Mortality:	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2012 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. Mortality assumption is based on a 2012 experience study for all MTA plans.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA. As generational tables, they reflect mortality improvements both before and after the measurement date. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.30%	2.30%	2.50%
Cost-of-Living Adjustments:	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MTA Defined Benefit Plan		
Valuation Dates:	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date:	December 31, 2022	December 31, 2021	December 31, 2020
Actuarial cost method:	Frozen Initial Liability cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	"For FIL bases, 16 years remaining for Fresh start base, including vacation pay adjustment base as of January 1, 2022, 15 years for the mortality change and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. 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 or service, of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 18 years for Fresh start base as of January 1, 2020 and period specified in current valuation report for specific assumption and plan change bases. 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 or service, of the projected population for each group and further weighted by total present value of benefits for each group.	For Frozen Initial Liability ("FIL") bases, 18 years for Fresh start base as of Jan 1, 2020 and period specified in current valuation report for specific plan change bases. 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 or service, of the projected population for each group and further weighted by total present value of benefits for each group.
Asset Valuation Method:		Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees.	Varies by years of employment, and employee group; 2.75% general wage increases increases for TWU Local 100 MTA Bus hourly employees.	Varies by years of employment, and employee group. 2.75% general wage increases for TWU Local 100 MTA Bus hourly employees.
Actuarial assumptions:			
Discount Rate:	6.5%%	6.50%	6.50%
Investment rate of return :	6.50%, net of investment expenses	6.50%	6.50%
Mortality:	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.
Pre-retirement:		RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the RP-2000 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the RP-2000 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females
Inflation/Railroad Retirement Wage Base:	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%
Cost-of-Living Adjustments:	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MTA Defined Benefit Plan (continued)		
Valuation Dates:	January 1, 2019	January 1, 2018	January 1, 2017
Measurement Date:	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	Varies by years of employment, and employee group. 2.75% general wage increases for TWU Local 100 MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.
Actuarial assumptions:			
Discount Rate:	6.50%	7.00%	7.00%
Investment rate of return :	6.50%	7.00%	7.00%
Mortality:	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females	RP-2014 Disabled Annuitant mortality table for males and females	RP-2014 Disabled Annuitant mortality table for males and females
Inflation/Railroad Retirement Wage Base:	2.25%; 3.25%	2.50%; 3.50%	2.50%; 3.50%
Cost-of-Living Adjustments:	60% of inflation assumption or 1.35%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	MTA Defined Benefit Plan (continued)		
Valuation Dates:	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.	For Frozen Initial Liability ("FIL") bases, period specified in current valuation report. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group.
Asset Valuation Method:	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.	Actuarial value equals fair value less unrecognized gains/losses over a 5-year period. Gains/losses are based on fair value of assets.
Salary increases:	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group. 3.5% for MTA Bus hourly employees.	Varies by years of employment, and employee group.
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%	7.00%	7.00%
Mortality:	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA. As a general table, it reflects mortality improvements both before and after the measurement date.	Pre-retirement and post-retirement healthy annuitant rates are projected on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee. Mortality assumption is based on a 2012 experience study for all MTA plans.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.	75% of the rates from the RP-2000 Healthy Annuitant mortality table for males and females. At age 85 and later for males and age 77 and later for females, the disability rates are set to the male and females healthy rates, respectively.
Inflation/Railroad Retirement Wage Base:	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.00%
Cost-of-Living Adjustments:	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	55% of inflation assumption or 1.375%, if applicable.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYCERS Plan		
Valuation Dates:	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Date:	June 30, 2023	June 30, 2022	June 30, 2021
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	N/A	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.
Asset Valuation Method:	The Plan Fiduciary Net Positions are based on the fair values of Assets at the Measurement Dates with certain adjustments made to reflect the Actuary's understanding of the accruals within and the transfers between the QPP and the VSFs for NYCERS, POLICE, and FIRE.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.
Salary increases:	3% per annum.	3% per annum.	3% per annum.
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Tables adopted by the Boards of Trustees during Fiscal Year 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries to active ordinary death mortality rates and pre-commencement mortality rates for deferred vesteds.	Tables adopted by the Boards of Trustees during Fiscal Yeat 2019. Applies mortality improvement scale MP-2020 published by the Society of Actuaries.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was prepared by Bolton, Inc. dated June 2019 analyzed the four-year and ten-year periods ended June 30, 2017.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYCERS Plan (continued)		
Valuation Dates:	June 30, 2019	June 30, 2018	June 30, 2016
Measurement Date:	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.
Asset Valuation Method:	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.
Salary increases:	3% per annum.	3% per annum.	3% per annum.
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was prepared by Bolton, Inc. dated June 2019 analyzed the four-year and ten-year periods ended June 30, 2017.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYCERS Plan (continued)		
Valuation Dates:	June 30, 2015	June 30, 2014	June 30, 2013
Measurement Date:	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.
Asset Valuation Method:	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.	Modified six-year moving average of fair values with a fair value Restart as of June 30, 2011.
Salary increases:	3% per annum.	3% per annum.	3% per annum.
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.00%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.	Mortality tables for service and disability pensioners were developed from an experience study of NYCERS's pensioners. The mortality tables for beneficiaries were developed from an experience review of NYCERS' beneficiaries. The most recently completed study was published by Gabriel Roeder & Company ("GRS"), dated October 2015, and analyzed experience for Fiscal Years 2010 through 2013.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.	1.5% per annum for Auto COLA and 2.5% per annum for Escalation.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYSLERS Plan		
Valuation Dates:	April 1, 2022	April 1, 2021	April 1, 2020
Measurement Date:	March 31, 2023	March 31, 2022	March 31, 2021
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	N/A	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	Market restart	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Salary increases:	4.4% in ERS, 6.2% in PFRS	4.4% in ERS, 6.2% in PFRS	4.40% in ERS; 6.20% in PFRS
Actuarial assumptions:			
Discount Rate:	5.90%	5.90%	5.90%
Investment rate of return :	5.90%, net of investment expenses.	6.80%, net of investment expenses.	5.90%, net of investment expenses.
Mortality:	Annuitant mortality rates are adjusted to incorporate mortality improvements under the Society of actuaries's Scale MP-2021.	Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2015 through March 31, 2020 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.70%	2.70%	2.70%
Cost-of-Living Adjustments:	1.4% per annum.	1.3% per annum.	1.4% per annum.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYSLERS Plan (continued)		
Valuation Dates:	April 1, 2019	April 1, 2018	April 1, 2017
Measurement Date:	March 31, 2020	March 31, 2019	March 31, 2018
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Salary increases:	4.20% in ERS; 5.00% in PFRS	3.80%	3.80%
Actuarial assumptions:			
Discount Rate:	6.80%	7.00%	7.00%
Investment rate of return :	6.80%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.3% per annum.	1.3% per annum.	1.3% per annum.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions for All Pension Plans

	NYSLERS Plan (continued)		
Valuation Dates:	April 1, 2016	April 1, 2015	April 1, 2014
Measurement Date:	March 31, 2017	March 31, 2016	March 31, 2015
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Salary increases:	3.80%	3.80%	4.90%
Actuarial assumptions:			
Discount Rate:	7.00%	7.00%	7.50%
Investment rate of return :	7.00%, net of investment expenses.	7.00%, net of investment expenses.	7.5%, net of investment expenses.
Mortality:	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.70%
Cost-of-Living Adjustments:	1.3% per annum.	1.3% per annum.	1.4% per annum.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of MTA's Contributions for All Pension Plans (concluded)

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in Cost Sharing, Multiple-Employer pension plans, the NYCERS plan and the NYSLERS plan, are 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:

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. This change is applicable for the NYCERS and MaBSTOA plans.

There were no significant legislative changes in benefit for the April 1, 2022 valuation for the NYSLERS plan.

Changes of Assumptions:

There were no significant changes in the economic and demographic used in the June 30, 2022 valuation for the NYCERS plan.

There were no significant changes in the economic and demographic assumptions used in the April 1, 2022 valuation for the NYSLERS plan.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the MTA's Net OPEB Liability and Related Ratios and Notes to Schedule

($ in thousands)

Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB liability:						
Service cost	$ 1,240,342	$ 1,250,950	$ 1,097,051	$ 928,573	$ 1,002,930	$ 884,548
Interest on total OPEB liability	530,983	535,642	610,160	840,532	734,968	731,405
Effect of plan changes	-	-	-	-	1,580	27,785
Effect of economic/demographic (gains) or losses	14,299	292,154	(43,890)	247,871	(19,401)	13,605
Effect of assumption changes or inputs	(3,449,438)	(738,829)	1,939,528	311,286	(1,800,135)	911,465
Benefit payments	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability	(2,510,113)	546,933	2,878,108	1,597,585	(771,180)	1,917,814
Total OPEB liability—beginning	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068	18,787,254
Total OPEB liability—ending (a)	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068
Plan fiduciary net position:						
Employer contributions	846,299	792,984	387,371	730,677	691,122	650,994
Net investment income	11,828	-	(77,118)	63,647	(18,916)	47,370
Benefit payments	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Administrative expenses	(176)	(46)	(209)	(200)	(56)	-
Net change in plan fiduciary net position	11,652	(46)	(414,697)	63,447	(18,972)	47,370
Plan fiduciary net position—beginning	84	130	414,827	351,380	370,352	322,982
Plan fiduciary net position—ending (b)	11,736	84	130	414,827	351,380	370,352
Net OPEB liability—ending (a)-(b)	$ 22,434,665	$ 24,956,430	$ 24,409,451	$ 21,116,646	$ 19,582,508	$ 20,334,716
Plan fiduciary net position as a percentage of the total OPEB liability	0.05%	0.00%	0.00%	1.93%	1.76%	1.79%
Covered payroll	$ 6,848,347	$ 6,537,709	$ 6,716,423	$ 6,901,690	$ 6,903,700	$ 5,394,332
Net OPEB liability as a percentage of covered payroll	327.59%	381.73%	363.43%	305.96%	283.65%	376.96%

Notes to Schedule:

Changes of benefit terms: In the July 1, 2021 actuarial valuation, there were no changes to the benefit terms.

Changes of assumptions: In the July 1, 2021 actuarial valuation, there were updates to various healthcare assumptions including the per capita claim costs assumption and healthcare trend 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.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the MTA's Contributions to the OPEB Plan for the years ended December 31:

($ in thousands)	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Employer Contribution (1)	$2,201,541	$846,299	$813,195	$391,529	$737,297	$691,122	$650,994
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	$7,490,519	$6,848,347	$6,537,709	$6,716,423	$6,901,690	$6,903,700	$5,394,200
Actual Contribution as a Percentage of Covered Payroll	29.39%	12.36%	12.44%	5.83%	10.68%	10.01%	12.07%

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $57,989 and $52,933 for the years ended December 31, 2022 and 2021, respectively.

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.

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of the MTA's Contributions to the OPEB Plan:

Valuation date:	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017
Measurement date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate:	3.72%, net of expenses	2.06%, net of expenses	2.12%, net of expenses	2.74%, net of expenses	4.10%, net of expenses	3.44%, net of expenses
Inflation:	2.33%	2.30%	2.25%	2.25%	2.50%	2.50%
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor:	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return:	3.72%	2.06%	2.12%	5.75%	6.50%	6.50%
Salary increases:	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.	3%. Varies by years of service and differs for members of the various pension plans.

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.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2023

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefits Plan	Total
ASSETS:					
Cash	$ 6,417	$ 625	$ 3,583	$ -	$ 10,625
Receivables:					
Employee loans	-	-	28,016	-	28,016
Participant and union contributions	-	3	-	-	3
Investment securities sold	-	476	2,928	-	3,404
Accrued interest and dividends	5,727	558	2,996	11,707	20,988
Other receivables	6,591	73	-	-	6,664
Total receivables	12,318	1,110	33,940	11,707	59,075
Investments at fair value	6,557,843	711,905	3,790,248	1,362,791	12,422,787
Total assets	$ 6,576,578	$ 713,640	$ 3,827,771	$ 1,374,498	$ 12,492,487
LIABILITIES:					
Accounts payable and accrued liabilities	$ 6,143	$ 205	$ 317	$ -	$ 6,665
Payable for investment securities purchased	16,485	1,606	9,290	-	27,381
Accrued benefits payable	-	-	21	594	615
Accrued postretirement death benefits (PRDB) payable	-	-	5,720	-	5,720
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	1,504	-	1,504
Other liabilities	496	48	443	-	987
Total liabilities	23,124	1,859	17,295	594	42,872
NET POSITION:					
Restricted for pensions	6,553,454	711,781	3,810,476	-	11,075,711
Restricted for postemployment benefits other than pensions	-	-	-	1,373,904	1,373,904
Total net position	6,553,454	711,781	3,810,476	1,373,904	12,449,615
Total liabilities and net position	$ 6,576,578	$ 713,640	$ 3,827,771	$ 1,374,498	$ 12,492,487

See Independent Auditor's Report and notes to the consolidated financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2022

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Company Plan for Additional Pensions	MaBSTOA Plan	Other Post-employment Benefits Plan	Total
ASSETS:					
Cash	$ 6,594	$ 696	$ 3,695	$ -	$ 10,985
Receivables:					
Employee loans	-	-	26,521	-	26,521
Investment securities sold	-	175	1,635	-	1,810
Accrued interest and dividends	3,786	400	1,787	38	6,011
Other receivables	2,657	23	-	-	2,680
Total receivables	6,443	598	29,943	38	37,022
Investments at fair value	5,366,950	652,011	3,289,326	11,698	9,319,985
Total assets	$ 5,379,987	$ 653,305	$ 3,322,964	$ 11,736	$ 9,367,992
LIABILITIES:					
Accounts payable and accrued liabilities	$ 5,607	$ 238	$ 474	$ -	$ 6,319
Payable for investment securities purchased	5,789	611	3,592	-	9,992
Accrued benefits payable	-	-	75	1	76
Accrued postretirement death benefits (PRDB) payable	-	-	5,719	-	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	2,527	-	2,527
Other liabilities	557	59	466	-	1,082
Total liabilities	11,953	908	12,853	1	25,715
NET POSITION:					
Restricted for pensions	5,368,034	652,397	3,310,111	-	9,330,542
Restricted for postemployment benefits other than pensions	-	-	-	11,735	11,735
Total net position	5,368,034	652,397	3,310,111	11,735	9,342,277
Total liabilities and net position	$ 5,379,987	$ 653,305	$ 3,322,964	$ 11,736	$ 9,367,992

See Independent Auditor's Report and notes to the consolidated financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2023

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ADDITIONS:					
Contributions:					
Employer contributions	$ 831,320	$ 140,400	$ 328,430	$ 2,139,096	$ 3,439,246
Implicit rate subsidy contribution	-	-	-	62,445	62,445
Member contributions	38,304	50	25,390	-	63,744
Total contributions	869,624	140,450	353,820	2,201,541	3,565,435
Investment income:					
Net appreciation in fair value of investments	645,157	53,613	382,998	10,400	1,092,168
Dividend income	64,128	6,641	40,027	-	110,796
Interest income	32,876	3,376	20,357	33,196	89,805
Less: Investment expenses	46,220	5,326	29,648	565	81,759
Investment income, net	695,941	58,304	413,734	43,031	1,211,010
Total additions	1,565,565	198,754	767,554	2,244,572	4,776,445
DEDUCTIONS:					
Benefit payments and withdrawals	374,595	138,824	266,622	819,815	1,599,856
Implicit rate subsidy payments	-	-	-	62,445	62,445
Transfer to other plans	890		-	-	890
Administrative expenses	4,660	546	567	143	5,916
Total deductions	380,145	139,370	267,189	882,403	1,669,107
Net increase (decrease) in fiduciary net position	1,185,420	59,384	500,365	1,362,169	3,107,338
NET POSITION:					
Restricted for Benefits:					
Beginning of year	5,368,034	652,397	3,310,111	11,735	9,342,277
End of year	$ 6,553,454	$ 711,781	$ 3,810,476	$ 1,373,904	$ 12,449,615

See Independent Auditor's Report and notes to the consolidated financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2022

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefits Plan	Total
ADDITIONS:					
Contributions:					
Employer contributions	$ 400,648	$ 70,764	$ 158,618	$ 788,310	$ 1,418,340
Implicit rate subsidy contribution	-	-	-	57,989	57,989
Member contributions	34,471	50	25,548	-	60,069
Total contributions	435,119	70,814	184,166	846,299	1,536,398
Investment income:					
Net (depreciation) / appreciation in fair value of investments	(520,371)	(56,789)	(307,355)	11,671	(872,844)
Dividend income	72,743	8,067	45,924	3	126,737
Interest income	16,505	1,773	10,719	154	29,151
Less: Investment expenses	32,900	4,266	22,915	-	60,081
Investment income, net	(464,023)	(51,215)	(273,627)	11,828	(777,037)
Total additions	(28,904)	19,599	(89,461)	858,127	759,361
DEDUCTIONS:					
Benefit payments and withdrawals	351,857	143,764	257,973	788,310	1,541,904
Implicit rate subsidy payments	-	-	-	57,989	57,989
Administrative expenses	4,334	761	806	176	6,077
Total deductions	356,191	144,525	258,779	846,475	1,605,970
Net increase in fiduciary net position	(385,095)	(124,926)	(348,240)	11,652	(846,609)
NET POSITION:					
Restricted for Benefits:					
Beginning of year	5,753,129	777,323	3,658,351	83	10,188,886
End of year	$ 5,368,034	$ 652,397	$ 3,310,111	$ 11,735	$ 9,342,277

See Independent Auditor's Report and notes to the consolidated financial statements.

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SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024
($ in millions)

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	$ 1,184	$ 1,148	$ (36)
Vehicle toll revenue	565	586	21
Other operating revenue	219	210	(9)
Total revenue	1,968	1,944	(24)
OPERATING EXPENSES:			
Labor:			
Payroll	1,703	1,485	(218)
Overtime	262	307	45
Health and welfare	471	442	(29)
Pensions	369	348	(21)
Other fringe benefits	335	279	(56)
Postemployment benefits	228	214	(14)
Reimbursable overhead	-	(144)	(144)
Total labor expenses	3,368	2,931	(437)
Non-labor:			
Electric power	161	128	(33)
Fuel	67	57	(10)
Insurance	8	10	2
Claims	104	91	(13)
Paratransit service contracts	119	141	22
Maintenance and other operating contracts	236	176	(60)
Professional service contract	194	90	(104)
Pollution remediation project costs	2	2	-
Materials and supplies	177	159	(18)
Other business expenses	50	75	25
Total non-labor expenses	1,118	929	(189)
Depreciation and amortization	890	914	24
Other Expenses Adjustment	(1)	-	1
Total operating expenses	5,375	4,774	(601)
NET OPERATING LOSS	$ (3,407)	$ (2,830)	$ 577

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED SUBSIDY ACCRUAL RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024
($ in millions)

Accrued Subsidies	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Mass transit trust fund subsidies	$ 147	$ 151	$ 4	{1}
Mortgage recording tax 1 and 2	115	77	(38)	{1}
MRT transfer	0	(1)	(1)	{1}
Urban tax	128	86	(42)	{1}
State and local operating assistance	7	7	0	{1}
Station maintenance	51	50	(1)	{1}
Connecticut Department of Transportation (CDOT)	67	66	(1)	{1}
Subsidy from New York City for MTA Bus and SIRTOA	145	129	(16)	{1}
Build American Bonds Subsidy	0	2	2	{1}
Mobility tax	1,025	957	(68)	{1}
Assistance Fund (For hire vehicle)	94	90	(4)	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	80	71	(9)	{1}
Internet Marketplace Tax	83	73	(10)	{1}
Transfer to Central Business District Capital Lockbox	(163)	0	163	{1}
Other non-operating income	176	131	(45)	{2}
Total accrued subsidies	**1,955**	**1,889**	**(66)**	
Net operating deficit before subsidies and debt service	(3,407)	(2,830)	577	
Debt Service	(765)	(459)	306	
Conversion to Cash basis: Depreciation	890	-	(890)	
Conversion to Cash basis: GASB 75 OPEB adjustment	17	-	(17)	
Conversion to Cash basis: GASB 68 pension adjustment	45	-	(45)	
Conversion to Cash basis: Pollution & Remediation	2	-	(2)	
Conversion to Cash basis: GASB Lease Adjustment	1	-	(1)	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	**$ (1,262)**	**$ (1,400)**	**$ (138)**	

{1} The Financial Plan records on a cash basis while the Financial Statement records on an accrual basis.
{2} The Financial Plan records do not include other non-operating income or changes in fair value.
{3} Timing of receipt in the Financial Plan.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF FINANCIAL PLAN TO FINANCIAL STATEMENTS RECONCILIATION
RECONCILING ITEMS
FOR THE PERIOD ENDED MARCH 31, 2024
($ in millions)

Financial Plan Actual Operating Loss at March 31, 2024			**$ (3,407)**
The Financial Plan Actual Includes:			
1	Higher Other operating revenue		(24)
2	Higher labor expense primarily from higher payroll expense projections		437
3	Higher non-labor expense primarily from higher professional service contract expense		189
4	Other expense adjustments		(25)
Total operating reconciling items			**577**
Financial Statements Operating Loss at March 31, 2024			**$ (2,830)**
Financial Plan Deficit after Subsidies and Debt Service			**(1,262)**
The Audited Financial Statements Includes:			
1	Debt service bond principal payments		306
2	Adjustments for non-cash liabilities:		
	Depreciation	(890)	
	Unfunded OPEB expense	(17)	
	Unfunded GASB No. 68 pension adjustment	(45)	
	Other non-cash liability adjustment	(3)	(955)
The Financial Statement includes:			
3	Lower subsidies and other non-operating revenues and expenses		(66)
4	Total operating reconciling items (from above)		577
Financial Statement Loss Before Capital Appropriations			**$ (1,400)**

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Metropolitan Transportation Authority Deferred Compensation Program

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022, and
Independent Auditor's Report

METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM

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INDEPENDENT AUDITOR'S REPORT

To the Committee of the
Metropolitan Transportation Authority Deferred Compensation Program

Opinion

We have audited each of the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Deferred Compensation Program, comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "457 Plan") and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "401(k) Plan"), (collectively the "Plans") as of December 31, 2023 and 2022, and each of the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plans' 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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 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 audit 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.

July 29, 2024

The Deferred Compensation Program is comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "457 Plan") and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "401(k) Plan"), collectively known as the "Plans" and the "Metropolitan Transportation Authority Deferred Compensation Plans". This management's discussion and analysis of the Plans' financial performance provides an overview of the Plans' financial activities for the years ended December 31, 2023 and 2022. It is meant to assist the reader in understanding the Plans' financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with the Plans' financial statements which begin on page 21.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position -** presents the financial position of the Plans at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at contract and net asset values ("NAV"). All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Plans are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the contract and NAV of investments are included in the year's activity as net appreciation in contract and NAV values of investments.

- **The Notes to Financial Statements -** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plans' accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

The financial statements are prepared in accordance with Governmental Accounting Standards Board ("GASB") Pronouncements.

Financial Highlights

As a result of various Deferred Compensation Program changes, expanding participant eligibility through collective bargaining, a strong educational program and greater participant satisfaction, the Deferred

Compensation Program has continued to grow. The assets of the 457 Plan exceeded its liabilities by $4.035 billion and the assets of the 401(k) Plan exceeded its liabilities by $5.651 billion as of December 31, 2023. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2023, the net positions held in trust for the 457 Plan and the 401(k) Plan increased by $494.4 million and $710.3 million, respectively, due primarily to market outperformance and net increase in investment income to the plans.

The assets of the 457 Plan exceeded its liabilities by $3.540 billion and the assets of the 401(k) Plan exceeded its liabilities by $4.941 billion as of December 31, 2022. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2022, the net positions held in trust for the 457 Plan and the 401(k) Plan decreased by $452.7 million and $629.6 million, respectively, due primarily to net decrease in investment income to the plans.

Deductions from the Plans' net position consist primarily of distributions to participant and transfers to other plans, and plan expenses in the amounts of $258.609 million and $218.925 million for the 457 Plan and $371.556 million and $296.963 million for the 401(k) Plan for the years ended December 31, 2023 and 2022.

Plans Fiduciary Net Position
As of December 31,
($ In Thousands)

457 Plan				**Amount of Change**		**Percentage Change**	
	2023	**2022**	**2021**	**(2023 - 2022)**	**(2022 - 2021)**	**(2023 - 2022)**	**(2022 - 2021)**
ASSETS:							
Investments	$ 3,949,255	$ 3,462,358	$ 3,916,332	$ 486,897	$ (453,974)	14.1 %	(11.6)%
Participant loans receivable	85,889	79,829	78,188	6,060	1,641	7.6	2.1
Total assets	4,035,144	3,542,187	3,994,520	492,957	(452,333)	13.9	(11.3)
LIABILITIES:							
Administrative expense reimbursement	524	1,946	1,557	(1,422)	389	(73.1)	25.0
Total liabilities	524	1,946	1,557	(1,422)	389	(73.1)	25.0
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 4,034,620	$ 3,540,241	$ 3,992,963	$ 494,379	$ (452,722)	14.0 %	(11.3)%

401(k) Plan				**Amount of Change**		**Percentage Change**	
	2023	**2022**	**2021**	**(2023 - 2022)**	**(2022 - 2021)**	**(2023 - 2022)**	**(2022 - 2021)**
ASSETS:							
Investments	$ 5,477,595	$ 4,780,089	$ 5,413,112	$ 697,506	$ (633,023)	14.6 %	(11.7)%
Participant loans receivable	175,336	162,609	159,285	12,727	3,324	7.8	2.1
Total assets	5,652,931	4,942,698	5,572,397	710,233	(629,699)	14.4	(11.3)
LIABILITIES:							
Administrative expense reimbursement	1,492	1,568	1,651	(76)	(83)	(4.8)	(5.0)
Total liabilities	1,492	1,568	1,651	(76)	(83)	(4.8)	(5.0)
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 5,651,439	$ 4,941,130	$ 5,570,746	$ 710,309	$ (629,616)	14.4 %	(11.3)%

Changes in Plans Fiduciary Net Position
For the Years Ended December 31,
($ In Thousands)

457 Plan

	2023	2022	2021	Amount of Change (2023 - 2022)	Amount of Change (2022 - 2021)	Percentage Change (2023 - 2022)	Percentage Change (2022 - 2021)
ADDITIONS:							
Investment income/(loss)	$ 496,915	$ (469,575)	$ 406,887	$ 966,490	$ (876,462)	205.8 %	(215.4)%
Contributions and additional deposits	251,518	231,990	228,918	19,528	3,072	8.4	1.3
Loan repayments - interest	4,556	3,788	3,984	768	(196)	20.3	(4.9)
Total additions	752,989	(233,797)	639,789	986,786	(873,586)	422.1	(136.5)
DEDUCTIONS:							
Distribution to participants	106,732	103,238	96,758	3,494	6,480	3.4	6.7
Transfers to other plans	146,838	110,373	91,464	36,465	18,909	33.0	20.7
Net participant loan activity	3,365	3,633	3,323	(268)	310	(7.4)	9.3
Other	1,674	1,681	2,358	(7)	(677)	(0.4)	(28.7)
Total deductions	258,609	218,925	193,903	39,684	25,022	18.1	12.9
Increase/(decrease) in net position	494,380	(452,722)	445,886	947,102	(898,608)	209.2	(201.5)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	3,540,241	3,992,963	3,547,077	(452,722)	445,886	(11.3)	12.6
End of year	$ 4,034,621	$ 3,540,241	$ 3,992,963	$ 494,380	$ (452,722)	14.0 %	(11.3)%

401(k) Plan

	2023	2022	2021	Amount of Change (2023 - 2022)	Amount of Change (2022 - 2021)	Percentage Change (2023 - 2022)	Percentage Change (2022 - 2021)
ADDITIONS:							
Investment Income/(loss)	$ 704,020	$ (674,552)	$ 580,914	$ 1,378,572	$ (1,255,466)	204.4 %	(216.1)%
Contributions and additional deposits	368,466	334,139	324,880	34,327	9,259	10.3	2.8
Loan repayments - interest	9,379	7,760	8,217	1,619	(457)	20.9	(5.6)
Total additions	1,081,865	(332,653)	914,011	1,414,518	(1,246,664)	425.2	(136.4)
DEDUCTIONS:							
Distribution to participants	155,924	141,811	125,410	14,113	16,401	10.0	13.1
Transfers to other plans	207,293	147,251	144,048	60,042	3,203	40.8	2.2
Net participant loan activity	5,365	5,166	4,910	199	256	3.9	5.2
Other	2,974	2,735	2,679	239	56	8.7	2.1
Total deductions	371,556	296,963	277,047	74,593	19,916	25.1	7.2
Increase/(decrease) in net position	710,309	(629,616)	636,964	1,339,925	(1,266,580)	212.8	(198.8)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	4,941,130	5,570,746	4,933,782	(629,616)	636,964	(11.3)	12.9
End of year	$ 5,651,439	$ 4,941,130	$ 5,570,746	$ 710,309	$ (629,616)	14.4 %	(11.3)%

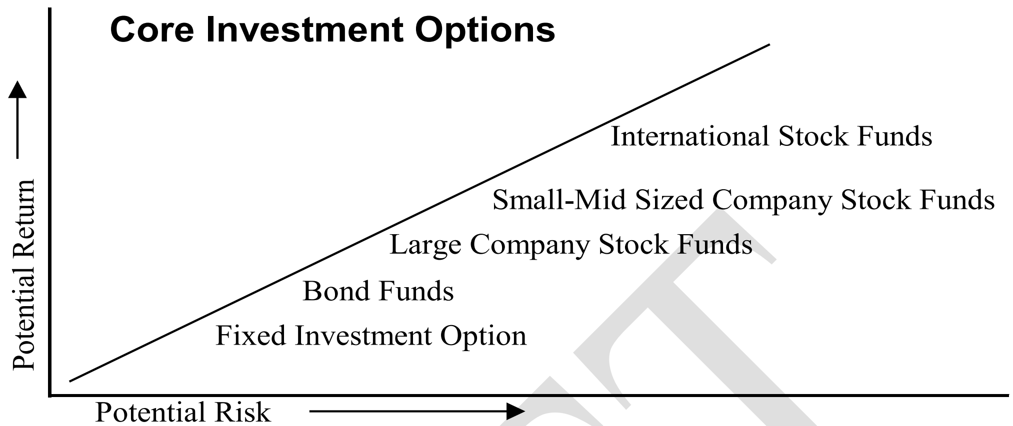
Investment Options

The MTA Plans offer eleven (11) Target-Year Lifecycle Funds, which provide a diversified mix of certain of the Plans' investment options and allow a participant to choose the fund closest to their anticipated withdrawal date. The Target-Year Lifecycle Funds are designed to provide an asset allocation strategy appropriate for an individual's risk and return preferences in a single fund through a diversified portfolio of the Plans' domestic stock funds, international stock funds and fixed income funds. Some components are not offered to participants outside of the Target-Year Lifecycle Funds. Allocations are automatically rebalanced to their targets on a quarterly basis.

Fund Name	Asset Class	Portfolio Allocations
MTA Target-Year Lifecycle 2020 Fund	Large Cap 13.50%	MTA Large Cap Equity Index Fund 9.10%
	Small - Mid Cap 3.20%	MTA Large Cap Equity Fund 4.40%
	Intl Equity 11.50%	MTA Small-Mid Cap Equity Fund 3.20%
	Fixed Income 15.10%	MTA International Equity Fund 11.50%
	Real Asset 11.30%	MTA Bond Fund 15.10%
	Stable Value 45.40%	MTA Real Asset Fund 11.30%
		MTA Stable Value Fund 45.40%
MTA Target-Year Lifecycle 2025 Fund	Large Cap 19.20%	MTA Large Cap Equity Index Fund 12.60%
	Small - Mid Cap 4.60%	MTA Large Cap Equity Fund 6.60%
	Intl Equity 16.50%	MTA Small-Mid Cap Equity Fund 4.60%
	Fixed Income 18.10%	MTA International Equity Fund 16.50%
	Real Asset 9.10%	MTA Bond Fund 18.10%
	Stable Value 32.50%	MTA Real Asset Fund 9.10%
		MTA Stable Value Fund 32.50%
MTA Target-Year Lifecycle 2030 Fund	Large Cap 25.90%	MTA Large Cap Equity Index Fund 16.30%
	Small - Mid Cap 6.40%	MTA Large Cap Equity Fund 9.60%
	Intl Equity 21.80%	MTA Small-Mid Cap Equity Fund 6.40%
	Fixed Income 17.60%	MTA International Equity Fund 21.80%
	Real Asset 6.60%	MTA Bond Fund 17.60%
	Stable Value 21.70%	MTA Real Asset Fund 6.60%
		MTA Stable Value Fund 21.70%
MTA Target-Year Lifecycle 2035 Fund	Large Cap 31.50%	MTA Large Cap Equity Index Fund 19.30%
	Small - Mid Cap 9.40%	MTA Large Cap Equity Fund 12.20%
	Intl Equity 27.40%	MTA Small-Mid Cap Equity Fund 9.40%
	Fixed Income 15.20%	MTA International Equity Fund 27.40%
	Real Asset 5.10%	MTA Bond Fund 15.20%
	Stable Value 11.40%	MTA Real Asset Fund 5.10%
		MTA Stable Value Fund 11.40%
MTA Target-Year Lifecycle 2040 Fund	Large Cap 34.00%	MTA Large Cap Equity Index Fund 19.40%
	Small - Mid Cap 12.70%	MTA Large Cap Equity Fund 14.60 %
	Intl Equity 31.50%	MTA Small-Mid Cap Equity Fund 12.70%
	Fixed Income 12.70%	MTA International Equity Fund 31.50%
	Real Asset 5.00%	MTA Bond Fund 12.70%
	Stable Value 4.10%	MTA Real Asset Fund 5.00%
		MTA Stable Value Fund 4.10%

Fund Name	Asset Class	Portfolio Allocations
MTA Target-Year Lifecycle 2045 Fund	Large Cap 35.20% Small - Mid Cap 14.90% Intl Equity 33.70% Fixed Income 11.00% Real Asset 5.00% Stable Value 0.20%	MTA Large Cap Equity Index Fund 17.20 % MTA Large Cap Equity Fund 18.00% MTA Small-Mid Cap Equity Fund 14.90% MTA International Equity Fund 33.70% MTA Bond Fund 11.00% MTA Real Asset Fund 5.00% MTA Stable Value Fund 0.20%
MTA Target-Year Lifecycle 2050 Fund	Large Cap 36.50% Small - Mid Cap 15.70% Intl Equity 35.00% Fixed Income 7.80% Real Asset 5.00%	MTA Large Cap Equity Index Fund 15.20% MTA Large Cap Equity Fund 21.30% MTA Small-Mid Cap Equity Fund 15.70% MTA International Equity Fund 35.00% MTA Bond Fund 7.80% MTA Real Asset Fund 5.00%
MTA Target-Year Lifecycle 2055 Fund	Large Cap 37.30% Small - Mid Cap 16.00% Intl Equity 35.60% Fixed Income 6.10% Real Asset 5.00%	MTA Large Cap Equity Index Fund 13.80% MTA Large Cap Equity Fund 23.50% MTA Small-Mid Cap Equity Fund 16.00% MTA International Equity Fund 35.60% MTA Bond Fund 6.10% MTA Real Asset Fund 5.00%
MTA Target-Year Lifecycle 2060 Fund	Large Cap 37.40% Small - Mid Cap 16.00% Intl Equity 35.60% Fixed Income 6.00% Real Asset 5.00%	MTA Large Cap Equity Index Fund 12.60% MTA Large Cap Equity Fund 24.80% MTA Small-Mid Cap Equity Fund 16.00% MTA International Equity Fund 35.60% MTA Bond Fund 6.00% MTA Real Asset Fund 5.00%
MTA Target-Year Lifecycle 2065 Fund	Large Cap 37.40% Small - Mid Cap 16.00% Intl Equity 35.60% Fixed Income 6.00% Real Asset 5.00%	MTA Large Cap Equity Index Fund 12.60% MTA Large Cap Equity Fund 24.80% MTA Small-Mid Cap Equity Fund 16.00% MTA International Equity Fund 35.60% MTA Bond Fund 6.00% MTA Real Asset Fund 5.00%
MTA Income Fund	Large Cap 11.70% Small - Mid Cap 2.60% Intl Equity 9.50% Fixed Income 13.20% Real Asset 12.00% Stable Value 51.00%	MTA Large Cap Equity Index Fund 7.80% MTA Large Cap Equity Fund 3.90% MTA Small-Mid Cap Equity Fund 2.60% MTA International Equity Fund 9.50% MTA Bond Fund 13.20% MTA Real Asset Fund 12.00% MTA Stable Value Fund 51.00%

In addition to the eleven Target-Year lifecycle funds, the Plans offer a spectrum of investment options that include two international funds, four small-mid company stock funds, two large company stock funds, three bond funds, and the Stable Value Income Fund ("Fixed Investment Option").



The investment objective for each of the funds is described below. Additional information on each investment option, including a Fund Fact Sheet is available on the Plans' website at empower-retirement.com.

International Equity Funds

MTA International Equity Index Fund (Non-US Equity) - The fund invests wholly in State Street Global Advisors ("SSgA") Global All Cap Equity ex U.S. Index Fund – Class K (the Collective Investment Trust C.I.T.). The C.I.T. Fund seeks to match as closely as possible, before expenses, the performance of the MSCI ACWI ex-USA IMI Index over the long term.

MTA International Equity Fund (International Stock-Blend) - The Portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **William Blair International Growth Fund** (International Stock-Growth) - The fund seeks to provide long-term growth of capital. The fund invests in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by companies of all sizes domiciled outside the U.S. that William Blair believes have above-average growth, profitability and quality characteristics. William Blair will vary sector and geographic diversification for the fund based upon its ongoing evaluation of economic, market and political trends throughout the world. The fund seeks to provide long-term growth of capital.
2. **Mondrian All Countries World Ex-U.S. Equity** (International Stock-Value) - The Collective Investment Trust Fund is advised by Mondrian Investment Partners. Mondrian employs an active, value-oriented approach to managing international equities, and invests in securities where rigorous dividend discount analysis identifies value in terms of the long-term flow of income. The philosophy is built upon the assumption that dividend yield and future real growth are critical in determining a company's total expected return and that the dividend component will be a meaningful portion of the expected return over time.

Small-Mid Cap Equity Fund

MTA Small-Mid Cap Equity Index Fund (Mid Cap Stock-Blend) - The Fund invests wholly in the underlying collective investment trust SSgA Russell Small/Mid Cap Non-Lending Series- Class K (the "C.I.T."). The underlying collective investment trust seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Russell Small Cap Completeness Index over the long term.

MTA Small-Mid Cap Equity Fund (Mid Cap Stock-Blend) - The Fund is managed by four complementary, but independent managers. By employing four managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **The William Blair Small-Mid Cap Growth Fund** (Small Growth) - is sub-advised by William Blair Investment Management, LLC. The strategy seeks capital appreciation to outperform its benchmark, the Russell 2500 Growth Index, and its peers over a full market cycle. The strategy is a diversified portfolio of 65-80 holdings, investing in common stocks of small and mid-cap quality companies that are expected to have solid growth in earnings.
2. **The DFA US Targeted Value I** (Small Value) - the fund is advised by Dimensional Fund Advisors LP. The investment seeks long-term capital appreciation. The fund, using a market capitalization weighted approach, purchases a broad and diverse group of the readily marketable securities of U.S. small and midcap companies that the Advisor determines to be value stocks. It may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices, to adjust market exposure based on actual or expected cash inflows to or outflows from the fund. The fund does not intend to sell futures contracts to establish short positions in individual securities or to use derivatives for purposes of speculation or leveraging investment returns.
3. **AllianceBernstein US SMID Cap Value Equity Fund** (Small Value) - the fund is managed by AllianceBernstein. It seeks a deep-value service that invests in a portfolio of small and mid-capitalization stocks located primarily in the United States. Macroeconomic, industry or company-specific concerns often cause investors to react emotionally and overlook underlying company fundamentals, causing securities to become mispriced. The investment strategy seeks to capitalize these short-term market inefficiencies created by enduring patterns of human behavior. The investment team employs a highly disciplined stock selection process that marries in-depth fundamental research with quantitative analysis to identify companies that are undervalued relative to their long-term earnings power and offer compelling return potential.
4. **Westfield Small/Mid Cap Growth Equity** (Small Growth) - employs a growth at a reasonable price (GARP) investment style favoring investments in companies with underappreciated earnings growth trading at reasonable valuations based on the belief that stock prices ultimately follow earnings growth, and fundamental research best identifies inefficiencies and investment opportunities. MTA Deferred Compensation Committee is solely responsible for: (1) the selection of the Fund and its underlying funds (including the selection of the asset allocation percentages for each underlying fund); (2) decisions to allocate plan assets to the Fund; and (3) the selection, monitoring and replacement of the Fund and its underlying funds, and if applicable, the Fund's investment advisors.

Large-Cap Equity Funds

MTA Large Cap Equity Index Fund (Large Cap Stock-Blend) - The Fund invests wholly in the Vanguard Institutional Index Fund, Institutional Plus shares. The investment seeks to track the performance of a benchmark index that measures the investment return of large capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

MTA Large Cap Equity Fund (Large Cap Stock-Blend) - The Portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **T. Rowe Price US Large Cap Value Equity Fund** (Large Cap Stock-Value) - The Fund is advised by T. Rowe Price Associates, Inc. and seeks to provide long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective.

2. **Jennison Large Cap Growth Fund** (Large Cap Stock-Growth) - The Fund is sub-advised by Jennison Associates LLC, following its Large Cap Growth Equity investment strategy. It seeks to outperform, over the long term, both the Russell 1000 Growth and S&P 500 Indexes and to be the best performing manager among its peers, with a consistent risk profile.

Bond Funds

MTA Bond Index Fund (Fixed Income-Domestic) - The Fund invests wholly in the SSgA US Bond Index Non-Lending – Class C (the Collective Investment Trust or C.I.T.). The Fund seeks an investment return that approximates, as closely as practicable, before expenses, the performance of the Blomberg Barclays U.S. Aggregate Bond Index over the long term.

MTA Bond Fund (Fixed Income-Domestic) - The Portfolio is managed by three complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 34%/33%/33% split. By employing three managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **TCW Core Plus Fund** (Fixed Income-Domestic) - This separate account is sub-advised by Metropolitan West Asset Management, LLC. The Fund seeks to outperform the broad bond market by applying specialized management expertise to and allocating capital among US government, corporate, high yield and mortgage-backed sectors. In addition, exposure to international and emerging markets fixed income assets are opportunistically incorporated into portfolio positioning. The strategy seeks to outperform the Bloomberg Barclays Aggregate Bond Index.

2. **Loomis Sayles Core Plus Fixed Income Trust** (Fixed Income) - The Trust seeks high total investment return through a combination of current income and capital appreciation and to outperform its benchmark, the Bloomberg Barclays US Aggregate Bond Index denominated in US dollars. This index is used for comparative purposes only and is not intended to parallel the risk or investment style of the fund.

3. **WTC CIF II World Bond Portfolio** (Fixed Income) - The Collective Investment Trust Fund is sub-advised by Wellington Management Company, LLP. The portfolio seeks to generate consistent total returns over a full market cycle. The investment process is designed to allocate capital to high quality sovereign countries while simultaneously identifying opportunistic investment ideas across a wide range of diversified fixed income strategies, and to transparently manage portfolio risk.

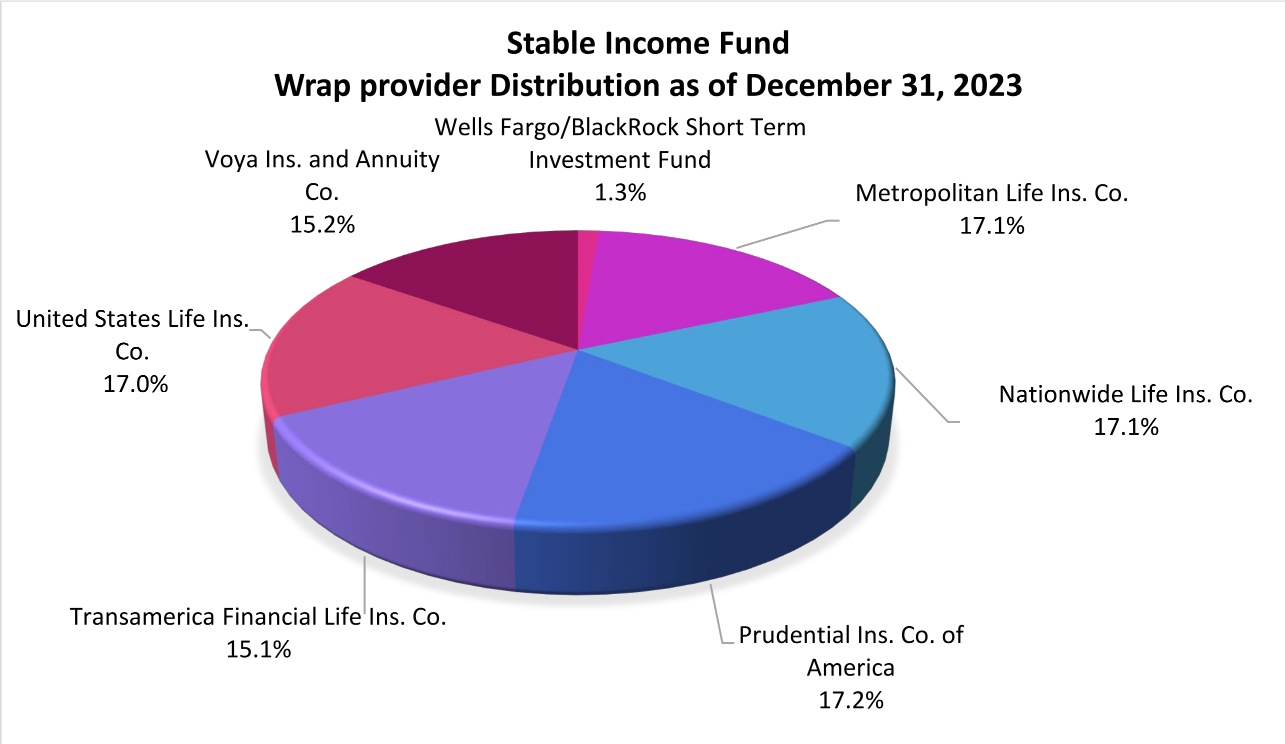
Stable Value Option

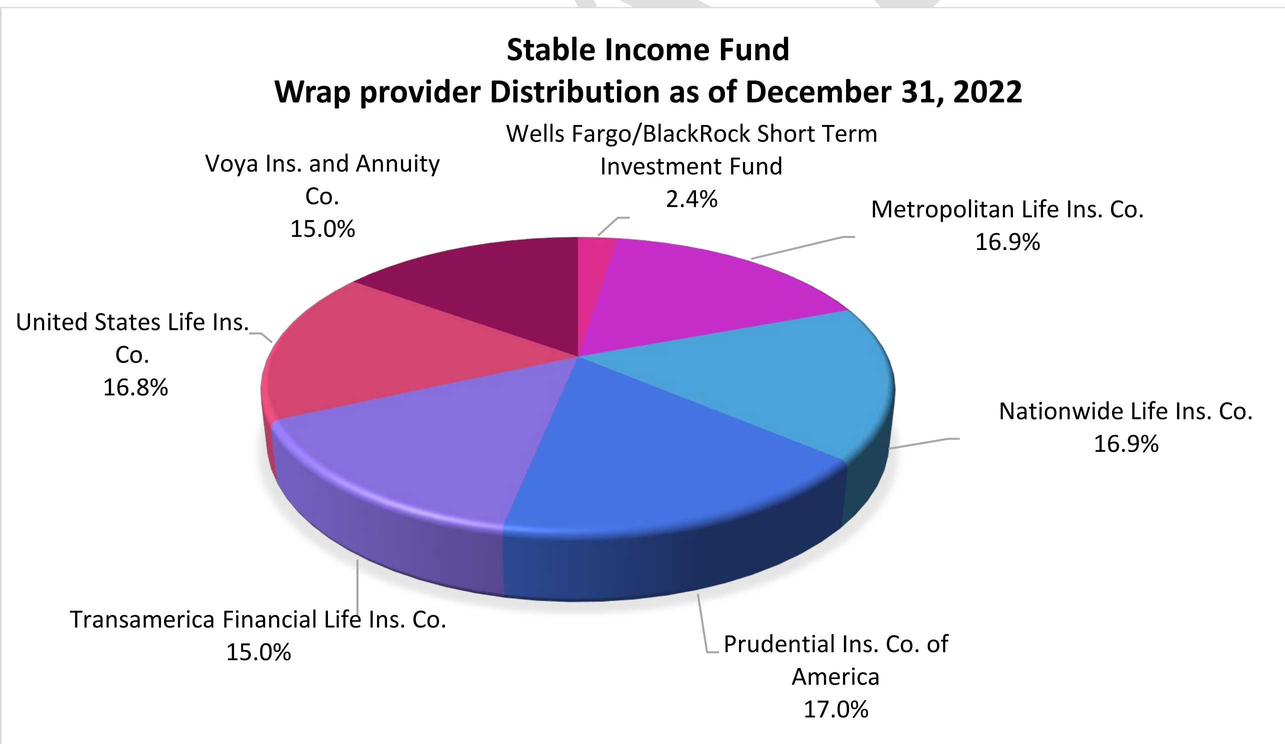
MTA Stable Value Fund (Stable Value) - The fund seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. The fund is managed by Galliard Capital Management and is primarily comprised of investment contracts issued by financial institutions and other eligible stable value investments. All contract issuers and securities utilized in the portfolio are rated investment grade by one of the Nationally Recognized Statistical Rating Organizations at time of purchase. The types of investment contracts in which the Fund may invest include Separate Account Guaranteed Investment Contracts ("GICs") and Security Backed Investment Contracts. These types of investment contracts seek to provide participants with safety of principal and accrued interest as well as a stable crediting rate.

Separate Account GICs are GICs issued by and insurance company and are maintained within a separate account. Separate Account GICs are typically backed by segregated portfolios of fixed income securities.

Security Backed Investment Contracts are comprised of two components: 1) investment contracts issued by a financial institution and 2) underlying portfolios of fixed income securities (i.e., bonds) whose market prices fluctuate. The investment contract is designed to allow participants to transact at book value (principal plus accrued interest) without reference to the price fluctuations of the underlying fixed income securities.

The following chart shows the underlying investments of the MTA Stable Value Fund as of December 31, 2023 and 2022.





*The Wells Fargo Stable Return Fund W and Wells Fargo/BlackRock STIF are not a part of the wrapped portfolio.

The MTA Plans' investment options performance is outlined in the following tables. The Plans, with the assistance of its independent investment consultant, continuously monitors the investment options in conformance with the investment policy for the Plans. Below each Fund listed below is the benchmark used to compare the investment results.

Performance Summary

Year ended December 31, 2023

Stable Value

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Stable Value	0.7%	2.7%	2.1%	2.3%	2.2%
Galliard 3YrCMT+50bps	1.2%	4.8%	3.1%	2.5%	2.6%

Fixed Income

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA U.S. Bond Index Fund	6.7%	5.6%	-3.4%	1.1%	1.3%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
Loomis Sayles Core Plus Bond Fund	7.2%	6.3%	-2.8%	2.3%	2.3%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
TCW MetWest Core Plus Fixed Income	7.3%	5.9%	-3.5%	1.5%	1.6%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
Wellington World Bond Fund	5.1%	4.6%	0.1%	1.4%	1.7%
FTSE World Government Bond Index	8.1%	5.2%	-7.2%	-1.4%	-0.1%

Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
Vanguard Institutional 500 Index Trust	11.7%	26.3%	10.0%	15.7%	13.4%
S&P 500	11.7%	26.3%	10.0%	15.7%	13.4%
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	11.3%	9.9%	9.8%	11.8%	9.2%
Russell 1000 Value Index	9.5%	11.5%	8.9%	10.9%	8.3%
Jennison Large Cap Growth (Empower Separate Account)	16.1%	53.0%	2.7%	18.1%	17.4%
Russell 1000 Growth Index	14.2%	42.7%	8.9%	19.5%	17.7%
SSgA Small/Mid Cap Index Fund	14.8%	24.9%	1.6%	12.2%	9.7%
Russell Small Cap Completeness Index	14.7%	24.8%	1.6%	12.2%	9.7%
AB US SMID Cap Value Equity (Separate Account)	14.9%	17.3%	10.5%	11.1%	NA
Russell 2500 Value Index	13.8%	16.0%	8.8%	10.8%	7.1%
DFA US Targeted Value Fund (MTA)	14.4%	19.3%	16.5%	14.8%	NA
Russell 2500 Value Index	13.8%	16.0%	8.8%	10.8%	7.1%
William Blair SMID Growth (Separate Account)	12.4%	18.2%	0.0%	11.9%	NA
Russell 2500 Growth Index	12.6%	18.9%	-2.7%	11.4%	10.2%

Performance Summary

Year ended December 31, 2023 (continued)

International Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA MSCI ACWI ex-U.S. IMI Index Fund	9.8%	15.9%	1.8%	7.4%	6.6%
MSCI AC Wld ex US IMI (Net)	9.8%	15.6%	1.5%	7.2%	6.4%
William Blair Institutional International Growth All Cap (Separate Account)	13.0%	16.0%	-2.4%	9.7%	8.0%
MSCI AC Wld Index ex USA.IMI Growth (Net)	11.0%	14.0%	-2.6%	7.5%	7.1%
Mondrian ACWI ex US	9.3%	19.2%	3.8%	5.7%	5.2%
MSCI AC Wld ex USA Value (Net)	8.4%	17.3%	5.8%	6.3%	5.3%

Diversified Inflation

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA Real Asset Fund	3.7%	1.0%	8.0%	8.1%	5.9%
SSgA Custom Real Asset Index	3.7%	1.1%	8.1%	8.1%	5.8%

Lifecycle

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Income	4.6%	7.5%	3.3%	5.6%	4.8%
MTA Income Composite Index	4.6%	8.4%	3.7%	5.4%	4.7%
MTA 2020	5.2%	8.7%	3.2%	6.7%	5.9%
MTA 2020 Composite Index	5.2%	9.4%	3.6%	6.3%	5.6%
MTA 2025	6.7%	11.2%	3.5%	7.7%	6.7%
MTA 2025 Composite Index	6.5%	11.5%	3.7%	7.2%	6.4%
MTA 2030	8.1%	14.0%	3.7%	8.8%	7.5%
MTA 2030 Composite Index	7.8%	13.8%	4.0%	8.2%	7.1%
MTA 2035	9.6%	16.6%	4.1%	9.8%	8.1%
MTA 2035 Composite Index	9.0%	15.9%	4.5%	9.2%	7.7%
MTA 2040	10.6%	18.2%	4.2%	10.2%	8.6%
MTA 2040 Composite Index	9.9%	17.2%	4.6%	9.6%	8.1%
MTA 2045	11.2%	19.2%	4.3%	10.5%	8.9%
MTA 2045 Composite Index	10.3%	17.9%	4.8%	9.9%	8.4%
MTA 2050	11.4%	19.9%	4.4%	10.7%	9.0%
MTA 2050 Composite Index	10.5%	18.4%	5.0%	10.1%	8.5%
MTA 2055	11.5%	20.2%	4.4%	10.7%	9.0%
MTA 2055 Composite Index	10.6%	18.6%	5.1%	10.1%	8.5%
MTA 2060	11.6%	20.3%	4.4%	10.7%	NA
MTA 2060 Composite Index	10.6%	18.6%	5.0%	10.1%	8.5%
MTA 2065	11.6%	20.3%	4.4%	10.7%	NA
MTA 2065 Composite Index	10.6%	18.6%	5.0%	10.1%	8.5%

Performance Summary
Year ended December 31, 2022

Stable Value

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Stable Value	0.6%	1.9%	2.0%	2.2%	2.1%
Galliard 3YrCMT+50bps	1.2%	3.6%	1.8%	2.2%	2.1%

Fixed Income

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA U.S. Bond Index Fund	1.7%	-13.2%	-2.8%	0.0%	0.8%
Blmbg. U.S. Aggregate	1.9%	-13.0%	-2.7%	0.0%	0.9%
Loomis Sayles Core Plus Bond Fund	2.1%	-12.6%	-1.3%	1.0%	2.4%
Blmbg. U.S. Aggregate	1.9%	-13.0%	-2.7%	0.0%	0.9%
TCW MetWest Core Plus Fixed Income	1.9%	-14.2%	-2.3%	0.4%	1.2%
Blmbg. U.S. Aggregate	1.9%	-13.0%	-2.7%	0.0%	0.9%
Wellington World Bond Fund	2.6%	-3.2%	-0.8%	1.0%	1.3%
FTSE World Government Bond Index	3.8%	-18.3%	-5.7%	-2.5%	-0.6%

Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
Vanguard Institutional 500 Index Trust	7.6%	-18.1%	7.7%	9.4%	11.5%
S&P 500	7.6%	-18.1%	7.7%	9.4%	11.5%
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	12.2%	-4.4%	7.7%	7.6%	10.1%
Russell 1000 Value Index	12.4%	-7.5%	6.0%	6.7%	9.1%
Jennison Large Cap Growth (Empower Separate Account)	-1.3%	-38.8%	3.9%	8.1%	10.6%
Russell 1000 Growth Index	2.2%	-29.1%	7.8%	11.0%	12.9%
SSgA Small/Mid Cap Index Fund	4.9%	-25.5%	3.6%	5.3%	8.6%
Russell Small Cap Completeness Index	4.8%	-25.5%	3.7%	5.3%	8.7%
AB US SMID Cap Value Equity (Separate Account)	9.3%	-15.5%	6.2%	4.2%	NA
Russell 2500 Value Index	9.2%	-13.1%	5.2%	4.8%	8.3%
DFA US Targeted Value Fund (MTA)	12.6%	-4.6%	11.2%	7.0%	NA
Russell 2500 Value Index	9.2%	-13.1%	5.2%	4.8%	8.3%
William Blair SMID Growth (Separate Account)	9.1%	-22.3%	4.2%	7.9%	NA
Russell 2500 Growth Index	4.7%	-26.2%	2.9%	6.0%	9.0%

Performance Summary

Year ended December 31, 2022 (continued)

International Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA MSCI ACWI ex-U.S. IMI Index Fund	14.7%	-16.3%	0.4%	1.0%	5.1%
MSCI AC Wld ex US IMI (Net)	14.1%	-16.6%	0.2%	0.8%	4.8%
William Blair Institutional International Growth All Cap (Separate Account)	11.8%	-28.8%	1.5%	2.6%	5.4%
MSCI AC Wld Index ex USA.IMI Growth (Net)	12.7%	-23.5%	-0.3%	1.4%	5.1%
Mondrian ACWI ex US	16.5%	-11.7%	-2.0%	-0.5%	NA
MSCI AC Wld ex USA Value (Net)	15.7%	-8.6%	0.1%	-0.1%	4.2%

Diversified Inflation

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA Real Asset Fund	7.1%	3.1%	8.8%	6.3%	7.7%
SSgA Custom Real Asset Index	7.1%	3.1%	8.6%	6.3%	7.7%

Lifecycle

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Income	3.9%	-4.7%	3.5%	3.7%	4.4%
MTA Income Composite Index	4.1%	-3.7%	2.9%	3.4%	4.2%
MTA 2020	4.6%	-7.1%	3.7%	4.1%	5.3%
MTA 2020 Composite Index	4.7%	-6.2%	3.0%	3.7%	5.1%
MTA 2025	5.6%	-10.0%	3.7%	4.3%	5.9%
MTA 2025 Composite Index	5.6%	-9.0%	3.7%	4.3%	5.7%
MTA 2030	6.9%	-13.2%	3.7%	4.5%	6.3%
MTA 2030 Composite Index	6.8%	-11.9%	3.0%	4.0%	6.2%
MTA 2035	8.1%	-15.6%	3.8%	4.7%	6.6%
MTA 2035 Composite Index	7.9%	-14.1%	3.3%	4.2%	6.6%
MTA 2040	9.0%	-17.2%	3.7%	4.6%	6.9%
MTA 2040 Composite Index	8.7%	-15.5%	3.3%	4.2%	7.0%
MTA 2045	9.4%	-18.0%	3.6%	4.6%	7.1%
MTA 2045 Composite Index	9.1%	-16.0%	3.3%	4.2%	7.2%
MTA 2050	9.6%	-18.4%	3.7%	4.6%	7.1%
MTA 2050 Composite Index	9.4%	-16.2%	3.4%	4.3%	7.3%
MTA 2055	9.6%	-18.6%	3.6%	4.6%	7.1%
MTA 2055 Composite Index	9.5%	-16.2%	3.4%	4.3%	7.3%
MTA 2060	9.6%	-18.6%	3.6%	4.6%	NA
MTA 2060 Composite Index	9.5%	-16.2%	3.4%	4.3%	7.2%
MTA 2065	9.6%	-18.6%	3.6%	4.6%	NA
MTA 2065 Composite Index	9.5%	-16.2%	3.4%	4.3%	7.2%

At December 31, 2023, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 33.74% and 37.54% of invested funds, respectively. This was followed by the Stable Value Funds with 27.01% and 24.10% of invested 457 and 401(k) funds, respectively.

The table below summarizes the Plans' investments by category at December 31, 2023 and 2022:

2023
FUND INVESTMENT SUMMARY

Investment at Fair, Contract and NAV Values	**457 Allocation**		**401(k) Allocation**	
Target-Year Lifecycle Funds	$1,332,544,051	33.74%	$2,056,513,052	37.54%
International Equity Funds	123,209,916	3.12%	160,431,574	2.93%
Small-Mid Cap Equity Funds	384,026,019	9.72%	491,513,484	8.97%
Large-Cap Equity Funds	955,508,947	24.19%	1,323,085,816	24.15%
Bond Funds	83,594,938	2.12%	120,270,561	2.20%
Stable Income Fund	1,066,659,605	27.01%	1,320,359,552	24.10%
Self-Directed Investment Option	3,711,466	0.09%	5,421,005	0.10%
Total Investments	$3,949,254,942	100.00%	$5,477,595,044	100.00%

At December 31, 2022, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 32.22% and 35.99% of invested funds, respectively. This was followed by the Stable Value Funds with 31.53% and 28.28% of invested 457 and 401(k) funds, respectively.

2022
FUND INVESTMENT SUMMARY

Investment at Fair, Contract and NAV Values	**457 Allocation**		**401(k) Allocation**	
Target-Year Lifecycle Funds	$1,115,580,034	32.22%	$1,720,460,046	35.99%
International Equity Funds	103,059,826	2.98%	132,596,844	2.77%
Small-Mid Cap Equity Funds	326,040,496	9.42%	417,425,815	8.73%
Large-Cap Equity Funds	743,719,791	21.48%	1,038,505,562	21.73%
Bond Funds	79,028,281	2.28%	114,752,821	2.40%
Stable Income Fund	1,091,818,709	31.53%	1,351,640,566	28.28%
Self-Directed Investment Option	3,111,336	0.09%	4,707,204	0.10%
Total Investments	$3,462,358,474	100.00%	$4,780,088,858	100.00%

Economic Factors

Market Overview – 2023

The year 2023 was a surprisingly strong year for markets and was characterized by disinflation, hawkish central banks, stronger than expected global GDP growth, the AI technological boom, and U.S. equity outperformance driven by the Magnificent 7. These positive developments came about despite three significant shocks. The first was higher than expected short-term and long-term interest rates due to central bank reaction functions (Four 25pb rate hikes in the U.S.) to better than expected growth data. Second was the U.S. and European banking sector instability early in the year. And third was the heightened geopolitical risk arising from the Israel-Hamas war. Following the tumultuous conditions of 2022, the economic conditions in 2023 brought with it strong increases in global economic growth rate forecasts, declines in unemployment projections, and suppressed recession concerns. In the US, disinflation, increased interest income, and steady real wages supported above trend line consumption. U.S. household credit usage increased, while debt service ratios still had room to expand, and the unemployment rate remained favorable. Global assets broadly increased, treasury yield volatility increased, the dollar remained strong, and the yield curve has remained sharply inverted for the longest period on record.

Except for commodities, global risk assets had strong performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023, which resulted in the one of the better years for the 60/40 equity bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong due to high interest rate differentials, posting gains against the Yen, and losses against the Euro.

Macro Themes

- Higher interest rates for longer
- Geopolitical risk and deglobalization
- Innovation and AI
- Priced in rate cutting for the Fed in 2024

United States

The U.S. economy surprised to the upside, a 2.5% increase in Real GDP growth in 2023, compared to a 1.9% increase in 2022. The unemployment rate increased but remained low, finishing 2023 at 3.7% compared to 3.5% in 2022. Consumer Prices rose only 3.4% in 2023 compared to 6.5% in 2022, while core inflation, which excludes the volatile food and energy components, rose 3.9% in 2023 compared to 5.7% in 2022.

U.S. equities were positive across the board, with the S&P 500 (26.3%) and Russell 1000 (26.5%) indices posting double digit returns. Across capitalizations, Large Cap (S&P 500 Index: 26.3%), Mid Cap (S&P 400 Index: 16.4%), and Small Cap (Russell 2000 Index:16.9%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 42.7%) significantly outperformed Value (Russell 1000 Value Index: 11.5%). Growth was driven by unprecedented concentration and outperformance from the Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, and TSLA). In 2023, the Mag 7 returned 104.7% which accounted for 62.2% of the S&P 500's total return for the year.

U.S. Treasury yields were volatile in 2023 and the yield curve remained inverted amid the Federal Reserve's four rate hikes. Credit spreads broadly tightened in 2023 except for securitized credit. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 5.5%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 14.6%), High Yield (Bloomberg High Yield Index: 13.4%) and Credit (Bloomberg Credit Index: 8.2%). Positive returns were also realized in Treasuries (Bloomberg US Treasury Index: 4.1%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 3.9%).

International Developed

International developed equity markets (MSCI EAFE Index: 18.2%) posted strong results in 2023 but underperformed the U.S. large cap equity markets. Leading the way was the Japanese (MSCI Japan Index: 20.8%) and European (MSCI Europe Index: 20.7%) markets. The International developed Small Cap (MSCI EAFE SC Index: 13.2%) market also posted double digit returns, but not as high as the International large cap counterpart.

Emerging Markets

Emerging markets posted positive but weaker relative returns in 2023 compared to both the U.S. and international developed equity markets. The broad EM Market (MSCI EM Index: 9.8%) garnished high single digit returns, despite having negative returns from Chinese (MSCI EM China Index: -11.2%) equities. Geopolitical risk, weak demand, and high unemployment dampened sentiment in the Chinese market. However, the EM Small Cap (MSCI EM Small Cap Index: 23.9%) market posted much better returns compared to EM large cap market.

The EM fixed income markets were positive in 2023. Both hard currency bonds, which are bonds predominately issued in U.S. Dollars, and local currency bonds, posted double digit returns. Local currency bonds (JPMorgan GBI-EM Global Diversified Index: 12.7%) outperformed hard currency bonds (JPMorgan EMBI Global Diversified Index: 11.1%).

Commodities

Commodities (S&P Goldman Sachs Commodity Index: -4.3%) were the laggards and had negative performance in 2023. The index was largely influenced by a -28.6% change in Natural Gas Prices. Commodity futures remain backwardated, although the roll yield has declined. Precious Metals and Softs (agricultural products) were the best performers in this category, with Gold spot prices up 13.4% and Cocoa spot prices up 61.4% for the year.

Market Outlook – 2024

Through the first quarter of 2024, equity markets were mostly higher with gains in the low double digits. Growth equities have continued to lead the way, adding on to their 2023 gains. Despite the hawkish Fed, growth and momentum continued to outperform in 2024 driven by strong earnings and the AI secular growth theme. Fixed income markets had a mixed start to 2024, with returns flat to slightly negative for the quarter. Fed speak has been hawkish as inflation has been stickier than expected going into 2024, but rate cuts are still expected towards the end of the year. The only negative area was in the Real Estate asset class due to continued pressure from high interest rates. Markets are expected to be more volatile this year than in 2023, but participants appear to be cautiously optimistic.

2024's macroeconomic backdrop will likely be dominated by the private consumption, the Fed's willingness to cut rates, geopolitical tensions, tight credit markets, artificial intelligence, and the 2024 U.S. presidential race. Coming out of 2023, a positive year for risk assets, market participants are optimistic for 2024. Several roadblocks to high growth still loom such as the staggering Commercial Real Estate maturity wall, tight credit markets with low deal flow in private markets, the inverted yield curve, high U.S. government debt, and high equity multiples. Global growth optimism stems from real disposable income growth in a lower inflation environment, strong labor markets, pain from hawkish monetary policy being behind us, global manufacturing activity expected to recover, and that the central banks have proven that they do not need a recession to bring inflation down.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Deferred Compensation Program's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deferred Compensation Department, Metropolitan Transportation Authority, 2 Broadway 10th Floor, New York, NY 10004.

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METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 and 2022
($ In THOUSANDS)

	2023		2022	
	457	**401(k)**	**457**	**401(k)**
ASSETS:				
Investments measured at fair value level	$ 108,322	$ 157,344	$ 100,039	$ 143,612
Investments at contract value	1,297,125	1,670,315	1,286,673	1,649,043
Investments at fair value- net asset value	2,543,808	3,649,936	2,075,646	2,987,434
Total investments	3,949,255	5,477,595	3,462,358	4,780,089
Other plan assets:				
Participant loans receivable	85,889	175,336	79,829	162,609
Total other plan assets	85,889	175,336	79,829	162,609
Total assets	4,035,144	5,652,931	3,542,187	4,942,698
LIABILITIES:				
Administrative expense reimbursement	524	1,492	1,946	1,568
Total liabilities	524	1,492	1,946	1,568
TOTAL NET POSITION RESTRICTED FOR BENEFITS	$ 4,034,620	$ 5,651,439	$ 3,540,241	$ 4,941,130

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
($ In THOUSANDS)

	2023		2022	
	457	**401(k)**	**457**	**401(k)**
ADDITIONS:				
Investment income / (loss):				
Net appreciation / (depreciation)				
in fair valve of investments	$ 496,915	$ 704,020	$ (469,575)	$ (674,552)
Total investment income / (loss)	496,915	704,020	(469,575)	(674,552)
Contributions:				
Employee contributions, net	242,163	342,158	221,646	311,131
Participant rollovers	9,355	22,372	10,344	19,175
Employer contributions	-	3,936	-	3,833
Total contributions	251,518	368,466	231,990	334,139
Other additions:				
Loan repayments - interest	4,556	9,379	3,788	7,760
Total additions / (subtractions)	752,989	1,081,865	(233,797)	(332,653)
DEDUCTIONS:				
Distribution to participants	106,732	155,924	103,238	141,811
Transfers to other plans	146,838	207,293	110,373	147,251
Net loan initiations/repayments	(120)	(160)	(47)	(158)
Loan defaults/offsets	3,233	4,935	3,447	4,790
Loan fees transfers to other plans	252	590	233	534
Other deductions	1,150	1,482	(265)	1,167
Administrative expense	524	1,492	1,946	1,568
Total deductions	258,609	371,556	218,925	296,963
Net increase / (decrease) in net position	494,380	710,309	(452,722)	(629,616)
TOTAL NET POSITION RESTRICTED FOR BENEFITS				
Beginning of year	3,540,240	4,941,130	3,992,963	5,570,746
End of year	$ 4,034,620	$ 5,651,439	$ 3,540,241	$ 4,941,130

See notes to financial statements.

1. PLANS BACKGROUND AND DESCRIPTION

Description – The Deferred Compensation Program consists of two defined contribution plans that provide benefits based solely on the amounts contributed to each participant's account(s), plus or minus any income, expenses and gains/losses. The Deferred Compensation Program is comprised of the Deferred Compensation Plan For Employees of the Metropolitan Transportation Authority ("MTA"), its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates ("401(k) Plan"). Certain MTA Related Groups employees are eligible to participate in both deferred compensation plans. Both Plans are designed to have participant charges, including investment and other fees, cover the costs of administering the Deferred Compensation Program.

In 1984, the MTA established the 457 Plan to provide benefits competitive with private industry. Only managerial employees were permitted to participate in the Plan and investment options were limited to five funds: a Guaranteed Interest Fund, a Common Stock Fund, a Money Market Fund, a Managed Fund, and a Stock Index Fund. Pursuant to Internal Revenue Code ("Code") Section 457, the MTA has established a trust or custodial account to hold plan assets for the exclusive benefit of the participants and their beneficiaries. Participation in the 457 Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 457 Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 457 Plan is not reflected on the MTA's consolidated statements of net position.

In 1985, the MTA Board adopted the 401(k) Plan, a tax-qualified plan under section 401(k) of the Code. The 401(k) Plan remained dormant until 1988 when an IRS ruling "grandfathered" the plan under the Tax Reform Act of 1986. Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the MTA consolidated statements of net position. The 401(k) Plan received a favorable determination letter from the Internal Revenue Service dated October 27, 2016.

As the Deferred Compensation Program's asset base and contribution flow increased, participants' investment options were expanded by the Deferred Compensation Committee with the advice of its Financial Advisor to provide greater diversification and flexibility. In 1988, after receiving an IRS determination letter for the 401(k) Plan, the MTA offered its managers the choice of either participating in the 457 Plan or the 401(k) Plan. By 1993, the MTA offered eight investment funds: a Guaranteed Interest Account Fund, a Money Market Fund, a Common Stock Fund, a Managed Fund, a Stock Index Fund, a Government Income Fund, an International Fund and a Growth Fund.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were re-structured to set up a four-tier strategy:

- Tier 1 – The MTA Asset Allocation Program provides the MTA Target Year Funds for those participants who would like to make retirement investing easy. Investments are diversified among a range of investment options based on the target year, which is the year the money is intended to be needed for retirement income. The mix of investments becomes more conservative as the target year approaches by lessening stock exposure and increasing exposure in fixed-income type investments.

- Tier 2 - The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Barclays Capital U.S. Aggregate (bond) index. The typical objective of an index fund is to achieve approximately the same return as that specific market index. Index funds provide investors with lower-cost investments because they are less expensive to administer than actively managed funds.

- Tier 3 - The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform selected indices. The funds provide a diversified array of distinct asset classes, with a single option in each class. They combine the value and growth disciplines to create a 'core' portfolio for the mid-cap and international categories.

- Tier 4 - Self-Directed Mutual Fund Option is designed for the more experienced investors. Offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this Tier.

The two Plans offer the same array of investment options. Eligible participants in the Deferred Compensation Program include employees (and in the case of Metropolitan Suburban Bus Authority, former employees) of:

- MTA
- The Long Island Rail Road Company ("MTA Long Island Rail Road")
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels")
- Metropolitan Suburban Bus Authority ("MTA Long Island Bus")
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad")
- New York City Transit Authority ("MTA New York City Transit")
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Rapid Transit")
- MTA Construction and Development ("MTA Construction and Development ")
- MTA Bus Company ("MTA Bus")

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Deferred Compensation Program's ("Program") financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Contributions from members are recorded when the employer makes payroll deductions from plans' members. Additions to the Plans consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The MTA adheres to accounting principles generally accepted in the United States of America. The MTA Deferred Compensation Program applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards - The Program adopted the following GASB Statement in 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The adoption of this Statement has no material impact on the net position of The Program.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no impact on the net position of The Program.

Recent Accounting Pronouncements - Not yet adopted but currently being reviewed.

GASB Statement No.	GASB Accounting Standard	MTA DC Program Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

Use of Estimates - The preparation of the Program's financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by Government Accounting Standards Board ("GASB"). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates which include fair value of investments.

Investment Valuation and Income Recognition - Investments are stated at fair, contract and NAV values as reported by Empower (the "Trustee"). Net asset value is determined to be a practical expedient for measuring fair value. All investments are registered, with securities held by the Plans' Trustee, in the name of the Plans. The values of the Plans' investments are adjusted to fair, contract and NAV values as of the last business day of the Plans' year. Gains and losses on investments that were sold during the year are included in net appreciation/(depreciation) in fair, contract and NAV values of investments.

3. INVESTMENTS

Investment Objective - The primary investment objective of the Program is to offer a set of investment options such that:

- Sufficient options are offered to allow participants to build portfolios consistent with their investment risk/return preferences.
- Each option is adequately diversified.
- Each option has a risk profile consistent with its position in the overall structure.
- Each option is managed so as to implement the desired risk profile of the asset class it represents.

Investment Guidelines - The Deferred Compensation Committee selects and executes agreements with qualified investment managers and/or funds which fulfill the criteria of the identified investment option. The Program is participant-directed and participants select from among the available investment options.

The investment options used to fund the various asset classes may be separately managed portfolios, commingled funds, or mutual funds. The Committee may from time to time modify the number and characteristics of the investment vehicles to be made available to participants within each investment option.

The specific investment vehicles chosen by the Committee must have appropriate investment characteristics and be managed by organizations which, by their record and experience, have demonstrated their investment expertise.

Such investment vehicles also should:

- Have sufficient assets under management so that the MTA account is not more than 10% of total strategy assets; strategy is defined as assets in all vehicles (separate accounts, collective trusts and mutual funds),

- Be well diversified,

- Have a minimum of three years of verifiable investment performance information,

- Have acceptable volatility in line with investment philosophy and process,

- Have the liquidity and/or marketability to pay benefit amounts to participants due under the terms of the Program, and

- Have a reasonable expense ratio.

Concentration of Credit Risk - Individual investments held by the Plans that represent 5.0% or more of the fiduciary net position available for benefits at December 31, 2023 and 2022 is as follows:

Investment at NAV – December 31, 2023	457 Value	401(k) Value
Vanguard Institutional Index Fund	$717,918,796	$1,007,940,310
Jennison Large Cap Growth Fund	303,834,865	444,564,574
T. Rowe Price Large Cap Value Fund	303,834,865	444,564,574
William Blair Intuitional International Growth Fund	209,765,971	317,768,230
Mondrian All Countries World Ex-U.S. Equity Fund	209,765,971	317,768,230

Investment at NAV – December 31, 2022	457 Value	401(k) Value
Vanguard Institutional Index Fund	$575,615,741	$812,439,499
Jennison Large Cap Growth Fund	238,770,432	352,411,165
T. Rowe Price Large Cap Value Fund	238,770,432	352,411,165
William Blair Intuitional International Growth Fund	175,905,610	284,343,882
Mondrian All Countries World Ex-U.S. Equity Fund	175,905,610	265,390,055

The following table shows the fair, contract and NAV values of investment in the various investment options at December 31, 2023 and 2022.

Investments at Contract, Fair Value and NAV at December 31, 2023

Target-Year Lifecycle Funds		**457 Value**		**401(k) Value**
MTA Target-Year Lifecycle 2020 Fund	$	70,654,957	$	107,020,029
MTA Target-Year Lifecycle 2025 Fund		220,536,343		326,292,003
MTA Target-Year Lifecycle 2030 Fund		194,476,208		314,410,720
MTA Target-Year Lifecycle 2035 Fund		253,373,617		399,453,630
MTA Target-Year Lifecycle 2040 Fund		151,463,445		231,900,319
MTA Target-Year Lifecycle 2045 Fund		137,890,655		226,600,287
MTA Target-Year Lifecycle 2050 Fund		105,157,988		157,514,143
MTA Target-Year Lifecycle 2055 Fund		60,583,746		97,419,111
MTA Target-Year Lifecycle 2060 Fund		30,318,103		42,902,666
MTA Target-Year Lifecycle 2065 Fund		11,732,636		12,613,187
MTA Income Fund		96,356,355		140,386,957
International Equity Funds				
MTA International Portfolio		86,520,779		119,074,690
MTA International Index Fund		36,689,136		41,356,884
Small- Mid Cap Equity Funds				
MTA Small-Mid Cap Portfolio		225,537,788		315,391,685
MTA Small-Mid Cap Index		158,488,231		176,121,799
Large-Cap Equity Funds				
MTA Large Cap Portfolio		442,656,189		633,623,084
MTA Large Cap Core Index Fund		512,852,757		689,462,732
Bond Funds				
MTA Bond Core Plus Portfolio		52,010,903		78,764,690
MTA Bond Aggregate Index Fund		31,584,035		41,505,871
Fixed Investment Option				
MTA Stable Value Fund		1,066,659,605		1,320,359,552
Self-Directed Investment Account		3,711,466		5,421,005
Total	**$**	**3,949,254,942**	**$**	**5,477,595,044**

Investments at Contract, Fair Value and NAV at December 31, 2022

Target-Year Lifecycle Funds		**457 Value**		**401(k) Value**
MTA Target-Year Lifecycle 2020 Fund	$	71,342,637	$	107,949,522
MTA Target-Year Lifecycle 2025 Fund		201,446,821		303,374,675
MTA Target-Year Lifecycle 2030 Fund		166,539,812		268,416,181
MTA Target-Year Lifecycle 2035 Fund		210,809,859		326,982,330
MTA Target-Year Lifecycle 2040 Fund		117,840,642		179,616,642
MTA Target-Year Lifecycle 2045 Fund		105,975,760		173,814,934
MTA Target-Year Lifecycle 2050 Fund		79,448,118		116,073,931
MTA Target-Year Lifecycle 2055 Fund		42,026,251		68,897,906
MTA Target-Year Lifecycle 2060 Fund		20,218,229		29,558,022
MTA Target-Year Lifecycle 2065 Fund		6,915,345		6,987,673
MTA Income Fund		93,016,560		138,788,230
International Equity Funds				
MTA International Portfolio		73,682,889		100,469,713
MTA International Index Fund		29,376,937		32,127,131
Small- Mid Cap Equity Funds				
MTA Small-Mid Cap Portfolio		200,742,033		276,754,733
MTA Small-Mid Cap Index		125,298,462		140,671,082
Large-Cap Equity Funds				
MTA Large Cap Portfolio		340,216,439		492,548,052
MTA Large Cap Core Index Fund		403,503,352		545,957,510
Bond Funds				
MTA Bond Core Plus Portfolio		51,383,181		77,093,193
MTA Bond Aggregate Index Fund		27,645,101		37,659,629
Fixed Investment Option				
MTA Stable Value Fund		1,091,818,709		1,351,640,566
Self-Directed Investment Account		3,111,336		4,707,204
Total	**$**	**3,462,358,474**	**$**	**4,780,088,858**

The following tables show the interest and/or dividends earned on investments and net appreciation/ (depreciation) for the years ended December 31, 2023 and 2022.

457 Investments at December 31, 2023

Target-Year Lifecycle Funds	Cash and Dividend Earnings	Appreciation/(Depreciation) In Fair Value - Net
MTA Target-Year Lifecycle 2020 Fund	$ (16,572)	$ 5,877,167
MTA Target-Year Lifecycle 2025 Fund	(60,029)	22,396,904
MTA Target-Year Lifecycle 2030 Fund	(112,695)	23,514,853
MTA Target-Year Lifecycle 2035 Fund	(155,538)	35,663,940
MTA Target-Year Lifecycle 2040 Fund	(128,037)	22,558,090
MTA Target-Year Lifecycle 2045 Fund	(103,893)	21,436,276
MTA Target-Year Lifecycle 2050 Fund	(85,452)	16,639,435
MTA Target-Year Lifecycle 2055 Fund	(66,640)	9,412,833
MTA Target-Year Lifecycle 2060 Fund	(30,671)	4,647,301
MTA Target-Year Lifecycle 2065 Fund	(8,003)	1,708,705
MTA Income Fund	(1,615)	6,859,727
International Equity Funds		
MTA International Portfolio	591,212	12,998,055
MTA International Index Fund	-	4,822,415
Small-Mid-Cap Equity Funds		
MTA Small-Mid Cap Portfolio	-	34,111,501
MTA Small-Mid Cap Index Fund	-	31,312,558
Large-Cap Equity Funds		
MTA Large Cap Portfolio	-	102,951,409
MTA Large Cap Index Fund	-	106,253,473
Bond Funds		
MTA Bond Portfolio	-	2,760,691
MTA Bond Index Fund	-	1,522,307
Stable Value Option		
MTA Stable Value Fund	(34)	29,019,777
Self-Directed Investment Account	-	624,973
Total	**$ (177,967)**	**$497,092,390**

457 Investments at December 31, 2022

Target-Year Lifecycle Funds	Cash Earnings	Appreciation/(Depreciation) In Fair Value - Net
MTA Target-Year Lifecycle 2020 Fund	$ -	$ (3,821,331)
MTA Target-Year Lifecycle 2025 Fund	-	(15,750,003)
MTA Target-Year Lifecycle 2030 Fund	-	(12,705,619)
MTA Target-Year Lifecycle 2035 Fund	-	(22,185,380)
MTA Target-Year Lifecycle 2040 Fund	-	(10,617,343)
MTA Target-Year Lifecycle 2045 Fund	-	(12,042,272)
MTA Target-Year Lifecycle 2050 Fund	-	(8,811,692)
MTA Target-Year Lifecycle 2055 Fund	-	(2,449,992)
MTA Target-Year Lifecycle 2060 Fund	-	(1,165,621)
MTA Target-Year Lifecycle 2065 Fund	-	(699,629)
MTA Income Fund	-	(4,474,185)
International Equity Funds		
MTA International Portfolio	-	(48,190,098)
MTA International Index Fund	-	(5,645,387)
Small-Mid-Cap Equity Funds		
MTA Small-Mid Cap Portfolio	-	(60,248,126)
MTA Small-Mid Cap Index Fund	-	(42,940,243)
Large-Cap Equity Funds		
MTA Large Cap Portfolio	-	(120,492,947)
MTA Large Cap Index Fund	5	(96,706,503)
Bond Funds		
MTA Bond Portfolio	-	(16,223,442)
MTA Bond Index Fund	-	(4,546,519)
Stable Value Option		
MTA Stable Value Fund	-	20,982,377
Self-Directed Investment Account	-	(841,029)
Total	**$5**	**($469,574,982)**

401(k) Investments at December 31, 2023

Target-Year Lifecycle Funds	Cash and Dividend Earnings	Appreciation/(Depreciation) In Fair Value - Net
MTA Target-Year Lifecycle 2020 Fund	$ (26,972)	$ 8,885,007
MTA Target-Year Lifecycle 2025 Fund	(90,596)	33,498,445
MTA Target-Year Lifecycle 2030 Fund	(195,088)	38,050,514
MTA Target-Year Lifecycle 2035 Fund	(238,315)	55,668,468
MTA Target-Year Lifecycle 2040 Fund	(195,099)	34,424,939
MTA Target-Year Lifecycle 2045 Fund	(173,730)	35,084,666
MTA Target-Year Lifecycle 2050 Fund	(140,140)	24,677,813
MTA Target-Year Lifecycle 2055 Fund	(109,618)	15,214,397
MTA Target-Year Lifecycle 2060 Fund	(46,260)	6,696,694
MTA Target-Year Lifecycle 2065 Fund	(8,383)	1,796,344
MTA Income Fund	(5,215)	10,108,343
International Equity Funds		
MTA International Portfolio	981,229	17,730,396
MTA International Index Fund	-	5,396,831
Small-Mid-Cap Equity Funds		
MTA Small-Mid Cap Portfolio	-	47,636,652
MTA Small-Mid Cap Index Fund	-	35,144,677
Large-Cap Equity Funds		
MTA Large Cap Portfolio	-	147,964,329
MTA Large Cap Index Fund	33	143,169,946
Bond Funds		
MTA Bond Portfolio	-	4,234,277
MTA Bond Index Fund	-	2,053,934
Stable Value Option		
MTA Stable Value Fund	2	35,937,300
Self-Directed Investment Account	-	894,755
Total	**$ (248,151)**	**$ 704,268,727**

401(k) Investments at December 31, 2022

Target-Year Lifecycle Funds	Cash Earnings	Appreciation/(Depreciation) In Fair Value - Net
MTA Target-Year Lifecycle 2020 Fund	$ -	$ (5,487,077)
MTA Target-Year Lifecycle 2025 Fund	-	(23,649,322)
MTA Target-Year Lifecycle 2030 Fund	-	(19,069,225)
MTA Target-Year Lifecycle 2035 Fund	-	(34,849,131)
MTA Target-Year Lifecycle 2040 Fund	29	(16,164,819)
MTA Target-Year Lifecycle 2045 Fund	37	(19,630,168)
MTA Target-Year Lifecycle 2050 Fund	-	(11,341,233)
MTA Target-Year Lifecycle 2055 Fund	-	(4,004,773)
MTA Target-Year Lifecycle 2060 Fund	-	(1,605,145)
MTA Target-Year Lifecycle 2065 Fund	-	(634,150)
MTA Income Fund	-	(6,416,269)
International Equity Funds		
MTA International Portfolio	-	(74,355,198)
MTA International Index Fund	-	(6,086,548)
Small-Mid-Cap Equity Funds		
MTA Small-Mid Cap Portfolio	-	(86,366,972)
MTA Small-Mid Cap Index Fund	-	(48,803,770)
Large-Cap Equity Funds		
MTA Large Cap Portfolio	-	(176,125,704)
MTA Large Cap Index Fund	7	(134,762,375)
Bond Funds		
MTA Bond Portfolio	-	(24,501,020)
MTA Bond Index Fund	1	(5,938,936)
Stable Value Option		
MTA Stable Value Fund	11	26,270,559
Self-Directed Investment Account	-	(1,030,915)
Total	**$ 85**	**$ (674,552,191)**

Credit Risk - The investment alternatives offered under the Program are not guaranteed by any governmental body, including the MTA, and are not risk-free. The credit risk of the investment strategy in the various investment accounts is based upon the performance of the securities in the underlying portfolios. Investments in these investment strategies can be expected to increase or decrease in value depending upon market conditions. The Deferred Compensation Committee (the "Committee"), with the assistance of its independent investment consultant continuously monitors the program investment strategies pursuant to the investment policy and objectives. When the investment strategies are determined to not meet the criteria, the strategy is terminated as outlined by the investment policy statement.

At December 31, 2023, the following credit quality rating has been assigned by a nationally recognized statistical rating organization ("NRSRO") to the portion of Fixed Income Portfolio of the Plans which are held in Separate Manager Accounts ("SMAs"):

Quality Rating	457	457 Percentage of Fixed Income Portfolio	401(k)	401(k) Percentage of Fixed Income Portfolio
AAA	$ 555,698,995	32.85%	$ 726,787,028	31.80%
AA	47,200,484	2.79%	62,268,775	2.72%
A	183,773,520	10.86%	240,957,434	10.54%
BBB	195,934,942	11.58%	257,674,300	11.27%
BB	3,020,087	0.18%	4,693,841	0.21%
Below BB	2,473,073	0.15%	3,675,630	0.16%
Credit Risk Debt Securities	988,101,102	58.40%	1,296,057,007	56.71%
U.S. Government Bonds	419,524,160	24.80%	555,606,847	24.31%
Total fixed income securities in SMAs	**1,407,625,262**	**83.20%**	**1,851,663,854**	**81.02%**
Other Fixed Income Investments	284,205,330	16.80%	433,731,456	18.98%
Total Fixed Income Investments	1,691,830,592	100.00%	2,285,395,310	100.00%
Other securities not rated - equity, international funds and corporate bonds	2,257,424,350		3,192,199,734	
Total investments	$ 3,949,254,942		$ 5,477,595,044	

At December 31, 2022, the following credit quality rating has been assigned by a nationally recognized statistical rating organization ("NRSRO") to the portion of Fixed Income Portfolio of the Plans which are held in SMAs:

Quality Rating	457	457 Percentage of Fixed Income Portfolio	401(k)	401(k) Percentage of Fixed Income Portfolio
AAA	$ 505,290,723	30.94%	$ 658,705,182	30.06%
AA	45,825,535	2.81%	60,368,850	2.75%
A	200,813,978	12.30%	262,220,236	11.97%
BBB	216,507,957	13.25%	283,795,116	12.95%
BB	7,079,262	0.43%	9,999,309	0.46%
Below BB	1,709,973	0.10%	2,649,668	0.12%
Credit Risk Debt Securities	977,227,428	59.83%	1,277,738,361	58.31%
U.S. Government Bonds	410,958,133	25.16%	538,730,641	24.58%
Total fixed income securities in SMAs	**1,388,185,561**	**84.99%**	**1,816,469,002**	**82.89%**
Other Fixed Income Investments	245,077,408	15.01%	374,979,587	17.11%
Total Fixed Income Investments	1,633,262,969	100.00%	2,191,448,589	100.00%
Other securities not rated - equity, international funds and corporate bonds	1,829,095,505		2,588,640,269	
Total investments	$ 3,462,358,474		$ 4,780,088,858	

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the contract and NAV values of the investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a portfolio, the greater its principal value will fluctuate in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity and is the percentage change in a bond principal value given a 100-basis point parallel change in interest rates.

2023

Investment Type	457	401(k)	Total	Duration
Galliard Stable Value Fund	$ 1,297,124,720	$ 1,670,314,848	$ 2,967,439,568	2.99 *
TCW Core Plus Bond Fund	80,539,651	123,931,658	204,471,309	6.91
Total Fixed Income assets in SMAs	1,377,664,371	1,794,246,506	3,171,910,877	3.24
Total Other Fixed Income assets	278,156,103	420,282,087	698,438,191	5.29
Total Fixed Income Portfolio Modified Duration	1,655,820,474	2,214,528,593	3,870,349,067	3.61
Investment with no duration reported	2,293,434,468	3,263,066,451	5,556,500,919	
Total investments	$ 3,949,254,942	$ 5,477,595,044	$ 9,426,849,986	

* Portfolio Duration - the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

2022

Investment Type	457	401(k)	Total	Duration
Galliard Stable Value Fund	$ 1,286,672,980	$ 1,649,042,928	$ 2,935,715,908	2.94 *
TCW Core Plus Bond Fund	70,228,468	107,668,029	177,896,497	6.72
Total Fixed Income assets in SMAs	1,356,901,448	1,756,710,957	3,113,612,405	3.16
Total Other Fixed Income assets	239,554,349	362,643,539	602,197,888	5.13
Total Fixed Income Portfolio Modified Duration	1,596,455,797	2,119,354,496	3,715,810,293	3.48
Investment with no duration reported	1,865,902,677	2,660,734,362	4,526,637,039	
Total investments	$ 3,462,358,474	$ 4,780,088,858	$ 8,242,447,332	

* Portfolio Duration - the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

Other Risks and Uncertainties - In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. As a result, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of COVID-19. The values of the Plan's individual investments have and will fluctuate in response to changing market conditions and therefore, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. The extent of the impact of COVID-19 on the Plan's net assets available for benefits and contributions will depend on future developments, including the duration and continued spread of the outbreak. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the contract and NAV values of an investment or deposit. The Program has an exposure to foreign currency fluctuations for the Plans' SMAs investments are as follows:

Currency	Holdings in U.S. Dollars	Holdings in U.S. Dollars	Holdings in U.S. Dollars
Australian Dollar	$ 1,310,977	$ 2,005,889	$ 3,316,866
Canada Dollar	13,480,615	20,626,310	34,106,925
Danish Krone	6,285,354	9,617,043	15,902,397
Euro	46,709,801	71,469,356	118,179,157
Hong Kong Dollar	2,009,215	3,074,243	5,083,457
Japanese Yen	34,314,973	52,504,378	86,819,351
Norwegian Krone	779,427	1,192,579	1,972,006
Singapore Dollar	1,394,220	2,133,257	3,527,477
Swedish Krona	9,083,704	13,898,721	22,982,425
Swiss Franc	10,061,097	15,394,202	25,455,299
United Kingdom British Pound	29,859,071	45,686,527	75,545,598
Total	$ 155,288,453	$ 237,602,506	$ 392,890,959

Currency	Holdings in U.S. Dollars	Holdings in U.S. Dollars	Holdings in U.S. Dollars
Australian Dollar	$ 3,807,322	$ 6,220,314	$ 10,027,636
Canada Dollar	12,655,189	20,675,751	33,330,940
Danish Krone	8,278,855	13,525,799	21,804,654
Euro	45,005,549	73,529,011	118,534,560
Hong Kong Dollar	3,064,192	5,006,206	8,070,398
Israel Shekel	388,185	634,208	1,022,393
Japanese Yen	15,066,277	24,614,930	39,681,207
Norwegian Krone	1,667,978	2,725,103	4,393,081
Singapore Dollar	2,423,658	3,959,716	6,383,374
Swedish Krona	6,530,825	10,669,908	17,200,733
Swiss Franc	11,536,719	18,848,422	30,385,141
United Kingdom British Pound	26,187,617	42,784,715	68,972,332
Total	$ 136,612,366	$ 223,194,083	$ 359,806,449

In year 2015, the MTA Deferred Compensation Program adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

Investments measured at readily determined fair value (FV)
($ In thousands)

457 Plan	**2023** December 31, 2023		Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:					
Small-Mid cap equity mutual fund	$	108,322	108,322	-	-
Total equity investments		108,322	108,322	-	-

Investments measured at readily determined fair value (FV)
($ In thousands)

401K Plan	**2023** December 31, 2023		Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:					
Small-Mid cap equity mutual fund	$	157,344	157,344	-	-
Total equity investments		157,344	157,344	-	-

Investments measured at readily determined fair value (FV)
($ In thousands)

457 Plan	**2022** December 31, 2022		Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:					
Small-Mid cap equity mutual fund	$	100,039	100,039	-	-
Total equity investments		100,039	100,039	-	-

Investments measured at readily determined fair value (FV)
($ In thousands)

401K Plan	**2022** December 31, 2022		Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:					
Small-Mid cap equity mutual fund	$	143,612	143,612	-	-
Total equity investments		143,612	143,612	-	-

Investments measured at Fair, Contract and NAV values
($ In thousands)

457 Plan	**2023 December 31, 2023**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity Securities:				
Commingled large-cap equity funds	$ 1,325,588	$ -	Daily	None
Commingled Small-Mid cap equity funds	158,488	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	241,103	-	Daily	None
Commingled international equity fund	246,455	-	Daily	None
Separate Manager Account: International equity funds	209,766	-	Daily	None
Total equity securities	2,181,400	-		
Debt Securities				
Commingled debt funds	187,926	-	Daily	None
Separate Manager Account: debt funds	80,540	-	Daily	None
Total debt securities	268,466	-		
Real assets				
Commingled real asset equity fund	90,230	-	Daily	None
Total real assets	90,230	-		
Other:				
Self direct investment option	3,712	-	Daily	None
Total other	3,712	-		
Total investments measured at the NAV	2,543,808	-		
Investment measured at Fair Value	108,322	-		
Investments measured at Contract Value	1,297,125	-		
Total investments	$ 3,949,255	$ -		

Investments measured at Fair, Contract and NAV values
($ In thousands)

401(k) Plan	**2023 December 31, 2023**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity Securities:				
Commingled large-cap equity funds	$ 1,897,069	$ -	Daily	None
Commingled Small-Mid cap equity funds	176,122	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	350,217	-	Daily	None
Commingled international equity fund	359,125	-	Daily	None
Separate Manager Account: International equity funds	317,768	-	Daily	None
Total equity securities	3,100,301	-		
Debt Securities				
Commingled debt funds	282,079	-	Daily	None
Separate Manager Account: debt funds	123,932	-	Daily	None
Total debt securities	406,011	-		
Real assets				
Commingled real asset equity fund	138,203	-	Daily	None
Total real assets	138,203	-		
Other:				
Self direct investment option	5,421	-	Daily	None
Total other	5,421	-		
Total investments measured at the NAV	3,649,936	-		
Investment measured at Fair Value	157,344	-		
Investments measured at Contract Value	1,670,315	-		
Total investments	$ 5,477,595	$ -		

Investments measured at Fair, Contract and NAV values
($ In thousands)

457 Plan	**2022** December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large-cap equity funds	$ 1,053,157	$ -	Daily	None
Commingled Small-Mid cap equity funds	125,298	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	203,109	-	Daily	None
Commingled international equity fund	205,283	-	Daily	None
Separate Manager Account: International equity mutual fund	175,906	-	Daily	None
Total equity securities	1,762,753	-		
Debt Securities				
Commingled debt funds	163,971	-	Daily	None
Separate Manager Account: debt funds	70,228	-	Daily	None
Total debt securities	234,199	-		
Real assets				
Commingled real asset equity fund	75,583	-	Daily	None
Total real assets	75,583	-		
Other:				
Self direct investment option	3,111	-	Daily	None
Total other	3,111	-		
Total investments measured at the NAV	2,075,646	-		
Investment measured at Fair Value	100,039	-		
Investments measured at Contract Value	1,286,673	-		
Total investments	$ 3,462,358	$ -		

Investments measured at Fair, Contract and NAV values
($ In thousands)

401(k) Plan	**2022** December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large-cap equity funds	$ 1,517,262	$ -	Daily	None
Commingled Small-Mid cap equity funds	140,671	-	Daily	None
Separate Manager Account: Small-Mid cap equity funds	272,622	-	Daily	None
Commingled international equity fund	297,517	-	Daily	None
Separate Manager Account: International equity mutual fund	284,344	-	Daily	None
Total equity securities	2,512,416	-		
Debt Securities				
Commingled debt funds	246,662	-	Daily	None
Separate Manager Account: debt funds	107,668	-	Daily	None
Total debt securities	354,330	-		
Real assets				
Commingled real asset equity fund	115,981	-	Daily	None
Total real assets	115,981	-		
Other:				
Self direct investment option	4,707	-	Daily	None
Total other	4,707	-		
Total investments measured at the NAV	2,987,434	-		
Investment measured at Fair Value	143,612	-		
Investments measured at Contract Value	1,649,043	-		
Total investments	$ 4,780,089	$ -		

Investments Measured at Contract Value

Stable Value Funds - Stable value funds typically have three components. The first component is primarily comprised of Investment Contracts issued by banks and insurance companies. The Investment Contracts help to assure that participants can transact at book value (principal plus accrued interest) as well as maintain a relatively stable return profile for the portfolio. Generally, contract issuers are rated "investment grade" by at least one of the Nationally Recognized Statistical Rating Organizations at time of purchase that are able to do business in New York State. The second component consists of an underlying portfolio of fixed income securities which are subject to the Investment Contracts and are often referred to as "underlying securities". Finally, the portfolio may also hold cash or cash equivalents. The Stable Value fund return is expected to be higher than that of a 3-year Constant Maturity Treasury + 0.5% with similar volatility over the long-term.

Investments Measured at NAV

Commingled Funds - The fair values of the investments of this type have been determined using the NAV per share of the investments. The commingled equity funds are comprised of large cap, small and mid-cap funds and international funds that invest in core indices across all industries, growth and value respectively. The commingled debt funds are comprised of corporate, treasuries and international fixed income securities.

Separate Manager Account (SMAs) **-** This investment vehicle follows a single-style strategy, with funds comprised of fixed income , large cap, small and mid-cap equities and international equities. These SMAs allow the MTA to impose reasonable stock and bonds sector preferences and restrictions on the securities in the accounts. Two equity SMAs are co-invested with external managers through Empower Investments. The fair values of the investments in this vehicle are determined using the NAV per share of the investments by the external manager. Empower Investments whom the MTA holds a contractual agreement with and whom controls the investments, revalues the NAV per share after certain expense deductions and provides the MTA with its percentage allocation on an annual basis.

Small-Mid Cap Funds - This investment option has four institutional investments funds - two growth and two value investment strategies with the objective of matching the return and risk characteristics of the Russell Small Cap Completeness Index or a similar index which measures the broad U.S. small and mid-capitalization equity market. The option's investment profile is long term capital growth through a combination of capital appreciation and to a lesser extent reinvested dividend income. The investment option is expected to have high volatility over a market cycle. The fair values of the investments in these types have been determined using the NAV per share of the investments.

Real Assets - The fund represents an optimal solution for an inflation hedging strategy and incorporates a diversified multi asset class approach. The fund strategic weights which are rebalanced monthly are as follows: 25% Bloomberg Roll Select Commodity Index; 25% Standard and Poor's (r) Global Larger Mid Cap Commodity & Resources Index; 10% Standard and Poor's Global Infrastructure Equity Index; 15% Dow Jones US Select REIT Index and 25% Barclays US TIPS Index. The fair values of the investments of this type have been determined using the NAV per share of the investments.

Self-Direct Brokerage Accounts - The Deferred Compensation program allows participants the option to invest up to twenty (20) percent of their account in over 500 mutual fund families comprising of more than 15,000 individual mutual funds. All investments under this option are in mutual funds and are measured at the respective fund NAVs.

4. CONTRIBUTIONS

Employer Contributions – The rate for the employer contribution varies by agency and are described as follows:

MTA Bus - Effective 2019, employer contributions were discontinued. Prior to 2019, certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, received a matching contribution equal to 50% of member's before-tax contributions up to 3% of the member's base pay. MTA Bus also made a basic contribution equal to 2% of the member's compensation. These contributions vested as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

MTA Metro-North Railroad - MNR employees represented by certain unions and who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of the member's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible MNR member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member's compensation. Eligible MNR members vest in these employer contributions as set forth below:

Years of Service	Vested Percentage
Less than 5	0%
5 or more	100%

MTA Headquarters - Police - For each plan year, the MTA shall make contributions to the Account of each eligible MTA Police Benevolent Association member in the amounts required by the collective bargaining agreement ("CBA") and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters - Commanding Officers - For each plan year, the MTA shall make contributions to the Account of each eligible MTA Police Department Commanding Officers Association Benevolent Association member in the amounts required by the collective bargaining agreement ("CBA") and subject to the contribution limits set forth in the CBA. These contributions shall be made monthly and shall be considered MTA Police contributions. Members are immediately 100% vested in these employer contributions.

MTA Headquarters - Business Services Center - Effective January 1, 2011, all newly hired MTA Business Services Center employees represented by the Transportation Communications Union are eligible to receive a matching contribution, up to a maximum of 3% of the participant's compensation. A participant's right to the balance in his or her matching contributions shall upon the first of the following to occur:

1. Completing 5 years of service,
2. Attaining the Normal Retirement Age of 62 while in continuous employment, or
3. Death while in continuous employment.

Additional Deposits (Incoming Rollover or Transfers) - Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans.

Status - As of December 31, 2023 and 2022, 43.7% and 42.8% of the eligible employees were enrolled in the 457 Plan and 61.5% and 60.9% of the eligible employees were enrolled in the 401(k) Plan, respectively. There were 36,158 and 34,676 active participants in the 457 Plan and 50,419 and 48,640 active participants in the 401(k) Plan as of December 31, 2023 and 2022, respectively. The average account balance in the 457

Plan was $77,962 and $72,328 and in the 401(k) Plan was $81,373 and $75,223 in 2023 and 2022, respectively.

5. DISTRIBUTIONS

In-Service Withdrawals - A 457 Plan participant who experiences an unforeseeable emergency (as defined by the Code) may apply for a withdrawal. A 401(k) Plan participant who experiences an immediate and heavy financial need (as defined by the Code) may apply for a withdrawal by filing a hardship application. Distributions are subject to applicable taxes and penalties. In addition, up to four times a year, 401(k) Plan participants may withdraw their elective deferral balance from the Plan if they are over age 59½. These withdrawals can be cash distributions or rollovers to another eligible retirement plan. 457 Plan participants may request an in-service withdrawal only after attainment of age 70½, or at any age if their account balance is less than $5,000 and there has been no activity in their account for at least two years.

Direct Transfer for Purchasing Permissive Service Credit - Participants in the 457 or 401(k) Plans are eligible to use their Plan assets as a source of funding for the purchase of certain permissive service credits (as defined by the Code) in certain defined benefit plan or pension systems, via a direct transfer.

Distribution of Benefits - Upon a participant's severance from the MTA, the participant is entitled to receive an amount equal to the value of his or her vested account, to be paid in accordance with one of the methods described below. Participants can choose to remain in the Plans and are not required to withdraw, roll over or transfer their account upon severance.

Commencement date - Subject to required minimum distribution rules, a participant may elect any commencement date after severance. A participant has the option to cancel or change their distribution schedule at any time upon proper notice to the Plans Record-keeper. Individuals who attained age 70 ½ before January 1, 2020 were required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 70 ½ or (2) the calendar year in which they separate from service with the MTA. Individuals who attain age 70 ½ after January 1, 2020 are required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 72 or (2) the calendar year in which they separate from service with the MTA.

Method of Distribution for Direct Payment - If a participant chooses; the following methods of distribution are available under the Plans:

- Full lump sum payment; or
- Substantially equivalent monthly, quarterly, semi-annual or annual installment payments; or
- Any other amount of payment, subject to the required minimum distribution rules.

Election of Length of Distribution - If a participant elects installment payments, he or she may specify either:

- the total number of installment payments, or
- the dollar amount of each payment.

In either case, distributions cannot be paid over a period of time which exceeds the life expectancy of the participant or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined by the Code). Installment payments will be recalculated annually and will be paid only until the account is exhausted.

Rollovers or Transfers Out of the Plans - If a participant chooses to transfer or roll over his or her Deferred Compensation account, or a portion thereof, it must be to an eligible retirement plan (401(a), 457, 401(k), 403(b) or rollover IRA). 457 Plan and 401(k) Plan participants are eligible to roll over or transfer their account balance(s) upon severance from service.

6. LOANS

The MTA Deferred Compensation Program offers participants the opportunity to borrow from either one or both Plans simultaneously. The MTA Plans permit one loan from the 457 Plan and up to two loans from the 401(k) Plan. However, participants are limited to a total of two loans. Thus, as a participant of both the 401(k) and the 457 Plans, a participant can have either two 401(k) loans or the combination of a 401(k) loan and a 457 loan. The MTA offers two types of loans: the first is a "General Purpose Loan", which is a five-year loan and can be for any purpose. The second is a "Residential Loan", which is a loan for a primary residence and is a 20-year loan. For the Residential Loan, a signed contract to purchase the residence is necessary. Loan re-payment is made through payroll deduction. If a participant with an outstanding loan leaves the employment of the MTA, the participant may request to make coupon payments.

The minimum loan amount is $1,000. The maximum amount of an approved loan may not exceed the lesser of: (i) 50 percent of the participant's 457 or 401(k) Plan account balance; or (ii) $50,000 less the combined balance of all outstanding loans that a participant may have under the Program. All loans are subject to interest at prime rate plus 1 percent. A loan origination fee of $75.00 is deducted from the approved loan amount. Active MTA employee participants may not borrow from amounts attributable to Metro-North contributions, MTA Police contributions, MTA Police Commanding Officers' Association contributions, MTA Business Service Center Matching Contributions and Roth Elective Deferrals. The 457 Plan's net loans outstanding is $85.9 million and $79.83 million at December 31, 2023 and 2022 respectively, and the 401(k) Plan's was $175.3 million and $162.61 million at December 31, 2023 and 2022 respectively.

7. ADDITIONAL PLAN INFORMATION

Participation - Eligible employees are allowed to participate in the 401(k) Plan and/or the 457 Plan upon employment with the MTA and its affiliates or subsidiaries. The record-keeper/trustee maintains a website, along with a telephone voice response system, or participants may use paper enrollment forms, for Program activities. Participants may make or suspend deferrals; may increase or decrease, in multiples of 1 percent, the percentage of wages to be deferred or any whole dollar amount; may change the investment option of future deferrals or initiate account transfers between investment options in multiples of 1 percent or any dollar amount. There is no restriction on the number of times a participant may change the amount of future deferrals. An employee participating in both the 457 Plan and 401(k) Plan who wishes to make any changes must do so independently for each Plan. Participants may also choose to schedule automated, annual increases in their deferral elections. An employee who has severed service from the MTA may rejoin the 457 Plan, the 401(k) Plan, or both and become an active participant after returning to service to the MTA by following the procedures set forth above.

Excessive Trading Policy - MTA has an Excessive Trading policy in place for the Plans. This policy monitors trading activity in investment options, utilizing criteria such as frequency of trades, dollar amount of the trades, and number of buys and sells performed by the participant. Activity exceeding established thresholds can be deemed excessive trading. The Excessive Trading policy defines excessive trading as one or more trades into and out of the same investment option within a rolling 30-day period when each trade is over $25,000. Automatic or system-driven transactions are not considered excessive trading. This includes contributions or loan repayments by payroll deductions, re-mapping transactions, hardship withdrawals, regularly scheduled or periodic distributions or periodic rebalancing through a systematic rebalancing program that is not initiated by the Program.

Maximum Deferrals - A participant in the 457 Plan or the 401(k) Plan could have deferred up to $22,500 plus an additional $7,500 and $20,500 plus an additional $6,500 for participants age 50 and over in calendar years 2023 and 2022. Alternatively, for the 457 Plan, under certain circumstances, a participant may double the annual maximum contribution during each of the last three years prior to reaching his or her designated "Normal Retirement Age" ("Retirement Catch-Up Amount") if less than the maximum was deferred during earlier years. Participants may not make both the Retirement Catch-Up and the Age 50 Catch-Up to the 457 Plan in the same year.

Membership – As of December 31, 2023 and 2022, the Plans' membership with balances consisted of:

	2023		2022	
	457	401(k)	457	401(k)
Active employees	36,158	50,149	34,676	48,460
Terminated/Inactive employees	14,478	14,851	13,173	14,851
Total active and inactive members	50,636	65,000	47,849	63,311
Vested employees	50,636	64,891	47,849	63,230

Maintenance of Accounts - For both the 457 Plan and the 401(k) Plan, the record-keeper establishes an account for each participant to which any amounts deferred, transferred or distributed under the Plans are credited or charged, including, as specified in the Participation Agreement or any amendment thereto, any increase or decrease in the value of the investment options. The Plans are not responsible for any decrease in the value of a participant's account.

Plans' Funding and Expense Payment - The MTA Deferred Compensation Program charges participants' quarterly administrative fees. These fees cover participant directed activities, communications, and administrative expenses. They also cover the cost of the Program's third-party administrator, the investment advisor, outside legal counsel, in-house legal counsel and a portion of staff salaries and benefits.

8. TRUSTEE AND OTHER PROFESSIONAL SERVICES

The Trustee for the MTA is Empower Trust Company, LLC ("Empower"). Record-keeping, Administrative, and investment management services are provided by Empower Annuity Company ("EAC"). With regards to other providers of investment management services; separate accounts are managed by Alliance Bernstein, TCW, William Blair and Galliard (which in turn has executed agreements with Jennison, Dodge & Cox, Loomis Sayles, TCW); commingled trusts are managed by SSgA, Loomis Sayles, Wellington, Vanguard and Mondrian; a mutual fund is managed by Dimensional Fund Advisors. The Financial Advisor is Mercer Investments LLC which reviews the investment policies adopted by the Investment Committee, the Plans' portfolio and the Investment Managers' performance.

9. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 29, 2024, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2023. As of July 29, 2024, there were no subsequent events that required recognition or disclosure.

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Metro-North Commuter Railroad Company Cash Balance Plan

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Supplemental Schedules, and
Independent Auditor's Report

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Pensions of the
Metro-North Commuter Railroad Company Cash Balance Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan'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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 Employer's Net Pension Liability and Related Ratios - Schedule I, Schedule of Employer Contributions - Schedule II, and Schedule of Investment Returns - Schedule III 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 audit 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.

July 29, 2024

This narrative discussion and analysis of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2023 and 2022. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the past two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis are intended to be read in conjunction with the Plan's financial statements which begin on page 8.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** presents the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position** present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information,** as required by the Government Accounting Standards Board ("GASB") includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment Returns.

Financial Highlights

The Plan is a single employer, defined benefit pension plan. The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined Metro-North Commuter Railroad Company ("MNCR") as management employees between January 1 and June 30, 1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995.

FINANCIAL ANALYSIS

Fiduciary Net Position
December 31, 2023, 2022, and 2021
(Dollars in thousands)

				Increase/(Decrease)	
	2023	**2022**	**2021**	**2023-2022**	**2022-2021**
Investments, at fair value	$ 265	$ 282	$ 359	$ (17)	$ (77)
Accrued interest	1	2	2	(1)	(0)
Total assets	266	284	361	(18)	(77)
Benefits payable	13	-	-	13	-
Payable for investment securities purchased	-	5	10	(5)	(5)
Total liabilities	13	5	10	8	(5)
Net position - restricted for pensions	$ 253	$ 279	$ 351	$ (26)	$ (72)

December 31, 2023 versus December 31, 2022

Investments at December 31, 2023 were $265 thousand, a decrease of $17 thousand from 2022. The decrease is the result of investment activity and plan contributions net of benefit payments and expenses.

Accrued interest at December 31, 2023 was $1 thousand, a decrease of $1 thousand from December 31, 2022.

Total liabilities at December 31, 2023 were $13 thousand, an increase of $8 thousand from 2022. The increase is due to accrued plan benefits payable in 2023 compared to investment securities purchased of $5 thousand in 2022.

Net position restricted for pensions at December 31, 2023 was $253 thousand, a decrease of $26 thousand from 2022 as a result of the changes noted above.

December 31, 2022 versus December 31, 2021

Investments at December 31, 2022 were $282 thousand, a decrease of $77 thousand from 2021. The decrease is the result of investment activity and plan contributions net of benefit payments and expenses.

Receivables and accrued interest at December 31, 2022 were $2 thousand, same as at December 31, 2021.

Payables at December 31, 2022 were $5 thousand, a decrease of $5 thousand from 2021. The decrease is the result of a decrease in net securities purchased at the end of 2022.

Net position restricted for pensions at December 31, 2022 was $279 thousand, a decrease of $72 thousand from 2021 as a result of the changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Increase/(Decrease)	
	2023	**2022**	**2021**	**2023-2022**	**2022-2021**
Additions:					
Net investment income/(loss)	$ 2	$ (43)	$ (5)	$ 45	$ (38)
Employer contributions	13	4	-	9	4
Total additions / (subtractions)	15	(39)	(5)	54	(34)
Deductions:					
Benefits paid to participants	41	33	38	8	(5)
Total deductions	41	33	38	8	(5)
Net decrease in net position	(26)	(72)	(43)	46	(29)
Net position-restricted for pensions:					
Beginning of year	279	351	394	(72)	(43)
End of year	$ 253	$ 279	$ 351	$ (26)	$ (72)

CHANGES IN FIDUCIARY NET POSITION

The Plan is a closed Plan and does not have active members as of January 1, 2023. Investments are primarily in bonds and asset backed securities to minimize exposure to market fluctuations as of November 2023. In December 2023, the Plan liquidated the portfolio's bond investments for a Money Market Mutual fund. The net position is held in trust for the payment of future benefits to members and beneficiaries.

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

Net investment income increased by $45 thousand in 2023 due to net investment gains of $45 thousand in 2023 versus net investment loss of $43 thousand in 2022.

The Actuarial Determined Contributions ("ADC") of $13 thousand for 2023 and $4 thousand were paid in 2023 and 2022, respectively.

Benefit payments increased by $8 thousand in 2023 when compared with 2022, primarily due to retroactive payments to a beneficiary in 2023.

There were no securities disbursed in-kind in 2023.

December 31, 2022 versus December 31, 2021

Net investment income decreased by $38 thousand in 2022 due to net investment losses of $43 thousand in 2022 versus net investment loss of $5 thousand in 2021.

Contributions were $4 thousand in 2022 and $0 in 2021 due to timing of payments. The Actuarial Determined Contributions ("ADC") of $4 thousand for 2022 was paid in 2022.

Benefit payments decreased by $5 thousand in 2022 compared to 2021. In 2022 there were less retirees taking lump sum distributions when compared to 2021.

There were no securities disbursed in-kind in 2022.

INVESTMENTS

The table below summarizes the Plan's investment allocations and investment returns.

Investment Summary
(Dollars in thousands)

Type of Investment	Fair Value	Allocation	Current Year Return
December 31, 2023			
Short-term investments	$ 265	100.0 %	5.0 %
Total	$ 265	100.0 %	5.0 %
December 31, 2022			
U.S. government & agency securities	$ 156	55.2 %	2.8 %
Corporate bonds & asset backed securities	109	38.6 %	3.6 %
Short-term investments	12	4.4 %	0.1 %
Other bonds & fixed income securities	5	1.8 %	5.2 %
Total	$ 283	100.0 %	3.1 %
December 31, 2021			
U.S. government & agency securities	$ 167	46.4 %	2.3 %
Corporate bonds & asset backed securities	171	47.6 %	3.2 %
Short-term investments	15	4.2 %	0.1 %
Other bonds & fixed income securities	6	1.8 %	5.2 %
Total	$ 359	100.0 %	2.7 %

Contact Information

This financial report is designed to provide a general overview of the Metro-North Commuter Railroad Company Cash Balance Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller's Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS:		
Investments, at fair value:		
U.S. government & agency securities	$ -	$ 155,925
Corporate bonds & asset backed securities	-	109,246
Other bonds & fixed income securities	-	5,082
Short-term investments	264,898	12,375
Total investments	264,898	282,628
Accrued interest	671	1,676
Total assets	265,569	284,304
LIABILITIES:		
Benefits payable	(12,584)	-
Payable for investment securities purchased	-	(4,990)
Total liabilities	(12,584)	(4,990)
NET POSITION - restricted for pensions	$ 252,985	$ 279,314

See notes to financial statements.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
ADDITIONS:		
Investment income:		
Interest	$ 8,766	$ 9,194
Net depreciation in fair value of investments	(6,785)	(52,233)
Total investment income / (loss)	1,981	(43,039)
Contributions:		
Employer	12,589	4,463
Total additions / (substractions)	14,570	(38,576)
DEDUCTIONS:		
Benefits paid to participants	(40,899)	(33,430)
Total deductions	(40,899)	(33,430)
NET DECREASE IN NET POSITION	(26,329)	(72,006)
NET POSITION - restricted for pensions		
Beginning of year	279,314	351,320
End of year	$ 252,985	$ 279,314

See notes to financial statements.

1. PLAN DESCRIPTION

The following description of the Metro-North Commuter Railroad Company Cash Balance Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a single employer, defined benefit pension plan administered by Metro-North Commuter Railroad ("MNCR"). The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined MNCR as management employees between January 1 and June 30,1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Plan Administration

The MTA Board of Trustees shall appoint a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The members of the Board of Managers shall hold office at discretion of the MTA Board, each to serve until his successor is appointed. The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

The Board of Managers shall control and manage the operation and administration of the Plan. It shall have all the powers that within its judgment may be necessary or appropriate for that purpose, including, but not by way of limitation, power to adopt any rules consistent with the provisions of the Plan deemed necessary to effectuate the Plan, to conduct the affairs of the Board of Managers, to administer the Plan, to interpret the Plan, to determine the eligibility, status and rights of all persons under the Plan and, in general, to decide any dispute.

Benefits Provided

Pension Benefits - Participants of the Plan obtain a nonforfeitable right to their accrued benefit upon the earlier of (a) the completion of five years of service with the MTA Metro-North Railroad or (b) the attainment of age sixty-two. Vested participants are entitled to receive pension benefits commencing at age sixty-five. Vested participants may elect to receive early retirement benefits upon the attainment of age fifty-five through age sixty-four.

Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or they may elect to receive their benefits as a life annuity payable monthly from retirement. Participants may also elect to receive their pension benefits in the form of a joint and survivor annuity.

Prior to a participant's annuity commencement date, each Participant's account balance shall be increased each month by a factor, which when compounded monthly for 12 months, would produce the benefit escalator for the applicable plan year.

The benefit escalator is defined as the Pension Benefit Guaranty Corporation immediate annuity rate in effect for December of the year preceding the year for which the determination is being made.

Death Benefits - Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death.

Membership

Membership of the Plan consisted of the following as of January 1, 2023 and 2022, the dates of the latest actuarial valuation:

	2023	**2022**
Active Plan Members	-	-
Retirees and beneficiaries receiving benefits	20	22
Vested formerly active members not yet receiving benefits	5	5
Total	25	27

Contributions

Funding for the Plan is provided by MNCR which is a public benefit corporation that receives funding for its operations and capital needs from the Metropolitan Transportation Authority ("MTA") and the Connecticut Department of Transportation ("CDOT"). Certain funding by MTA is made to MNCR on a discretionary basis. The continuance of funding for the Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

MNCR's funding policy with respect to the Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately $2.977 million to the trust fund in 1989. As participants retire, distributions from the Plan have been made by the Trustee. MNCR anticipated that no further contributions would be made to the Plan. However, due to changes in actuarial assumptions and market performance, additional unfunded pension liabilities were paid to the Plan in several subsequent years. Per the January 1, 2023 valuation, the unfunded accrued liability was $12,105 and the actuarially determined contribution was $12,589. Per the January 1, 2022 valuation, the unfunded accrued liability was $4,333 and the actuarially determined contribution was $4,463. The ADC reflects a one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include the determination of the fair value of investments, the actuarial determined contribution and the total pension liability.

Investment Valuation and Income Recognition

Fair value for the publicly traded government bonds and notes, corporate bonds and mortgage/asset backed securities represents the quoted market prices of a national securities exchange. Gains and losses on investments that were sold during the year are included in net appreciation or depreciation in fair value of investments. Interest income on the government and corporate bonds is recorded when earned. The Plan's investments are held in trust by Principal Bank (the "Trustee"), in the name of the Plan.

Benefits

Benefits are recognized when paid.

Administrative Expenses

The administrative expenses of the Plan are paid by MNCR. There were no administrative expenses paid by the Plan for the years ended December 31, 2023 and 2022, respectively.

Federal Income Tax Status

The Internal Revenue Service ("IRS") has determined and informed the MNCR by a letter dated January 10, 1997, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter. The MNCR believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statement in 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The adoption of this Statement has no material impact on the financial net position of the Metro-North Cash Balance Plan.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	Metro-North Commuter Railroad Company Cash Balance Plan Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

3. INVESTMENTS

A professional investment management firm manages the Plan. The Plan utilizes various investment securities including U.S. government securities and corporate debt instruments. The investment guideline is included within the investment management agreement agreed to by the MTA Board of Trustees. The guideline grants the investment manager full discretion to buy, sell, invest and reinvest the Plan's assets in domestic fixed income investments. The investment objective is to achieve consistent, positive real returns and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

The investment management firm is required to maintain a diversified portfolio. All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all state and federal statutes governing the investment of retirement funds. Securities managers must be registered advisors under the Investment Advisors Act of 1940. The investment managers must comply with the risk management guidelines per the Investment Management Agreement.

Investment managers may not purchase inverse floating rate bonds, structured notes, commodities, securities on margin, sell short, lend securities, invest in private placements, commingled funds (except Short-Term Investment Funds), real estate investments, and oil, gas & mineral exploration investments without the written consent of the Plan. The Plan's fixed-income assets shall be invested in domestic marketable, fixed-income securities.

Fixed-income managers are expected to adhere to the following guidelines as a means of limiting credit risk:

- Commercial Paper, Eurodollar Commercial Paper and Variable Rate Notes rated P-1 by Moody's, A1 by Standard and Poor's, or F1 by Fitch.

- Certificates of Deposit and Bankers Acceptances of institutions whose long-term debt is rated Baa or better by Moody's Investor's Service or equivalent by Standard & Poor's.

- United States Treasury Bonds, Notes and Bills.

- Debt instruments of the U.S. Government or its Agencies and Instrumentalities.

- Marketable corporate debt, Yankee bonds, Eurodollar bonds, non-agency mortgage- backed securities, asset backed securities and taxable municipal securities rated the equivalent of Baa or better by Moody's Investors Services, Standard & Poor's, or Fitch Investor's Services, for an overall portfolio average of A or better. In the case of split ratings, the higher rating applies.

- Collateralized Mortgage Obligations ("CMO's") backed by pools of agency or non-agency mortgages including those that are re-constructed in their original proportions from the same pool (such as IO's/PO's, and floaters/inverse floaters). Companion tranches and support tranches are limited to 3% of the book value of the portfolio.

- 144A Privates (non-registered debt issued by corporations), non-convertible preferred stock and fully hedged non-dollar bonds rated A or better by Moody's Investors Services, Standard & Poor's, or Fitch Investor's Services are limited to 20% of the book value of the portfolio.

- Securities downgraded subsequent to purchase resulting in violation of quality guidelines may be held at the manager's discretion.

- Managers may not hold more than 5% at book value and 10% at market value of the portfolios in any one issuer's securities other than direct or moral obligations of the U.S. Government.

- Unrated securities other than those issued by the U.S. Government or its Agencies and Instrumentalities may not be purchased without the prior consent of the Plan.

GASB 72 Disclosure

In fiscal year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan has the following recurring fair value measurements as of December 31, 2023 and December 31, 2022:

GASB 72 Disclosure
(in thousands)

INVESTMENTS - fair value level	2023 Level 1	Level 2	Level 3	Total
Debt securities:				
U.S government agency	$ -	$ -	$ -	$ -
Corporate bonds	-	-	-	-
Commerical mortgage-backed securities	-	-	-	-
Other bonds	-	-	-	-
Total debt securities	-	-	-	-
Total investments by fair value level	-	-	-	-
INVESTMENTS- measured at the net asset value (NAV)				
Short-term other	265	-	-	265
Total investments measured at the NAV	265	-	-	265
Total investments by fair value level	**$ 265**	**$ -**	**$ -**	**$ 265**

GASB 72 Disclosure
(in thousands)

INVESTMENTS - fair value level	2022 Level 1	Level 2	Level 3	Total
Debt securities:				
U.S government agency	$ 73	$ 83	$ -	$ 156
Corporate bonds	-	97	-	97
Commerical mortgage-backed securities	-	13	-	13
Other bonds	-	5	-	5
Total debt securities	73	198	-	271
Total investments by fair value level	73	198	-	271
INVESTMENTS- measured at the net asset value (NAV)				
Short-term other	12	-	-	12
Total investments measured at the NAV	12	-	-	12
Total investments by fair value level	**$ 85**	**$ 198**	**$ -**	**$ 283**

Equity and Fixed Income Securities

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for these securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the various pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Debt and equity securities classified in Level 3 are securities whose stated market price is unobservable by the marketplace; many of these securities are priced by the issuers or industry groups for these securities. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

Money-Weighted Rate of Return

For the years ended December 31, 2023 and December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Plan were 0.75% and -12.95%, respectively.

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Net appreciation/(depreciation) in Fair Value of Investments as Determined by Quoted Market Prices

The Plan's investments (including gains and losses on investments sold during the year) appreciated/ (depreciated) in value as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
U.S. government & agency securities	$ (5,818)	$ (29,037)
Corporate bonds & asset backed securities	(811)	(21,925)
Other bonds & fixed income securities	(156)	(1,270)
Total depreciation	$ (6,785)	$ (52,233)

Credit Risk.

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2023 and December 31, 2022 respectively, are as follows:

December 31, 2023 Quality Rating	Fair Value	Percentage of Portfolio
AAA	$ -	0.0 %
AA+	-	0.0 %
AA	-	0.0 %
A	-	0.0 %
AA-	-	0.0 %
A-	-	0.0 %
BBB+	-	0.0 %
BBB	-	0.0 %
BBB-	-	0.0 %
NR	264,898	100.0 %
Total credit risk debt securities	264,898	100.0 %
U.S. government & agency securities*	-	0.0 %
Total investment portfolio	$ 264,898	100.00%

December 31, 2022 Quality Rating	Fair Value	Percentage of Portfolio
AAA	$ 14,883	11.75%
AA+	8,969	7.08%
AA	4,791	3.78%
A	6,668	5.26%
AA-	4,820	3.80%
A-	22,287	17.59%
BBB+	22,455	17.72%
BBB	27,703	21.86%
BBB-	1,752	1.38%
NR	12,375	9.77%
Total credit risk debt securities	126,703	44.83%
U.S. government & agency securities*	155,926	55.17%
Total investment portfolio	$ 282,628	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Custodial Credit Risk

The Plan does not have a general policy addressing custodial risk, but it is the practice of the Plan that all investments are registered or held by the Plan or its agent in the Plan's name. Deposits are to be registered or collateralized with securities held at fiscal agents in the Plan's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of bond price's sensitivity to 100 basis point change in interest rates.

December 31, 2023 Investment Type	Fair Value	Percentage of Portfolio	Duration (Years)
U.S. government & agency securities	$ -	0.0 %	-
Corporate bonds & asset backed securities	-	0.0 %	-
Other bonds & fixed income securities	-	0.0 %	-
Short-term investments	264,898	100.0 %	-
Total investment	$ 264,898	100.00%	-
Portfolio average duration			-

December 31, 2022 Investment Type	**Fair Value**	**Percentage of Portfolio**	**Duration (Years)**
U.S. government & agency securities	$ 155,926	55.17%	5.78
Corporate bonds & asset backed securities	109,246	38.65%	7.07
Other bonds & fixed income securities	5,082	1.80%	6.46
Short-term investments	12,374	4.38%	-
Total investment	$ 282,628	100.00%	
Portfolio average duration			6.20

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan assets are invested in domestic fixed-income securities denominated in U.S. dollars and accounted for at fair value. The Plan has no exposure to foreign currency fluctuation.

4. NET PENSION LIABILITY (ASSET)

The components of the net pension liability of the employer at December 31, 2023 and 2022, for the Plan were as follows:

	2023	**2022**
Total pension liability	$ 262,211	$ 310,040
Plan's fiduciary net position	252,985	279,314
Employer's net pension liability	$ 9,226	$ 30,726
Plan's fiduciary net position as a percentage of the total pension liability	96.48%	90.09%

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

The plan's fiduciary net position was 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 pension liability is equal to the long-term expected rate of return.

	2023	**2022**
Discount rate	4.00%	4.00%
Long-term expected rate of return net of investment expense	4.00%	4.00%
Municipal bond rate	N/A	N/A

Other Key Actuarial Methods and Assumptions for the years ended December 31, 2023 and December 31, 2022 were as follows:

The actuarial assumptions that determined the total pension liability as of December 31, 2023 and December 31, 2022 was based on an experience study for the period January 1, 2015 - December 31, 2020.

	2023	2022
Valuation date:	January 1, 2023	January 1, 2022
Measurement date:	December 31, 2023	December 31, 2022
Actuarial cost method:	Unit Credit	Unit Credit
Actuarial assumptions:		
Asset valuation method:	Market Value of Plan Asset	Market Value of Plan Asset
Projected salary increases:	N/A	N/A
COLAs:	N/A	N/A
Inflation:	2.32%	2.40%
Benefit escalator:	2.25% per annum, compounded annually	2.25% per annum, compounded annually
Provision for Expenses:	None assumed from Plan assets	None assumed from Plan assets

Age and Benefit Profile of Participants in Pay Status as of January 1, 2023:

Retired Participants and Beneficiaries:

Attained Age	Number	Annual Pension
<50	-	$ -
50-54	-	-
55-59	-	-
60-64	-	-
65-69	3	1,189
70-74	5	3,837
75-79	3	2,707
80-84	6	13,269
85-89	1	5,618
>90	2	7,230
Total	20	$33,850

Average age = 76.8

Average Annual Pension = $1,693

Mortality: Pre-commencement: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021.

Post-commencement: Pre-2012 Retiree mortality table with the blue collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021. As generational tables, they reflect mortality improvements both before and after the measurement date.

The mortality assumption is based on a 2022 experience study for all the MTA plans combined.

Form of Payment for Cash Balance Account: For terminated vested participants, lump sum on the valuation date. This is based on the majority of participants electing a lump sum upon retirement.

Benefits not valued: The Additional Benefit was not valued as the potential liability for this benefit is de minimus.

Provision for Expenses - None assumed payable from plan assets, in accordance with anticipated plan sponsor practice.

Changes in Actuarial Assumptions Since Prior Valuation: The investment return assumption increased from 3% to 4% and the benefit escalator increased from 1.5% to 2.25% based on increases in expected fixed income yields since the prior valuation.

Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2023 and 2022.

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return *	Long-Term Expected Real Rate of Return *
Core Fixed Income	Bloomberg Barclays Aggregate	100.00%	2.14%	2.16%
Assumed Inflation - Mean			2.32%	2.40%
Assumed Inflation - Standard Deviation			1.44%	1.41%
Portfolio Nominal Mean Return			4.45%	4.56%
Portfolio Standard Deviation			4.30%	4.22%
Long-Term Expected Rate of Return selected by MTA			**4.00%**	**4.00%**

* Reflects 10-year time horizon

Sensitivity Analysis

The following presents the net pension liability of the Metro-North Commuter Railroad Company Cash Balance Plan as of December 31, 2023 and December 31, 2022, respectively, calculated using the current discount rate, as well as what the Plan's 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.

	December 31, 2023			December 31, 2022		
	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%	1% Decrease 3.00%	Discount Rate 4.00%	1% Increase 5.00%
Net Pension Liability	$24,680	$9,226	($4,479)	$49,069	$30,726	$14,453

5. **SUBSEQUENT EVENTS**

On June 6, 2024 the MTA Master Trust Agreement with JP Morgan Chase, was amended in agreement with Section 13.2 thereof to add the Metro North Commuter Railroad Company Cash Balance Plan. As a result, JP Morgan Chase became the new Custodian for the Metro-North Commuter Railroad Company Cash Balance Plan.

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METRO-NORTH COMMUTER RAILROAD COMPANY **Schedule I**
CASH BALANCE PLAN

Required Supplementary Information (Unaudited)
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios ($ in Thousands)

	2023	2022	2021	2020	2019	2018
Total Pension Liability:						
Interest	$ 12	$ 10	$ 11	$ 14	$ 18	$ 20
Changes of economic/demographic (gains) or losses	(19)	(6)	(11)	10	-	(11)
Changes of assumptions	-	(16)	15	11	4	-
Benefit payments	(41)	(33)	(38)	(105)	(53)	(58)
Net change in total pension liability	(48)	(45)	(23)	(70)	(31)	(49)
Total pension liability - beginning	310	355	378	448	479	528
Total pension liability - ending (a)	$ 262	$ 310	$ 355	$ 378	$ 448	$ 479
Fiduciary Net Position:						
Employer contributions	$ 13	$ 4	$ -	$ 9	$ -	$ 5
Net investment income	2	(43)	(5)	32	40	1
Benefit payments	(41)	(33)	(38)	(105)	(53)	(58)
Administrative expenses	-	-	-	3	(3)	-
Net change in plan fiduciary net position	(26)	(72)	(43)	(61)	(16)	(52)
Fiduciary net position - beginning	279	351	394	455	471	523
Fiduciary net position - ending (b)	253	279	351	394	455	471
Net pension liability - ending (a) - (b)	$ 9	$ 31	$ 4	$ (16)	$ (6)	$ 8
Fiduciary net position as a percentage of the total pension liability	96.48%	90.09%	98.91%	104.20%	101.45%	98.28%
Covered payroll	$ -	$ -	$ -	$ -	$ 277	$ 275
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	-2.35%	3.00%

This Schedule is presented to illustrate the requirement to show information for 10 years. As of December 31, 2023 all 10 years are now shown.

Required Supplementary Information (Unaudited)

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios ($ in Thousands)

	2017	2016	2015	2014
Total Pension Liability:				
Interest	$ 21	$ 24	$ 29	$ 32
Changes of economic/demographic (gains) or losses	12	(15)	(10)	-
Changes of assumptions	-	-	18	-
Benefit payments	(71)	(77)	(113)	(88)
Net change in total pension liability	(38)	(68)	(76)	(56)
Total pension liability - beginning	566	634	710	766
Total pension liability - ending (a)	$ 528	$ 566	$ 634	$ 710
Fiduciary Net Position:				
Employer contributions	$ -	$ 23	$ 18	$ -
Net investment income	20	16	6	41
Benefit payments	(71)	(77)	(113)	(88)
Administrative expenses	-	-	3	(3)
Net change in plan fiduciary net position	(51)	(38)	(86)	(50)
Fiduciary net position - beginning	574	612	698	748
Fiduciary net position - ending (b)	523	574	612	698
Net pension liability - ending (a) - (b)	$ 5	$ (8)	$ 22	$ 12
Fiduciary net position as a percentage of the total pension liability	99.01%	101.39%	96.56%	98.36%
Covered payroll	$ 268	$ 649	$ 995	$ 2,080
Net pension liability as a percentage of covered payroll	1.95%	-1.22%	2.20%	0.56%

This Schedule is presented to illustrate the requirement to show information for 10 years. As of December 31, 2023 all 10 years are now shown.

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of covered Payroll
2014	$ 4,977	$ 17,856	$ (12,879)	$ 2,080,077	0.86%
2015	-	-	-	994,941	0.00%
2016	22,721	22,721	-	648,524	3.50%
2017	-	-	-	268,488	0.00%
2018	5,444	5,444	-	274,921	1.98%
2019	8,582	8,582	-	276,569	3.10%
2020	-	-	-	-	N/A
2021	-	-	-	-	N/A
2022	4,463	4,463	-	-	N/A
2023	12,589	12,589	-	-	N/A

This Schedule is presented to illustrate the requirement to show information for 10 years. As of December 31, 2023 all 10 years are now shown.

The actual employer contribution for 2014 is the June 5, 2015 contribution that was recognized by the Plan as a receivable contribution for the 2014 plan year.

The actual employer contribution for 2019 is the April 15, 2020 contribution that was recognized by the Plan as a receivable contribution for the 2019 plan year.

Notes to Required Supplementary Information (Unaudited)
Schedule of Employer Contributions

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019
Measurement Date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Unit Credit	Unit Credit	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.
Inflation	2.32%	2.40%	2.25%	2.25%	2.50%
Salary Increases	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return	4.00%, net of investment expenses	4.00%, net of investment expenses	3.00%, net of investment expenses	3.00%, net of investment expenses	3.50%, net of investment expenses
Mortality	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA

Notes to Required Supplementary Information (Unaudited)
Schedule of Employer Contributions

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2014
Measuremenr Date	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Unit Credit
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	Period specified in current valuation (closed 10 year period beginning Janaury 1, 2008 - 4 year period for the January 1, 2014 valuation).
Asset Valuation Method	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Effective January 1, 2015, the Actuarially Determined Contribution (ADC) will reflect one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.
Inflation	2.25%	2.50%	2.30%	2.30%	2.50%
Salary Increases	N/A	N/A	N/A	N/A	N/A - There were no projected salary increase assumptions used in the January 1, 2014 valuation as participants of the Plan were covered under the Management Plan effective January 1, 1989. For participants of the Plan eligible for additional benefits, these benefits were not valued as the potential liability is de minimus.
Investment Rate of Return	3.5%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses	4.50%, net of investment expenses
Mortality	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA

METRO-NORTH COMMUTER RAILROAD COMPANY **Schedule III**
CASH BALANCE PLAN

Required Supplementary Information (Unaudited)
Schedule of Investment Returns

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2014	5.96%
2015	0.93%
2016	2.75%
2017	3.67%
2018	0.06%
2019	9.01%
2020	7.79%
2021	-1.21%
2022	-12.95%
2023	0.75%

This Schedule is presented to illustrate the requirement to show information for 10 years. As of December 31, 2023 all 10 years are now shown.

Metropolitan Transportation Authority Retiree Welfare Benefits Plan (“Other Postemployment Benefits Plan” or “OPEB Plan”)

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022
Supplemental Schedules, and
Independent Auditor’s Report

METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POST EMPLOYMENT BENEFITS PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of the
Metropolitan Transportation Authority Retiree Welfare Benefits Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (the "Plan") as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan'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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 Employers' Net OPEB Liability and Related Ratios-Schedule I, Schedule of Employer Contributions- Schedule II, and Schedule of Investment Returns- Schedule III 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 audit 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.

July 29, 2024

The purpose of the Metropolitan Transportation Authority ("MTA") Retiree Welfare Benefits Plan ("Other Postemployment Benefits Plan" or "OPEB Plan" or the "Plan") and the related Trust Fund is to provide a vehicle for the MTA organization to set aside funds to assist it in providing health and other welfare benefits to eligible retirees and their beneficiaries. The Plan and the Trust Agreement are exempt from federal income taxation under Section 115(1) of the Code. The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the "pay-as-you-go" cost of providing current benefits to current eligible retirees, spouses and dependents ("Pay-Go").

This management's discussion and analysis of the Plan's financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2023 and 2022. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with, the Plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statement of Fiduciary Net Position** — presents the financial position of the Plan at year end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statement of Changes in Fiduciary Net Position** — present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation/(depreciation) in fair value of investments.

- **The Notes to Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information** — as required by the Governmental Accounting Standards Board ("GASB") is presented after the management discussion and analysis, the statement of fiduciary net position, the statement of changes in fiduciary net position and the notes to the combined financial statements.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Financial Highlights

Fiduciary Net Position
December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Amount of Change		Percentage Change	
	2023	**2022**	**2021**	**(2023 - 2022)**	**(2022 - 2021)**	**(2023 - 2022)**	**(2022 - 2021)**
ASSETS:							
Investments	$ 1,362,791	$ 11,698	$ 107	$ 1,351,093	$ 11,591	11550.0 %	10832.7 %
Receivables and other assets	11,708	38	-	11,670	38	30,710.5	100.0
TOTAL ASSETS	1,374,499	11,736	107	1,362,763	11,629	11,611.8	10,868.2
LIABILITIES:							
Benefits payable and accrued expenses	594	1	24	593	(23)	59,300.0	(95.8)
TOTAL LIABILITIES	594	1	24	593	(23)	59,300.0	(95.8)
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	$ 1,373,905	$ 11,735	$ 83	$ 1,362,170	$ 11,652	11607.8 %	14038.6 %

Plan net position is held in trust for the payment of future benefits to members and beneficiaries. The assets of the Plan exceeded its liabilities by $1,373.9 million and $11.7 million as of December 31, 2023 and 2022. The net increase in Plan value in 2023 compared to 2022 is a result of the MTA contribution of $1.3 billion to the OPEB Trust in 2023.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2023, 2022, and 2021

(Dollars in thousands)	2023	2022	2021	Amount of Change (2023 - 2022)	Amount of Change (2022 - 2021)	Percentage Change (2023 - 2022)	Percentage Change (2022 - 2021)
ADDITIONS:							
Total investment income/(loss)	$ 43,596	$ 11,828	$ -	$ 31,768	$ 11,828	268.6 %	100.0 %
Less:							
Investment expenses	565	-	-	565.0	-	100	-
Net investment income/(loss)	43,031	11,828	-	31,203	11,828	263.8	100.0
Add:							
Employer contributions	2,139,096	788,310	740,051	1,350,786	48,259	171.4	6.5
Implicit rate subsidy contribution	62,445	57,989	52,933	4,456	5,056	7.7	9.6
Total additions	2,244,572	858,127	792,984	1,386,445	65,143	161.6	8.2
DEDUCTIONS							
Benefit payments	819,815	788,310	740,051	31,505	48,259	4.0	6.5
Implicit rate subsidy payments	62,445	57,989	52,933	4,456	5,056	7.7	9.6
Administrative expenses	142	176	47	(34)	129	(19.3)	274.5
Total deductions	882,402	846,475	793,031	35,927	53,444	4.2	6.7
Net increase/(decrease) in net position	1,362,170	11,652	(47)	1,350,518	11,699	11,590.4	(24,891.5)
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS							
Beginning of year	11,735	83	130	11,652	(47)	14,038.6	(36.2)
End of year	$ 1,373,905	$ 11,735	$ 83	$ 1,362,170	$ 11,652	11607.8 %	14038.6 %

The Plan's net position held in trust increased by $1,373.9 million and $11.7 million in 2023 and 2022, respectively. The change in 2023 is due to the $1.3 billion contribution to the OPEB Trust by the MTA whereas the 2022 increase was due to the recognition of the lawsuit settlement from AllianzGI Structured Alpha Funds.

Investments

The table below summarizes the Plan's investment measured at fair value.

December 31, 2023 **(Dollars in thousands)**	**Fair Value**	**Allocation**
Type of Investments		
Investment measured at readily determined fair value	$ 1,362,791	100 %
	$ 1,362,791	100 %

December 31, 2022 **(Dollars in thousands)**	**Fair Value**	**Allocation**
Type of Investments		
Investment measured at readily determined fair value	$ 11,698	100 %
	$ 11,698	100 %

Economic Factors

Market Overview – 2023

The year 2023 was a surprisingly strong year for markets and was characterized by disinflation, hawkish central banks, stronger than expected global GDP growth, the AI technological boom, and U.S. equity outperformance driven by the Magnificent 7. These positive developments came about despite three significant shocks. The first was higher than expected short-term and long-term interest rates due to central bank reaction functions (four 25pb rate hikes in the U.S.) to better than expected growth data. Second was the U.S. and European banking sector instability early in the year. And third was the heightened geopolitical risk arising from the Israel-Hamas war. Following the tumultuous conditions of 2022, the economic conditions in 2023 brought with it strong increases in global economic growth rate forecasts, declines in unemployment projections, and suppressed recession concerns. In the US, disinflation, increased interest income, and steady real wages supported above trend line consumption. U.S. household credit usage increased, while debt service ratios still had room to expand, and the unemployment rate remained favorable. Global assets broadly increased, treasury yield volatility increased, the dollar remained strong, and the yield curve has remained sharply inverted for the longest period on record.

Except for commodities, global risk assets had strong performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023, which resulted in the one of the better years for the 60/40 equity bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong due to high interest rate differentials, posting gains against the Yen, and losses against the Euro.

Macro Themes

- Higher interest rates for longer
- Geopolitical risk and deglobalization
- Innovation and AI
- Priced in rate cutting for the Fed in 2024

United States

The U.S. economy surprised to the upside, a 2.5% increase in Real GDP growth in 2023, compared to a 1.9% increase in 2022. The unemployment rate increased but remained low, finishing 2023 at 3.7% compared to 3.5% in 2022. Consumer Prices rose only 3.4% in 2023 compared to 6.5% in 2022, while core inflation, which excludes the volatile food and energy components, rose 3.9% in 2023 compared to 5.7% in 2022.

U.S. equities were positive across the board, with the S&P 500 (26.3%) and Russell 1000 (26.5%) indices posting double digit returns. Across capitalizations, Large Cap (S&P 500 Index: 26.3%), Mid Cap (S&P 400 Index: 16.4%), and Small Cap (Russell 2000 Index:16.9%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 42.7%) significantly outperformed Value (Russell 1000 Value Index: 11.5%). Growth was driven by unprecedented concentration and outperformance from the Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, and TSLA). In 2023, the Mag 7 returned 104.7% which accounted for 62.2% of the S&P 500's total return for the year.

U.S. Treasury yields were volatile in 2023 and the yield curve remained inverted amid the Federal Reserve's four rate hikes. Credit spreads broadly tightened in 2023 except for securitized credit. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 5.5%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 14.6%), High Yield (Bloomberg High Yield Index: 13.4%) and Credit (Bloomberg Credit Index: 8.2%). Positive returns were also realized in Treasuries (Bloomberg US Treasury Index: 4.1%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 3.9%).

International Developed

International developed equity markets (MSCI EAFE Index: 18.2%) posted strong results in 2023 but underperformed the U.S. large cap equity markets. Leading the way was the Japanese (MSCI Japan Index: 20.8%) and European (MSCI Europe Index: 20.7%) markets. The International developed Small Cap (MSCI EAFE SC Index: 13.2%) market also posted double digit returns, but not as high as the International large cap counterpart.

Emerging Markets

Emerging markets posted positive but weaker relative returns in 2023 compared to both the U.S. and international developed equity markets. The broad EM Market (MSCI EM Index: 9.8%) garnished high single digit returns, despite having negative returns from Chinese (MSCI EM China Index: -11.2%) equities. Geopolitical risk, weak demand, and high unemployment dampened sentiment in the Chinese market. However, the EM Small Cap (MSCI EM Small Cap Index: 23.9%) market posted much better returns compared to EM large cap market.

The EM fixed income markets were positive in 2023. Both hard currency bonds, which are bonds predominately issued in U.S. Dollars, and local currency bonds, posted double digit returns. Local currency bonds (JPMorgan GBI-EM Global Diversified Index: 12.7%) outperformed hard currency bonds (JPMorgan EMBI Global Diversified Index: 11.1%).

Commodities

Commodities (S&P Goldman Sachs Commodity Index: -4.3%) were the laggards and had negative performance in 2023. The index was largely influenced by a -28.6% change in Natural Gas Prices. Commodity futures remain backwardated, although the roll yield has declined. Precious Metals and Softs (agricultural products) were the best performers in this category, with Gold spot prices up 13.4% and Cocoa spot prices up 61.4% for the year.

Market Outlook – 2024

Through the first quarter of 2024, equity markets were mostly higher with gains in the low double digits. Growth equities have continued to lead the way, adding on to their 2023 gains. Despite the hawkish Fed, growth and momentum continued to outperform in 2024 driven by strong earnings and the AI secular growth theme. Fixed income markets had a mixed start to 2024, with returns flat to slightly negative for the quarter. Fed speak has been hawkish as inflation has been stickier than expected going into 2024, but rate cuts are still expected towards the end of the year. The only negative area was in the Real Estate asset class due to continued pressure from high interest rates. Markets are expected to be more volatile this year than in 2023, but participants appear to be cautiously optimistic.

2024's macroeconomic backdrop will likely be dominated by the private consumption, the Fed's willingness to cut rates, geopolitical tensions, tight credit markets, artificial intelligence, and the 2024 U.S. presidential race. Coming out of 2023, a positive year for risk assets, market participants are optimistic for 2024. Several roadblocks to high growth still loom such as the staggering Commercial Real Estate maturity wall, tight credit markets with low deal flow in private markets, the inverted yield curve, high U.S. government debt, and high equity multiples. Global growth optimism stems from real disposable income growth in a lower inflation environment, strong labor markets, pain from hawkish monetary policy being behind us, global manufacturing activity expected to recover, and that the central banks have proven that they do not need a recession to bring inflation down.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Other Postemployment Benefits Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller's Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

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METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ASSETS:		
Investments at fair value (Notes 3 and 4):		
Investments measured at readily determined fair value	$ 1,362,791	$ 11,698
Interest receivable	11,708	38
Total assets	1,374,499	11,736
LIABILITIES:		
Benefits payable and accrued expenses	594	1
Total liabilities	594	1
NET POSITION RESTRICTED FOR POSTEMPLOYEMENT BENEFITS OTHER THAN PENSIONS	$ 1,373,905	$ 11,735

See notes to financial statements.

(Concluded)

METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ADDITIONS:		
Net realized and unrealized gains	$ 10,400	$ 11,671
Dividends	-	3
Interest	33,196	154
Total investment income	43,596	11,828
Less:		
Investment expenses	565	-
Total investment income	43,031	11,828
Add:		
Employer contributions	2,139,096	788,310
Implicit rate subsidy contribution	62,445	57,989
Total additions	2,244,572	858,127
DEDUCTIONS:		
Benefit Payments	819,815	788,310
Implicit rate subsidy payments	62,445	57,989
Administrative expenses	142	176
Total deductions	882,402	846,475
Net increase / (decrease) in net position	1,362,170	11,652
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:		
Beginning of year	11,735	83
End of year	$ 1,373,905	$ 11,735

See notes to financial statements.

(Concluded)

1. BACKGROUND AND ORGANIZATION

The Metropolitan Transportation Authority ("MTA") Retiree Welfare Benefits Plan ("Other Postemployment Benefits Plan" or "OPEB Plan" or the ("Plan") and the related Trust Fund was established effective January 1, 2009 for the exclusive benefit of The MTA Group's retired employees and their eligible spouses and dependents, to fund some of the OPEB benefits provided in accordance with the MTA's Group's various collective bargaining agreements and MTA policies. The MTA Group is comprised of the following current and former agencies:

- MTA New York City Transit
- MTA Long Island Rail Road
- MTA Metro-North Railroad
- MTA Bridges and Tunnels
- MTA Headquarters ("MTAHQ")
- MTA Long Island Bus
- MTA Staten Island Railway
- MTA Bus Company
- MTA Construction and Development Company
- MTA Grand Central Madison Operating Company

The Trust is tax exempt in accordance with Section 115 of the Internal Revenue Code. The Plan is classified as a single employer plan for Governmental Accounting Standards Board ("GASB") Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74") purposes.

The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the "pay-as-you-go" amount necessary to provide the current benefits to current eligible retirees, spouses and dependents (Pay-Go).

GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* prescribes uniform financial reporting standards for other postemployment benefits ("OPEB") plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes postemployment healthcare benefits which are covered under The MTA OPEB plan.

Plan Administration – The Other Postretirement Plan is administered by the Board of Managers, which is comprised of:

the persons holding the following positions:

(i) the Chairperson of the MTA;
(ii) the MTA Chief Financial Officer; and
(iii) the MTA Director of Labor Relations.

(a) Designation of Others – Any member of the Board of Managers, serving as such by virtue of holding a position described in (a) of this section, may, by written authorization filed with the Secretary, designate another individual, not then a member, to serve in that member's stead, in accordance with procedures established with the approval of the Executive Director of the MTA. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.

Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Most OPEB have been funded on a pay-as-you-go basis and have been reported in financial statements when the promised benefits are paid.

OPEB Funding - During 2012, MTA funded $250 million into a Trust allocated between MTA Headquarters and MTA New York City Transit and funded an additional $50 million during 2013 allocated between MTA Long Island Rail Road and MTA Metro-North Railroad. During 2023, MTA Headquarters transferred in-kind Treasury securities totaling $1,319.3 million in Trust contributions during the year. Although the asset value increased significantly, the balance would be projected to be depleted after two years of pay-as-you-go payments. Therefore, in accordance with GASB 74, the discount rate is set equal to the municipal bond index. MTA elected the Bond Buyer 20-Bond GO Index. As a result, the discount rates as of December 31, 2023 and 2022 are 4.25% and 3.72%, respectively.

Blended and Age-adjusted Premium (in thousands)	**2023 Retirees**	**2022 Retirees**
Total blended premiums	$819,815	$788,310
Employment payment for retiree healthcare	62,445	57,989
Net Payments	$882,260	$846,299

The $62,445 and $57,989 employer payments for retiree healthcare shown in the preceding table are cash payments in the years 2023 and 2022, respectively. Based on the premium rate structure of NYSHIP, it is part of the employers' payments for active-employee healthcare benefits; and reflects the higher costs among retirees than actives. The $62,445 and $57,989, therefore, is not a payment for active-employee benefits; rather, but represents benefit payments for healthcare coverage for the years 2023 and 2022 for retirees.

2. PLAN DESCRIPTION, ELIGIBILITY AND MEMBERSHIP INFORMATION

The benefits provided by the MTA Group include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by MTA agency and relevant collective bargaining agreements. Certain benefits are provided upon retirement. "Retirement" is defined by the applicable pension plan. Certain MTA Group agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA Group are members of the following pension plans: the MTA Defined Benefit Pension Plan ("MTADBPP"), the MTA Long Island Rail Road Plan for Additional Pensions, the Metro-North Cash Balance Plan, the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") Pension Plan, the New York City Employees' Retirement System ("NYCERS") and the New York State and Local Employees' Retirement System ("NYSLERS"). Certain represented employees of Metro-North Railroad participate in the Thrift Plan for Employees of MTA, its Subsidiaries and Affiliates ("401(k) Plan"). Eligible employees of the MTA Group may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA Group 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. However, represented MTA New York City Transit employees, other MTA New York City Transit former employees who retired prior to January 1, 1996 or January 1, 2001, MTA Staten Island Railway represented employees as of March 1, 2010, June 1, 2010 or January 1, 2013 depending on the union and MTA Bus Company represented employees do not participate in NYSHIP. These benefits are provided through a self-insured health plan, a fully insured health plan or an HMO.

The MTA 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.

GASB 74 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. The valuation must be performed at least biennially. The most recent biennial valuation was performed with a valuation date of July 1, 2023. The total number of plan participants as of July 1, 2023 receiving retirement benefits was approximately 51,123.

Plan Eligibility - Generally, to qualify for benefits under the Plan, a former employee of the MTA must:

- have retired, be receiving a pension (except in the case of the 401(k) Plan and the New York State VDC), and have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTADBPP, the MaBSTOA Pension Plan, the 401(k) Plan or the VDC and have attained a minimum age requirement (unless within 5 years of commencing retirement for certain members); provided, however, a represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

- Surviving Spouse and Other Dependents:

(i) 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.

(ii) 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. For represented employees of MTA New York City Transit and MTA Staten Island Railway retiring on or after May 21, 2014 for TWU Local 100, September 24, 2014 for ATU Local 726, October 29, 2014 for ATU Local 1056, March, 25, 2015 for TCU and December 16, 2015 for UTU and ATDA, surviving spouse coverage continues until spouse is eligible for Medicare.

(iii) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.

(iv) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

Benefits are established and amended by the MTA, except to the extent that they have been established by collective bargaining agreement.

Plan Membership - As permitted under GASB 74, the Plan has elected to use July 1, 2023 as the valuation date of the OPEB actuarial valuation. The Plan's combined membership consisted of the following at July 1, 2023 and July 1, 2022, the date of the most recent OPEB actuarial valuation:

	July 1, 2023	July 1, 2021
Active Plan members	71,454	68,672
Inactive Plan members currently receiving Plan benefit payments	51,123	48,888
Inactive Plan members entitled to but not yet receiving benefit payments	55	131
Total number of participating employees	122,632	117,691

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Employer contributions are recognized when paid in accordance with the terms of the Plan. Additions to the Plan consist of employer contributions and net investment income. Investment purchases and sales are recorded as of trade date.

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America, as prescribed by Government Accounting Standards Board ("GASB").

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statement in 2023:
GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The adoption of this Statement has no material impact on the financial net position of MTA's OPEB Plan.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the financial net position of MTA's OPEB Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MTA OPEB Plan Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

Investments - The Plan's investments are those which are held in the Trust. Investments are reported on the statement of fiduciary net position at fair value based on quoted market prices. Investment income, including changes in the fair value of investments, is reported on the statement of changes in fiduciary net position during the reporting period.

Benefit Payments - The Plan Sponsor ("The MTA") makes direct payments of insurance premiums for healthcare benefits to OPEB Plan members or beneficiaries. Payments made directly to the insurers by the Plan Sponsor which bypass the trust are treated as additions and deductions from the Plan's net position. Additionally, premium payments on behalf of retirees have been adjusted to reflect age-based claims cost.

Administrative Expenses - Administrative expenses of the Plan are paid for by the Plan.

4. INVESTMENTS

Investment Policy - The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board of Managers upon consideration of the advice and recommendations of investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, annually. The following was the Board of Managers adopted asset allocation policy as at December 31, 2023.

Asset Class	Target Allocation (%)	Policy Benchark
Global Equity	35.0	MSCI ACWI
Fixed Income	18.0	Manager Specific
Global Asset Allocation*	30.0	50% World Equity/ 50% Citigroup WGBI unhedged
Absolute Return	12.0	Manager Specific
Real Assets	5.0	Manager Specific
Total	100.0	

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

Investment Objective - The investment objective of the Plan is to achieve the actuarial return target with an appropriate risk position.

Investment Guidelines - The Board of Managers of the MTA Retiree Welfare Benefits Plan is in the process of creating investment guidelines with the Plan's investment advisor ("NEPC") that will address and execute investment management agreements with professional investment management firms to manage the assets of the Plan.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will affect the fair value of an investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity to a parallel 100 basis point change in interest rates.

	2023		2022	
Investment Fund	**Fair Value**	**Duration**	**Fair Value**	**Duration**
Blackrock short term duration bond Fund	$ 1,341,188	3.04	$ -	-
	1,341,188			
Portfolio modified duration		3.04		-
Investments with no duration reported	21,603		11,698	
Total investments	$ 1,362,791		$ 11,698	

Credit Risk - For investments, custodial credit risk is the risk that in the event of the failure of the Trustee Bank, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to credit risk if the securities are uninsured and are not registered in the name of the Trust. No credit risk was reported for years ended December 31, 2023 and 2022.

Concentration of Credit Risk - The Plan places no limit on the amount the Trust may invest in any one issuer of a single issue. Individual investments held by the Plan that represents 5.0% or more of the Plan's net assets available for benefits. In 2023 the Plan held a Separately Managed Account with Blackrock, where concentration of credit risk is the full responsibility of the Plan. The Plan did not report any concentration of credit risk in 2022.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. No credit risk was reported for years ended December 31, 2023 and 2022.

GASB 72 Disclosure - In year 2015, the MTA Retiree Welfare Benefits Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. All investments were redeemed and used to pay benefits, other than cash retained to pay expenses. The fair value of investments reported for years ended December 31, 2023 and 2022 were $1,362.8 million and $11.7 million, respectively. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2023 and 2022:

Investments measured at readily determined fair value (FV)
($ In thousands)

	2023			
	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
Short term bond mutual fund	$ 21,603	21,603	-	-
Blacrock Short Term Duration Bond Fund	1,341,188	-	1,341,188	-
Total debt investments	1,362,791	21,603	1,341,188	-

Investments measured at readily determined fair value (FV)
($ In thousands)

	2022			
	December 31, 2022	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
Short term bond mutual fund	$ 11,698	11,698	-	-
Total debt investments	11,698	11,698	-	-

5. NET OPEB LIABILITY

The components of the net OPEB liability of the Plan for the years ended December 31, 2023 and 2022 were as follows (in thousands):

	December 31, 2023	December 31, 2022
Total OPEB liability	$ 21,595,402	$ 22,446,401
Fiduciary net position	1,373,905	11,735
Net OPEB liability	20,221,497	22,434,666
Fiduciary net position as a percentage of the total OPEB liability	6.36%	0.05%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB Statement No.74.

Covered payroll is based on salary information provided as of the valuation date.

Additional Important Actuarial Valuation Information

	2023	2022
Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Reporting date	December 31, 2023	December 31, 2022
Actuarial cost method	Entry Age Normal	Entry Age Normal
Normal cost increase factor	4.25%	4.25%

Discount Rate – 3.26% per annum as of December 31, 2023 (Bond Buyer General Obligation 20-Bond Municipal Bond Index) and 3.72% per annum as of December 31, 2022.

	2023	2022
Discount rate	3.26%	3.72%
Long-term expected rate of return, net of investment expense	4.25%	3.72%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.26%	3.72%

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.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 3.26% percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

2023 (in thousands)	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Net OPEB liability	$23,144,629	$20,221,497	$17,803,928

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 3.72 percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.72 percent) or 1-percentage point higher (4.72 percent) than the current rate:

2022
(in thousands)

	1% Decrease 2.72%	Current Discount Rate 3.72%	1% Increase 4.72%
Net OPEB liability	$25,527,147	$22,434,666	$19,880,017

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

2023
(in thousands)

	1% Decrease	* Current Trend Rate	1% Increase
Net OPEB liability	$17,302,630	$20,221,497	$23,885,786

* See Health Care Cost Trend Rates table on page 27 of report.

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

2022
(in thousands)

	1% Decrease	* Current Trend Rate	1% Increase
Net OPEB liability	$19,236,720	$22,434,666	$26,461,563

* See Health Care Cost Trend Rates table on page 27 of report.

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

2023 Schedule of Calculations of Money-Weighted Rate of Return

(in dollars)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	$11,735,450	12.00	1.00	$12,286,392
Monthly net external cash flows:				
January	(11,867)	11.50	0.96	(12,401)
February	(11,867)	10.50	0.88	(12,355)
March	(11,867)	9.50	0.79	(12,305)
April	1,002,742,380	8.50	0.71	1,035,943,140
May	316,514,471	7.50	0.63	325,796,296
June	(11,867)	6.50	0.54	(12,164)
July	(11,867)	5.50	0.46	(12,120)
August	(11,867)	4.50	0.38	(12,075)
September	(11,867)	3.50	0.29	(12,026)
October	(11,867)	2.50	0.21	(11,981)
November	(11,867)	1.50	0.13	(11,938)
December	(11,867)	0.50	0.04	(11,888)
Ending Value - December 31, 2023				$1,373,904,575
Money-Weighted Rate of Return	4.69%			

2022 Schedule of Calculations of Money-Weighted Rate of Return
(in dollars)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2022	$83,414	12.00	1.00	$19,153,603
Monthly net external cash flows:				
January	(14,661)	11.50	0.96	(2,708,490)
February	(14,661)	10.50	0.88	(1,753,260)
March	(14,661)	9.50	0.79	(1,074,868)
April	(14,661)	8.50	0.71	(695,784)
May	(14,661)	7.50	0.63	(450,395)
June	(14,661)	6.50	0.54	(276,123)
July	(14,661)	5.50	0.46	(178,740)
August	(14,661)	4.50	0.38	(115,702)
September	(14,661)	3.50	0.29	(70,933)
October	(14,661)	2.50	0.21	(45,913)
November	(14,661)	1.50	0.13	(29,723)
December	(14,661)	0.50	0.04	(18,222)
Ending Value - December 31, 2022				$11,735,450
Money-Weighted Rate of Return	22862.10%			

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2023 and 2022.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

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 Years) Government/Credit Bonds	Bloomberg US Short Government/Credit Bonds (1-3 Years) Treasury 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%

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2022

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
US Short (1-3 Years)	Bloomberg US Short	100.00%	1.31%
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.41%
Portfolio Nominal Mean Return			3.64%
Portfolio Standard Deviation			2.05%
Long-Term Expected Rate of Return selected by MTA			3.72%

* Based on March 2014 Investment Policy

6. OPEB ACTUARIAL COSTS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The MTA may not be obligated to provide the same types or levels of benefits to retirees in the future.

Actuarial Assumptions - The non-healthcare assumptions described below were adopted by the Authority based on experience analyses covering the period from January 1, 2012 – December 31, 2017 dated October 4, 2019 for members of the MaBSTOA Pension Plan and the MTA DB Plan, in addition to a postretirement mortality study covering the period from January 1, 2015 – December 31, 2020 dated April 21, 2022. In addition, demographic assumptions are based on those used in the most recent NYCERS or NYSLRS actuarial valuations for MTA employees participating in these city-wide or state-wide pension plans.

Actuarial Cost Method - In accordance with GASB 74 and 75, the Entry Age Normal cost method was used for determining service costs and the Total OPEB liability. Costs are determined as a level percent of pay.

Census data was collected as of July 1, 2023, which is the valuation date. Liabilities as of December 31, 2023 were determined using roll-forward methods, assuming no liability gains and losses. Past and future normal costs were assumed to increase 4.25% per year.

Significant Changes – This valuation reflects changes contained in 2023 union agreements between the MTA and the following unions: TWU, TSO, SSSA and UFLEO. These changes modified the underlying health plans or the availability of certain health plans for current and future retirees and is reflected as an experience gain under GASB 74. Effective January 1, 2024, TWU Local 100 retirees of Transit and MTA Bus were migrated from the Aetna Basic Medicare Plan to the Aetna Option 1 Medicare Advantage Plan and into the EGWP Option 1 prescription drug plan. This change decreased plan liabilities by $3,405.5 million as the cost of the Option 1 medical and prescription drug plans are much lower than the Aetna Basic Medicare Plan and the Standard EGWP and non-EGWP prescription drug plans.

Active TSO members of Transit and MTA Bus and SSSA/UFLEO members of Transit currently receiving union health benefits administered by NYC Transit previously could have elected to receive NYSHIP benefits upon meeting the applicable waiting period that varied between 3 and 10 years. The actuarial valuation had assumed that this waiting period would have been met upon retirement. Effective January 1, 2024, any member who has not met the waiting period must continue with the union health benefits and any member who had met the requirement had a one time option to elect NYSHIP. This valuation assumes that any member provided with union health benefits would continue to receive union health benefits upon retirement. This change decreased plan liabilities by $342.7 million.

Including other experience losses occurring since the prior valuation, the net demographic gain resulted in a decrease of $3,06.3 million in plan liabilities as of December 31, 2023.

In addition, this valuation reflects updates to the healthcare per capita costs and trend assumptions, along with implementing a 3-year age difference assumption such that female spouses would be 3 years younger than males. The net effect of these changes was a decrease in plan liabilities of $20.8 million. Furthermore, the discount rate decreased from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which increased plan liabilities by $1,167.5 million. The net effect of all assumption changes was an increase of $1,146.7 million as of December 31, 2023.

Finally, the TWU agreement included an increase in the monthly supplemental benefit provided to Medicare- eligible retirees (not receiving a full Medicare Part B reimbursement) from $24.80 per month to $41.67 per month plus an additional $41.67 per month for a Medicare-eligible spouse. This change is treated as a plan change under GASB 74 and resulted in an increase in plan liabilities of $74.2 million.

Changes since Prior Valuation –

- The discount rate has been changed from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023, due to changes in the applicable municipal bond index.
- The investment return assumption was changed from the discount rate as of December 31, 2022 to 4.25% to reflect the Trust contributions made during the year.
- Per capita claims costs, healthcare trends, spouse age difference, and election assumptions were updated to reflect current expectations.
- The percentage of vestee members electing coverage at retirement was updated based on the July 2023 Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45/75 Valuation report provided to Participating Employers of NYSHIP.
- Changes to per capita claims cost, healthcare trends and coverage election assumptions due to the migration of future and current TWU Local 100 members of NYC Transit and MTA Bus Company were reflected as experience changes since the availability of the underlying health plans has changed.

Inflation Rate – 2.30% per annum compounded annually.

Development of Per Capita Claim Costs (“PCCC”) – For Separate per capita costs are developed for members that participate in New York State Health Insurance Program (NYSHIP) versus those plans administered by NYC Transit. Information on health assumptions is provided below in accordance with the Actuarial Standard of Practice (ASOP) No. 6 effective for measurement dates on or after March 31, 2015.

NYSHIP Medical and Prescription Drug Benefits

Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP). Empire PPO plan premium rates paid by Participating Agencies for 2023 were adjusted to reflect differences by age in accordance with ASOP No. 6. Premiums paid by Participating Agencies differ based on Medicare-eligible status whereas premiums paid by Participating Employers do not. Since the NYSHIP plan coordinates with Medicare, we assumed Participating Agency premium rates reflect the effect of Medicare coverage within NYSHIP. Retirees claim costs are based on actual 2023 NYSHIP Empire plan rates effective July 1, 2023, adjusted for age, status (retiree or dependent) and gender. Factors that would adjust the average age cost per life into per life costs over a range of ages, separately by gender and status are based on Milliman's *Health Cost Guidelines,* Empire PPO plan design information, the ERS retiree distribution from the 2022 ACFR, and actuarial judgment. Pre and post-65 NYSHIP premium rates were adjusted separately to be consistent with the way in which demographic factors were developed.

Representative 2023 Annual Premiums

Age	Male Retirees	Female Retirees	Male Spouses	Female Spouses
45	18,175	27,300	15,849	19,716
50	20,778	26,096	18,144	21,874
55	23,717	25,347	21,330	23,778
60	27,341	27,375	24,972	25,948
64	32,727	30,256	29,670	28,436
65	5,743	5,365	5,743	5,365
70	6,864	6,206	6,864	6,206
75	7,824	6,791	7,824	6,791
80	8,310	6,993	8,310	6,993
85	8,100	6,662	8,100	6,662
90	7,686	6,202	7,686	6,202

Health Plans Administered by NYC Transit

For the union medical and pharmacy plans administered by NYC Transit, per capita costs were determined for 2023 based upon a combination of MTA claim experience, actual gross premium rates, summarized medical (Aetna Basic and Aetna Select plans) and pharmacy claim experience (Employer Group Waiver Plan ("EGWP") and non-EGWP plan), split between those eligible and not eligible for Medicare, for covered retirees of MTA Bus Company, NYC Transit, and Staten Island Railway for 2022 and trended to 2023. In addition, MTA provided associated premium rates for each of the plans. Enrollment data was based on covered members provided by MTA as of the valuation date. Milliman used the HCGs to develop relativity factors that varied by benefit type, age and gender. Costs for child dependents were included in under age 65 spouse per capita costs. Finally, per capita costs were adjusted by an administrative load. Administrative costs were provided on a per contract basis by MTA and were $39.35 per month for Aetna Basic under 65, $41.23 for Aetna Select and $18.29 for Aetna Basic 65 and over.

In addition, PCCCs were developed for the Aetna Medicare Advantage plans based on the premium rates provided, inclusive of corresponding dental plan costs, and reflect relativity factors by age and gender based on Medicare slopes developed by Milliman.

EGWP PCCCs are based on the premium equivalents provided reflecting the Medicare subsidies available to this plan. Non-EGWP PCCCs are based on actual claim experience net of prescription drug rebates. Relativity factors varying by age and gender are based on Medicare slopes developed by Milliman. Effective January 1, 2024, the basic pharmacy plan was eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company. All current retirees in this plan were mapped to the TWU EGWP Option 1. Separate per capita costs were developed for TWU EGWP Option 1 and Option 2 plans.

Age	Retirees	Retirees	Spouses	Spouses
		Aetna Basic		
45	11,747	18,323	11,048	19,716
50	13,454	17,238	12,739	21,874
55	15,410	16,382	14,636	23,778
60	17,899	17,580	17,103	25,948
64	22,007	19,968	20,647	28,436
65	2,267	2,446	2,267	2,446
70	2,816	2,852	2,816	2,852
75	3,417	3,212	3,417	3,212
80	3,889	3,451	3,889	3,451
85	4,133	3,592	4,133	3,592
90	4,255	3,678	4,255	3,678
		Aetna Select		
45	10,705	16,680	9,939	12,593
50	12,256	15,694	11,475	13,708
55	14,033	14,916	13,199	14,570
60	16,296	16,005	15,441	15,759
64	20,028	18,175	18,661	17,616
		Aetna Medicare Option 1		
65	462	463	462	463
70	448	447	448	447
75	448	442	448	442
80	467	453	467	453
85	505	476	505	476
90	544	500	544	500
		Aetna Medicare Option 2		
65	227	228	227	228
70	220	220	220	220
75	220	218	220	218
80	229	223	229	223
85	248	234	248	234
90	268	246	268	246

Annual Pharmacy Per Capita Claim Cost

Age Group	Male Retirees	Female Retirees	Male Spouses	Female Spouses
Basic Rx Plan				
45	3,064	4,165	2,571	2,963
50	3,406	4,100	2,939	3,379
55	3,790	4,166	3,340	3,824
60	4,218	4,503	3,804	4,182
64	4,580	4,534	4,155	4,230
65	7,654	6,299	7,654	6,299
70	8,352	6,914	8,352	6,914
75	9,073	7,325	9,073	7,325
80	9,379	7,366	9,379	7,366
85	8,703	6,607	8,703	6,607
90	7,868	5,758	7,868	5,758
EGWP Rx Plan				
65	2,676	2,494	2,676	2,494
70	2,657	2,413	2,657	2,413
75	2,613	2,339	2,613	2,339
80	2,558	2,241	2,558	2,241
85	2,433	2,044	2,433	2,044
90	2,301	1,858	2,301	1,858
TWU EGWP Option 1 Rx Plan				
65	2,339	2,180	2,339	2,180
70	2,323	2,109	2,323	2,109
75	2,284	2,045	2,284	2,045
80	2,235	1,959	2,235	1,959
85	2,127	1,786	2,127	1,786
90	2,012	1,624	2,012	1,624
TWU EGWP Option 2 Rx Plan				
65	1,991	1,855	1,991	1,855
70	1,977	1,795	1,977	1,795
75	1,944	1,740	1,944	1,740
80	1,903	1,668	1,903	1,668
85	1,810	1,521	1,810	1,521
90	1,712	1,382	1,712	1,382

Monthly Medicare Part B premiums were assumed to be $164.90 for 2023 per month and increases based on income level.

Premium rates for dental and vision benefits as specified in the Plan provisions were used as provided by the Agencies.

Health 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. This model is used as the foundation for the trend for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend 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.

The Medicare Part B inflation rates were based on recent history and expected changes for the near future. Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

Trend rates were developed separately for NYSHIP benefits and self-insured plans administered by New York City Transit ("Union Health Plans"). The following table provides the healthcare trend assumptions for the NYSHIP benefits and associated Medicare Part B reimbursements, as well as for dental and vision benefits.

Health Care Cost Trend Rates

Fiscal Year	NYSHIP		TBTA No Rx		Medicare	Dental/
	< 65	>=65	< 65	>=65	Part B	Vision
2023	6.7	5.9	7.0	4.9	7.0	4.0
2024	7.0	6.6	7.2	6.1	7.3	4.0
2025	6.4	6.4	6.4	6.4	7.2	4.0
2026	5.8	5.8	5.8	5.8	7.7	4.0
2027	5.1	5.1	5.1	5.1	6.5	4.0
2028	4.9	4.9	4.9	4.9	7.0	4.0
2029	4.7	4.7	4.7	4.7	5.5	4.0
2030	4.5	4.5	4.5	4.5	6.1	4.0
2031	4.3	4.3	4.3	4.3	6.2	4.0
2032 to 2039	4.1	4.1	4.1	4.1	5.6	4.0
2040 to 2049	4.1	4.1	4.1	4.1	4.2	4.0
2050	4.1	4.1	4.1	4.1	3.8	4.0
2051 to 2064	4.2	4.2	4.2	4.2	3.8	4.0
2065 to 2066	4.1	4.1	4.1	4.1	3.8	4.0
2067 to 2068	4.0	4.0	4.0	4.0	3.8	4.0
2069 to 2070	3.9	3.9	3.9	3.9	3.8	3.9
2071 to 2073	3.8	3.8	3.8	3.8	3.8	3.8
2074 to 2089	3.7	3.7	3.7	3.7	3.8	3.7
2090+	3.7	3.7	3.7	3.7	3.6	3.7

The trends for the Union Health Plans for post-65 retirees were developed separately for medical and Rx benefits by plan type using a weighted average of actual medical and prescription drug cost experience by plan and the Aetna Medicare Advantage and EGWP premium rates. These trends apply to the benefit plans for applicable represented employees of NYC Transit, SIRTOA and MTA Bus Company. For TWU Local 100 members of NYC Transit and MTA Bus Company, the post-65 trends reflect the Medicare Advantage and EGWP Option 1 and Option 2 plans only.

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, if applicable.

Fiscal Year	**Union Health Plans**		**TWU MA**	**Union Health Plans Rx**		**TWU PDP**
	< 65	**>=65**		**< 65**	**>=65**	
2023	7.2	4.7	0.0	5.8	6.7	6.4
2024	7.4	6.4	12.5	6.7	7.1	6.9
2025	6.6	6.4	6.5	6.6	6.6	6.5
2026	5.9	5.8	5.8	5.9	5.9	5.8
2027	5.2	5.1	5.1	5.2	5.2	5.1
2028	5.0	4.9	4.9	5.0	5.0	4.9
2029	4.8	4.7	4.7	4.8	4.8	4.7
2030	4.6	4.5	4.5	4.6	4.6	4.5
2031	4.4	4.3	4.3	4.4	4.4	4.3
2032	4.2	4.1	4.2	4.2	4.2	4.2
2033 to 2034	4.2	4.1	4.1	4.2	4.2	4.2
2035 to 2046	4.2	4.1	4.1	4.2	4.2	4.1
2047 to 2048	4.2	4.1	4.1	4.2	4.2	4.2
2049 to 2050	4.2	4.1	4.2	4.2	4.2	4.2
2051 to 2064	4.2	4.2	4.2	4.2	4.2	4.2
2065 to 2066	4.1	4.1	4.1	4.1	4.1	4.1
2067	4.0	4.0	4.0	4.1	4.0	4.0
2068	4.0	4.0	4.0	4.0	4.0	4.0
2069	4.0	3.9	3.9	4.0	3.9	3.9
2070	3.9	3.9	3.9	3.9	3.9	3.9
2071	3.9	3.8	3.8	3.9	3.9	3.8
20720 to 2073	3.8	3.8	3.8	3.8	3.8	3.8
2074+	3.7	3.7	3.7	3.7	3.7	3.7

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates as described in the tables above. Monthly contributions, if any, are assumed to increase at the same rate as the increases above.

Participation – The table below summarizes the census data provided by each Agency utilized in the preparation of the actuarial valuation. The table shows the number of active and retired employees by Agency and provides a breakdown of the coverage elected and benefits offered to current retirees.

OPEB Participation By Agency as at July 1, 2023

	MTA New York City Transit	MTA Long Island Rail Road	MTA Metro-North Rail Road	MTA Bridges & Tunnels	MTAHQ	MTA Long Island Bus *	MTA Staten Island Railway	MTA Bus Company	Total
Active Members									
Number	49,054	7,838	6,561	1,026	2,779	N/A	347	3,849	71,454
Average Age	48.4	45.0	45.2	49.4	42.2	N/A	41.2	48.9	47.5
Average Service	12.2	13.3	12.0	16.7	8.6	N/A	9.5	11.8	12.2
Retirees									
Single Medical Coverage	16,595	896	533	626	347	117	53	1,166	20,333
Employee/Spouse Coverage	18,980	2,401	1,114	848	766	223	90	850	25,272
Employee/Child Coverage	1,189	127	91	48	34	27	3	44	1,563
No Medical Coverage	986	2,301	1,093	75	20	300	37	136	4,948
Total Number	37,750	5,725	2,831	1,597	1,167	667	183	2,196	52,116
Average Age of Retiree	72.3	71.0	68.2	70.9	66.0	71.4	68.7	71.3	71.7
Total Number with Dental	9,854	1,109	818	491	1,112	50	44	279	13,757
Total Number with Vision	34,120	1,109	818	491	1,112	50	146	2,037	39,883
Total No. with Supplement	23,730	1,810	949	935	-	366	133	1,467	29,390
Average Monthly Supplement Amount (Excluding Part B Premium)	$ 47	$ 206	$ 100	$ 257	$ -	N/A	$ 59	$ 38	$ 65
Total No. with Life Insurance	9,119	5,377	1,247	484	1,037	429	168	2,108	19,969
Average Life Insurance Amount	$ 2,316	$18,669	$3,913	$ 5,413	$ 5,000	$ 10,245	$ 2,607	$12,811	$ 8,314

* MTA LI Bus had 55 vestees as of date of valuation

Demographic Assumptions:

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:

i) Headquarters Non-Police Members: PubG.H-2010 Mortality Table, headcount weighted for general employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants.

ii) Headquarters Police Members: Rates from the June 30, 2019 (Lag) Actuarial Valuation for NYCERS dated October 2, 2023 as follows: Service Retirees for Housing Police and Transit Police, Disabled Retirees for Housing Police and Transit Police and Active Members for Transit and TBTA Ordinary Death and Accidental Death. No adjustments were made to convert from lives-weighted to amounts-weighted. Base year is 2012 for mortality improvement purposes.

iii) Rail Members (MTA Long Island Bus, LIRR, Metro-North, and SIRTOA): 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 97%.

iv) Transit Members (Bridges and Tunnels, MTA Bus, and Transit): 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%.

Coverage Election Rates — The majority of members participating in NYSHIP are assumed to elect coverage in the Empire PPO plan. For certain agencies (MTA New York City Transit, MTA Bridges and Tunnels and MTA Staten Island Railway), a percentage of the membership is assumed to elect NYSHIP HIP plan and for the MTA Metro-North Railroad, a percentage is assumed to elect ConnectiCare, an HMO plan.
For the Union Health Medical plans, 2/3rd are assumed to elect Aetna Basic and 1/3rd are assumed to elect Aetna Select for coverage prior to age 65 for NYC Transit and Staten Island Railway. For MTA Bus, 80% are assumed to elect Aetna Basic and 20% are assumed to elect Aetna Select for coverage prior to age 65. For Medicare coverage, all current and future Aetna Basic members are assumed to maintain Aetna Basic coverage. All current and future Aetna Select members are assumed to elect an Aetna Medicare Advantage Plan – 50% are assumed to elect Aetna Option 1 and 50% are assumed to elect Aetna Option 2. Actual elections are used for retirees. For under age 65 retirees who are indicated as having a Medicare-eligible plan, the age 65 per capita cost of the applicable medical plan applies to all ages less than 65. These rates are based on current elections of the eligible group.

Effective January 1, 2024, the Aetna Basic Medicare plan was eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company. All current retirees in this plan were mapped to the Aetna Option 1 plan. All current and future Aetna Basic pre-65 members are assumed to elect an Aetna Medicare Advantage Plan – 50% are assumed to elect Aetna Option 1 and 50% are assumed to elect Aetna Option 2.

Dependent Coverage - Female spouses are assumed to be 3 years younger than male employees/retirees and male spouses are assumed to be 3 years older than female employees/retirees. 80% of male and 35% of female eligible members participating in NYSHIP are assumed to elect family coverage upon retirement and 65% of male and 25% of female eligible members participating in Union Health Plans are assumed to cover a dependent. Actual coverage elections for current retirees are used. Under age 65 spouses of over age 65 retirees are assumed to have elected the Aetna Select plan if the retiree elected Aetna Option 1 or Option 2.

Vestee Coverage — For members that participate in NYSHIP, Vestees (members who have terminated employment, but are not yet eligible to retire) are eligible for NYSHIP benefits provided by the Agency upon retirement but must maintain NYSHIP coverage at their own expense from termination to retirement. Certain NYC Transit and MaBSTOA members maintain benefits at no cost from termination to retirement. Vestees are assumed to retire at first eligibility and would continue to maintain NYSHIP coverage based on the following percentages. This assumption is based on the July 2023 Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45/75 Valuation report provided to Participating Employers of NYSHIP. These percentages were also applied to current vestees based on age at valuation date.

Age at Termination	Percent Electing
< 35	0 %
35–41	5
42–45	10
46–47	15
48–53	35
54	75

7. TRUSTEE, CUSTODIAL AND OTHER PROFESSIONAL SERVICES

The Plan and the Trust are administered by the MTA, including the day-to-day administration of the collectively bargained Union health insurance program. JP Morgan Chase, the trustee and custodian makes payments to health insurers and to welfare funds for retiree benefits, and reimbursements of retiree Medicare Part B premiums, as directed by the MTA. The MTA OPEB Board of Managers is advised by NEPC with respect to the investment of Plan assets. Actuarial services were provided to the Plan by Milliman Inc.

8. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 29, 2024, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2023. As of July 29, 2024, there were no subsequent events that required recognition or disclosure.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS
(in thousands)

		2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	$	991,091	1,240,342	1,250,950	1,097,051	928,573	1,011,981	876,723
Interest		855,614	530,983	535,642	610,160	840,532	758,494	757,860
Changes of benefit terms		74,166	-	-	-	-	8,543	24,446
Differences between expected and actual experience		(3,036,310)	14,299	292,154	(43,890)	247,871	(569,165)	(44,082)
Changes of assumptions		1,146,700	(3,449,438)	(738,829)	1,939,528	311,286	(1,964,746)	921,007
Benefit payments and withdrawals		(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability		(850,999)	(2,510,113)	546,933	2,878,108	1,597,585	(1,446,015)	1,884,960
Total OPEB liability – beginning		22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	21,379,903	19,494,943
Total OPEB liability – ending (a)		21,595,402	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	21,379,903
Plan fiduciary net position:								
Employer contributions		2,201,541	846,299	792,984	387,371	730,677	691,122	650,994
Member contributions		-	-	-	-	-	-	-
Net investment income		43,031	11,828	-	(77,118)	63,647	(18,916)	47,370
Benefit payments and withdrawals		(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Administrative expenses & Transfer to investments		(142)	(176)	(47)	(209)	(200)	(56)	-
Net change in plan fiduciary net position		1,362,170	11,652	(47)	(414,697)	63,447	(18,972)	47,370
Plan fiduciary net position – beginning		11,735	83	130	414,827	351,380	370,352	322,982
Plan fiduciary net position – ending (b)		1,373,905	11,735	83	130	414,827	351,380	370,352
Employer's net OPEB liability – ending (a)-(b)	$	20,221,497	22,434,666	24,956,431	24,409,451	21,116,646	19,582,508	21,009,551
Plan fiduciary net position as a percentage of the total OPEB liability		6.36%	0.05%	0.00%	0.00%	1.93%	1.76%	1.73%
Covered payroll	$	7,490,519	6,848,347	5,501,627	5,604,690	5,608,536	5,394,332	5,041,030
Employer's net OPEB liability as a percentage of covered payroll		269.96%	327.59%	453.62%	435.52%	376.51%	363.02%	416.77%

In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

METROPOLITAN TRANSPORTATION AUTHORITY OTHER POSTEMPLOYMENT BENEFITS PLAN

SCHEDULE II

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions
(in thousands)

Fiscal Year Ending December 31	Actuarially Determined Contribution	* Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	N/A	$ -	N/A	$ -	N/A
2015	N/A	-	N/A	-	N/A
2016	N/A	-	N/A	-	N/A
2017	N/A	650,994	N/A	** 5,041,030	12.91%
2018	N/A	691,122	N/A	5,394,332	12.81%
2019	N/A	730,677	N/A	5,608,536	13.03%
2020	N/A	387,371	N/A	5,604,690	6.91%
2021	N/A	792,984	N/A	5,501,627	14.41%
2022	N/A	846,299	N/A	6,848,347	12.36%
2023	N/A	2,201,541	N/A	7,490,519	29.39%

* Actual Employer Contribution includes the implicit rate of subsidy adjustment.

** In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN

SCHEDULE III

Required Supplementary Information (Unaudited)
Schedule of Investment Returns

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2014	N/A
2015	N/A
2016	N/A
2017	14.67%
2018	-5.11%
2019	18.12%
2020	-32.92%
2021	0.03%
2022	22862.10%
2023	4.69%

In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

The Long Island Rail Road Company Plan for Additional Pensions

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Supplemental Schedules and
Independent Auditor's Report

THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Long Island Rail Road Company Plan
for Additional Pensions:

Opinion

We have audited the accompanying statements of fiduciary net position of the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan"), as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Additional Plan'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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 Employers' Net Pension Liability and Related Ratios—Schedule I; Schedule of Employer Contributions—Schedule II; and Schedule of Investment Returns—Schedule III 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 audit 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.

July 29, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—This management's discussion and analysis ("MD&A") of The Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") financial performance for the years ended December 31, 2023 and 2022, provides an overview of the Additional Plan's financial activities. It is meant to assist the reader in understanding the Additional Plan's financial statements by providing an overview of the financial activities and the effects of significant changes, as well as a comparison with the prior year's activities and results. This discussion and analysis are intended to be read in conjunction with the Additional Plan document as well as the Additional Plan's financial statements. Additionally, an analysis of major economic factors and industry decisions that have contributed to significant changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Additional Plan's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America and is intended to be read in conjunction with the Plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Additional Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position -** presents the financial position of the Additional Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Additional Plan presently controls (assets), consumption of net assets by the Additional Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Additional Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Additional Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Additional Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Financial Statements** - provides additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information** - as required by the Government Accounting Standards Board ("GASB") includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Additional Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Financial Highlights

Financial Analysis
Fiduciary Net Position
As of December 31, 2023, 2022 and 2021
(Amounts in thousands)

				Increase / (Decrease)			
				2023-2022		2022-2021	
	2023	2022	2021	$	%	$	%
Assets:							
Cash	$ 625	$ 697	$ 2,956	$ (72)	(10)%	$ (2,259)	(76)%
Investments, at fair value	711,905	652,011	773,997	59,894	9 %	(121,986)	(16)%
Receivables	1,110	598	1,815	512	86 %	(1,217)	(67)%
Total assets	713,640	653,306	778,768	60,334	9%	(125,462)	(16)%
Liabilities:							
Due to broker for securities purchased	1,606	611	984	995	163 %	(373)	(38)%
Forward Currency & Margin contracts	48	59	182	(11)	(19)%	(123)	(68)%
Due to broker for investment fee	(6)	(19)	269	13	68 %	(288)	(107)%
Due to broker for administrative fee	211	257	10	(46)	(18)%	247	2,470 %
Total liabilities	1,859	908	1,445	951	105 %	(537)	(37)%
Net position restricted for pensions	$ 711,781	$ 652,398	$ 777,323	$ 59,383	9 %	$ (124,925)	(16)%

December 31, 2023 versus December 31, 2022

The assets of the Additional Plan exceeded its liabilities by $711.8 million as of December 31, 2023. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions increased by $59.4 million during 2023, representing an increase of 9% over 2022. This increase is a result of investment activity and plan contributions net of benefit payments and expenses during 2023.

Investments at December 31, 2023 were $711.9 million representing an increase of $59.9 million from 2022. The increase was a result of the changes noted above together with the appreciation of investment markets in 2023.

Payables for investments purchased at December 31, 2023, amounted to $1.6 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

December 31, 2022 versus December 31, 2021

The assets of the Additional Plan exceeded its liabilities by $652.4 million as of December 31, 2022. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions decreased by $124.9 million during 2022, representing a decrease of 16% over 2021. This decrease is a result of investment activity and plan contributions net of benefit payments and expenses during 2022.

Investments at December 31, 2022 were $652.4 million representing a decrease of $122.0 million from 2021. The decrease was a result of the changes noted above together with regards to the underperformance of investment markets in 2022.

Payables for investments purchased at December 31, 2022, amounted to $0.6 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

CHANGES IN FIDUCIARY NET POSITION

For the Years Ended December 31, 2023, 2022 and 2021
(Amounts in thousands)

				Increase / (Decrease)			
				2023-2022		2022-2021	
	2023	2022	2021	$	%	$	%
Additions:							
Net investment income / (loss)	$ 58,303	$ (51,214)	$ 96,215	$ 109,517	214 %	$ (147,429)	(153)%
Employer contributions	140,400	70,763	70,553	69,637	98 %	210	0.3 %
Employee contributions	51	51	73	-	-	(22)	(30)%
Total additions	198,754	19,600	166,841	179,154	914 %	(147,241)	(88)%
Deductions:							
Benefits paid directly to participants	138,824	143,764	148,630	$ (4,940)	(3)%	$ (4,866)	(3)%
Administrative expenses	547	761	610	(214)	(28)%	151	25 %
Total deductions	139,371	144,525	149,240	(5,154)	(4)%	(4,715)	(3)%
Net increase / (decrease)	59,383	(124,925)	17,601	184,308	148 %	$ (142,526)	(810)%
Net position restricted for pensions							
Beginning of Year	652,398	777,323	759,722	(124,925)	(16)%	17,601	2 %
End of year	$ 711,781	$ 652,398	$ 777,323	$ 59,383	9 %	$ (124,925)	(16)%

December 31, 2023 versus December 31, 2022

At the end of 2023, the net investment income increased by $109.5 million due to net investment gains of $58.3 million in 2023 versus net loss of $51.2 million experienced in 2022.

Employer and employee contributions for the year ended December 31, 2023 totaled $140.4 million, which represents an increase of 98% from 2022. This increase was the result of prepaid 2024 actuarially determined contributions (“ADC”) in the amount of $68.7 million.

Benefit payments for the year ended December 31, 2023 totaled $138.8 million, which was lower than benefit payments made in 2022 in the amount of $143.8 million, due to less Plan benefits paid out to existing retirees attaining age sixty-five in 2023.

December 31, 2022 versus December 31, 2021

At the end of 2022, the net investment income decreased by $147.4 million due to net investment losses of $51.2 million in 2022 versus net gain of $96.2 million experienced in 2021.

Employer and employee contributions for the year ended December 31, 2022 totaled $70.8 million, which represents an increase of 0.3% from 2021. This increase was the result of higher employer contributions paid to the Plan in 2022.

Benefit payments for the year ended December 31, 2022 totaled $143.8 million, which was lower than benefit payments made in 2021 in the amount of $148.6 million, due to less Plan benefits paid out to existing retirees attaining age sixty-five in 2022.

Economic Factors

Market Overview 2023

The year 2023 was a surprisingly strong year for markets and was characterized by disinflation, hawkish central banks, stronger than expected global GDP growth, the AI technological boom, and U.S. equity outperformance driven by the Magnificent 7. These positive developments came about despite three significant shocks. The first was higher than expected short-term and long-term interest rates due to central bank reaction functions (Four 25pb rate hikes in the U.S.) to better than expected growth data. Second was the U.S. and European banking sector instability early in the year. And third was the heightened geopolitical risk arising from the Israel-Hamas war. Following the tumultuous conditions of 2022, the economic conditions in 2023 brought with it strong increases in global economic growth rate forecasts, declines in unemployment projections, and suppressed recession concerns. In the US, disinflation, increased interest income, and steady real wages supported above trend line consumption. U.S. household credit usage increased, while debt service ratios still had room to expand, and the unemployment rate remained favorable. Global assets broadly increased, treasury yield volatility increased, the dollar remained strong, and the yield curve has remained sharply inverted for the longest period on record.

Except for commodities, global risk assets had strong performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023, which resulted in one of the better years for the 60/40 equity bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong due to high interest rate differentials, posting gains against the Yen, and losses against the Euro.

Macro Themes

- Higher interest rates for longer
- Geopolitical risk and deglobalization
- Innovation and AI
- Priced in rate cutting for the Fed in 2024

United States

The U.S. economy surprised to the upside, a 2.5% increase in Real GDP growth in 2023, compared to a 1.9% increase in 2022. The unemployment rate increased but remained low, finishing 2023 at 3.7% compared to 3.5% in 2022. Consumer Prices rose only 3.4% in 2023 compared to 6.5% in 2022, while core inflation, which excludes the volatile food and energy components, rose 3.9% in 2023 compared to 5.7% in 2022.

U.S. equities were positive across the board, with the S&P 500 (26.3%) and Russell 1000 (26.5%) indices posting double digit returns. Across capitalizations, Large Cap (S&P 500 Index: 26.3%), Mid Cap (S&P 400 Index: 16.4%), and Small Cap (Russell 2000 Index:16.9%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 42.7%) significantly outperformed Value (Russell 1000 Value Index: 11.5%). Growth was driven by unprecedented concentration and outperformance from the Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, and TSLA). In 2023, the Mag 7 returned 104.7% which accounted for 62.2% of the S&P 500's total return for the year.

U.S. Treasury yields were volatile in 2023 and the yield curve remained inverted amid the Federal Reserve's four rate hikes. Credit spreads broadly tightened in 2023 except for securitized credit. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 5.5%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 14.6%), High Yield (Bloomberg High Yield Index: 13.4%) and Credit (Bloomberg Credit Index: 8.2%). Positive returns were also realized in Treasuries (Bloomberg US Treasury Index: 4.1%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 3.9%).

International Developed

International developed equity markets (MSCI EAFE Index: 18.2%) posted strong results in 2023 but underperformed the U.S. large cap equity markets. Leading the way was the Japanese (MSCI Japan Index: 20.8%) and European (MSCI Europe Index: 20.7%) markets. The International developed Small Cap (MSCI EAFE SC Index: 13.2%) market also posted double digit returns, but not as high as the International large cap counterpart.

Emerging Markets

Emerging markets posted positive but weaker relative returns in 2023 compared to both the U.S. and international developed equity markets. The broad EM Market (MSCI EM Index: 9.8%) garnished high single digit returns, despite having negative returns from Chinese (MSCI EM China Index: -11.2%) equities. Geopolitical risk, weak demand, and high unemployment dampened sentiment in the Chinese market. However, the EM Small Cap (MSCI EM Small Cap Index: 23.9%) market posted much better returns compared to EM large cap market.

The EM fixed income markets were positive in 2023. Both hard currency bonds, which are bonds predominately issued in U.S. Dollars, and local currency bonds, posted double digit returns. Local currency bonds (JPMorgan GBI-EM Global Diversified Index: 12.7%) outperformed hard currency bonds (JPMorgan EMBI Global Diversified Index: 11.1%).

Commodities

Commodities (S&P Goldman Sachs Commodity Index: -4.3%) were the laggards and had negative performance in 2023. The index was largely influenced by a -28.6% change in Natural Gas Prices. Commodity futures remain backwardated, although the roll yield has declined. Precious Metals and Softs (agricultural products) were the best performers in this category, with Gold spot prices up 13.4% and Cocoa spot prices up 61.4% for the year.

Market Outlook – 2024

Through the first quarter of 2024, equity markets were mostly higher with gains in the low double digits. Growth equities have continued to lead the way, adding on to their 2023 gains. Despite the hawkish Fed, growth and momentum continued to outperform in 2024 driven by strong earnings and the AI secular growth theme. Fixed income markets had a mixed start to 2024, with returns flat to slightly negative for the quarter. Fed speak has been hawkish as inflation has been stickier than expected going into 2024, but rate cuts are still expected towards the end of the year. The only negative area was in the Real Estate asset class due to continued pressure from high interest rates. Markets are expected to be more volatile this year than in 2023, but participants appear to be cautiously optimistic.

2024's macroeconomic backdrop will likely be dominated by private consumption, the Fed's willingness to cut rates, geopolitical tensions, tight credit markets, artificial intelligence, and the 2024 U.S. presidential race. Coming out of 2023, a positive year for risk assets, market participants are optimistic for 2024. Several roadblocks to high growth still loom such as the staggering Commercial Real Estate maturity wall, tight credit markets with low deal flow in private markets, the inverted yield curve, high U.S. government debt, and high equity multiples. Global growth optimism stems from real disposable income growth in a lower inflation environment, strong labor markets, pain from hawkish monetary policy being behind us, global manufacturing activity expected to recover, and that the central banks have proven that they do not need a recession to bring inflation down.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Long Island Rail Road Company for Additional Pensions' finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

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THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
ASSETS:		
Cash	$ 625	$ 697
Investment at fair value (notes 2 and 3):		
Investments measured at readily determined fair value	256,097	200,019
Investments measured at net asset value	455,808	451,992
Total investments	711,905	652,011
Receivables:		
Participant and union contributions	3	-
Other receivables	73	23
Securities sold	476	175
Accrued interest and dividends	558	400
Total receivables	1,110	598
Total assets	713,640	653,306
LIABILITIES:		
Due to broker for securities purchased	1,606	611
Forward currency and margin contracts	48	59
Due to broker for investment fees	(6)	(19)
Due to broker for administrative expenses	211	257
Total liabilities	1,859	908
NET POSITION RESTRICTED FOR PENSIONS	$ 711,781	$ 652,398

See notes to financial statements.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
ADDITIONS:		
Investment income:		
Net realized and unrealized (losses) / gains	$ 53,613	$ (56,789)
Interest income	6,641	8,067
Dividend income	3,376	1,774
Total investment (loss) / income	63,630	(46,948)
Less investment expenses	(5,327)	(4,266)
Total net investment (loss) / income	58,303	(51,214)
Contributions (Note 5):		
Employer	140,400	70,763
Participant and union	50	51
Total contributions	140,450	70,814
Total additions	198,753	19,600
DEDUCTIONS:		
Benefits paid to participants	138,824	143,764
Administrative expenses	546	761
Total deductions	139,370	144,525
NET (DECREASE) / INCREASE IN NET POSITION	59,383	(124,925)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year	652,398	777,323
End of year	$ 711,781	$ 652,398

See notes to financial statements.

1. PLAN DESCRIPTION

The Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") is a single employer defined benefit plan administered by the Board of Pension Managers. The following brief description of the Additional Plan is provided for general information purposes only. Participants should refer to the Additional Plan document for more complete information.

General - Effective July 1, 1971, The Long Island Rail Road Company (the "Company") adopted two fully integrated defined benefit pension plans, The Long Island Rail Road Company Pension Plan (the "Plan") and the Additional Plan. These plans cover employees hired before January 1, 1988. Effective January 1, 1989, the Plan was amended to limit the accrual of credited service time and determination of average earnings through December 31, 1988. All pension plan benefits were frozen as of that date by virtue of a Plan amendment. All benefit accruals subsequent to that date are provided under the Additional Plan, which was amended to provide for accruals on and after January 1, 1989. The Additional Plan benefits are now the total benefit that would have been paid previously from the sum of the two plans reduced by any portion of benefits that a participant received from the frozen pension plan benefits. The total benefits payable to participants have not been changed. These financial statements do not include any amounts related to the Plan, as all Plan assets were transferred into the MTA Defined Benefit Pension Plan, effective October 2, 2006.

Both Company's pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Metropolitan Transportation Authority Defined Benefit Pension Plan and The Long Island Rail Road Company Plan for Additional Pensions comprise the Metropolitan Transportation Authority's Master Trust. The MTA Master Trust is governed by the Board of Pension Managers (the "Board"). The Board has contracted with JP Morgan Chase, as the Trustee for the Trust, and has provided the Master Trust Investment Guidelines to the respective Trustee. These guidelines provide the specific goals and objectives of the Trust as well as the allowable investments permitted under the Trust. Under the Investment Guidelines, the Trustee is permitted to invest in commingled funds on behalf of the Master Trust.

The total asset allocation of the 2023 Master Trust is 91.12% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.88% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2023.

The total asset allocation of the 2022 Master Trust is 90.45% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 9.55% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2022.

Pension Benefits - All full-time employees who were hired before January 1, 1988, are eligible for Additional Plan membership. At January 1, 2023 and 2022, the most recent valuation date, the Additional Plan's membership consisted of the following:

	January 1 2023	**January 1 2022**
Active plan members	14	15
Terminated vested & other inactives	13	15
Retirees and beneficiaries receiving benefits	4,962	5,122
Total	4,989	5,152

An employee who retires under the Additional Plan, either: (a) after completing at least 20 years of credited service, or (b) after both attaining age 65 while in service and completing at least five years of credited service, or in the case of those who were active employees on January 1, 1988, after completing at least 10 years of credited service, is entitled to an annual retirement benefit, payable monthly for life. Payments commence to an employee referred to in: (a) only after attaining age 50, or (b) only after attaining age 65.

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the Company, subject to the obligations of the Company under its collective bargaining agreements. The Company's Board of Directors must approve all amendments. The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is as follows:

(i) 25% for an employee who had 20 years credited service prior to July 1, 1974,
(ii) 50% for any other employee first employed before July 1, 1974, and
(iii) 100% for any employee first employed on or after July 1, 1974.

Beginning in 1999, for all represented employees who were hired between July 1, 1974, and December 31, 1987, who were employees after January 1, 1999, and were not retired when their collective bargaining agreement was ratified and approved by MTA Board after that date, the offset of Railroad Retirement Benefits is reduced to 50% (under the Additional Plan). For all management employees who were hired between July 1, 1974, and December 31, 1987, and who were employees on September 30, 1999, the offset of Railroad Retirement Benefits was reduced to 50% (under the Additional Plan).

For participants, the Additional Plan has both non-contributory and contributory requirements. Participants who entered qualifying service before July 1, 1978 are not required to contribute.

Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages to the Additional Plan. The Company contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

Death and Disability Benefits - Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act.

Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Additional Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred, and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The Additional Plan adheres to accounting principles generally accepted in the United States of America. The Additional Plan applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards Adopted – The Plan adopted the following GASB Statement for the year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this Statement has no material impact on the net position of The Program.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

Recent Accounting Pronouncements—Not yet adopted but currently being evaluated

GASB Statement No.	GASB Accounting Standard	The Long Island Rail Road Company Plan for Additional Pensions
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

Use of Management's Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair value of investments, the annual required contribution, and the Net Pension liability.

Payment of Benefits - Benefits are recorded when paid.

Investment and Administrative Expenses - Investment and administrative expenses are paid by the Additional Plan assets and accordingly are reflected in the accompanying financial statements.

Income Tax Status - The Additional Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Additional Plan is tax-exempt and is not subject to the provisions of ERISA.

3. CASH AND INVESTMENTS

Investment Policy - The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy, which includes assets of the Additional Plan, as of December 31, 2023.

Asset Class	Target Allocation (%)	Target Range (%)	Policy Benchark
Equities	**43.0**	**33-53**	
Domestic Large Cap	21.0	16-26	S&P 500
Domestic Small Cap	5.0	0-10	Russell 2000
International Developed Markets Equities	11.0	6-16	MSCI EAFE
Emerging Markets Equities	6.0	1-11	MSCI Emerging Markets
Fixed Income	**21.0**	**16-26**	Manager Specific
Global Asset Allocation*	**4.0**	**0-10**	50% World Equity/ 50% Citigroup WGBI unhedged
Private Fixed Income	**7.0**	**0-10**	Manager Specific
Absolute Return	**8.0**	**0-10**	Manager Specific
Real Assets	**5.0**	**0-10**	Manager Specific
Real Estate	**5.0**	**0-10**	Manager Specific
Private Equity	**7.0**	**0-10**	C/A Global all P/E
Total	**100.0**		

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All Securities managers shall be registered advisors under the Investment Advisors Act of 1940.

The overall capital structure targets and permissible ranges for eligible asset classes of the Trust are detailed within the Investment Policy Statement. Full discretion, within the parameters of the guidelines described herein and in any individual investment policy associated with that allocation, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions. Investment managers will be funded through commingled funds or separate account vehicles. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement (“IMA”). Should there be conflicts, the individual manager guidelines set forth in the IMA supersede the general guidelines in the Investment Policy Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle’s offering documents. Should there be conflicts, the individual vehicle’s investment guidelines supersede the general guidelines in the Investment Policy Statement.

Individual investment manager benchmarks and performance requirements are specified within the Investment Policy Statement. Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

1. The compliance of each investment manager with the guidelines as expressed herein, and
2. The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Managers - Investment managers may not purchase inverse floating rate bonds, structured notes, commodities, securities on margin, sell short, lend securities, invest in private placements (other than 144A Privates), real estate investments, and oil, gas and mineral exploration investments without the written consent of the Board of Managers. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities. The following are acceptable:

- Domestic fixed income investments are permitted, subject to the guidelines reflected in Investment Policy Statement. Yankee bonds, which are dollar denominated foreign securities, may be held by each domestic manager in proportions which each manager shall deem appropriate.

- International fixed income securities are permitted, subject to the guidelines reflected in Investment Policy Statement. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed markets. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging markets denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging markets denominated in local currency. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- Investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

- The average duration (interest rate sensitivity) of an actively managed fixed income portfolio shall range within two years of the benchmark's duration.

- For domestic fixed income portfolios, individual managers account for the securities of an individual issuer, excepting the U.S. government and U.S. government agencies, shall not constitute more than 5% at market at any time.

- For international bond portfolios, individual managers account for the securities of any non-governmental issuer shall not constitute more than 5% at market at any time.

Equity Investment Managers - The equities investment managers may not purchase commodities, securities on margin, sell short, lend securities, invest in private placements, real estate investments, oil, gas and mineral exploration investments, and nominally public issues without the written consent of the Board of Managers. The manager may purchase Rule 144A securities provided such securities are judged by the manager to be liquid and don't in the aggregate exceed 10% of the market value of the portfolio. The manager shall also be able to purchase securities if such securities are convertible into publicly traded equities.

- Domestic equity investments are permitted, subject to the guidelines. American Depository Receipts (ADRs), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges (e.g., Reuters, Nestle, Sony) may be held by each domestic stock manager in proportions which each manager shall deem appropriate.

- International equities are permitted, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for international developed markets. The Morgan Stanley Emerging Markets Free Index represents the opportunity set for international emerging markets. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- The equity specialists may vary equity commitment from 90% to 100% of assets under management.

- Individual managers' account may hold no more than 10% at market or 1.5x the manager's benchmark weight (whichever is greater) of any single company's stock.

Overlay Managers

- For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Board may retain an overlay manager. The overlay manager shall use exchange traded securities to expose the cash to the long-term target asset allocation.

- In addition, the overlay manager may be utilized for the following:
  a) Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
  b) Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
  c) Provide the market (or "beta") exposures in a portable alpha program.
  d) The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers

Alternative investments are broadly categorized into the following categories:
- Private fixed income
- Real assets
- Real estate
- Absolute return
- Private equity

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy

Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.

- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.

- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.

- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments (Separately Managed Accounts) - Unless specifically approved by the Board or set forth in the individual investment guidelines, certain securities, strategies, and investments are ineligible for inclusion within separately managed accounts. Among these are:

- Privately placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Russian securities
- Commodities
- Short sales, and,
- Direct investments in private placements, real estate, oil and gas and venture capital, or funds comprised thereof.

Exceptions:

The Board of Managers, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may, from time to time, allow investment in such funds. The Board recognizes that it cannot give specific policy directives to a fund whose policies are already established; therefore, the Board is relying on the investment consultant to assess and monitor the investment policies of any funds used by the Plan to ascertain whether they are appropriate.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered with securities held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties—The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2023 and 2022:

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2023			
	December 31, 2023	**Quoted Price in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Equity Securities:				
Separate account large-cap equity funds	$ 106,917	106,917	-	-
Separate account small-cap equity funds	40,703	40,703	-	-
Separate account small-Real Estate Investments Trusts	6,168	6,168	-	-
Separate account - International equity funds	22,137	22,137	-	-
Total equity investments	175,925	175,925	-	-
Debt Securities				
Mutual fund	23,499	23,499	-	-
Separate account - opportunistic credit/Private debt	7,605	-	7,605	-
Separate account debt funds	49,068	-	49,068	-
Total debt investments	80,172	23,499	56,673	-
Total investments by fair value	$ 256,097	199,424	56,673	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2023			
	December 31, 2023	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity Securities:				
Comingled large cap equity funds	$ 34,783	$ -	Daily	None
Comingled international equity funds	54,245	-	Daily	None
Comingled emerging market equity funds	28,714	-	Daily, monthly	None
Total equity investments measured at the NAV	117,742	-		
Debt Securities				
Comingled debt funds	84,481	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	84,481	-		
Absolute return:				
Direct lending	12,196	9,781	Bi-annually	60 plus days
Distressed securities	2,301	-	Not eligible	N/A
Credit long	5,993	-	Quarterly	3-30 days
Hedge Funds of funds	45,391	-	Quarterly	3-60 days
Event driven	29	201	Quarterly, Bi-annually	60-120 days
Risk parity	13,444	-	Monthly	3-30 days
Total absolute return measured at the NAV	79,354	9,982		
Venture capital	8	870	Not eligible	N/A
Private equity - private equity partnerships	44,930	24,006	Not eligible	N/A
Comingled real estate funds	96,725	-	Not eligible	N/A
Real assets:				
Energy	7,950	3,677	Not eligible	N/A
Infrastructure	1,119	6,687	Not eligible	N/A
Shipping	377	90	Not eligible	N/A
Total real assets measured at the NAV	9,446	10,454		
Short term investments measured at the NAV	23,122	-		
Total investments measured at the NAV	$ 455,808	$ 45,312		
Total investments	$ 711,905			

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2022			
	December 31, 2022	**Quoted Price in Active Markets for Identical Assets Level 1**	**Significant Other Observable Inputs Level 2**	**Significant Unobservable Inputs Level 3**
Equity Securities:				
Separate account large-cap equity funds	$ 65,960	65,960	-	-
Separate account small-cap equity funds	36,035	36,035	-	-
Separate account small-Real Estate Investments Trusts	5,963	5,963	-	-
Separate account - International equity funds	20,084	20,084	-	-
Total equity investments	128,042	128,042	-	-
Debt Securities				
Mutual fund	32,956	32,956	-	-
Separate account - opportunistic credit/Private debt	7,197	-	7,197	-
Separate account debt funds	31,824	-	31,824	-
Total debt investments	71,977	32,956	39,021	-
Total investments by fair value	$ 200,019	160,998	39,021	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2022			
	December 31, 2022	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Equity Securities:				
Comingled large cap equity funds	$ 25,749	$ -	Daily	None
Comingled international equity funds	50,368	-	Daily	None
Comingled emerging market equity funds	26,258	-	Daily, monthly	None
Total equity investments measured at the NAV	102,375	-		
Debt Securities				
Comingled debt funds	63,031	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	63,031	-		
Absolute return:				
Direct lending	19,631	4,386	Bi-annually	60 plus days
Distressed securities	3,082	-	Not eligible	N/A
Credit long	5,932	-	Quarterly	3-30 days
Credit long/short	84	-	Quarterly	3-60 days
Hedge Funds of funds	45,245	-	Quarterly	3-60 days
Event driven	98	217	Quarterly, Bi-annually	60-120 days
Multistrategy	634	-	Quarterly	3-60 days
Risk parity	13,074	-	Monthly	3-30 days
Total absolute return measured at the NAV	87,780	4,603		
Private equity - private equity partnerships	43,957	27,884	Not eligible	N/A
Comingled real estate funds	111,846	-	Not eligible	N/A
Real assets:			Not eligible	N/A
Energy	10,832	4,320	Not eligible	N/A
Infrastructure	2,029	508	Not eligible	N/A
Shipping	794	194	Not eligible	N/A
Total real assets measured at the NAV	13,655	5,022		
Short term investments measured at the NAV	29,348	-		
Total investments measured at the NAV	$ 451,992	$ 37,509		
Total investments	$ 652,011			

Concentration of Credit Risk—Individual investments held by the Additional Plan that represent 5% or more of the Additional Plan's net assets available for benefits at December 31, 2023 and 2022 is as follows:

	2023	2022
Investments at fair value as determined by quoted market prices:		
JPMCB Strategic Property Fund	$ 72,981	$ 85,195
Blackrock Hedge Index	39,363	35,232
Rhumbline Core Bond	47,672	33,854
Rhumbline Large Cap Equity	81,180	42,145

Credit Risk - The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2023 and 2022:

(Amount in thousands) Quality Rating—S&P	2023 Fair Value	Percentage of Fixed Income Portfolio	2022 Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 2,972	5.44 %	$ 3,185	8.36 %
AA	8,405	15.38	8,353	21.94
A	2,576	4.71	2,455	6.44
BBB	8,977	16.43	9,697	25.47
BB	1,484	2.72	457	1.20
B	4,456	8.16	-	-
CCC	1,796	3.29	86	0.23
Not rated	7,917	14.49	6,442	16.92
Total credit risk debt securities	38,583	70.62	30,675	80.56
U.S. Government bonds*	16,055	29.38	7,401	19.44
Total fixed income securities	$ 54,638	100.00 %	$ 38,076	100.00 %
Other securities not rated — equity, international funds and foreign corporate bonds	657,267		613,935	
Total investments	$ 711,905		$ 652,011	

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have a credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Additional Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Additional Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Additional Plan's name.

Consistent with the Additional Plan's trust custodial administration agreement, the investments are held by the Additional Plan's custodian and registered in the Additional Plan's name.

Interest Rate Risk Exceptions - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice-versa. Duration is an indicator of bond price's sensitivity to 100-basis point change in interest rates. The lengths of investment maturities (in years), as of December 31, 2023 and 2022 is as follows:

Investment Fund (In thousands)	2023 Fair Value	2023 Duration	2022 Fair Value	2022 Duration
JP Morgan Chase	$ 54,638	4.92	$ 38,076	6.57
Total fixed income securities	54,638		38,076	
Portfolio modified duration		4.92		6.57
Investments with no duration reported	657,267		613,935	
Total investments	$ 711,905		$ 652,011	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund establishes investments in international equities. The Additional Plan also holds investments in American Depository Receipts ("ADRs"), which are denominated in US dollars and accounted for at fair value.

The Plan did not have any foreign currency exposures as of December 31, 2023 and 2022.

Additional Information - The Additional Plan is part of the MTA Master Trust of which the Additional Plan participates on a percentage basis. JP Morgan Chase is the trustee of the MTA Master Trust. The percentage of the Additional Plan ownership for the year ended December 31, 2023 and 2022 was 8.88% and 9.55%, respectively.

(In thousands)	December 31, 2023 Master Trust Total	December 31, 2023 Additional Plan	December 31, 2022 Master Trust Total	December 31, 2022 Additional Plan
Total Investments:				
Investments measured at readily determined fair value	$ 2,884,644	$ 256,097	$ 2,093,923	$ 200,019
Investments measured at the net asset value	4,312,124	382,828	3,839,843	366,797
Total investments measured at fair value	$ 7,196,768	$ 638,925	$ 5,933,766	$ 566,816

There is an additional investment which resides outside of the Master Trust which is presented within these financial statements.

4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2023 and 2022 was as follows (in thousands):

	2023	2022
Total pension liability	$ 1,200,887	$ 1,258,877
Fiduciary net position	711,781	652,398
Net pension liability	$ 489,106	$ 606,479
Fiduciary net position as a percentage of the total pension liability	59.27 %	51.82 %

Actuarial Methods and Assumptions - The total pension liability as of December 31, 2023 and 2022 was determined by an actuarial valuation date of January 1, 2023 and 2022, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Discount Rate - The discount rate used to measure the total liability as of December 31, 2023 and 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan in 2023 and 2022, calculated using the discount rate of 6.50%; as well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2023 (In thousands)	**Decrease 5.50%**	**Discount Rate 6.50%**	**Increase 7.50%**
Net pension liability	$ 579,748	$ 489,106	$ 409,805

2022 (In thousands)	**Decrease 5.50%**	**Discount Rate 6.50%**	**Increase 7.50%**
Net pension liability	$ 703,189	$ 606,479	$ 522,065

Additional information of the latest actuarial valuation follows:

Valuation date	January 1, 2023
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 10-year period beginning January 1, 2023) with level dollar payments.
Actuarial 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.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 refecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Valuation date	January 1, 2022
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 11-year period beginning January 1, 2022) with level dollar payments.
Actuarial 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.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 refecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Calculation on Money-Weighted Rate of Return - The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

2023 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2023	$ 652,398	12.00	1.00	$ 706,229
Monthly net external cash flows:				
January	(11,610)	12.00	1.00	(12,568)
February	128,790	11.00	0.92	138,535
March	(11,610)	10.00	0.83	(12,400)
April	(11,610)	9.00	0.75	(12,321)
May	(11,610)	8.00	0.67	(12,243)
June	(11,610)	7.00	0.58	(12,156)
July	(11,610)	6.00	0.50	(12,080)
August	(11,610)	5.00	0.42	(12,003)
September	(11,610)	4.00	0.33	(11,918)
October	(11,610)	3.00	0.25	(11,842)
November	(11,610)	2.00	0.17	(11,768)
December	(11,610)	1.00	0.08	(11,684)
Ending Value—December 31, 2023				$ 711,781
Money—Weighted Rate of Return	8.25 %			

2022 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2022	$ 777,323	12.00	1.00	$ 722,879
Monthly net external cash flows:				
January	(12,040)	12.00	1.00	(11,196)
February	(6,115)	11.00	0.92	(5,719)
March	(6,115)	10.00	0.83	(5,757)
April	(6,115)	9.00	0.75	(5,790)
May	(6,115)	8.00	0.67	(5,824)
June	(6,115)	7.00	0.58	(5,862)
July	(6,115)	6.00	0.50	(5,896)
August	(6,115)	5.00	0.42	(5,931)
September	(6,115)	4.00	0.33	(5,970)
October	(6,115)	3.00	0.25	(6,005)
November	(6,115)	2.00	0.17	(6,040)
December	(526)	1.00	0.08	(491)
Ending Value—December 31, 2022				$ 652,398
Money—Weighted Rate of Return	(7.00)%			

Calculation on Long-Term Expected Rate of Return - The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2023 and 2022.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	65.00%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Cap Equity	S&P 500	18.00%	5.38%
US Small Cap Equity	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
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%

* Based on October 2021 Investment Policy

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2022

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.27%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.51%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.58%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.40%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.79%
Private Credit	CDL Index	7.00%	6.99%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.99%
US Large Cap Equity	S&P 500	18.00%	5.64%
US Small Cap Equity	Russell 2000	7.00%	7.25%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.90%
Emerging Market Equity	MSCI EM NR	4.50%	9.58%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.81%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.71%
Private Real Estate Property	NCREIF Property	4.00%	4.86%
Private Equity	Cambridge Private Equity	7.00%	10.74%
Commodities	Bloomberg Commodity	4.00%	2.96%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.52%
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.41%
Portfolio Nominal Mean Return			8.08%
Portfolio Standard Deviation			12.42%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

5. CONTRIBUTIONS

Employer contributions are actuarially determined on an annual basis and are recognized when due. The Additional Plan is a governmental plan and accordingly, is not subject to the funding and other requirements of ERISA.

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2023 and 2022), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2023 and 2022).

The Company performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and the Company expects that such deficits will continue in the foreseeable future. Funding for the Additional Plan by the Company is provided by MTA, which obtains the required funds from New York State, federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the Company on a discretionary basis. The continuance of the Company's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

6. ACTUARIAL METHODS AND ASSUMPTIONS

A. ACTUARIAL VALUATION METHOD

The Plan's actuarial cost method is the Entry Age Normal method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The plan's normal cost is the sum of each active participant's annual cost for the current year of service determined such that, if it were calculated as a level percentage of compensation each year, it would accumulate at the valuation interest rate over his total prior and future years of service to the assumed retirement date into an amount sufficient to fund the projected benefit. The plan's accrued liability is the (a) present value of each active participant's benefits plus (b) the present value of each inactive participant's future benefits, less (c) the present value of each active participant's normal costs attributable to all future years of service.

B. ASSET VALUATION METHOD

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

Actuarial Value of Assets = $MV_t - 0.8*UR_1 - 0.6*UR_2 - 0.4*UR_3 - 0.2*UR_4$

Where:

MV_t = Market Value of assets as of the valuation date.

UR_n = Unexpected return during the nth year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

C. ACTUARIAL ASSUMPTIONS

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2006 to December 31, 2011, with certain economic assumptions modified subsequently based on an experience analysis covering the period from January 1, 2012 to December 31, 2017. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

Interest - 6.50% per annum, compounded annually, net of investment expenses.

Salary Scale – Valuation compensation is assumed to increase 3.00% per year.

Valuation Compensation - The valuation compensation is equal to the annualized base salary as of December 31, 2022 as provided by MTA, projected six months at the assumed rate of salary increase.

Overtime/Unused Vacation Pay - Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

Railroad Retirement Wage Base - 3.25% per year.

Consumer Price Index - 2.25% per year.

Provision for Expenses - Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years reported administrative expenses and are assumed payable in the middle of the plan year.

Termination - Withdrawal rates vary by age. Illustrative rates are shown below:

Age	Rate	Age	Rate
20	2.12 %	45	0.96 %
25	1.64	50	0.80
30	1.44	55	0.60
35	1.36	60	0.00
40	1.16	65	0.00

Terminated vested participants are assumed to retire upon first eligibility or attained age, if later.

Retirement - Assumed retirement age varies by year of eligibility.

Eligibility Period	Rate of Retirement
First year	40 %
Years 2–4	33
Year 5	37
Years 6–7	35
Years 8–9	33
Years 10–15	55
Years 16 and above	100

Mortality - Preretirement and postretirement annuitant rates are projected on a generational basis using Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

- **Preretirement**: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.
- **Postretirement**: Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.

Marriage - 80% of employees are assumed to be married with wives 3 years younger than husbands.

Interest on Employee Contributions - Assumed to be 3.5% per year for future years.

Railroad Offset - The Railroad offset at retirement is based on the sum of Tier 1 and Tier 2 Railroad benefits net of Social Security benefits, and is estimated for active members, current retirees under age 65, and current beneficiaries of members under age 65. The offsets for Railroad Retirement benefits are assumed to occur at the member's age of 65. The estimated benefits are based on a member's compensation at retirement. For inactive participants, compensation is estimated based on the benefit provided and estimated service at retirement. For the Tier 1 offset, the Primary Insurance Amount assumes that an individual would continue to earn compensation at the level in effect at his date of termination until attaining eligibility for Railroad benefits and is further increased by 2% per year from the date of termination to age 65. In addition, the estimated Tier 1 offset for inactive members currently less than age 65 is reduced by 10% to reflect, on average, the adjustment for Social Security benefits.

Benefits Not Valued - Disability benefits since all active plan participants are eligible for retirement. COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

D. CHANGES IN ACTUARIAL ASSUMPTIONS – None.

7. PLAN TERMINATION

While the Company expects to continue the Additional Plan indefinitely, it may, subject to its collective bargaining agreements, amend, restrict, or terminate the Additional Plan at any time. In the event of termination, all participants will become fully vested to the extent of their then accrued benefits based on their compensation and service up to the date of termination. The net assets of the Additional Plan will be allocated to provide benefits in accordance with the disposition of the Additional Plan assets in a prescribed manner as defined in the Additional Plan document.

8. COMMINGLING OF PENSION ASSETS FOR INVESTMENT PURPOSES

On July 26, 2006, the MTA Board passed a resolution to transfer the responsibilities for the administration of the Additional Plan to the MTA Defined Benefit Pension Plan ("MTA DB") with no changes in the pension and death benefits and appeal rights provided by the Additional Plan. The trust agreement under the Additional Plan was replaced by the MTA Master Trust Agreement, which allows for the commingling of pension assets for investment purposes under the management of the MTA DB's Board of Managers of Pensions. The Additional Plan and Trust Agreements were amended in September 2006 and all Plan assets were commingled into the MTA Master Trust for investment purposes, effective October 2, 2006.

9. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is the custodian of plan assets and provides cash receipt and disbursement services to the Additional Plan. New England Pension Consultants reviews the Additional Plan's portfolio, the investment policies as stipulated by the Investment Committee and the performance of the Investment Managers. Actuarial services were provided to the Additional Plan by Milliman Inc.

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10. **SUBSEQUENT EVENTS -** as of June 30, 2024, a total payment of $57.0 million has been made for the 2025 projected ADC for the Long Island Rail Road Additional pension plan.

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REQUIRED SUPPLEMENTAL SCHEDULES

THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS

SCHEDULE I

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND
RELATED RATIOS

(In thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 81	$ 146	$ 260	$ 453	$ 621	$ 1,057	$ 1,874	$ 2,752	$ 3,441	$ 3,813
Interest	77,391	81,371	83,489	86,918	93,413	97,611	101,477	104,093	106,987	110,036
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	3,362	(1,347)	3,729	10,428	13,455	213	1,890	15,801	6,735	-
Changes of assumptions	-	-	26,300	-	50,191	-	-	-	-	-
Benefit payments and withdrawals	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Net change in total pension liability	(57,990)	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)	(39,908)	(43,125)
Total pension liability—beginning	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159	1,645,284
Total pension liability—ending (a)	1,200,887	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159
Plan fiduciary net position:										
Employer contributions	140,400	70,763	70,553	68,724	62,774	59,500	76,523	81,100	100,000	407,513
Non-Employer contributions	-	-	-	-	-	-	145,000	70,000	-	-
Member contributions	50	51	73	140	249	333	760	884	1,108	1,304
Net investment income	58,303	(51,214)	95,247	3,056	116,092	(31,098)	112,614	58,239	527	21,231
Benefit payments and withdrawals	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Administrative expenses	(546)	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)	(1,218)	(975)
Net change in plan fiduciary net position	59,383	(124,925)	16,633	(80,739)	21,143	(132,010)	174,110	51,019	(56,654)	272,099
Plan fiduciary net position—beginning (*)	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852	510,753
Plan fiduciary net position—ending (b)	711,781	652,398	777,323	759,721	840,460	819,317	951,327	777,217	726,198	782,852
Employer's net pension liability—ending (a)-(b)	$ 489,106	$ 606,479	$ 545,148	$ 597,602	$ 571,110	$ 591,827	$ 520,501	$ 749,087	$ 836,053	$ 819,307
Plan fiduciary net position as a percentage of the total pension liability	59.27 %	51.82 %	58.78 %	55.97 %	59.54 %	58.06 %	64.64 %	50.92 %	46.48 %	48.86 %
Covered-employee payroll	$ 1,972	$ 2,043	$ 1,995	$ 3,509	$ 5,210	$ 7,894	$ 11,046	$ 18,216	$ 25,712	$ 37,886
Employer's net pension liability as a percentage of covered-employee payroll	24,802.52 %	29,685.69 %	27,330.07 %	17,029.25 %	10,961.80 %	7,496.90 %	4,711.97 %	4,112.20 %	3,251.65 %	2,162.58 %

(*) 2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	$ 112,513	$ 407,513	$ (295,000)	$ 37,886	1,075.63 %
2015	$ 82,382	$ 100,000	$ (17,618)	$ 25,712	388.93 %
2016	$ 83,183	$ 151,100	$ (67,917)	$ 18,216	829.48 %
2017	$ 76,523	$ 221,523	$ (145,000)	$ 11,046	2,005.39 %
2018	$ 59,196	$ 59,500	$ (304)	$ 7,894	753.71 %
2019	$ 62,774	$ 62,774	$ -	$ 5,210	1,204.87 %
2020	$ 68,723	$ 68,724	$ (1)	$ 3,509	1,958.35 %
2021	$ 70,553	$ 70,553	$ -	$ 1,995	3,537.06 %
2022	$ 70,764	$ 70,764	$ -	$ 2,043	3,463.73 %
2023	$ 72,666	$ 140,400	$ (67,734)	$ 1,972	7,119.68 %

* Employer contributions include amounts from both employer and non-employer contributing entities.

** For 2023, the MTA made contributions equal to the 2023 Actuarially Determined Contribution plus an estimated amount of the 2024 Actuarially Determined Contribution.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

SCHEDULE II

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE II

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 10-year period from January 1, 2023) with level dollar payments.	Period specified in current valuation report (closed 11-year period from January 1, 2022) with level dollar payments.	Period specified in current valuation report (closed 12-year period from January 1, 2021) with level dollar payments.	Period specified in current valuation report (closed 13-year period from January 1, 2020) with level dollar payments.	Period specified in current valuation report (closed 14-year period from January 1, 2019) with level dollar payments.
Actuarial 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 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2021, per annum, net of investment expenses	Net rate of 6.5% for 2020, per annum, net of investment expenses	Net rate of 6.5% for 2019, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Railroad retirement wage base	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflectir mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	The provision for administrative expenses was modified to equal an average of the prior three years.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS **SCHEDULE II**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 15-year period from January 1, 2018) with level dollar payments.	Period specified in current valuation report (closed 16-year period from January 1, 2017) with level dollar payments.	Period specified in current valuation report (closed 17-year period from January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 18-year period from January 1, 2015) with level dollar payments.	Period specified in current valuation report (closed 19-year period from January 1, 2014) with level dollar payments.
Actuarial 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 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses	Net rate of 7.0% for 2014, per annum, net of investment expenses
Inflation	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Railroad retirement wage base	3.5% per year	3.5% per year	3.5% per year	3.5% per year	3.5% per year
Mortality	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	$650,000 is added to the normal cost to account for administrative expenses paid by plan assets throughout the year.	$500,000 is added to the normal cost to account for administrative expenses paid by plan assets throughout the year.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS **SCHEDULE III**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31

The following table displays annual money-weighted rate of return, net of investment expense.

Year Ended December 31	Net Money-Weighted Rate of Return
2014	3.73 %
2015	0.07 %
2016	8.11 %
2017	13.38 %
2018	(3.49)%
2019	15.23 %
2020	0.39 %
2021	13.37 %
2022	(7.00)%
2023	8.25 %

Manhattan and Bronx Surface Transit Operating Authority Pension Plan

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Supplemental Schedules, and
Independent Auditor's Report

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

TABLE OF CONTENTS

Deloitte.

INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Manhattan and Bronx Surface Transit Operating Authority Pension Plan:

Opinion

We have audited the accompanying statements of fiduciary net position of the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "Plan") as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan'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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 Employers' Net Pension Liability and Related Ratios-Schedule I; Schedule of Employer Contributions and Notes to Schedule-Schedule II; and Schedule of Investment Returns-Schedule III 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 audit 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.

July 29, 2024

This management's discussion and analysis of The Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2023 and 2022. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the year and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis may contain opinions, assumptions, or conclusions by MTA management that should not be considered a replacement for and is intended to be read in conjunction with the plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statement of Fiduciary Net Position -** presents the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statement of Changes in Fiduciary Net Position -** presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Financial Statements -** provides additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information -** as required by the Government Accounting Standards Board ("GASB") includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

FINANCIAL ANALYSIS

Fiduciary Net Position
As of December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Increase/Decrease			
				2023-2022		2022-2021	
	2023	2022	2021	$	%	$	%
Cash and investments	$ 3,793,831	$ 3,293,020	$ 3,642,774	$ 500,811	15.2 %	$ (349,754)	(9.6)%
Receivables and other assets	33,940	29,943	33,360	3,997	13.3	(3,417)	(10.2)
Total assets	**$ 3,827,771**	**$ 3,322,963**	**$ 3,676,134**	**$ 504,808**	**15.2**	**$ (353,171)**	**(9.6)**
Payable for investment securities purchased	9,290	3,592	5,620	5,698	158.6	(2,028)	(36.1)
Other liabilities	8,006	9,261	12,163	(1,255)	(13.6)	(2,902)	(23.9)
Total liabilities	**17,296**	**12,853**	**17,783**	**4,443**	**34.6**	**(4,930)**	**(27.7)**
Net position restricted for pensions	**$ 3,810,475**	**$ 3,310,110**	**$ 3,658,351**	**$ 500,365**	**15.1 %**	**$ (348,241)**	**(9.5)%**

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

Cash and investments at December 31, 2023, were $3,793.8 million, an increase of $500.8 million or 15.2% from 2022. This increase is a result of an improved financial markets performance in 2023 and plan contributions which included prepaid 2024 actuarially determined contributions ("ADC") of $158.4 million net of benefit payments and expenses during 2023.

Receivables and other assets less plan liabilities at December 31, 2023 decreased by $0.5 million or 2.6%. The decrease for 2023 compared with the increase in 2022 is a result of payable for investment securities purchased and additional members contribution liabilities for Tiers 3 and 4 – 25 year and age 55 retirement programs.

The plan net position restricted for pensions increased by $500.4 million or 15.1% in 2023 as a result of the various changes noted above.

<u>December 31, 2022 versus December 31, 2021</u>

Cash and investments at December 31, 2022, were $3,293.0 million, a decrease of $349.8 million or 9.6% from 2021. This decrease is a result of an underperformance of financial markets in 2022 and plan contributions net of benefit payments and expenses during 2022.

Receivables and other assets less plan liabilities at December 31, 2022 increased by $1.5 million or 9.7%. The increase for 2022 compared with 2021 is a result of payable for investment securities purchased, continued payments on post-retirement death benefits and additional members contribution liabilities for Tiers 3 and 4 – 25 year and age 55 retirement programs.

The plan net position restricted for pensions decreased by $348.2 million or 9.5% in 2022 as a result of the various changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Increase/Decrease			
				2023-2022		2022-2021	
	2023	2022	2021	$	%	$	%
Additions:							
Net investment (loss) / income	$ 413,734	$ (273,627)	$ 420,811	$ 687,361	251.2 %	$ (694,438)	(165.0)%
Transfers and contributions	353,820	184,166	181,139	169,654	92.1	3,027	1.7
Total net additions	**767,554**	**(89,461)**	**601,950**	**857,015**	**958.0**	**(691,411)**	**(114.9)**
Deductions:							
Benefit payments	266,622	257,974	243,252	$ 8,648	3.4	$ 14,722	6.1
Tier 6 remediation (Refund of employee contributions)	-	-	2,175	-	-	(2,175)	(100.0)
Administrative expenses	567	806	264	(239)	(29.7)	542	205.3
Total deductions	**267,189**	**258,780**	**245,691**	**8,409**	**3.2**	**13,089**	**5.3**
Net increase	**500,365**	**(348,241)**	**356,259**	**848,606**	**243.7**	**(704,500)**	**(197.7)**
Net position restricted for pensions:							
Beginning of year	3,310,110	3,658,351	3,302,092	(348,241)	(9.5)	356,259	10.8
End of year	**$ 3,810,475**	**$ 3,310,110**	**$ 3,658,351**	**$ 500,365**	**15.1 %**	**$ (348,241)**	**(9.5)%**

December 31, 2023 versus December 31, 2022

Net investment income increased by $687.4 million in 2023 due to net investment gains from market appreciation versus net investment losses of $273.6 million in 2022.

Contributions increased by $169.6 million or 92.1% in 2023 compared to 2022, primarily due to the prepayment of 2024 ADC in the amount of $158.4 million.

Benefit payments increased by $8.6 million or 3.4% over the prior year due to a continuing trend of an increase in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

In 2021, the Plan accrued $2.2 million as part of the Tier 6 – refund of employee contributions which includes statutory interest of 5% due to a business process coding error relating to overtime cap limit for 2021 and prior years. No payments were made in 2023 and 2022 respectively.

Administrative expenses decreased by $239 thousand or 29.7% in 2023 compared to 2022. This decrease is in line with the custodian services provided to the Plan going forward.

December 31, 2022 versus December 31, 2021

Net investment income decreased by $694.4 million in 2022 due to net investment losses of $273.6 million in 2022 versus net investment gains of $420.8 million in 2021.

Contributions increased by $3.0 million or 1.7% in 2022 compared to 2021, as a result of the Actuarial Determined Contributions ("ADC") and member contributions.

Benefit payments increased by $14.7 million or 6.1% over the prior year due to a continuing trend of an increase in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

In 2021, the Plan accrued $2.2 million as part of the Tier 6 – refund of employee contributions which includes statutory interest of 5% due to a business process coding error relating to overtime cap limit for 2021 and prior years. No payment was done in 2022.

Administrative expenses increased by $542 thousand or 205.3% compared to 2021. This increase was due to an increase in fees on the new custodial contract for services provided to the Plan.

Economic Factors

Market Overview 2023

The year 2023 was a surprisingly strong year for markets and was characterized by disinflation, hawkish central banks, stronger than expected global GDP growth, the AI technological boom, and U.S. equity outperformance driven by the Magnificent 7. These positive developments came about despite three significant shocks. The first was higher than expected short-term and long-term interest rates due to central bank reaction functions (Four 25pb rate hikes in the U.S.) to better than expected growth data. Second was the U.S. and European banking sector instability early in the year. And third was the heightened geopolitical risk arising from the Israel-Hamas war. Following the tumultuous conditions of 2022, the economic conditions in 2023 brought with it strong increases in global economic growth rate forecasts, declines in unemployment projections, and suppressed recession concerns. In the US, disinflation, increased interest income, and steady real wages supported above trend line consumption. U.S. household credit usage increased, while debt service ratios still had room to expand, and the unemployment rate remained favorable. Global assets broadly increased, treasury yield volatility increased, the dollar remained strong, and the yield curve has remained sharply inverted for the longest period on record.

Except for commodities, global risk assets had strong performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023, which resulted in one of the better years for the 60/40 equity bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong due to high interest rate differentials, posting gains against the Yen, and losses against the Euro.

Macro Themes

- Higher interest rates for longer
- Geopolitical risk and deglobalization
- Innovation and AI
- Priced in rate cutting for the Fed in 2024

United States

The U.S. economy surprised to the upside, a 2.5% increase in Real GDP growth in 2023, compared to a 1.9% increase in 2022. The unemployment rate increased but remained low, finishing 2023 at 3.7% compared to 3.5% in 2022. Consumer Prices rose only 3.4% in 2023 compared to 6.5% in 2022, while core inflation, which excludes the volatile food and energy components, rose 3.9% in 2023 compared to 5.7% in 2022.

U.S. equities were positive across the board, with the S&P 500 (26.3%) and Russell 1000 (26.5%) indices posting double digit returns. Across capitalizations, Large Cap (S&P 500 Index: 26.3%), Mid Cap (S&P 400 Index: 16.4%), and Small Cap (Russell 2000 Index:16.9%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 42.7%) significantly outperformed Value (Russell 1000 Value Index: 11.5%). Growth was driven by unprecedented concentration and outperformance from the Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, and TSLA). In 2023, the Mag 7 returned 104.7% which accounted for 62.2% of the S&P 500's total return for the year.

U.S. Treasury yields were volatile in 2023 and the yield curve remained inverted amid the Federal Reserve's four rate hikes. Credit spreads broadly tightened in 2023 except for securitized credit. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 5.5%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 14.6%), High Yield (Bloomberg High Yield Index: 13.4%) and Credit (Bloomberg Credit Index: 8.2%). Positive returns were also realized in Treasuries (Bloomberg US Treasury Index: 4.1%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 3.9%).

International Developed

International developed equity markets (MSCI EAFE Index: 18.2%) posted strong results in 2023 but underperformed the U.S. large cap equity markets. Leading the way was the Japanese (MSCI Japan Index: 20.8%) and European (MSCI Europe Index: 20.7%) markets. The International developed Small Cap (MSCI EAFE SC Index: 13.2%) market also posted double digit returns, but not as high as the International large cap counterpart.

Emerging Markets

Emerging markets posted positive but weaker relative returns in 2023 compared to both the U.S. and international developed equity markets. The broad EM Market (MSCI EM Index: 9.8%) garnished high single digit returns, despite having negative returns from Chinese (MSCI EM China Index: -11.2%) equities. Geopolitical risk, weak demand, and high unemployment dampened sentiment in the Chinese market. However, the EM Small Cap (MSCI EM Small Cap Index: 23.9%) market posted much better returns compared to EM large cap market.

The EM fixed income markets were positive in 2023. Both hard currency bonds, which are bonds predominately issued in U.S. Dollars, and local currency bonds, posted double digit returns. Local currency bonds (JPMorgan GBI-EM Global Diversified Index: 12.7%) outperformed hard currency bonds (JPMorgan EMBI Global Diversified Index: 11.1%).

Commodities

Commodities (S&P Goldman Sachs Commodity Index: -4.3%) were the laggards and had negative performance in 2023. The index was largely influenced by a -28.6% change in Natural Gas Prices. Commodity futures remain backwardated, although the roll yield has declined. Precious Metals and Softs (agricultural products) were the best performers in this category, with Gold spot prices up 13.4% and Cocoa spot prices up 61.4% for the year.

Market Outlook – 2024

Through the first quarter of 2024, equity markets were mostly higher with gains in the low double digits. Growth equities have continued to lead the way, adding on to their 2023 gains. Despite the hawkish Fed, growth and momentum continued to outperform in 2024 driven by strong earnings and the AI secular growth theme. Fixed income markets had a mixed start to 2024, with returns flat to slightly negative for the quarter. Fed speak has been hawkish as inflation has been stickier than expected going into 2024, but rate cuts are still expected towards the end of the year. The only negative area was in the Real Estate asset class due to continued pressure from high interest rates. Markets are expected to be more volatile this year than in 2023, but participants appear to be cautiously optimistic.

2024's macroeconomic backdrop will likely be dominated by private consumption, the Fed's willingness to cut rates, geopolitical tensions, tight credit markets, artificial intelligence, and the 2024 U.S. presidential race. Coming out of 2023, a positive year for risk assets, market participants are optimistic for 2024. Several roadblocks to high growth still loom such as the staggering Commercial Real Estate maturity wall, tight credit markets with low deal flow in private markets, the inverted yield curve, high U.S. government debt, and high equity multiples. Global growth optimism stems from real disposable income growth in a lower inflation environment, strong labor markets, pain from hawkish monetary policy being behind us, global manufacturing activity expected to recover, and that the central banks have proven that they do not need a recession to bring inflation down.

Contact Information

This financial report is designed to provide a general overview of the Manhattan and Bronx Surface Transit Operating Authority Pension Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

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MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ASSETS:		
Cash	$ 3,583	$ 3,694
Receivables:		
Investment securities sold	2,928	1,634
Interest and dividends	2,996	1,787
Employee loans	28,016	26,522
Total receivables	33,940	29,943
Investments at fair market value (Notes 2 and 3):		
Investments measured at readily determinable fair value	1,072,288	753,868
Investments measured at net asset value	2,717,960	2,535,458
Total investments	3,790,248	3,289,326
Total assets	3,827,771	3,322,963
LIABILITIES:		
Accounts payable	317	474
Payable for investment securities purchased	9,290	3,592
Accrued benefits payable	21	75
Tier 6 remediation (Refund of employee contributions) payable	443	466
Accrued Post Retirement Death Benefits (PRDB) payable	5,720	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	1,505	2,527
Total liabilities	17,296	12,853
NET POSITION RESTRICTED FOR PENSIONS	$ 3,810,475	$ 3,310,110

See notes to financial statements.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ADDITIONS:		
Investment income:		
Interest income	$ 20,357	$ 10,719
Dividend income	40,027	45,924
Net appreciation /(depreciation) in fair value of investments	382,998	(307,355)
Total investment (loss) / income	443,382	(250,712)
Less investment expenses	29,648	22,915
Net investment income / (loss)	413,734	(273,627)
Contributions (Note 4):		
Employer contributions	328,430	158,618
Employee contributions	25,390	25,548
Total contributions	353,820	184,166
Total additions / (subtractions)	767,554	(89,461)
DEDUCTIONS:		
Benefit payments and withdrawals	266,622	257,974
Administrative expenses	567	806
Total deductions	267,189	258,780
NET INCREASE / (DECREASE) IN NET POSITION	500,365	(348,241)
NET POSITION RESTRICTED FOR PENSIONS:		
Beginning of year	3,310,110	3,658,351
End of year	$ 3,810,475	$ 3,310,110

See notes to financial statements.

1. PLAN DESCRIPTION

Effective January 1, 1989, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) adopted a defined benefit qualified pension plan known as the MaBSTOA Pension Plan (the "Plan"). Prior to the adoption of the Plan, MaBSTOA pension benefits were funded on a pay-as-you-go basis.

The Plan is a multi-employer cost sharing public employee retirement system. The Plan now have employees who are on Metropolitan Transportation Authority Head Quarter's ("MTAHQ") payroll. MaBSTOA and MTAHQ employees are specifically excluded from participating in the New York City Employees' Retirement System (NYCERS). Effective January 1, 1999, MaBSTOA Pension Plan membership is optional for managerial and non-represented MaBSTOA employees. They were afforded the same pension rights as similarly situated employees in the Transit Authority.

The Board of Administration, established in 1963, determines eligibility of employees and beneficiaries for retirement and death benefits. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100 (TWU) and three employer representatives.

Membership of the Plan consisted of the following as of January 1, 2023 and 2022, the date of the latest actuarial valuation:

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

The Plan provides retirement, death, accident and disability benefits. The benefits provided by the Plan are generally similar to the benefits provided to participants in NYCERS. A participant may receive a vested benefit in accordance with the requirements of his or her Tier.

NYCERS has determined that Tier 4 employees are and have been eligible for a post-retirement death benefit retroactive to members who retired no earlier than 1986. In June 2012, the Metropolitan Transportation Authority ("MTA") Board approved an amendment to the MaBSTOA Plan to provide for incorporation of this benefit. As of December 31, 2012, the Plan had estimated that $6 million is owed to beneficiaries of retirees who were deceased prior to January 1, 2013. As of December 31, 2023 and 2022, the Plan paid $21.4 million and $19.5 million in post-retirement benefits and accrued an additional $5.7 million for both years, based on the updated valuation.

Funding Policy - Contribution requirements of Plan members are established and may be amended only by the MaBSTOA Board in accordance with Article 10.01 of the MaBSTOA Plan.

MaBSTOA's funding policy for periodic employer contributions provides for actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due. It is MaBSTOA's policy to fund to the pension trust, at a minimum, the current year's normal cost plus amortization of the unfunded actuarial accrued liability.

The MaBSTOA Pension Plan includes the following retirement programs: (i) Tier 1 Age 50 and 20 Year, Age 55 and 1/100; (ii) Tier 2 Age 55 and 25 Year, Tier 2 Age 55 and 1/100; (iii) Tier 3 and Tier 4 Age 62 and 5 Year; (iv) Tier 6 Age 63 and 10 Year; (v) Tier 4 and Tier 6 25 Year and Age 55; (vi) Tier 4 25 Year Early Retirement; (vii) Tier 4 Age 57 and 5 Year, and (viii) the Year 2000 amendments, which are all under the same terms and conditions as NYCERS.

The Plan may require mandatory employee contributions, 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). Prior to adoption of Tier 6, operating employees entering qualifying service on or after July 27, 1976, are required to contribute 2% of their salary and non-operating employees pay 3% of their salary for a 10-year period plus an additional member contribution of 1.85% of their salary. (See Note 4 for 2000 Plan amendments).

Individuals joining the MaBSTOA Pension Plan on or after April 1, 2012 are members of Tier 6. Highlights of Tier 6 include:

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

- The retirement age is 63 and includes early retirement penalties, which reduce pension allowances by 6.5 percent for each year of retirement prior to age 63 (excluding Transit Operating Employees).

- Vesting after 5 years of credited service; similar to Tiers 3 and Tier 4.

- Changes to the pension multiplier for calculating pension benefits (excluding Transit Operating Employees) for participants who retire with greater than 20 years of credited service is 35% of FAS for the first 20 years of credited service plus 2% times FAS for each year of credited service in excess of 20.

- The Final Average Salary ("FAS") calculation is an average of the final 3 years. Pensionable overtime capped at $15,000 per year plus an inflation factor ($19,729 for 2023 and $18,233 for 2022).

- Pension buyback in Tier 6 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.

SUMMARY OF PRINCIPAL PLAN PROVISIONS ELIGIBILITY AND BENEFITS

All Tiers

1. Type of Plan	The Plan is a contributory, defined benefit plan. Contributions are not required for Tier 1 and Tier 2 members and vary for other members. Details can be found in the following sections.
2. Effective Date of Plan Qualification	January 1, 1989.
3. Compensation	The wages earned by the employee. Compensation is limited by Section 401(a)(17) of the Code. This limit is $305,000 for 2022 and $330,000 for 2023. In addition, the government plan limit applies to members hired prior to January 1, 1996 and is $450,000 for 2022 and $490,000 for 2023.
4. Credited Service	Credited Service is credited full-time employment from date of hire with MaBSTOA and may include part-time service for certain applicable represented employees.
5. Pensioner Supplementations	
(a) 1998 Supplement	Eligibility: Date of retirement is prior to 1993 for all disability pensioners and other pensioners who have attained (or will attain) age 62 or who have attained (or will attain) age 55 and have been retired for at least 10 years. Benefit: Commencing with the payment for the month of September 1998, the cost-of-living adjustment is applied to the first $13,500 of the maximum retirement allowance, computed without option modification. If not eligible by September 1998, payment will commence first of the month following eligibility.
(b) 1999 Supplement	Eligibility: Date of retirement is prior to 1994 for all disability pensioners and other pensioners who have attained (or will attain) age 62 or who have attained (or will attain) age 55 and have been retired for at least 10 years. Benefit: Commencing with the payment for the month of September 1999, the cost-of-living adjustment is applied to the first $14,000 of the maximum retirement allowance, computed without option modification. If not eligible by September 1999, payment will commence first of the month following eligibility.

(c) 2000 Supplement

Eligibility: Date of retirement is prior to 1997 and one of the following conditions is met:

(i) All disability pensioners who have been retired for at least 5 years,

(ii) Other pensioners who have attained (or will attain) age 62 and have been retired for at least 5 years,

(iii) Other pensioners who have attained (or will attain) age 55 and have been retired for at least 10 years and

(iv) All recipients of an accidental death benefit who have been in receipt of payments for at least 5 years.

Benefit: Commencing with the payment for the month of September 2000, the cost-of-living adjustment is applied to the first $18,000 of the maximum retirement allowance, computed without option modification. The cost-of-living adjustment is equal to the change in the CPI-U measured from year of retirement through 1997 multiplied by 50% (greater percentages exist if date of retirement is prior to 1968). If not eligible by September 2000, payment will commence first of the month following eligibility.

Surviving Spouse Eligibility: The surviving spouse of a deceased retired member who chose any joint and survivor option.

Surviving Spouse Benefit: Commencing with the payment for the month of September 2000, the benefit is equal to 50% of the 2000 supplementation which the pensioner would be receiving if living.

(d) Automatic Cost-of-Living Adjustment (COLA)	Eligibility: One of the following conditions is met: (i) All disability pensioners who have been retired for at least 5 years, (ii) Other pensioners who have attained (or will attain) age 62 and have been retired for at least 5 years, (iii) Other pensioners who have attained (or will attain) age 55 and have been retired for at least 10 years and (iv) All recipients of an accidental death benefit who have been in receipt of payments for at least 5 years. Benefit: Commencing with the payment for the month of September 2001 and continuing each September thereafter, the COLA is applied to the first $18,000 of the maximum retirement allowance, computed without option modification plus any prior COLAs or supplementations. The cost-of-living adjustment is equal to the change in the CPI-U for the year ending March 31 multiplied by 50%. The resulting percentage is then rounded up to the next higher 0.1% and shall not exceed 3.0% nor be less than 1.0%. If not eligible by September 2001 or each September thereafter, payment will commence first of the month following eligibility. Surviving Spouse Eligibility: The surviving spouse of a deceased retired member who chose any joint and survivor option. Surviving Spouse Benefit: The benefit is equal to 50% of the automatic COLA benefit which the pensioner would be receiving if living and commence in the month following the death of the deceased member.
6. Normal and Optional Forms of Payment	The basic benefits described in the following sections are payable in the form of a life annuity. Other options are 100% and 50% contingent annuities with and without a popup feature, 5-year and 10-year certain and life annuities, and single life annuities with an insurance feature. Benefits payable under the optional forms are actuarially adjusted to reflect the anticipated longer payment stream.
7. Maximum Benefit	Maximum benefits payable conforms to those legislated by the Tax Reform Act of 1986. For 2022, the maximum benefit is $245,000 and for 2023 it is $265,000.

8. Changes in Plan Provisions Since Prior Valuation

Chapter 55 of the Laws of 2024 extended the expiration date of the New York COVID-19 Accidental Death Benefit until December 31, 2026, and it is anticipated that the extension will be adopted for the Plan. Chapter 716 of the Laws of 2023 changed the pre-retirement and postretirement ordinary death benefits applicable to Tier 2, 3, 4 and 6 members effective July 1, 2021, and it is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation.

I. Tier 1 Employees

1. Eligibility

Members hired before July 1, 1973.

2. Pensionable Compensation

(a) Compensation

Greater of earned or earnable salary during the year prior to retirement.

(b) Final Compensation

Highest average earnings over five consecutive years.

(c) Compensation Limit

If hired after June 17, 1971, earnings in a year are limited to 120% of the preceding year.

3. Benefits

(a) Service Retirement

Eligibility: Attainment of age 50 and completion of 20 years of credited service.

Benefit:

1.5% 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 above, up to a maximum of 50%, is multiplied by the member's Compensation. Once the accumulated percentage 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.

(b) Termination Benefits

Eligibility: Completion of 20 years of credited service.

Benefit: The Service Retirement Benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 50.

(c) Ordinary Death Benefits	Active Members Eligibility: Completion of 6 months of credited service, but the benefit described below requires completion of 20 years of credited service. Benefit: A lump sum equal to the present value of the retirement benefit under the Return of Reserve option. Terminated Vested Members: If a member dies before age 50, a lump sum equal to the present value of the retirement benefit under the Return of Reserve option is payable (Death Gamble).
(d) Accidental Death Benefits	Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met. Benefit: The benefit equals 50% of Final Compensation.
(e) Ordinary Disability Benefits	Eligibility: Completion of 10 years of credited service. Benefit: The benefit equals the greater of the Service Retirement percentages described (a) above or 25% multiplied by Final Compensation. If eligible for a service retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.
(f) Accidental Disability Benefits	Eligibility: Disability caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met. Benefit: The benefit equals 75% of the Final Compensation reduced by 100% of any worker's compensation payments. If eligible for a service retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.
4. Member Contributions	None
5. Changes in Plan Provisions Since Prior Valuation	None

II. Tier 2 Employees

1. Eligibility	Members hired on or after July 1, 1973, and before July 27, 1976.
2. Final Average Compensation	
(a) Final 3-Year Average Compensation:	Highest average earnings over three consecutive years.
(b) Final 5-Year Average Compensation:	Highest average earnings over five consecutive years.
(c) Compensation Limit:	Earnings in a year cannot exceed 120% of the average of the two preceding years.
3. Benefits	
(a) Service Retirement	Eligibility: Attainment of age 55 and completion of 25 years of credited service. Benefit: The benefit equals 50% of Final 3-Year Average Compensation for the first 20 years of credited service, plus 1.5% of Final 5-Year Average Compensation per year of credited service in excess of 20 years.
(b) Early Retirement	Eligibility: Attainment of age 50 and completion of 20 years of credited service. Benefit: Determined in the same manner as the Service Retirement benefit but no greater than 2.0% of the Final 3-Year Average Compensation per year of credited service.
(c) Termination Benefits	Eligibility: Completion of 20 years of credited service. Benefit: The benefit equals the Early Retirement benefit, with compensation and service calculated as of the date of termination. The benefit is deferred until age 50. If a member dies before age 50, 50% of the ordinary death benefit (below) is payable.
(d) Ordinary Death Benefit	Eligibility: Completion of 90 days of credited service. Benefit: The benefit equals a lump sum equal to 3 times salary, raised to the next multiple of $1,000.
(e) Accidental Death Benefit	Eligibility: Death caused by on-the-job accident. World Trade Center Presumption benefits may apply if certain criteria are met. Benefit: The benefit equals 50% of the Final 5-Year Average Compensation.

(f)	Ordinary Disability Benefits	Eligibility: Completion of 10 years of credited service Benefit: The benefit equals the greater of the Service Retirement percentage calculated in (a) above and 25% multiplied by Final 5-Year Average Compensation. If eligible for an Early or Service Retirement benefit, the greater of this benefit and the Early or Service Retirement benefit is payable.
(g)	Accidental Disability Benefits	Eligibility: Disability caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met. Benefit: The benefit equals 75% of the Final 5-Year Average Compensation reduced by any worker's compensation payments. If eligible for an Early or Service Retirement benefit, the greater of this benefit and the Early or Service Retirement benefit is payable.
4.	Member Contributions	None
5.	Changes in Plan Provisions Since Prior Valuation	None

III. Tier 3 and Tier 4—Basic Age
62 & 5 Year Retirement Program

1. Eligibility	Non-operating Members hired prior to June 28, 1995, who have not elected the 55 & 25 Plan. Members hired on or after July 27, 1976, and before September 1, 1983, are in Tier 3. Members hired on or after September 1, 1983 and before April,1, 2012, are in Tier 4.
2. Final Average Compensation	Highest average earnings during any three consecutive calendar-year~~s~~ periods, or the final 36 months immediately preceding the member's retirement date. Earnings used in the calculation cannot exceed 110% of the average of the two preceding years.
3. Benefits	
(a) Service Retirement	Eligibility: Attainment of age 62 and completion of at least 5 years of credited service.
	Benefit: If at least 20 years of credited service is completed, the benefit equals 2.0% of Final Average Compensation for first 30 years of credited service plus 1.5% of Final Average Compensation for years of credited service in excess of 30. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Compensation multiplied by years of credited service.
(b) Early Retirement	Eligibility: Attainment of age 55 and completion of at least 5 years of credited service.
	Benefit: 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.

(c) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 10 years of Credited Service.

Benefit: The benefit equals a refund of the member's contributions accumulated with interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 62. A vested participant with less than 10 years of credited service may elect to receive the benefit in (i) above in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the ordinary death benefit (below) is payable. All accumulated regular contributions with interest are payable.

(d) Ordinary Death Benefits

Eligibility: all members.

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the benefit, calculated in the same manner as the pre-retirement death benefit, shall be reduced by 50% in the first year after retirement and reduced an additional 25% in the second year of retirement. In the third year of retirement and thereafter, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

Spouse Benefit (Tier 3 only).

Eligibility: Vested and spouse is beneficiary.

Benefit: In lieu of the ordinary death benefit above, the spouse may elect 1/3 of the ordinary death benefit plus an annuity of 1.0% of Final Average Compensation per year of credited service, payable for life, or until remarriage. If the surviving spouse is more than 10 years younger, the annuity is actuarially reduced. The total of all payments will at least equal the amount of the full lump sum benefit.

(e)	Accidental Death Benefits	Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met. Benefit: The benefit equals 50% of compensation paid to eligible beneficiary as defined by priority: (i) Spouse, until remarriage (ii) Children, to age 25 (iii) Dependent parents (iv) Any other dependent survivors, to age 21. Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.
(f)	Ordinary and Accidental Disability Benefits	Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service required for accidental. Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.
4.	Member Contributions	Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000, or the later of 10 years of membership or 10 years of credited service.
5.	Changes in Plan Provisions Since Prior Valuation	Chapter 716 of the Laws of 2023 reduced the maximum reduction for pre-retirement death benefits from 50% to 30% and adjusted the salary to be used for postretirement ordinary death benefits applicable effective July 1, 2021. It is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation.

IV. Tier 3 and Tier 4—25 Year and Age 55 Retirement Programs

1. Eligibility

All operating members hired prior to April 1, 2012 and non-operating members hired prior to July 26, 1994 , who elected this program. Members hired on or after July 27, 1976, and before September 1, 1983, are in Tier 3. Members hired on or after September 1, 1983 and before April 1, 2012 are in Tier 4.

2. Final Average Compensation

Highest average earnings during any three consecutive calendar-year~~s~~ periods, or the final 36 months immediately preceding the member’s retirement date. Earnings used in the calculation cannot exceed 110% of the average of the two preceding years.

3. Benefits

(a) Service Retirement

Eligibility: Attainment of age 55 and completion of at least 25 years of credited service, or attainment of age 62 and completion of at least 5 years of credited service.

Benefit: If at least 20 years of credited service is completed, the benefit equals 2.0% of Final Average Compensation for first 30 years of credited service plus 1.5% of Final Average Compensation for years of credited service in excess of 30. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Compensation multiplied by years of credited service. For non-operating employees who have attained age 62, a refund of one-half of the member’s additional contributions accumulated at a rate of 5.0% is also payable.

(b) Termination Benefits

(i) Refund of Contributions

Eligibility: Less than 5 years of credited service.

Benefit: The benefit equals a refund of the basic member’s accumulated contributions. All contributions are refunded with interest at a rate of 5.0% also payable.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 62. For operating members with at least 25 years of credited service, the benefit is deferred until age 55. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest and one-half of accumulated additional member contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members.

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times the lesser of completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the pre-retirement benefit shall be 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 time of retirement.

Spouse Benefit (Tier 3 only)

Eligibility: Vested and spouse is beneficiary.

Benefit: In lieu of the ordinary death benefit above, the spouse may elect 1/3 of the ordinary death benefit plus an annuity of 1.0% of Final Average Compensation per year of credited service, payable for life, or until remarriage. If the surviving spouse is more than 10 years younger, the annuity is actuarially reduced. The total of all payments will at least equal the amount of the full lump sum benefit.

(d) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of compensation paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable. For non-operating employees, a refund of one-half of the member's additional contributions accumulated plus interest at a rate of 5.0% is also payable.

4. Member Contributions

Operating Employees: Regular contribution rate of 2.0%. Additional 55/25 contributions were made through 2000. These contributions may be refunded effective November 2007 for TWU Local 100 and April 2008 for TSO Local 106.

Non-operating Employees: Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000 or after the later of 10 years of membership or 10 years of credited service. Additional contribution rates were 4.35%, 2.85% and 1.85%, of which 1.85% ceases after 30 years of credited service.

5. Changes in Plan Provisions Since Prior Valuation

Chapter 716 of the Laws of 2023 reduced the maximum reduction for pre-retirement death benefits from 50% to 30% and adjusted the salary to be used for postretirement ordinary death benefits applicable effective July 1, 2021. It is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation.

V. Tier 4—Age 57 & 5 Year

Retirement Program

1. Eligibility

Non-operating members hired on or after June 28, 1995 and prior to April 1, 2012. Members hired on or after September 1, 1983 and before April 1, 2012 are in Tier 4.

2. Final Average Compensation

Highest average earnings during any three consecutive calendar-year~~s~~ periods, or the final 36 months immediately preceding the member's retirement date. Earnings used in the calculation cannot exceed 110% of the average of the two preceding years.

3. Benefits

(a) Service Retirement

Eligibility: Attainment of age 57 and completion of at least 5 years of credited service.

Benefit: If less than 20 years of credited service are completed, the benefit equals 1.67% of Final Average Compensation multiplied by years of credited service. If between 20 and 30 years of credited service are completed, the benefit equals 2% of Final Average Compensation multiplied by years credited service. If more than 30 years are completed, 2% of Final Average Compensation multiplied by years of credited service plus 1.5% of Final Average Compensation multiplied by years of credited service in excess of 30. For non-operating employees who have attained age 62, a refund of one-half of the member's additional contributions accumulated plus interest at a rate of 5.0% is also payable.

(b) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's basic accumulated contributions and 50% of additional member contributions plus interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 57. A vested participant with less than 10 years of credited service may elect to receive the benefit in (i) above in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) is payable. All accumulated regular contributions with interest and one-half of accumulated additional member contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the pre-retirement benefit shall be 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 time of retirement.

(d) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of final 1-year compensation paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable. For non-operating employees, a refund of one-half of the member's additional contributions accumulated at a rate of 5.0% is also payable.

4. Member Contributions

Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000, or after the later of 10 years of membership or 10 years of credited service. Additional contribution rates were 4.35%, 2.85% and 1.85% of which 1.85%, ceases after 30 years of credited service.

5. Changes in Plan Provisions Since Prior Valuation

Chapter 716 of the Laws of 2023 reduced the maximum reduction for pre-retirement death benefits from 50% to 30% and adjusted the salary to be used for postretirement ordinary death benefits applicable effective July 1, 2021. It is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation

VI. Tier 6—25 and Age 55 Retirement Program

1. Eligibility

All operating members hired on or after April 1, 2012.

2. Final Average

Highest average pensionable earnings over five consecutive years. Pensionable earnings exclude any overtime earnings, defined as compensation paid at a rate greater than the standard rate, in excess of the overtime cap. The overtime cap is indexed annually and is $19,729 for 2023. Pensionable earnings also exclude wages in excess of the annual salary paid to the Governor of New York, lump sum payments for sick leave, accumulated vacation and other credits for time not worked, termination pay, and any additional compensation paid in anticipation of retirement. Pensionable earnings in a year cannot exceed 110% of the average of the four preceding years.

3. Benefits

(a) Service Retirement

Eligibility: Attainment of age 55 and completion of at least 25 years of credited service, or attainment of age 63 and completion of at least 5 years of credited service.

Benefit: If completed at least 25 years of credited service, the benefit equals 2.0% of Final Average Salary for the first 30 years of credited service plus 1.5% of Final Average Salary for years of credited service in excess of 30. If completed at least 20 years, but less than 25 years of credited service, 35% of Final Average Salary plus 2% of Final Average Salary for years of credited service in excess of 20. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Salary multiplied by years of credited service.

(b) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated plus interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 63. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the pre-retirement benefit shall be 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 time of retirement.

(d) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of wages earned during last year of service or annual wage rate if less than one year of service, paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Salary per year of credited service and 1/3 of Final Average Salary. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

Regular contribution rate varies based on gross pensionable wages earned during two plan years (April 1 to March 31 but calendar year effective January 1, 2017) prior to the applicable plan year based on the following table. Overtime is eliminated overtime from the determination of pensionable wages for purposes of determining the applicable contribution rate from April 1, 2022 to December 31, 2026. For first three years of a member's career, a projection of annual wages is used. The rate for the plan year ending March 31, 2013 for all Tier 6 employees is 2%.

Annual Wages Earned During Plan Year	Contribution Rate
Up to $45,000	3.00%
$45,001–$55,000	3.50%
$55,001–$75,000	4.50%
$75,001–$100,000	5.75%
Greater than $100,000	6.00%

5. Changes in Plan Provisions Since Prior Valuation

Chapter 716 of the Laws of 2023 reduced the maximum reduction for pre-retirement death benefits from 50% to 30% and adjusted the salary to be used for postretirement ordinary death benefits applicable effective July 1, 2021. It is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation.

Part KK of Chapter 55 of the Laws of 2024 (“Chapter 55/2024”) extended Chapter 56 of the Laws of 2022’s elimination of overtime from the determination of pensionable wages for purposes of determining the applicable contribution rate; the exclusion now applies from April 1, 2022 to December 31, 2026. It is anticipated that Chapter 55/2024 will be adopted for the Plan for Tier 6 members. The impact of these changes will be reflected in the 2024 valuation.

Part QQ of Chapter 56 of the Laws of 2024 (“Chapter 56/2024”) reduced the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for Tier 6 members of NYCERS. It is anticipated that Chapter 56/2024 will be adopted for the Plan for Tier 6 members. The impact of these changes will be reflected in the 2024 valuation.

VII. Tier 6—Age 63 and 5 Year Retirement Program

1. Eligibility	All non-operating members hired on or after April 1, 2012.
2. Final Average Compensation	Highest average pensionable earnings over three consecutive years. Pensionable earnings exclude any overtime earnings, defined as compensation paid at a rate greater than the standard rate, in excess of the overtime cap. The overtime cap is indexed annually and is $19,729 for 2023. Pensionable earnings also exclude wages in excess of the annual salary paid to the Governor of New York ($250,000), lump sum payments for sick leave, accumulated vacation and other credits for time not worked, termination pay, and any additional compensation paid in anticipation of retirement. Pensionable earnings in a year cannot exceed 110% of the average of the four preceding years for purposes of determining the Final Average Compensation.
3. Benefits	
(a) Service Retirement	Eligibility: Attainment of age 63 and completion of at least 5 years of credited service. Benefit: If completed at least 20 years of credited service, 35% of Final Average Salary plus 2% of Final Average Salary for years of credited service in excess of 20. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Salary multiplied by years of credited service.
(b) Early Retirement	Eligibility: Attainment of age 55 and completion of at least 5 years of credited service. Benefit: The benefit equals the Service Retirement benefit reduced by 6.5% for each year prior to age 63.

(c) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated plus interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 63. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest are payable.

(d) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times the completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the pre-retirement benefit shall be 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 time of retirement.

(e) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of wages participant earned during last year of service or annual wage rate if less than one year of service, paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(f) Ordinary and Accidental Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Salary per year of credited service and 1/3 of Final Average Salary. If eligible for Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

Regular contribution rate varies based on gross pensionable wages earned during two plan years (April 1 to March 31 but calendar year effective January 1, 2017) prior to applicable plan year based on following table. Overtime is eliminated from the determination of pensionable wages for purposes of determining the applicable contribution rate from April 1, 2022 to December 31, 2026. For first three years of a member's career, a projection of annual wages is used. The rate for the year ending March 31, 2013 for all Tier 6 employees is 3%.

Annual Wages Earned During Plan Year	Contribution Rate
Up to $45,000	3.00%
$45,001–$55,000	3.50%
$55,001–$75,000	4.50%
$75,001–$100,000	5.75%
Greater than $100,000	6.00%

5. Changes in Plan Provisions Since Prior Valuation

Chapter 716 of the Laws of 2023 reduced the maximum reduction for pre-retirement death benefits from 50% to 30% and adjusted the salary to be used for postretirement ordinary death benefits applicable effective July 1, 2021. It is anticipated that these benefits will be adopted for the plan. The impact of these changes will be reflected in the 2024 valuation.

Chapter 55/2024 extended Chapter 56 of the Laws of 2022's elimination of overtime from the determination of pensionable wages for purposes of determining the applicable contribution rate; the exclusion now applies from April 1, 2022 to December 31, 2026. It is anticipated that Chapter 55/2024 will be adopted for the Plan for Tier 6 members. The impact of these changes will be reflected in the 2024 valuation.

Chapter 56/2024 reduced the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for Tier 6 members of NYCERS. It is anticipated that Chapter 56/2024 will be adopted for the Plan for Tier 6 members. The impact of these changes will be reflected in the 2024 valuation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting - The Plan is accounted for on the accrual basis of accounting under which deductions are recorded when the liability is incurred and additions are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income.

The accounting and reporting policies of the Plan conform to accounting principles generally accepted in the United States of America (GAAP).

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statement for the year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The adoption of this Statement has no material impact on the net position of the Plan.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MaBSTOA Pension Plan Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

Methods Used to Value Investments—Investments are stated at fair value or Net Asset Value ("NAV") which approximates fair value. Fair value is the amount that the Plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller, that is, other than a forced or liquidation sale. All investments, with the exception of alternative investments are valued based on closing market prices or broker quotes.

Traded securities are stated at the last reported sales price on a national securities exchange on the last business day of the fiscal year. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Alternative investments are valued based on the most current net asset values.

Purchases and sales of securities are reflected on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Risks and Uncertainties—The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

Income Taxes - The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of ERISA. Therefore, income retained by the Plan is not subject to Federal income tax.

3. CASH AND INVESTMENTS

Investment Committee - The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MaBSTOA Pension Plan Board adopted asset allocation policy as of December 31, 2023.

Asset Class	Target Allocation (%)	Target Range (%)	Policy Benchark
Equities	**43.0**	**33-53**	
Domestic Large Cap	21.0	16-26	S&P 500
Domestic Small Cap	5.0	0-10	Russell 2000
International Developed Markets Equities	11.0	6-16	MSCI EAFE
Emerging Markets Equities	6.0	1-11	MSCI Emerging Markets
Fixed Income	**21.0**	**16-26**	Manager Specific
Global Asset Allocation*	**4.0**	**0-10**	50% World Equity/ 50% Citigroup WGBI unhedged
Private Fixed Income	**7.0**	**0-10**	Manager Specific
Absolute Return	**8.0**	**0-10**	Manager Specific
Real Assets	**5.0**	**0-10**	Manager Specific
Real Estate	**5.0**	**0-10**	Manager Specific
Private Equity	**7.0**	**0-10**	C/A Global all P/E
Total	**100.0**		

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All Securities managers shall be registered advisors under the Investment Advisors Act of 1940.

The overall capital structure targets and permissible ranges for eligible asset classes of the Trust are detailed within the Investment Policy Statement. Full discretion, within the parameters of the guidelines described herein and in any individual investment policy associated with that allocation, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions. Investment managers will be funded through commingled funds or separate account vehicles. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement ("IMA"). Should there be conflicts, the individual manager guidelines set forth in the IMA supersede the general guidelines in the Investment Policy Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle's offering documents. Should there be conflicts, the individual vehicle's investment guidelines supersede the general guidelines in the Investment Policy Statement.

Individual investment manager benchmarks and performance requirements are specified within the Investment Policy Statement. Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

1. The compliance of each investment manager with the guidelines as expressed herein, and
2. The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Managers - Investment managers may not purchase inverse floating rate bonds, structured notes, commodities, securities on margin, sell short, lend securities, invest in private placements (other than 144A Privates), real estate investments, and oil, gas and mineral exploration investments without the written consent of the Board of Managers. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities. The following are acceptable:

- Domestic fixed income investments are permitted, subject to the guidelines reflected in Investment Policy Statement. Yankee bonds, which are dollar denominated foreign securities, may be held by each domestic manager in proportions which each manager shall deem appropriate.

- International fixed income securities are permitted, subject to the guidelines reflected in Investment Policy Statement. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed markets. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging markets denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging markets denominated in local currency. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- Investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

- The average duration (interest rate sensitivity) of an actively managed fixed income portfolio shall range within two years of the benchmark's duration.

- For domestic fixed income portfolios, individual managers account for the securities of an individual issuer, excepting the U.S. government and U.S. government agencies, shall not constitute more than 5% at market at any time.

- For international bond portfolios, individual managers account for the securities of any non-governmental issuer shall not constitute more than 5% at market at any time.

Equity Investment Managers - The equities investment managers may not purchase commodities, securities on margin, sell short, lend securities, invest in private placements, real estate investments, oil, gas and mineral exploration investments, and nominally public issues without the written consent of the Board of Managers. The manager may purchase Rule 144A securities provided such securities are judged by the manager to be liquid and don't in the aggregate exceed 10% of the market value of the portfolio. The manager shall also be able to purchase securities if such securities are convertible into publicly traded equities.

- Domestic equity investments are permitted, subject to the guidelines. American Depository Receipts (ADRs), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges (e.g., Reuters, Nestle, Sony) may be held by each domestic stock manager in proportions which each manager shall deem appropriate.

- International equities are permitted, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for international developed markets. The Morgan Stanley Emerging Markets Free Index represents the opportunity set for international emerging markets. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- The equity specialists may vary equity commitment from 90% to 100% of assets under management.

- Individual managers' account may hold no more than 10% at market or 1.5x the manager's benchmark weight (whichever is greater) of any single company's stock.

Overlay Managers

- For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Board may retain an overlay manager. The overlay manager shall use exchange traded securities to expose the cash to the long-term target asset allocation.

- In addition, the overlay manager may be utilized for the following:

a) Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
b) Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
c) Provide the market (or "beta") exposures in a portable alpha program.
d) The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers
Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return
- Private equity

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy
Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.

- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.

- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.

- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments (Separately Managed Accounts) - Unless specifically approved by the Board or set forth in the individual investment guidelines, certain securities, strategies, and investments are ineligible for inclusion within separately managed accounts. Among these are:

- Privately placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Russian securities
- Commodities
- Short sales, and,

- Direct investments in private placements, real estate, oil and gas and venture capital, or funds comprised thereof.

Exceptions:

The Board of Managers, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may, from time to time, allow investment in such funds. The Board recognizes that it cannot give specific policy directives to a fund whose policies are already established; therefore, the Board is relying on the investment consultant to assess and monitor the investment policies of any funds used by the Plan to ascertain whether they are appropriate.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered with securities held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties - The Plan’s investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan’s financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2023 and 2022:

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	$ 165,239	$ 165,239	$ -	$ -
Separate account small-cap equity funds	249,183	249,183	-	-
Separate account international equity funds	137,161	137,161	-	-
Separate account small-Real Estate Investments Trusts	35,263	35,263	-	-
Total equity investments	586,846	586,846	-	-
Debt Securities				
Mutual funds	136,849	136,849	-	-
Separate account - opportunistic credit/Private debt	42,456	-	42,456	-
Separate account debt funds	306,137	-	306,137	-
Total debt investments	485,442	136,849	348,593	-
Total investments by fair value	$ 1,072,288	$ 723,695	$ 348,593	$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	$ 661,298	$ -	Daily	None
Commingled international equity funds	313,644	-	Daily	None
Commingled emerging market equity funds	170,585	-	Daily, monthly	None
Total equity investments measured at the NAV	1,145,527	-		
Debt Securities				
Commingled debt funds	376,238	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	376,238	-		
Absolute return:				
Direct lending	56,438	50,612	Bi-annually	60 plus days
Distressed securities	15,552	-	Not eligible	N/A
Credit long	36,090	-	Quarterly	3-30 days
Hedge funds of funds	289,947	-	Quarterly	3-60 days
Event driven	303	2,094	Quarterly	60-120 days
Risk parity	88,662	-	Monthly	3-30 days
Total absolute return measured at the NAV	486,992	52,706		
Venture capital	44	4,900	Not eligible	N/A
Private equity - private equity partnerships	318,946	137,184	Not eligible	N/A
Commingled real estate funds	90,590	-	Not eligible	N/A
Real assets:				
Commingled commodities fund	77,244	-	Not eligible	N/A
Energy	72,626	24,882	Not eligible	N/A
Infrastructure	7,299	48,082	Not eligible	N/A
Shipping	2,826	678	Not eligible	N/A
Total real assets measured at the NAV	159,995	73,642		
Short term investments measured at the NAV	139,628	-		
Total investments measured at the NAV	2,717,960	$ 268,432		
Total investments at fair value	$ 3,790,248			

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2022	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	$ 142,100	$ 142,100	$ -	$ -
Separate account small-cap equity funds	218,754	218,754	-	-
Separate account small-Real Estate Investments Trusts	31,674	31,674	-	-
Total equity investments	392,528	392,528	-	-
Debt Securities				
Mutual funds	136,105	136,105	-	-
Separate account - opportunistic credit/Private debt	37,341	-	37,341	-
Separate account debt funds	187,894	-	187,894	-
Total debt investments	361,340	136,105	225,235	-
Total investments by fair value	$ 753,868	$ 528,633	$ 225,235	$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	$ 391,249	$ -	Daily	None
Commingled international equity funds	409,274	-	Daily	None
Commingled emerging market equity funds	145,115	-	Daily, monthly	None
Total equity investments measured at the NAV	945,638	-		
Debt Securities				
Commingled debt funds	319,165	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	319,165	-		
Absolute return:				
Direct lending	102,112	45,652	Bi-annually	60 plus days
Distressed securities	19,358	-	Not eligible	N/A
Credit long	33,193	-	Quarterly	3-30 days
Credit long/short	568	-	Quarterly	3-60 days
Hedge funds of funds	268,611	-	Quarterly	3-60 days
Event driven	943	2,094	Quarterly	60-120 days
Global tactical asset allocation	59,909	-	Daily, monthly	3-30 days
Multistrategy	3,114	-	Quarterly	3-60 days
Risk parity	80,136	-	Monthly	3-30 days
Total absolute return measured at the NAV	567,944	47,746		
Private equity - private equity partnerships	295,856	186,849	Not eligible	N/A
Commingled real estate funds	106,412	-	Not eligible	N/A
Real assets:				
Commingled commodities fund	76,303	-	Not eligible	N/A
Energy	90,813	27,228	Not eligible	N/A
Infrastructure	12,295	3,082	Not eligible	N/A
Shipping	5,540	1,356	Not eligible	N/A
Total real assets measured at the NAV	184,951	31,666		
Short term investments measured at the NAV	115,492	-		
Total investments measured at the NAV	2,535,458	$ 266,261		
Total investments at fair value	$ 3,289,326			

Concentration of Credit Risk – Individual investments held by the Plan that represents 5.0% or more of the Plan's net assets available for benefits at December 31, 2023 and 2022 are as follows:

(In thousands)	**2023**	**2022**
Investments at fair value as determined by quoted market prices:		
Independent Franchise Partners	$ 198,616	$ 164,212
Robert W. Baird and Company	200,275	187,894
Blackrock Hedge Index Fund	225,722	210,534
Rhumbline S & P 500 Index Fund	462,682	227,037

Credit Risk — At December 31, 2023 and 2022, the following credit quality rating has been assigned by a nationally recognized rating organization:

(In thousands) **Quality Rating**	**2023 Fair Value**	**Percentage of Fixed Income Portfolio**	**2022 Fair Value**	**Percentage of Fixed Income Portfolio**
AAA	$ 19,900	5.92 %	$ 19,114	8.69 %
AA	51,139	15.21	47,759	21.70
A	17,826	5.30	16,943	7.70
BBB	63,492	18.89	59,355	26.98
BB	8,941	2.66	4,956	2.25
B	26,034	7.74	-	-
CCC	10,493	3.12	448	0.20
Not Rated	45,839	13.64	35,114	15.96
Credit risk debt securities	243,664	72.48	183,689	83.48
U.S. Government bonds	92,496	27.52	36,353	16.52
Total fixed income securities	336,160	100.00 %	220,042	100.00 %
Other securities not rated — equity, international funds and foreign corporate bonds	3,454,088		3,069,284	
Total investments	$ 3,790,248		$ 3,289,326	

Interest Rate Risk Exceptions — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity to a parallel 100 basis point change in interest rates.

Investment Fund (In Thousands)	2023 Fair Value	2023 Duration	2022 Fair Value	2022 Duration
Chase	$ 336,160	5.24	$ 220,042	7.20 *
Total fixed income securities	336,160		220,042	
Portfolio modified duration		5.24		7.20
Investments with no duration reported	$ 3,454,088		$ 3,069,284	
Total investments	$ 3,790,248		$ 3,289,326	

* 2022 Modified Duration was revised from 7.20 to 6.70

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. The Plan also holds investments in American Depository Receipts ("ADRs") which are denominated in U.S. dollars and accounted for at fair value.

The Plan did not have any foreign currency exposures as of December 31, 2023 and 2022.

4. CONTRIBUTIONS

The financial objective of the Plan is to fund, on an actuarial basis, the retirement and death benefits for eligible MaBSTOA employees and beneficiaries. MaBSTOA contributions to the fund are made annually. Contributions to MaBSTOA require the approval of the MaBSTOA Board.

Employer contributions amounted to $328.4 and $158.6 million for the years ended December 31, 2023 and 2022, respectively. Employee contributions amounted to $25.4 million and $25.5 million for the years ended December 31, 2023 and 2022, respectively. Contributions made by employees are accounted for in separate accounts maintained for each employee. Annually, these accounts are credited with interest at 5%. Effective April 1, 1990, MaBSTOA began to deduct employee contributions as pretax contributions under Section 414(h) of the Internal Revenue Code.

Pursuant to Section 7.03 of the MaBSTOA Plan, active plan members are permitted to borrow up to 75% of their contributions with interest. In addition, the maximum allowable outstanding loan amount for a vested employee cannot exceed 50% of the present value of the Accrued Vested Benefit (AVB) less the highest outstanding balances of any pension loan (s) within the previous one-year period from the day a new loan is issued. 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. The Plan granted $6.0 million and $7.4 million in loans to members during 2023 and 2022, respectively. Loan repayments by members amounted to $8.1 and $9.3 million in 2023 and 2022, respectively.

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

5. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2023 and 2022 was as follows (in thousands):

	December 31, 2023	December 31, 2022
Total pension liability	$ 4,685,055	$ 4,526,353
Fiduciary net position	3,810,475	3,310,110
Net pension liability	$ 874,580	$ 1,216,243
Fiduciary net position as a percentage of the total pension liability	81.33 %	73.13 %

Actuarial Methods and Assumptions - The total pension liability as of December 31, 2023 and 2022 was determined by actuarial valuations as of January 1, 2023 and January 1, 2022, respectively, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Additional information of the latest actuarial valuation follows:

Valuation date	January 1, 2023
Actuarial cost method	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial 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
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial Assumptions:	
Investment rate of return	6.50%, net of investment related expenses
Projected salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.
Overtime	For operating employees, rates of overtime vary by years of service and are applied to base salary. For non-operating employees, assumed overtime is 3% of base pay regardless of years of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum, if applicable
Inflation	2.25% per annum

Valuation date	January 1, 2022
Actuarial cost method	Frozen initial liability (FIL) [(1)]
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, mortality change and recognition of Chapter 56 laws of 2022. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial 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
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial Assumptions:	
Investment rate of return	6.50%, net of investment related expenses
Projected salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.
Overtime	For operating employees, rates of overtime vary by years of service and are applied to base salary. For non-operating employees, assumed overtime is 3% of base pay regardless of years of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum, if applicable
Inflation	2.25% per annum

(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.

Until the inception of the Tier 6 provisions in 2012, amendments enacted by State legislation in 2000 reflected the most significant changes to the plan and are summarized as follows:

For operating employees (Chapter 10 of the Laws of 2000):

- All operating employees are automatically included in the 2000 55/25 plan.
- Elimination of the 2.3% additional employees' contributions applicable to members of the 55/25 plan.
- Reduction in the Tier 3 and 4 employee contribution rates from 3.0% to 2.0%.

For managerial and non-operating employees (Chapter 126 of the Laws of 2000):

- Vesting under the Age 57 plan required only five years of service versus ten.
- As of October 1, 2000, regular Tier 3 and 4 employee contributions ceased after the completion of ten years of service.

For retired members (Chapter 125 of the Laws of 2000):

- Automatic cost-of-living adjustments (COLAs). The COLAs apply to retired members as follows:

Retirees at Least age	Retired or Receiving Benefits for at Least
62	5 years
55	10
Disabled retirees	5
Accidental death beneficiaries	5

- Initial COLA payable September 30, 2000, based on the first $18,000 of the maximum retirement allowance.
- Thereafter, annual COLAs of 50% of the increase in the consumer price index (CPI), but not less than 1% or more than 3%, of the first $18,000 of maximum retirement allowance will be payable.

The benefit enhancements, as well as the automatic COLA for retirees, were reflected in the actuarial valuation beginning with the January 1, 2000, valuation.

The Plan adopted several amendments during 2002 as a result of state legislation. Amendments included changes to the definition of active service for Tier 1 and Tier 2 members, extension of the phase-in period from five years to ten years for funding liabilities created by Chapter 125 of the Laws of 2000 and increased accidental disability benefits for Tier 3 and Tier 4 members.

The Plan also adopted the legislative provisions of Chapter 379, which allow current and former members of the Transport Workers Union, Local 100 and Transit Supervisors Organization, Local 106, with an accumulated balance of additional member contributions ("AMC") made in accordance with the MaBSTOA 55/25 Plan enacted in 1994, to apply for a refund of such contributions. The MaBSTOA Board additionally adopted legislative provisions of Chapter 428 of 2016, which provided eligible members a refund of the employee Additional Member Contributions made in the Tier 4 Age 57 and 5 Year Program and the Tier 4 Age 25 and Year 55 Early Retirement Program. AMC refunds amounted to approximately $1.0 million and $1.3 million for the years ended December 31, 2023 and 2022.

At December 31, 2023 and 2022, assets were available to fund 81.3% and 73.1%, of the unfunded actuarial accrued liability (UAAL) when measured using the Entry Age Normal Cost Method per GASB 67 and the market value of assets.

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month.

Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	$3,310,110	12.00	1.00	$3,702,406
Monthly net external cash flows:				
January	(20,150)	11.50	0.96	(22,437)
February	308,280	10.50	0.88	341,740
March	(20,150)	9.50	0.79	(22,014)
April	(20,150)	8.50	0.71	(21,818)
May	(20,150)	7.50	0.63	(21,623)
June	(20,150)	6.50	0.54	(21,406)
July	(20,150)	5.50	0.46	(21,215)
August	(20,150)	4.50	0.38	(21,026)
September	(20,150)	3.50	0.29	(20,815)
October	(20,150)	2.50	0.21	(20,630)
November	(20,150)	1.50	0.13	(20,446)
December	(20,150)	0.50	0.04	(20,241)
Ending Value - December 31, 2023				$3,810,475
Money-Weighted Rate of Return	11.85%			

Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2022	$3,658,351	12.00	1.00	$3,381,696
Monthly net external cash flows:				
January	(6,596)	11.50	0.96	(6,116)
February	(6,596)	10.50	0.88	(6,155)
March	(6,596)	9.50	0.79	(6,198)
April	(6,596)	8.50	0.71	(6,238)
May	(6,596)	7.50	0.63	(6,277)
June	(6,596)	6.50	0.54	(6,322)
July	(6,596)	5.50	0.46	(6,361)
August	(6,596)	4.50	0.38	(6,402)
September	(6,596)	3.50	0.29	(6,447)
October	(6,596)	2.50	0.21	(6,488)
November	(6,596)	1.50	0.13	(6,529)
December	(2,059)	0.50	0.04	(2,053)
Ending Value - December 31, 2022				$3,310,110
Money-Weighted Rate of Return	-7.56%			

Expected Rate of Return on Investments - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the December 31, 2023 and 2022 actuarial valuations are summarized in the following table:

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Caps	S&P 500	18.00%	5.38%
US Small Caps	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Associates US Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
Total		100.00%	
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%

* Based on October 2021 Investment Policy

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2022

Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.27%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.51%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.58%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.40%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.79%
Private Credit	CDL Index	7.00%	6.99%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.99%
US Large Caps	S&P 500	18.00%	5.64%
US Small Caps	Russell 2000	7.00%	7.25%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.90%
Emerging Market Equity	MSCI EM NR	4.50%	9.58%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.81%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.71%
Private Real Estate Property	NCREIF Property	4.00%	4.86%
Private Equity	Cambridge Associates US Private Equity	7.00%	10.74%
Commodities	Bloomberg Commodity	4.00%	2.96%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.52%
Total		100.00%	
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.41%
Portfolio Nominal Mean Return			8.08%
Portfolio Standard Deviation			12.42%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

Discount Rate—The discount rate used to measure the total liability as of December 31, 2023 and 2022 was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Plans' contributions will be made in accordance with the statutory contributions determined by the Actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan, calculated using the discount rate as of 2023 and 2022; as well as what the Plan's net pension 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 for 2023 and 2022:

2023 (in thousands)	**1% Decrease 5.50%**	**Current Discount Rate 6.50%**	**1% Increase 7.50%**
Net pension liability	$ 1,403,484	$ 874,580	$ 426,535

2022 (in thousands)	**1% Decrease 5.50%**	**Current Discount Rate 6.50%**	**1% Increase 7.50%**
Net pension liability	$ 1,729,790	$1,216,243	$ 781,314

6. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is custodian and trustee of plan assets with the exception of Mellon asset management investments in which Mellon Bank N.A. is the custodian. JP Morgan Chase also provides cash receipt and cash disbursement services to the Plan. NEPC reviews the Plan's portfolio, the investment policies as adopted by the Investment Committee and the performance of the Investment Managers. NEPC also provides audit services for the Plan's equity portfolios. Actuarial services were provided to the Plan by Milliman Inc.

7. SUBSEQUENT EVENTS

As of June 30, 2024, a total payment of $133.2 million has been made for the 2025 projected ADC for MaBSTOA Pension Plan.

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
(in millions)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 100	$ 96	$ 94	$ 96	$ 90	$ 87	$ 85	$ 82	$ 77	$ 72
Interest	292	285	274	267	265	256	246	237	232	224
Changes of benefit terms	3	2	-	-	-	-	6	-	-	-
Differences between expected and actual experience	31	(21)	(19)	(1)	9	6	12	14	(69)	(2)
Changes of assumptions	-	-	72	-	169	-	-	-	-	-
Benefit payments and withdrawals	(267)	(258)	(246)	(239)	(221)	(214)	(209)	(188)	(180)	(175)
Net change in total pension liability	159	104	175	123	312	135	140	145	60	119
Total pension liability—beginning	4,526	4,422	4,246	4,123	3,811	3,676	3,536	3,391	3,331	3,212
Total pension liability—ending (a)	4,685	4,526	4,421	4,246	4,123	3,811	3,676	3,536	3,391	3,331
Plan fiduciary net position:										
Employer contributions	328	159	156	159	206	205	203	221	215	226
Employee contributions	26	26	25	25	24	22	20	18	16	15
Net investment income	414	(274)	416	60	447	(88)	350	212	(24)	105
Benefit payments and withdrawals	(267)	(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)	364	263	27	171
Plan fiduciary net position—beginning	3,310	3,658	3,307	3,300	2,844	2,919	2,555	2,292	2,265	2,094
Plan fiduciary net position—ending (b)	3,810	3,310	3,659	3,306	3,300	2,844	2,919	2,555	2,292	2,265
Employer's net pension liability—ending (a)-(b)	$ 875	$ 1,216	$ 764	$ 940	$ 823	$ 967	$ 757	$ 981	$ 1,099	$ 1,066
Plan fiduciary net position as a percentage of the total pension liability	81.33 %	73.13 %	82.73 %	77.76 %	80.05 %	74.63 %	79.40 %	72.26 %	67.58 %	68.00 %
Covered payroll	820	776	808	814	771	767	748	713	686	672
Employer's net pension liability as a percentage of covered payroll	106.60 %	156.83 %	94.54 %	116.01 %	106.67 %	126.11 %	101.32 %	137.54 %	160.30 %	158.74 %

Note: 2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 226,374	$ 226,374	$ -	$ 671,633	33.70 %
2015	214,881	214,881	-	685,998	31.32
2016	220,486	220,697	(211)	713,280	30.94
2017	202,897	202,684	213	747,651	27.11
2018	202,509	205,433	(2,924)	766,562	26.80
2019	209,314	206,390	2,924	771,201	26.76
2020	159,486	159,486	-	813,994	19.59
2021	156,204	156,204	-	807,756	19.34
2022	158,618	158,618	-	775,512	20.45
2023	170,033	328,430	(158,397)	820,468	40.03

(continued)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/ losses are amortized through the calculation of the normal cost in accordance with 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 January 1, mortality change and recognition of Chapter 56 laws of 2022. Future gains/ losses are amortized through the calculation of the normal cost in accordance with 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 January 1, 2020. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. 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, period specified in current valuation report. 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
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Interest rate	Net rate of 6.5% for 2023, per annum, net of investment expenses	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2021, per annum, net of investment expenses	Net rate of 6.5% for 2020, per annum, net of investment expenses	Net rate of 6.5% for 2019, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Deaths after retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80
Salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general, merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, repectively. Larger increases are assured in the first 5 years of a member's career.	Reflecting general, merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, repectively. Larger increases are assured in the first 5 years of a member's career.
Overtime	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, period specified in current valuation report. 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, period specified in current valuation report. 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, period specified in current valuation report. 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, period specified in current valuation report. 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, period specified in current valuation report. 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
Actuarial 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 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Interest rate	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses	Net rate of 7.0% for 2014, per annum, net of investment expenses
Inflation	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Deaths after retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80
Salary increases	Reflecting general, merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, repectively. Larger increases are assured in the first 5 years of a member's career.	Reflecting general, merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, repectively. Larger increases are assured in the first 5 years of a member's career.	In general, merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for nonoperating employees per year, depending on years of service	In general, merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for nonoperating employees per year, depending on years of service	In general, merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for nonoperating employees per year, depending on years of service
Overtime	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap
Cost-of-living adjustments	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)
Provision for expenses	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost

(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.
(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF INVESTMENT RETURNS

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The following table displays the annual money-weighted rate of return calculated net of investment expense for the Plan for:

Fiscal Year Ended December 31	Annual Money-Weighted Rate of Return
2014	4.95
2015	(1.05)
2016	9.16
2017	13.67
2018	(3.01)
2019	15.71
2020	1.84
2021	12.71
2022	(7.56)%
2023	11.85 %

Metropolitan Transportation Authority Defined Benefit Pension Plan

(A Fiduciary Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Supplemental Schedules, and
Independent Auditor's Report

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Pensions
Metropolitan Transportation Authority Defined Benefit Pension Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Defined Benefit Pension Plan (the "Plan) as of December 31, 2023 and 2022, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan'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 fiduciary net position as of December 31, 2023 and 2022, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Plan 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 opinion.

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 opinion. 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 Plan'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 Plan'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 Employers' Net Pension Liability and Related Ratios-Schedule I; Schedule of Employer Contributions-Schedule II; and Schedule of Investment Returns-Schedule III 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 audit 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.

July 29, 2024

This management's discussion and analysis of the Metropolitan Transportation Authority Defined Benefit Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2023 and 2022. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with the Plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statement of Fiduciary Net Position -** presents the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statement of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.

- **The Notes to Financial Statements** - provides additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information** - as required by the Government Accounting Standards Board ("GASB") includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Fiduciary Net Position
December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Increase / (Decrease)			
				2023-2022		2022-2021	
	2023	2022	2021	$	%	$	%
Assets:							
Cash and investments	$ 6,564,261	$ 5,373,544	$ 5,764,053	$ 1,190,717	22.2 %	$ (390,509)	(6.8)%
Receivables and other assets	12,318	6,443	5,210	5,875	91.2	1,233	23.7
Total assets	**$ 6,576,579**	**$ 5,379,987**	**$ 5,769,263**	**$ 1,196,592**	**22.2**	**$ (389,276)**	**(6.7)**
Liabilities:							
Due to broker for securities purchased	16,485	5,789	8,154	10,696	184.8	(2,365)	(29.0)
Other liabilities	6,639	6,164	7,980	475	7.7	(1,816)	(22.8)
Total liabilities	**23,124**	**11,953**	**16,134**	**11,171**	**93.5**	**(4,181)**	**(25.9)**
Net position restricted for pensions	**$ 6,553,455**	**$ 5,368,034**	**$ 5,753,129**	**$ 1,185,421**	**22.1 %**	**$ (385,095)**	**(6.7)%**

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

Cash and investments at December 31, 2023 were $6,564.3 million representing an increase of $1,190.7 million or 22.2% from 2022. This increase is a result of the appreciation of the Plan's investments and higher plan contributions, which included prepaid 2024 Actuarial Determined Contributions ("ADC"), in the amount of $409.2 million net of benefit payments and expenses during 2023.

Receivables and other assets net of liabilities at December 31, 2023 decreased by $5.3 million or 97.8% from 2022. The net decrease is due primarily to an increase in liabilities of $11.1 million related to accrued administrative expenses of $0.5 million and due to broker for securities purchased in the amount of $10.7 million offset by a lower increase in receivables of $3.9 million due from broker from the sale of investments and $1.9 million in accrued interest respectively.

The net position restricted for pensions increased by $1,185.4 million or 22.1% in 2023 as a result of the changes noted above.

<u>December 31, 2022 versus December 31, 2021</u>

Cash and investments at December 31, 2022 were $5,373.5 million representing a decrease of $390.5 million or -6.8% from 2021. This decrease is a result of the underperformance of the Plan's investment and plan contributions net of benefit payments and expenses during 2022.

Receivables and other assets net of liabilities at December 31, 2022 increased by $5.4 million or 21.1% from 2021. This is due primarily to an increase in an amount of $1.2 million due from broker from the sale of investments, plus an increase in liabilities of $4.2 million related to variation margin and due to broker for securities purchased.

The net position restricted for pensions decreased by $385.1 million or -6.7% in 2022 as a result of the changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2023, 2022 and 2021
(Dollars in thousands)

				Increase / (Decrease)			
				2023-2022		2022-2021	
	2023	**2022**	**2021**	**$**	**%**	**$**	**%**
Additions:							
Net investment (loss) / income	$ 695,942	$ (464,022)	$ 646,375	$ 1,159,964	250.0 %	$ (1,110,397)	(171.8)%
Contributions	869,624	435,118	429,976	434,506	99.9	5,142	1.2
Total net additions	**1,565,566**	**(28,904)**	**1,076,351**	**1,594,470**	**5516.4**	**(1,105,255)**	**(102.7)**
Deductions:							
Benefit payments	374,595	351,857	324,999	$ 22,738	6.5	$ 26,858	8.3
Transfer to NYSLERs	890	-	474	890	100.0	(474)	(100.0)
Administrative expenses	4,660	4,334	3,513	326	7.5	821	23.4
Total deductions	**380,145**	**356,191**	**328,986**	**23,954**	**6.7**	**27,205**	**8.3**
Net increase / (decrease) in net position	**1,185,421**	**(385,095)**	**747,365**	**1,570,516**	**407.8**	**(1,132,460)**	**(151.5)**
Net position restricted for pensions:							
Beginning of year	5,368,034	5,753,129	5,005,764	(385,095)	(6.7)	747,365	14.9
End of year	**$ 6,553,455**	**$ 5,368,034**	**$ 5,753,129**	**$ 1,185,421**	**22.1 %**	**$ (385,095)**	**(6.7)%**

December 31, 2023 versus December 31, 2022

Net investment income increased by $1,160.0 million due to increased assets and market values combined for a net investment gain of $695.9 million in 2023 versus a net loss of $464.0 million experienced in 2022.

Contributions increased by $434.5 million or 99.9% in 2023 compared to 2022 as required by higher 2023 ADC paid, member contributions and $414.8 million prepaid 2024 ADC.

Benefit payments increased by $22.7 million or 6.5% over the prior year due to a continuing trend of increases in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

Administrative expenses increased by $0.3 million, or 7.5% over 2022. This increase is due primarily to expenses charged in 2023 for various services provided to the Plan.

December 31, 2022 versus December 31, 2021

Net investment income decreased by $1,110.4 million in 2022 due to net investment loss of $464.0 million in 2022 versus net gain of $646.4 million experienced in 2021.

Contributions increased by $5.1 million or 1.2% in 2022 compared to 2021 as required by the ADC and member contributions from 2021 to 2022.

Benefit payments increased by $26.9 million or 8.3% over the prior year due to a continuing trend of increases in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

Administrative expenses increased by $0.80 million, or 23.4% over 2021. This increase is due primarily to expenses charged in 2022 for various services provided to the Plan.

Economic Factors

Market Overview – 2023

The year 2023 was a surprisingly strong year for markets and was characterized by disinflation, hawkish central banks, stronger than expected global Gross Domestic Product growth, the AI technological boom, and U.S. equity outperformance driven by the Magnificent 7. These positive developments came about despite three significant shocks. The first was higher than expected short-term and long-term interest rates due to central bank reaction functions (Four 25pb rate hikes in the U.S.) to better than expected growth data. Second was the U.S. and European banking sector instability early in the year. And third was the heightened geopolitical risk arising from the Israel-Hamas war. Following the tumultuous conditions of 2022, the economic conditions in 2023 brought with it strong increases in global economic growth rate forecasts, declines in unemployment projections, and suppressed recession concerns. In the US, disinflation, increased interest income, and steady real wages supported above trend line consumption. U.S. household credit usage increased, while debt service ratios still had room to expand, and the unemployment rate remained favorable. Global assets broadly increased, treasury yield volatility increased, the dollar remained strong, and the yield curve has remained sharply inverted for the longest period on record.

Except for commodities, global risk assets had strong performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023, which resulted in one of the better years for the 60/40 equity bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong due to high interest rate differentials, posting gains against the Yen, and losses against the Euro.

Macro Themes

- Higher interest rates for longer
- Geopolitical risk and deglobalization
- Innovation and AI
- Priced in rate cutting for the Fed in 2024

United States

The U.S. economy surprised to the upside, a 2.5% increase in Real GDP growth in 2023, compared to a 1.9% increase in 2022. The unemployment rate increased but remained low, finishing 2023 at 3.7% compared to 3.5% in 2022. Consumer Prices rose only 3.4% in 2023 compared to 6.5% in 2022, while core inflation, which excludes the volatile food and energy components, rose 3.9% in 2023 compared to 5.7% in 2022.

U.S. equities were positive across the board, with the S&P 500 (26.3%) and Russell 1000 (26.5%) indices posting double digit returns. Across capitalizations, Large Cap (S&P 500 Index: 26.3%), Mid Cap (S&P 400 Index: 16.4%), and Small Cap (Russell 2000 Index:16.9%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 42.7%) significantly outperformed Value (Russell 1000

Value Index: 11.5%). Growth was driven by unprecedented concentration and outperformance from the Magnificent 7 (AAPL, AMZN, GOOGL, META, MSFT, NVDA, and TSLA). In 2023, the Mag 7 returned 104.7% which accounted for 62.2% of the S&P 500's total return for the year.

U.S. Treasury yields were volatile in 2023 and the yield curve remained inverted amid the Federal Reserve's four rate hikes. Credit spreads broadly tightened in 2023 except for securitized credit. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 5.5%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 14.6%), High Yield (Bloomberg High Yield Index: 13.4%) and Credit (Bloomberg Credit Index: 8.2%). Positive returns were also realized in Treasuries (Bloomberg US Treasury Index: 4.1%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 3.9%).

International Developed

International developed equity markets (MSCI EAFE Index: 18.2%) posted strong results in 2023 but underperformed the U.S. large cap equity markets. Leading the way was the Japanese (MSCI Japan Index: 20.8%) and European (MSCI Europe Index: 20.7%) markets. The International developed Small Cap (MSCI EAFE SC Index: 13.2%) market also posted double digit returns, but not as high as the International large cap counterpart.

Emerging Markets

Emerging markets posted positive but weaker relative returns in 2023 compared to both the U.S. and international developed equity markets. The broad EM Market (MSCI EM Index: 9.8%) garnished high single digit returns, despite having negative returns from Chinese (MSCI EM China Index: -11.2%) equities. Geopolitical risk, weak demand, and high unemployment dampened sentiment in the Chinese market. However, the EM Small Cap (MSCI EM Small Cap Index: 23.9%) market posted much better returns compared to EM large cap market.

The EM fixed income markets were positive in 2023. Both hard currency bonds, which are bonds predominately issued in U.S. Dollars, and local currency bonds, posted double digit returns. Local currency bonds (JPMorgan GBI-EM Global Diversified Index: 12.7%) outperformed hard currency bonds (JPMorgan EMBI Global Diversified Index: 11.1%).

Commodities

Commodities (S&P Goldman Sachs Commodity Index: -4.3%) were the laggards and had negative performance in 2023. The index was largely influenced by a -28.6% change in Natural Gas Prices. Commodity futures remain backwardated, although the roll yield has declined. Precious Metals and Softs (agricultural products) were the best performers in this category, with Gold spot prices up 13.4% and Cocoa spot prices up 61.4% for the year.

Market Outlook – 2024

Through the first quarter of 2024, equity markets were mostly higher with gains in the low double digits. Growth equities have continued to lead the way, adding on to their 2023 gains. Despite the hawkish Fed, growth and momentum continued to outperform in 2024 driven by strong earnings and the AI secular growth theme. Fixed income markets had a mixed start to 2024, with returns flat to slightly negative for the quarter. Fed speak has been hawkish as inflation has been stickier than expected going into 2024, but rate cuts are still expected towards the end of the year. The only negative area was in the Real Estate asset class due to continued pressure from high interest rates. Markets are expected to be more volatile this year than in 2023, but participants appear to be cautiously optimistic.

2024's macroeconomic backdrop will likely be dominated by private consumption, the Fed's willingness to cut rates, geopolitical tensions, tight credit markets, artificial intelligence, and the 2024 U.S. presidential race. Coming out of 2023, a positive year for risk assets, market participants are optimistic for 2024. Several roadblocks to high growth still loom such as the staggering Commercial Real Estate maturity wall, tight credit markets with low deal flow in private markets, the inverted yield curve, high U.S. government debt, and high equity multiples. Global growth optimism stems from real disposable income growth in a lower inflation environment, strong labor markets, pain from hawkish monetary policy being behind us, global manufacturing activity expected to recover, and that the central banks have proven that they do not need a recession to bring inflation down.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Defined Benefit Pension Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

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METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 and 2022
(In thousands)

	2023	2022
ASSETS:		
Cash	$ 6,418	$ 6,594
Investments at fair value (Notes 2 and 3):		
Investments measured at readily determined fair value	2,628,547	1,893,903
Investments measured at net asset value	3,929,296	3,473,047
Total investments	6,557,843	5,366,950
Receivables:		
Accrued interest and dividends	5,727	3,786
Other receivables	6,591	2,657
Total receivables	12,318	6,443
Total assets	6,576,579	5,379,987
LIABILITIES:		
Due to broker for securities purchased	16,485	5,789
Due to broker for investment fee	2,423	2,240
Due to broker for administrative expenses	304	291
Due to MTA for administrative expenses	3,416	3,076
Other liabilities	496	557
Total liabilities	23,124	11,953
NET POSITION RESTRICTED FOR PENSIONS	$ 6,553,455	$ 5,368,034

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ADDITIONS:		
Investment income / (loss):		
Net realized and unrealized gains / (losses)	$ 645,157	$ (520,371)
Dividends	64,129	72,744
Interest	32,876	16,505
Total investment income / (loss)	742,162	(431,122)
Less:		
Investment expenses	(46,220)	(32,900)
Net investment income / (loss)	695,942	(464,022)
Contributions:		
Employer:		
Metro-North Commuter Railroad Company	276,190	131,865
Long Island Rail Road Company	310,630	151,551
Metropolitan Transportation Authority Headquarters	103,630	48,550
MTA Bus Company	124,360	60,879
Staten Island Rapid Transit Operating Authority	16,510	7,802
Employee	38,304	34,471
Total contributions	869,624	435,118
Total additions / (subtractions)	1,565,566	(28,904)
DEDUCTIONS:		
Benefits paid to participants	374,595	351,857
Transfer of MTA Police Employer & Employee Contributions to NYSLERS	890	-
Administrative expenses	4,660	4,334
Total deductions	380,145	356,191
NET INCREASE / (DECREASE) IN NET POSITION	1,185,421	(385,095)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year	5,368,034	5,753,129
End of year	$ 6,553,455	$ 5,368,034

See notes to financial statements.

1. PLAN DESCRIPTION

The following brief description of the Metropolitan Transportation Authority (the "Authority") Defined Benefit Pension Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General - The Plan represents a cost-sharing employer defined benefit pension plan sponsored by the Authority and administered by the Board of Managers of Pensions, covering:

(a) management employees of the Long Island Rail Road Company ("MTA Long Island Rail Road") hired after January 1, 1988 not governed by collective bargaining agreements;

(b) management employees of the Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") not governed by collective bargaining agreements;

(c) represented MTA Long Island Rail Road employees hired after January 1, 1988, covered by collective bargaining agreements which provide for participation in the plan effective January 1, 2004;

(d) certain represented MTA Metro-North Railroad employees covered by collective bargaining agreements which provide for participation in the plan effective on or after January 1, 2004;

(e) represented and non-represented MTA Long Island Rail Road employees hired prior to January 1, 1988;

(f) Metropolitan Suburban Bus Authority ("MTA Long Island Bus") provided public service in Nassau and Queens Counties. The Authority's Lease and Operating Agreement with Nassau County, dated January 15, 1973, as amended, was terminated effective December 31, 2011. As of January 1, 2012, the MTA Long Island Bus is no longer a member of the MTA Group. Represented and management Metropolitan Suburban Bus Authority ("MTA Long Island Bus") employees hired prior to January 24, 1983 and any MTA Long Island Bus person employed by the MSBA Employees' Pension Trust prior to July 29, 1998 under the MSBA Employees' Pension Plan remained vested employees in the plan;

(g) represented and management employees of the Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") effective January 1st, 2005;

(h) certain represented and management employees of MTA Bus Company ("MTA Bus"), including represented and non-represented employees who were formerly employed by Liberty Lines Express, Inc., New York Bus Tours, Inc., Command Bus Company, Green Bus Lines Inc., Jamaica Buses Inc., Triboro Coach Corporation and represented and most non-represented employees formerly employed by Queens Surface Corporation; and

(i) participants in the MTA Defined Benefit Pension Plan 20 Year Police Retirement program ("MTA Police").

The Plan contains multiple and distinct benefit structures for MTA Metro-North Railroad and MTA Long Island Rail Road management employees, for MTA Metro-North Railroad and MTA Long Island Rail Road represented employees, MTA Police, MTA Long Island Bus employees and MTA Staten Island Railway employees. In addition, there are multiple but distinct benefit structures for the employees of MTA Bus which are based on the plans covering those employees prior to their becoming MTA Bus employees. MTA Bus non-represented employees and employees represented by the UTLO are covered by separate programs. Assets and liabilities are pooled and a single cash contribution amount and annual pension cost is determined. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(b) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Membership of the Plan consisted of the following as of January 1, 2023 and 2022, respectively, the date of the latest actuarial valuations:

	2023	2022
Active Plan Members	19,071	18,394
Retirees and beneficiaries receiving benefits	12,141	11,931
Vested formerly active members not yet receiving benefits	1,736	1,670
Total	32,948	31,995

Funding for the Plan is provided by the Authority, MTA Metro-North Railroad, MTA Long Island Rail Road, MTA Bus and MTA Staten Island Railway which are public benefit corporations that receive a significant portion of their operating and capital financing requirements from New York City, New York State, federal and regional governmental units and from the sale of bonds to the public. Certain funding is made on a discretionary basis. The continuance of funding for the Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

Plan Administration – The Defined Benefit Plan is administered by the Board of Managers of Pensions ("The Board of Managers") which is comprised of:

(a) the persons holding the following positions:
   (i) the Chairman of the MTA;
   (ii) the MTA Chief Financial Officer;
   (iii) the MTA Director of Labor Relations; and
   (iv) the agency head of each participating Employer.

(b) Designation of Others – Any member of the Board of Managers, serving as such by virtue of holding a position described in (a) of this section, may, by written authorization filed with the Secretary who shall notify the other members of the Board of Managers, designate another individual, not then a member of the Board of Managers, to serve in that member's stead, in accordance with procedures established with the approval of the Executive Director. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.

(c) The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

Pension Benefits - Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad, MTA Staten Island Railway and post -1987 MTA Long Island Rail Road employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirement. A participant is eligible for an early retirement allowance upon termination if the participant has attained age 55 and completed at least 10 years of credited service. Terminated participants with 5 or more years of credited service who are eligible for a deferred vested benefit are not eligible to receive a service retirement allowance or early retirement allowance. Deferred vested benefits are payable on an unreduced basis on the first day of the month following the participant sixty-second birthday. Effective in 2007, members and certain former members who become (or became) employed by another MTA agency which does not participate in the Plan continue to accrue service credit based on such other employment. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the final average salary of the subsequent MTA agency, if higher. Moreover, the Plan benefit will be reduced by the benefit, if any, payable by the other plan based on such MTA agency employment. Such member's disability and ordinary death benefit will be determined in the same way.

Retirement benefits are paid from the Plan under the MTA 20-Year Police Retirement Program. A participant is eligible for service retirement at the earlier of completing 20 years of credited Police service or attainment of age 62. Terminated participants with five years of credited police service, who are not eligible for retirement, are eligible for a deferred benefit. Deferred vested benefits are payable on the first of the month following the participant's attainment of age 55.

Retirement benefits paid from the Plan to covered represented MTA Bus employees include service retirement allowances or early retirement allowances. Under the programs covering all represented employees at Baisley Park, Eastchester, La Guardia, Spring Creek, and Yonkers Depots and the represented employees at College Point Depot, JFK, Far Rockaway a participant is eligible for a service retirement allowance upon termination if the participant has attained age 65 and completed at least 5 years of credited service or if the participant has attained age 57 and completed at least 20 years of credited service. A participant hired prior to June 2009 from Baisley Park, College Point, and La Guardia Depots is eligible for an early retirement allowance if the participant has attained age 55 and completed 20 years of credited service. Terminated participants with 5 or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 65.

The MTA Bus retirement programs covering TWU, ATU and TSO represented employees are fixed dollar plans, i.e., the benefits are a product of credited service and a specific dollar amount.

The retirement benefits for certain former employees of the Alliance Companies[1] are based on a participant's service and final average salary. A normal retirement benefit is payable when the participant attains age 62 with 5 years of service. An early retirement benefit is payable when the participant attains age 55 with 15 years of service. The retirement benefit is payable as a single life annuity or, for married participants, as an unreduced 75% joint and survivor annuity.

1 Green Bus Lines, Inc. ("Green"), Command Bus Company, Inc. ("Command"), Triboro Coach Corp. ("Triboro"), and Jamaica Buses, Inc. ("Jamaica") (Green, Command, Triboro and Jamaica), are collectively referred to as the "Transit Alliance Companies".

MTA Bus non-represented employees and employees represented by the UTLO as of January 1, 2017 will earn benefits under a new set of programs. For service prior to 2017, a component calculated by a flat monthly dollar rate multiplied by years of credited service will be added to a final average salary (FAS) component, based on the platforms provided to similarly situated MaBSTOA Pension Plan members. For service on or after January 1, 2017, the final average salary component platform will be based on date of hire, years of credited service and whether the participant holds an operating or non-operating title. Certain former Liberty Lines employees assigned to the former Liberty Lines bus routes also are eligible for a supplemental plan benefit of 0.75% of final average salary per year of Plan service. TWU Local 100 has been certified as the collective bargaining representative for certain titles previously not represented at MTA Bus. Affected employees will participate in these programs, as set forth in the relevant collective bargaining agreement.

An MTA Bus non-represented or UTLO operating employee hired prior to April 1, 2012 participates in a Tier 4 25/55 operating retirement platform. A Tier 4 25/55 operating retirement platform participant with 25 years of Allowable Service receives upon retirement at age 55 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to 2% multiplied by FAS multiplied by service accrued after January 1, 2017, up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by service accrued after January 1, 2017 in excess of 30 years of total service.

An MTA Bus non-represented non-operating employee hired prior to April 1, 2012 participates in a Tier 4 57/5 non-operating retirement platform. A Tier 4 57/5 non-operating retirement platform participant receives upon retirement at age 57 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to, for those with less than 20 years of total service, 1 2/3% multiplied by FAS multiplied by total service accrued after January 1, 2017, or, for those with 20 or more years of total service, 2% multiplied by FAS multiplied by total service accrued after January 1, 2017, up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by total service accrued after January 1, 2017 in excess of 30 years of total service.

An MTA Bus non-represented or UTLO operating employee hired on or after April 1, 2012 participates in a Tier 6 25/55 operating retirement platform. A Tier 6 25/55 operating retirement platform participant with 25 years of Allowable Service receives upon retirement at age 55 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to 2% multiplied by FAS multiplied by service accrued after January 1, 2017 up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by service accrued after January 1, 2017 in excess of 30 years of total service. The flat rate benefit is vested after the completion of five years of total service and the FAS benefit is vested after the completion of ten years of total service.

An MTA Bus non-represented non-operating employee hired on or after April 1, 2012 participates in a Tier 6 63/10 non-operating retirement platform. A Tier 6 63/10 non-operating retirement platform participant receives upon retirement at age 63 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior January 1, 2017, plus a FAS benefit equal to, for those with less than 20 years of total service, 1.67% multiplied by FAS multiplied by total service accrued after January 1, 2017, or, for those with 20 or more years of total service, 1.75% multiplied by FAS multiplied by total service accrued after January 1, 2017, up to 20 years of such service, plus 2% multiplied by FAS multiplied by total service accrued after January 1, 2017 in excess of 20 years of total service. The flat rate benefit is vested after the completion of five years of total service and the FAS benefit is vested after the completion of ten years of total service.

Reduced early retirement benefits are payable under all platforms. The Tier 6 definition of wages for civilian members includes an overtime ceiling which limits overtime compensation for pension purposes to no more than $19,729 and $18,233 for 2023 and 2022, indexed annually thereafter. Any overtime compensation earned in excess of the overtime ceiling is excluded from the final average salary calculation. The Tier 6 definition of wages also excludes wages in excess of the annual salary paid to the New York State Governor, lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked.

TWU, ATU and TSO members who retire after November 16, 2016, and UTLO members and non-represented employees who retire after January 1, 2017 will have their pension benefit increased by a Cost of Living Adjustment (COLA). The COLA is an annual adjustment to the retirement benefit based on the Consumer Price Index (CPI). The following retirees are eligible to receive a COLA: disability retirees, regardless of age, who have been retired for at least 5 years; retirees who are at least age 62 and have been retired for at least 5 years; and retirees who are at least age 55 and have been retired for at least 10 years. Surviving spouses receiving a joint-and-survivor option benefit are eligible to receive 50% of the monthly COLA that would have been paid to the retiree. For TWU, ATU and TSO members, the COLA calculation is based on the first $18,000 of the retiree's normal retirement benefit. For UTLO members and non-represented employees, the COLA calculation is based on the first $18,000 of the retiree's final average salary benefit component. The COLA amount may not be less than 1% nor more than 3% in any year. Once COLA payments begin, they continue automatically and increase each September.

Certain MTA Bus employees represented by TWU Local 100 were granted pension service credit for periods of employment at Liberty Lines Express, Inc. prior to January 3, 2005, with the increase in the Plan benefit offset by the benefit accrued under the TWU-Westchester Private Bus Lines Pension Plan.

Pre-1988 MTA Long Island Rail Road participants are eligible for a service retirement allowance upon termination if the participants have either: (a) attained age 65 and completed at least 5 years of credited service, or if an employee on January 1, 1988 completed at least 10 years of credited service, or (b) attained age 50 and has completed at least 20 years of credited service. Terminated participants who were not employees on January 1, 1988 with 5 or more years of credited service are eligible for a deferred vested benefit. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earning of each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65 regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is 50%.

Death and Disability Benefits - In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after 10 years of covered MTA Bus service; 10 years of credited service for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented employees, covered MTA Staten Island Railway employees and covered MTA police participants.

The disability retirement allowance for covered MTA Metro-North Railroad and MTA Long Island Rail Road management and represented covered MTA Staten Island Railway employees is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS. Under the MTA 20 Year Police Retirement Program, a disabled participant may be eligible for one of three forms of disability retirement: (a) ordinary disability which is payable if a participant has 10 years of credited Police service and is calculated based on the participant's credited Police service and FAS but not less than ⅓ of FAS; (b) performance of duty, which is payable if a participant is disabled in the performance of duty and

is ½ of FAS, and (c) accidental disability, which is payable if a participant is disabled as the result of an on-the-job accidental injury and is ¾ of FAS subject to an offset of Workers' Compensation benefits. Pursuant to the MTA Bus programs, the disability benefit is the same as the service retirement benefit.

Pre-1988 MTA Long Island Rail Road participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Plan may be eligible to receive a disability benefit. Disability pension benefits are calculated based on the participant's qualified service and a percentage of final average compensation reduced by the full amount of the disability benefit under the Federal Railroad Retirement Act.

Survivorship benefits for pre-1988 MTA Long Island Rail Road participants are paid to the spouse when a survivorship option is elected or when an active participant has not divested their spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Metro-North Railroad, post-1987 MTA Long Island Rail Road or MTA Staten Island Railway employee after completion of one year of credited service. The death benefit payable is calculated based on a multiple of a participant's salary based on years of credited service up to three years and is reduced beginning at age sixty-one. There is also a post-retirement death benefit which, in the 1st year of retirement, is equal to 50% of the pre-retirement death benefit amount, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years. For the Police 20 Year Retirement Program, the death benefit is payable after ninety days of credited MTA Police service, and is equal to three times their salary. For non-Police groups, this death benefit is payable in a lump sum distribution while for Police, the member or the beneficiary can elect to have it paid as an annuity. The MTA Police do not have a post-retirement benefit.

In the MSBA Employees' Pension Plan, there are special spousal benefits payable upon the death of a participant who is eligible for an early retirement benefit, or a normal service retirement benefit, or who is a vested participant or vested former participant. To be eligible, the spouse and participant must have been married at least one year at the time of death. Where the participant was eligible for an early service retirement benefit or was a vested participant or former participant, the benefit is a pension equal to 40% of the benefit payable to the participant as if the participant retired on the date of death. Where the participant was eligible for a normal service retirement benefit, the eligible spouse can elect either the benefit payable as a pension, as described in the prior sentence, or a lump sum payment based on an actuarially determined pension reserve. If there is no eligible spouse for this pension reserve benefit, a benefit is payable to the participant's beneficiary or estate.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad or post-1987 MTA Long Island Rail Road employee, a covered MTA Staten Island Railway employee or a covered MTA Police member and dies as the result of an on-the-job accidental injury. This death benefit is paid as a pension equal to 50% of the participant's salary and is payable to the spouse for life, or, if none, to children until age 18 (or 23, if a student), or if none, to a dependent parent.

For MTA Bus employees, there is varied death benefit coverage under the Plan. For all represented and non-represented MTA Bus employees at Eastchester and Yonkers Depots and represented MTA Bus employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek Depots, if a participant dies prior to being eligible for a retirement benefit, the participant's beneficiary may elect to receive a refund of the participant's contributions plus interest.

Moreover, the spouses of the above employees who are vested are entitled to a presumed retirement survivor annuity which is based on a 50% Joint and Survivor annuity. The date as of which such annuity is determined and on which it commences varies among the different programs depending on whether the participants are eligible for retirement and for payment of retirement benefits.

In addition, the spouse of a non-represented MTA Bus employee at Spring Creek, JFK, La Guardia, Baisley Park and Far Rockaway, if such employee is age 55 and has 15 years of service and is a terminated member with a vested benefit which is not yet payable, may elect the presumed retirement survivor annuity or 1/2 the participant's accrued benefit paid monthly and terminating on the 60th payment or the spouse's death. The spouse of a non-represented MTA Bus employee at Yonkers Depot may also receive a pre-retirement survivor annuity from the supplemental plan. If there is no such spouse, the actuarial equivalent of such annuity is payable.

The dependent children of MTA Bus TWU employees of College Point, Baisley Park, and La Guardia hired prior to June 9, 2009 are also entitled to an annuity based on the spouse's pre-retirement survivor annuity (1/2 of the spouse's annuity is payable to each child, but no more than 100% of the spouse's annuity is payable). In addition, the dependent children of retirees who were MTA Bus employees at these Depots are entitled to an annuity based on the presumed retirement survivor's annuity (25% of the spouse's annuity; but no more than 50% of the spouse's annuity is payable).

On July 22, 2020, the MTA Board adopted temporary a COVID-19 Accidental Death Benefits, providing eligible surviving beneficiaries with the option to elect a monthly annuity in lieu of an ordinary death benefit, in certain programs of the Plan. On July 21, 2021, the MTA Board adopted amendments to extend the COVID-19 Accidental Death Benefits for active members of the Plan whose death was caused by COVID-19 from March 1, 2020 through December 31, 2022. It is anticipated that the MTA Board will extend the COVID-19 Accidental Death Benefits to deaths of active members who die though December 31, 2024.

MTA Bus employees represented by TWU 100, ATU 1181, ATU 1179, and TSO 106 participate in Article 14 of the Plan. Unlike other Articles of the Plan, Article 14 provides a monthly survivor benefit (a Qualified Preretirement Survivor Annity ("QPSA") to the spouse of an employee who dies while in active service. The MTA Bus COVID-19 Accidental Death Benefit follows the current benefit structure and enhances the existing QPSA benefit. The MTA Board approved this arrangement, subject to collective bargaining, on July 22, 2020. On July 21, 2021, the MTA Board extended the MTA Bus COVID-19 Accidental Death Benefit for active employees whose death was caused by COVID-19 until December 31, 2022.

Retirement benefits establishment and changes for represented employees are collectively bargained and must be ratified by the respective union and the MTA Board. For non-represented employees, retirement benefit adopted and modifications thereto, are presented to the MTA Board and must be accepted and approved by the MTA Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and additions are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

The accounting and reporting policies of the Plan conform to accounting principles generally accepted in the United States of America (GAAP).

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted – The Plan adopted the following GASB Statement for the year ended December 31, 2023:
GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.
The adoption of this Statement has no material impact on the net position of The Program.
GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the net position of the Plan.
Recent Accounting Pronouncements — Not yet adopted but currently being reviewed

GASB Statement No.	GASB Accounting Standard	MTA DB Pension Plan Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024
103	*Financial Reporting Model Improvements*	2025

Use of Estimates - The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair market value of investments, the annual required contribution and the unfunded actuarial accrued liability.

Benefits - Benefits are recorded when paid.

Contributions - As a condition of participation in the MTA Defined Benefit Pension Plan ("MTADBPP" or the "Plan"), employers and employees are required to contribute to the Plan. The amount of the employer contributions is determined by the Plan actuaries. Employee contribution rates for represented employees are determined by collective bargaining. Employee contribution rates for non-represented employees are set forth in the Plan document as adopted by the MTA Board. If an employee terminates employment with less than 10 (ten) years of credited service in the Plan, the employee may request a refund of his employee contributions with interest. Upon receipt of this refund of contributions, the employee has no claim on any future benefit from the Plan. Employees with more than 10 years of credited service, except for a small group of MTA Bus participants, cannot withdraw their contributions.
Members of the MTA Police Program who have transferred pursuant to Retirement and Social Security Law Section 343 and have not been employed in the MTA Police Program for 15 years may, upon termination of employment, withdraw member contributions. The withdrawal of such transferred police service member contributions shall not terminate membership and rights in the MTA Police Program attributable to Credited Police Service.

Income - Dividend and interest income are recorded when earned.

Securities - Purchases and sales of securities are recorded on a trade-date basis.

Asset Transfers - No assets were transferred to the MTA Defined Benefit Pension Plan for the year 2023.

Administrative Expenses - Administrative expenses of the Plan are paid for by the Plan.

3. CASH AND INVESTMENTS

Investment Policy – The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy as at December 31, 2023.

Asset Class	Target Allocation (%)	Target Range (%)	Policy Benchark
Equities	**43.0**	**33-53**	
Domestic Large Cap	21.0	16-26	S&P 500
Domestic Small Cap	5.0	0-10	Russell 2000
International Developed Markets Equities	11.0	6-16	MSCI EAFE
Emerging Markets Equities	6.0	1-11	MSCI Emerging Markets
Fixed Income	**21.0**	**16-26**	Manager Specific
Global Asset Allocation*	**4.0**	**0-10**	50% World Equity/ 50% Citigroup WGBI unhedged
Private Fixed Income	**7.0**	**0-10**	Manager Specific
Absolute Return	**8.0**	**0-10**	Manager Specific
Real Assets	**5.0**	**0-10**	Manager Specific
Real Estate	**5.0**	**0-10**	Manager Specific
Private Equity	**7.0**	**0-10**	C/A Global all P/E
Total	**100.0**		

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

Investment Objective - The investment objective of the Plan is to achieve the actuarial return target with an appropriate risk position.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk. The overall capital structure targets and permissible ranges for eligible asset classes of the Trust are detailed within the Investment Policy Statement. Full discretion, within the parameters of the guidelines described herein and in any individual investment policy associated with that allocation, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions. Investment managers will be funded through commingled funds or separate account vehicles. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement ("IMA"). Should there be conflicts, the individual manager guidelines set forth in the IMA supersede the general guidelines in the Investment Policy Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle's offering documents. Should there be conflicts, the individual vehicle's investment guidelines supersede the general guidelines in the Investment Policy Statement.

Individual investment manager benchmarks and performance requirements are specified within the Investment Policy Statement. Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

1. The compliance of each investment manager with the guidelines as expressed herein, and
2. The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Investment Managers

- Domestic fixed income investments are permitted, subject to the guidelines reflected in Investment Policy Statement. Yankee bonds, which are dollar denominated foreign securities, may be held by each domestic manager in proportions which each manager shall deem appropriate.

- International fixed income securities are permitted, subject to the guidelines reflected in Investment Policy Statement. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed markets. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging markets denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging markets denominated in local currency. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- Investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies.

- The average duration (interest rate sensitivity) of an actively managed fixed income portfolio shall range within two years of the benchmark's duration.

- For domestic fixed income portfolios, individual manager account for the securities of an individual issuer, excepting the U.S. government and U.S. government agencies, shall not constitute more than 5% at market at any time.

- For international bond portfolios, individual manager account for the securities of any non-governmental issuer shall not constitute more than 5% at market at any time.

Equity Investment Managers

- Domestic equity investments are permitted, subject to the guidelines. American Depository Receipts (ADRs), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges (e.g., Reuters, Nestle, Sony) may be held by each domestic stock manager in proportions which each manager shall deem appropriate.

- International equities are permitted, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia and the Far East) Index represents the opportunity set for international developed markets. The Morgan Stanley Emerging Markets Free Index represents the opportunity set for international emerging markets. These index references are guidelines and do not prohibit investment in securities outside those indexes.

- The equity specialists may vary equity commitment from 90% to 100% of assets under management.

- Individual manager account may hold no more than 10% at market or 1.5x the manager's benchmark weight (whichever is greater) of any single company's stock.

Overlay Manager(s).

- For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Board may retain an overlay manager. The overlay manager shall use exchange traded securities to expose the cash to the long-term target asset allocation.
- In addition, the overlay manager may be utilized for the following:
    a) Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
    b) Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
    c) Provide the market (or "beta") exposures in a portable alpha program,
    d) The overlay manager shall ensure that all futures positions are fully collateralized and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers

Alternative investments are broadly categorized into the following categories:
- Private fixed income
- Real assets
- Real estate
- Absolute return
- Private equity

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time

Derivatives Policy

Where appropriate, investment managers may use derivative securities for the following reasons:
- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.

- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.

- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.

- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments (Separately Managed Accounts)

Unless specifically approved by the Board or set forth in the individual investment guidelines, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. Among these are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Russian securities
- Commodities
- Short sales, and,
- Direct investments in private placements, real estate, oil and gas and venture capital, or funds comprised thereof.

Exceptions:

The Board of Managers, in recognition of the benefits of commingled funds as investment vehicles (i.e., the ability to diversify more extensively than in a small, direct investment account and the lower costs which can be associated with these funds) may, from time to time, allow investment in such funds. The Board recognizes that it cannot give specific policy directives to a fund; therefore, the Board, with the assistance of the investment advisor, will assess and monitor the investments of any funds used by the Plan to ascertain whether they are appropriate.

Investment Valuation and Income Recognition - Investments are presented at fair value based on information provided by JP Morgan Chase (the "trustee"), New England Pension Consultants ("NEPC"), and the investment managers. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available, or net asset value ("NAV"), which is determined to be a practical expedient for measuring fair value. Many factors are considered in arriving at that value. All investments are registered, with securities held by the Plan's trustee, in the name of the Plan. Gains and losses on investments that were sold during the year are included in in the statement of fiduciary net position.

Risks and Uncertainties - The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2023 and 2022:

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	$ 1,097,385	$ 1,097,385	$ -	$ -
Separate account small-cap equity funds	417,768	417,768	-	-
Separate account small-Real Estate Investments Trusts	63,306	63,306	-	-
Separate account - International equity funds	227,211	227,211	-	-
Total equity investments	1,805,670	1,805,670	-	-
Debt Securities				
Mutual funds	241,188	241,188	-	-
Separate account - opportunistic credit/Private debt	78,057	-	78,057	-
Separate account debt funds	503,632	-	503,632	-
Total debt investments	822,877	241,188	581,689	-
Total investments by fair value	$ 2,628,547	$ 2,046,858	$ 581,689	$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	$ 357,010	-	Daily	None
Commingled international equity funds	556,761	-	Daily	None
Commingled emerging market equity funds	294,714	-	Daily, monthly	None
Total equity investments measured at the NAV	1,208,485	-		
Debt Securities				
Commingled debt funds	867,102	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	867,102	-		
Absolute return:				
Direct lending	125,177	100,392	Bi-annually	60 plus days
Distressed securities	23,618	-	Not eligible	N/A
Credit long	61,521	-	Quarterly	3-30 days
Event driven	299	2,067	Quarterly, Bi-annually	60-120 days
Hedge Funds of funds	465,889	-	Quarterly	3-60 days
Risk parity	137,984	-	Not eligible	N/A
Total absolute return measured at the NAV	814,488	102,459		
Venture capital	80	8,930	Not eligible	N/A
Private equity - private equity partnerships	461,155	246,389	Varies	N/A
Commingled real estate funds	243,709	-	Not eligible	N/A
Real assets				
Energy	81,601	37,736	Not eligible	N/A
Infrastructure	11,488	68,636	Not eligible	N/A
Shipping	3,862	926	Not eligible	N/A
Total real assets measured at the NAV	96,951	107,298		
Short term investments measured at the NAV	237,326	-		
Total investments measured at the NAV	3,929,296	$ 465,076		
Total investments at fair value	$ 6,557,843			

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2022	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	$ 624,547	$ 624,547	$ -	$ -
Separate account small-cap equity funds	341,203	341,203	-	-
Separate account small-Real Estate Investments Trust	56,459	56,459	-	-
Separate account - International equity funds	190,169	190,169	-	-
Total equity investments	1,212,378	1,212,378	-	-
Debt Securities				
Mutual funds	312,052	312,052	-	-
Separate account - opportunistic credit/Private debt	68,141	-	68,141	-
Separate account debt funds	301,332	-	301,332	-
Total debt investments	681,525	312,052	369,473	-
Total investments by fair value	$ 1,893,903	$ 1,524,430	$ 369,473	$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	$ 243,804	-	Daily	None
Commingled international equity funds	476,918	-	Daily	None
Commingled emerging market equity funds	248,625	-	Daily, monthly	None
Total equity investments measured at the NAV	969,347	-		
Debt Securities				
Commingled debt funds	596,813	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	596,813	-		
Absolute return:				
Direct lending	185,882	41,533	Bi-annually	60 plus days
Distressed securities	29,182	-	Not eligible	N/A
Credit long	56,164	-	Quarterly	3-30 days
Credit long/short	794	-	Quarterly	3-60 days
Event driven	924	2,051	Quarterly, Bi-annually	60-120 days
Market neutral	-	-	Quarterly	3-60 days
Multistrategy	6,007	-	Monthly	3-30 days
Risk parity	123,791	-	Not eligible	N/A
Total absolute return measured at the NAV	831,147	43,584		
Private equity - private equity partnerships	416,216	264,019	Varies	N/A
Commingled real estate funds	252,345	-	Not eligible	N/A
Real assets				
Energy	102,567	40,903	Not eligible	N/A
Infrastructure	19,208	4,815	Not eligible	N/A
Shipping	7,516	1,839	Not eligible	N/A
Total real assets measured at the NAV	129,291	47,557		
Short term investments measured at the NAV	277,888	-		
Total investments measured at the NAV	3,473,047	$ 355,160		
Total investments at fair value	$ 5,366,950			

Concentration of Credit Risk – Individual investments held by the Plan that represents 5.0% or more of the Plan's net assets available for benefits at December 31, 2023 and 2022 is as follows:

(In Thousands)	2023	2022
Investments at fair value as determined by quoted market prices:		
Robert W. Baird and Company	$ -	$ 301,332
Independent Franchise Partners	357,010	-
JP Morgan Chase Short Term Investment Fund (STIF)	-	281,705
Blackrock Hedge Index	404,014	333,598
Rhumbline Core Bond	489,300	320,550
Rhumbline Large Cap Equity	833,217	399,054

Credit Risk - At December 31, 2023 and 2022, the following credit quality rating has been assigned by a nationally recognized rating organization:

(In Thousands) Quality Rating	2023 Fair Value	Percentage of Fixed Income Portfolio	2022 Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 30,509	5.44 %	$ 30,153	8.36 %
AA	86,264	15.38	79,088	21.94
A	26,444	4.72	23,243	6.44
BBB	92,142	16.43	91,817	25.47
BB	15,228	2.72	4,330	1.20
B	45,731	8.15	-	-
CCC	18,431	3.29	817	0.23
Not Rated	81,260	14.49	61,000	16.92
Credit risk debt securities	396,009	70.62	290,448	80.56
U.S. Government bonds	164,788	29.38	70,077	19.44
Total fixed income securities	560,797	100.00 %	360,525	100.00 %
Other securities not rated — equity, international funds and foreign corporate bonds	5,997,046		5,006,425	
Total investments	$ 6,557,843		$ 5,366,950	

Interest Rate Risk Exceptions - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price's sensitivity to a parallel 100 basis point change in interest rates.

	2023		2022	
Investment Fund (In Thousands)	**Fair Value**	**Duration**	**Fair Value**	**Duration**
JP Morgan Chase	$ 560,797	4.92	$ 360,525	6.57
Total fixed income securities	560,797		360,525	
Portfolio modified duration		4.92		6.57
Investments with no duration reported	5,997,046		5,006,425	
Total investments	$ 6,557,843		$ 5,366,950	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. The Plan also holds investments in American Depository Receipts ("ADRs") which are denominated in U.S. dollars and accounted for at fair market value.

The Plan did not have any foreign currency exposures as of December 31, 2023.

Additional Information - The Plan holdings are part of the MTA Master Trust of which the MTA Defined Benefit Plan participates on a percentage basis. The percentage of the Plan ownership for the year ended December 31, 2023 and 2022 was 91.12% and 90.45% respectively.

	Master Trust Total Plan	MTA Defined Benefit Plan	Master Trust Total Plan	MTA Defined Benefit Plan
	December 31, 2023		December 31, 2022	
	(In thousands)			
Total Investments:				
Investments measured at readily determined fair value	$ 2,884,644	$2,628,547	$ 2,093,923	$ 1,893,903
Investments measured at the NAV	4,312,124	3,929,296	3,839,843	3,473,047
Total investments measured at fair value	$ 7,196,768	$6,557,843	$ 5,933,766	$ 5,366,950

4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2023 and 2022 were as follows (in thousands):

	December 31, 2023	December 31, 2022
Total pension liability	$ 8,277,409	$ 7,877,401
Fiduciary net position	6,553,455	5,368,034
Net pension liability	$ 1,723,954	$ 2,509,367
Fiduciary net position as a percentage of the total pension liability	79.17%	68.14%

Actuarial Methods and Assumptions

The total pension liability as of December 31, 2023 was determined by an actuarial valuation date of January 1, 2023, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Discount Rate

The discount rate used to measure the total liability as of December 31, 2023 and 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the 2023 net pension liability of the Plan, calculated using the discount rate of 6.50%; as well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2023	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	$2,758,448	$1,723,954	$855,028

2022 (in thousands)	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	$3,499,092	$2,509,367	$1,678,112

Additional Important Actuarial Valuation Information

Valuation date	January 1, 2023
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Frozen Initial Liability cost method
Amortization method	For FIL bases, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are amotized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service of the projected population for each group and further weighted by total present value of benefits for each group.
Actuarial 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
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expenses
Projected salary increases	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees
COLAs	60% of inflation assumption or 1.35%, if applicable
Inflation/Railroad Retirement	

Valuation date	January 1, 2022
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Frozen Initial Liability cost method
Amortization method	For FIL bases, 16 years for the Fresh start base of January 1, 2022, 15 years for the mortality change and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are amotized through the calculation of the norma cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service of the projected population for each group and further weighte by total present value of benefits for each group.
Actuarial 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
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expenses
Projected salary increases	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees
COLAs	60% of inflation assumption or 1.35%, if applicable
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses as of December 31, 2023 and 2022 are as follows:

2023 Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	$5,368,034	12.00	1.00	$5,996,233
Monthly net external cash flows:				
January	(28,413)	12.00	1.00	(31,738)
February	801,307	11.00	0.92	887,191
March	(28,413)	10.00	0.83	(31,146)
April	(27,702)	9.00	0.75	(30,100)
May	(28,413)	8.00	0.67	(30,599)
June	(28,413)	7.00	0.58	(30,296)
July	(28,413)	6.00	0.50	(30,029)
August	(28,413)	5.00	0.42	(29,764)
September	(28,413)	4.00	0.33	(29,470)
October	(28,413)	3.00	0.25	(29,210)
November	(28,413)	2.00	0.17	(28,952)
December	(28,413)	1.00	0.08	(28,665)
Ending Value - December 31, 2023				$6,553,455
Money-Weighted Rate of Return	11.70%			

2022 Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2022	$5,753,129	12.00	1.00	$5,292,309
Monthly net external cash flows:				
January	3,335	12.00	1.00	3,068
February	6,933	11.00	0.92	6,420
March	6,933	10.00	0.83	6,469
April	6,933	9.00	0.75	6,512
May	6,933	8.00	0.67	6,555
June	7,655	7.00	0.58	7,293
July	7,125	6.00	0.50	6,834
August	7,125	5.00	0.42	6,880
September	7,125	4.00	0.33	6,932
October	7,125	3.00	0.25	6,978
November	7,125	2.00	0.17	7,025
December	4,580	1.00	0.08	4,759
Ending Value - December 31, 2022				$5,368,034
Money-Weighted Rate of Return	-8.01%			

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2023 and 2022 and are as follows:

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Cap Equity	S&P 500	18.00%	5.38%
US Small Cap Equity	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Associate US Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
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%

* Based on October 2021 Investment Policy

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2022

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.27%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.51%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.58%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.40%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.79%
Private Credit	CDL Index	7.00%	6.99%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.99%
US Large Cap Equity	S&P 500	18.00%	5.64%
US Small Cap Equity	Russell 2000	7.00%	7.25%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.90%
Emerging Market Equity	MSCI EM NR	4.50%	9.58%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.81%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.71%
Private Real Estate Property	NCREIF Property	4.00%	4.86%
Private Equity	Cambridge Private Equity	7.00%	10.74%
Commodities	Bloomberg Commodity	4.00%	2.96%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.52%
Assumed Inflation - Mean			2.33%
Assumed Inflation - Standard Deviation			1.41%
Portfolio Nominal Mean Return			8.08%
Portfolio Standard Deviation			12.42%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

5. CONTRIBUTIONS

Employer contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the Plan are recognized in the period in which the contributions are due. There are no contributions required under the Metropolitan Suburban Bus Authority Employee's Pension Plan.

The following summarizes the types of employee contributions made to the Plan.

Effective January 1, 1994, covered MTA Metro-North Railroad and MTA Long Island Rail Road non-represented employees are required to contribute to the Plan to the extent that their Railroad Retirement Tier II employee contribution is less than the pre-tax cost of the 3% employee contributions. Effective October 1, 2000, non-represented employee contributions, if any, were eliminated after 10 years of making contributions to the Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 through December 31, 1993 and MTA Long Island Rail Road employees may purchase prior service from January 1, 1988 through December 31, 1993 by paying the contributions that would have been required of that employee for the years in question, calculated as described in the first sentence, had the Plan been in effect for those years.

Police Officers who became participants of the MTA Police Program prior to January 9, 2010 contribute to that program at various rates. Police Officers who became participants on or after January 9, 2010 but before April 1, 2012 contribute 3% up to the completion of 30 years of service, the maximum amount of service credit allowed. Police Officers who become participants on or after April 1, 2012 contribute 3%, with additional new rates starting April 2013, ranging from 3.5%, 4.5%, 5.75%, to 6%, depending on salary level, for their remaining years of service.

MTA Bus represented participants make contributions in accordance with their respective collective bargaining agreements and arbitration awards. MTA Bus non-represented employees are accessed contributions for their flat rate benefit of $10.33 for each week for the period from January 1, 2012 through December 31, 2016. Effective January 1, 2017, MTA Bus non-represented operating employee hired prior to April 1, 2012 contribute 2% of gross wages. MTA Bus non-represented non-operating employee hired prior to April 1, 2012 contribute 4.85% of gross wages for ten years of service after January 1, 2017, and then 1.85% gross salary thereafter until retirement. Contributions levels for MTA Bus non-represented employees hired on or after April 1, 2012, which are required until retirement, are determined every year at the beginning of the calendar year, and are based on annual wages during the prior year and the following schedule:

Annual Wages Earned During the Prior Year	Contribution Rate
Up to $45,000	3.00%
$45,001 to $55,000	3.50%
$55,001 to $75,000	4.50%
$75,001 to $100,000	5.75%
Greater than $100,000	6.00%

In 2017, a reserve was established for fifteen former MTA employees in accordance with Chapter 533 of the Laws of 2015. As of December 31, 2023 and 2022, total transfer in the amounts of $3.6 million and $2.7 million, to the New York State and Local Police and Fire Retirement System allowed former MTA Police employees to transfer membership and contributions to the New York State and Local Police and Fire Retirement System from the MTA Defined Benefit Plan.

Covered MTA Metro-North Railroad represented employees and MTA Long Island Rail Road represented employees who first became eligible to be Plan participants prior to January 30, 2008 contribute 3% of salary. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. MTA Long Island Rail Road represented employees who became participants after January 30, 2008 contribute 4% of salary. For the MTA Staten Island Railway employees, contributions are not required after the completion of 10 years of credited service. MTA Long Island Rail Road represented employees are required to make the employee contributions for 10 years, or 10 years if hired after certain dates in 2014 as per collective bargaining agreements. Certain Metro-North represented employees, depending on their collective bargaining agreements, are required to make the employee contributions until January 1, 2014, January 1, 2017, June 30, 2017, or the completion of required years of credited service as per the relevant collective bargaining agreements.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by Depot. MTA Bus is required to make significant annual contributions to the MTA Plan on a current basis. Pursuant to the January 1, 2023 actuarial valuations for the MTA Plan, which included amounts for actuarial assets and liabilities relating to both active and retired members for most portions of the former private plans (excepting, for example, members of the Transport Workers Union — New York City Private Bus Lines Pension Trust who were working on school bus routes which did not become part of MTA

Bus service), MTA Bus recorded pension expense equal to the valuation annual required contribution of $124.4 and $60.9 for the calendar years ended December 31, 2023 and 2022. Both of these employer contributions were paid to the MTA Plan in their respective years.

6. ACTUARIAL METHODS AND ASSUMPTIONS

A. Actuarial Valuation Method

The Frozen Initial Liability method was used for determining the actuarial determined contribution comprising the normal cost-plus amortization payments of the frozen unfunded actuarial accrued liability. The Normal Cost equals the present value of future employer normal contributions divided by the average future working lifetime factor. This factor equals the present value of future compensation or for MTA Bus represented members, present value of future general wage increases divided by current compensation or the member count weighted by general wage increases (less certain retirements) and weighted by the present value of benefits for each membership group.

The Entry Age Normal (EAN) method is used for determining changes in the frozen unfunded actuarial accrued liability due to plan provisions and assumption changes. For MTA Bus members with benefits indexed to general wage increases, the entry age normal cost uses assumed general wage increases rather than payroll, which conforms to a method compliant for GASB 67 purposes. For MTA Bus non-represented members where benefits are bifurcated into a past service level dollar component and a future service MaBSTOA benefit component, the EAN normal cost assumes that the MaBSTOA style benefits were in effect for the member's entire career.

For groups where service was reported as of the valuation date, Entry Age is based on an effective date of hire equal to the valuation date less provided service plus any purchased service, but not reflecting any military service purchased.

B. Asset Valuation Method

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

Actuarial Value of Assets = $MV_t - .8UR_1 - .6UR_2 - .4UR_3 - .2UR_4$

Where

MV_t = Market Value of assets as of the valuation date.

UR_n = Unexpected return during the n^{th} year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

The market value of assets is adjusted for any contributions made in the current year attributable to a prior year less any contributions made in a prior year and attributable to a future year, determined for each Agency independently.

C. Actuarial Assumptions Universal to all Groups

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2012 to December 31, 2017, with certain assumptions modified subsequently. The mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

Interest - 6.50% per annum, compounded annually, net of investment expenses.

Railroad Retirement Wage Base - 3.25% per year.

Consumer Price Index - 2.25% per year.

Cost of Living Increases - 60% of inflation assumption or 1.35% per annum, compounded annually for Police and MTA Bus members eligible for a cost of living adjustment.

Provision for Expenses - Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior three year's reported administrative expenses.

Valuation Compensation - The valuation compensation is equal to the annualized base salary as of December 31, 2021 as provided by the MTA adjusted for wage increases granted after the valuation date but retroactive to earlier periods, multiplied by the assumed salary increases for the year. Salary increases are assumed to occur on average at mid-year. Retroactive wage adjustments are as follows:

- MTA Metro-North represented employees: 5.319% (union codes 2, 8, 6, 7, 13, 19, 20, 21,25, 75, 76), 9.842% (union codes 8, 11, 15, 26, 29, 39,69, 79) or 10.651% (union code 3)
- Long Island Railroad represented employees: (union code 21A) or 5.319% (union codes 03A, 03B, 09A, 24A, 24B) 7.688% Union code 21A) or 9.842% (union codes 06H, TCA, TCI)
- Police: $5,000 is added to base salary

Vacation Pay Retirement Load - Earnings in a member's last year of employment is increased for accrued vacation time. A maximum of 240 hours may be accrued increasing a member's final year's pensionable earnings by at most approximately 11.5% of base compensation. The adjustment represents the percentage of the 240 hour accrued vacation maximum, varies by years of service, and is applied upon retirement. This load is applied to all members, except MTA Bus Company.

Accrued Vacation Load

Years of Service	Percentage of 240 Hour Maximum	Years of Service	Percentage of 240 Hour Maximum
5	15.00 %	13	55.00 %
6	20.00	14	60.00
7	25.00	15	65.00
8	30.00	16	70.00
9	35.00	17	75.00
10	40.00	18	80.00
11	45.00	19	85.00
12	50.00	20+	90.00

Mortality - Preretirement and postretirement healthy annuitant rates are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

Preretirement: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for rail males, 92% for MTA Bus males and 100% for females. For Police, the

Mortality Rates for NYC Active Members of Transit and TBTA Ordinary and Accidental Death (no projection scale is applied to the Accidental Death table).

Postretirement Healthy Lives: Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for rail males, 92% for MTA Bus males and 100% for females. For Police, the Mortality Rates for NYC Service Retirees for Housing Police and Transit Police.

Postretirement Disabled Lives: PRI-2012 Disabled Annuitant mortality table for males and females. For Police, the Mortality Rates for NYC Disabled Retirees for Housing Police and Transit Police.

Postretirement Disabled Lives: PRI-2012 Disabled Annuitant mortality table for males and females. For Police, the Mortality Rates for NYC Disabled Retirees for Housing Police and Transit Police.

Post-termination Death Benefits - For current inactive participants eligible for post-retirement death benefits, an amount of $25,000 ($10,000 for certain M.S.B.A. inactive participants) is assumed to be payable at death. For current terminated vested members, $100,000 is assumed to be payable at death prior to retirement.

Benefit Adjustments for Retirees: For members that retired in the past two years, a 2% load was applied to benefits to account for potential increases when the benefits are finalized (3% for management members of Long Island Rail Road or Metro-North Railroad).

In addition, the following loads were applied to recent retirees to account for wage increases that are effective retroactively but have not yet been reflected in the benefit calculation.

	Years of Retirement					
Group	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Metro-North ACRE	0.25 %	1.50 %	3.00 %	5.00 %	7.00 %	9.50 %
MetroNorth Other Represented	0.00	0.00	0.25	1.25	2.75	5.00
Long Island Rail road Represented	0.00	0.00	0.25	1.25	2.75	5.00
SIRTOA - UTU / SMART	0.25	1.50	3.00	5.00	7.00	9.50
SIRTOA - TCU / ATDA	0.00	0.00	0.25	1.25	2.75	5.00
Police	0.00	0.25	1.25	2.75	4.00	5.25

Participant Data – Benefits were estimated for vested members who terminated during the past year and prior years if no benefit was provided. If transferred to another agency within MTA, but no longer receiving service accruals, wrap around benefit was estimated by increasing vested benefit by 3.5% per year until date first eligible for unreduced retirement reflecting all service and if applicable, adjusted benefit percentage from 1.67% to 2.0%.

Service for MTA Police, MTA Metro-North Railroad and MTA Long Island Rail Road represented and management members is based on the sum of credited service, purchased service and military service provided by MTA.

For inactive MTA Police, MTA Metro-North and MTA Long Island Rail Road represented and management participants, future offsets for Railroad Retirement benefits are estimated and assumed to occur at age 62 or age 60 if the member had accrued 30 years of service, unless disabled or it appears the offset has occurred. For inactive Long Island Rail Road Pension participants, offsets for Railroad Retirement benefits are estimated and assumed to occur at the member's age 65. Benefits, net of any Railroad Retirement benefits, are estimated for vested members who terminated during the past year if not provided by the Authority.

If not provided, the maximum retirement allowance was estimated for police and MTA Bus retirees eligible for COLA adjustments.

Benefits Not Valued: COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

D. Changes in Actuarial Assumptions Universal to all Groups

There are no changes since the prior valuation impacting all groups.

E. Actuarial Assumptions - MTA Defined Benefit Pension Plan — Management

Salary Scale - Salaries are assumed to increase in accordance with the following schedule:

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0	8.00 %	8	4.70 %
1	8.00	9	4.60
2	7.00	10	4.50
3	6.50	11	4.25
4	5.50	12	4.00
5	5.00	13	3.75
6	4.90	14	3.50
7	4.80	15+	3.25

Overtime - None

Termination - Withdrawal rates vary by years of service. Illustrative rates are shown below:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	6.00 %	7	2.00 %
2	5.50	8	1.75
3	5.00	9	1.50
4	4.50	10 - 14	1.25
5	3.00	15 - 19	1.00
6	2.50	20+	0.50

Retirement - Rates vary by years of service and type of retirement. Rates apply upon benefit eligibility from ages 55 to 79. Certain retirement age is 80. Illustrative rates are shown below:

Years of Service	Reduced Early Retirement	Unreduced Early Retirement
<10	2.00 %	5.00 %
10-19	2.00	10.00
20	5.00	30.00
21-29	5.00	20.00
30	N/A	50.00
31+	N/A	30.00 [1]

[1] At age 55, rate is 50.00%

Disability - Rates vary by age and apply at 10 or more years of service until age 64. For Staten Island Railway, rates apply until eligible for normal retirement and completion of 20 years of service. No rates of accidental disability are assumed. Illustrative rates are shown below:

Age	Disability Rate
25	0.045 %
30	0.049
35	0.052
40	0.073
45	0.113
50	0.138
55	0.191
60	0.259
64	0.323

Employee Contributions - No employee contributions have been anticipated for future years.

Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

F. Actuarial Assumptions - MTA Defined Benefit Pension Plan — Rail Agencies Represented Employees

Salary Scale - Salaries are assumed to increase based on years of service in accordance with the following schedule:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	12.50 %	6	4.25 %
2	11.50	7	4.00
3	10.00	8	3.75
4	10.00	9	3.50
5	6.00	10+	3.25

Overtime - Rates of overtime vary by years of service and Agency. They are applied to base salary in accordance with the following schedule for Long Island Rail Road and Metro-North Railroad. For Staten Island Railway, assumed overtime is 15% of base pay regardless of the years of service. No overtime is applied to members receiving benefits upon death or disability.

Long Island Rail Road

Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	21.00 %	13	31.00 %
4	22.00	14	32.00
5	23.00	15	33.00
6	24.00	16	34.00
7	25.00	17	35.00
8	26.00	18	36.00
9	27.00	19	37.00
10	28.00	20	38.00
11	29.00	21	39.00
12	30.00	22+	40.00

Metro-North Railroad

Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	20.00 %	17	27.75 %
4	21.00	18	28.00
5	22.00	19	28.25
6	23.00	20	28.50
7	24.00	21	28.75
8	25.00	22	29.00
9	25.50	23	29.50
10	26.00	24	30.00
11	26.25	25	30.50
12	26.50	26	31.00
13	26.75	27	32.00
14	27.00	28	33.00
15	27.25	29	34.00
16	27.50	30+	35.00

Termination - Withdrawal rates vary by years of service. Illustrative rates are shown below:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	3.50 %	7	1.20 %
2	2.00	8	1.10
3	1.75	9	1.00
4	1.50	10-14	0.75
5	1.40	15 - 19	0.50
6	1.30	20+	0.50

Retirement - Rates vary by years of service and type of retirement. Rates apply upon benefit eligibility from ages 55 to 79. Certain retirement age is 80. Illustrative rates are shown below:

Years of Service	Reduced Early Retirement	Unreduced Early Retirement
<10	2.00 %	5.00 %
10-19	2.00	10.00
20	5.00	30.00
21-29	5.00	20.00
30	10.00 *	50.00 **
31+	N/A	30.00 ***

*** At age 55, rate is 50.00%
Fot Metro-North Non-ACRE represented members hired after the New Participant Date:
* Applies at age 60 to 61
** Applies at age 62
*** At age 62, rate is 50%

Disability - Rates vary by age and gender and apply at 10 or more years of service until age 64. For Staten Island Railway, rates apply until eligible for normal retirement and completion of 20 years of service. Prior to 10 years of service, a rate of 0.025% for accidental disability is assumed for all ages.   Illustrative rates are shown below:

	Rates of Disability				
Age	M	F	Age	M	F
20	0.151 %	0.227 %	45	0.246 %	0.372 %
25	0.151	0.227	50	0.447	0.674
30	0.151	0.227	55	0.857	1.285
35	0.164	0.239	60	1.739	2.608
40	0.183	0.277	64	2.366	3.549

Changes in Actuarial Assumptions - The retirement assumption for Metro-North Non-ACRE represented members hired after the New Participant Date was updated for consistency with other union groups to reflect the availability of collecting benefits from the Railroad Retirement Board at completion of 30 years of rail service.

G. Actuarial Assumptions - MTA 20-Year Police Retirement Program

Salary Scale - Salary increases vary by year and reflect longevity increases. Illustrative rates are shown below.

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0 - 1	12.5 %	9	8.75 %
2	15.5	10 – 13	3.25
3	13.0	14	8.75
4	20.5	15 – 18	3.25
5	13.0	19	8.75
6	8.0	20 – 23	3.25
7	6.0	24	8.75
8	4.0	25+	3.25

Overtime - Rates of overtime vary by years of service. They are applied to base salary in accordance with the following schedule. No overtime is applied to members receiving benefits upon death or disability.

Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	20.00 %	9	26.00 %
4	21.00	10	27.00
5	22.00	11	28.00
6	23.00	12	29.00
7	24.00	13	30.00
8	25.00	14+	30.00

Termination - Withdrawal rates vary by length of service. Illustrative rates are shown below:

Years of Service	Termination Rate
<5	2.50 %
5– 9	0.25
10+	0.00

Retirement - Rates vary by age and years of service. Rates apply upon benefit eligibility from up to age 61. Certain retirement age is 62. Illustrative rates are shown below:

	Years of Service at Retirement		
Age	**20**	**21 - 28**	**29+**
<50	20.00 %	7.50 %	20.00 %
50 - 54	30.00	15.00	20.00
55 - 61	30.00	20.00	25.00

Disability - Ordinary rates vary by age and apply between 10 and 20 years of service. A rate of 0.025% for accidental disability is assumed for all ages and service periods. Illustrative rates are shown below:

Age	Ordinary	Age	Ordinary
25	0.1132 %	45	0.7311 %
30	0.1318	50	1.0608
35	0.1856	55	1.3329
40	0.4283	60	1.4149

Benefits Not Valued – Railroad benefit offset.

Changes in Actuarial Assumptions — Except as noted in Universal Assumption section, there are no further changes.

H. Actuarial Assumptions - MSBA Employees Pension Plan

Benefit Estimates - Due to the insignificant number of active employees, benefits are estimated based on plan provisions and actuarial assumptions used for management benefits, except for the overtime assumption. No railroad offset is assumed.

Overtime – Members are assumed to earn overtime equal to the following percentage of their rates of pay:

Years of Service	Rate
Under 25 years of service	17.00 %
25 to 29 years of service	20.00
30 or more years of service	23.00

Changes in Actuarial Assumptions Except as noted in Universal Assumption section, there are no further changes.

I. Actuarial Assumptions - MTA Long Island Rail Road Pension Plan/Plan for Additional Pensions

Salary Scale - Rates of pay are assumed to increase at a rate of 3.0% per annum.

Overtime/unused Vacation Pay - Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

Termination - Withdrawal rates vary by age. Illustrative rates are shown below:

Age	Rate	Age	Rate
20	2.12 %	45	0.96 %
25	1.64	50	0.80
30	1.44	55	0.60
35	1.36	60	0.00
40	1.16	65	0.00

Retirement - Assumed retirement rate varies by year of eligibility.

Eligibility Period	Rate of Retirement
First Year	40 %
Years 2–4	33
Years 5	37
Years 6–7	35
Years 8–9	33
Years 10–15	55
Years 16 and above	100

Terminated vested participants are assumed to retire upon first eligibility, or attained age if later.

Interest on Employee Contributions - Assumed to be 3.5% per year for future years.

Participant Data - Benefits under the Plan are frozen and based on information provided by MTA Headquarters, Consolidated Pensions.

Benefits Not Valued - Disability benefits since all active plan participants are eligible for retirement.
Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

J. Actuarial Assumptions - MTA Bus

Salary Scale for Non-represented Employees - Salaries are assumed to increase at 3.25% for Article 18 members and in accordance with the following schedule for other non-represented employees:

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0	6.00 %	12	3.90 %
1	7.00	13	3.80
2	6.50	14	3.70
3	6.25	15	3.60
4	6.00	16	3.50
5 - 9	4.50	17	3.40
10	4.30	18	3.30
11	4.10	19+	3.25

Overtime - None

General Wage Increase (GWI) - The benefit level and contribution rate are assumed to increase 2.75% each year based on the anniversary of the last actual or assumed scheduled increase for TWU Local 100, ATU 1179, ATU 1181 and TSO represented employees. The benefit level for ATU 1179, ATU 1181, and TSO represented employees are assumed to follow the same increase pattern as TWU Local 100.

Termination - Withdrawal rates vary by years of service, employee type and operating/non-operating distinction. Illustrative rates are shown below:

For represented employees:

Year of Service	Termination Rate	Year of Service	Termination Rate
0	14.00 %	5 - 9	2.25 %
1	6.00	10 - 14	1.75
2	3.00	15 - 1 9	1.25
3	2.75	20+	1.00
4	2.50		

For non-represented employees:

Year of Service	Operating	Non - Operating
0	13.00 %	8.50 %
1	6.00	8.50
2	3.50	7.50
3	3.00	6.50
4	2.50	5.00
5 - 9	2.25	3.00
10 - 14	1.75	2.00
15 -1 9	1.25	1.00
20+	1.00	1.00/0.50 *

* 1% applies if less than age 50 and 0.5% applies if age 50 and older

Retirement - Rates vary by age, service, employee type, Tier, Operating/Non-operating distinction, and retirement eligibility. Rates apply upon benefit eligibility until age 79. Certain retirement age is 80. Terminated vested members are assumed to retire at first eligibility for an unreduced benefit. Illustrative rates are shown below:

For represented members:

	Years of Service at Retirement		
Age	<10	10-19	20+
57	N/A	N/A	25.00 %
58-61	N/A	N/A	20.00
62-64	N/A	N/A	30.00
65 - 79	5.00	30.00	30.00

For certain former non-represented employees of Alliance Companies (Article 18):

Age	Retirement Rate
55–56	6 %
57–58	8
59	9
60–61	13
62	25
63–64	15
65	100

For non-grandfathered non-represented employees:

Tier	Operating/Non-operating	Age	<10	10-19	20	21-24	25	26+
4	Operating	55 - 56	N/A	N/A	N/A	N/A	40 %	30 %
4	Operating	57 - 61	N/A	N/A	N/A	N/A	40	25
4	Operating	62 - 79	5 %	15 %	30 %	20 %	40	30
4	Non-operating	57–79	5	10	25	25	25	25
6	Operating	55 - 56	N/A	N/A	N/A	N/A	40	30
6	Operating	57 - 62	N/A	N/A	N/A	N/A	40	25
6	Operating	63 - 79	N/A	15	30	20	40	30
6	Non-operating	55–59	N/A	0.5	1	1	1	1
6	Non-operating	60–61	N/A	1	2	2	2	2
6	Non-operating	62	N/A	3	6	6	6	6
6	Non-operating	63–79	N/A	10	25	25	25	25

For grandfathered non-represented employees:

For employees hired prior to January 1, 2017, retirement conditions are modified to reflect a single commencement date at the earliest eligible retirement date among former MTA Bus Article 14,15,16,17, and 19 provisions and MaBSTOA-style provisions. Retirement rates for these members reflect a phase-in of retirement rates used as of January 1, 2017 under the prior benefit structure and the retirement rates used under the current benefit structure.

Disability - Rates vary by age, employee type and apply at 10 or more years of service until eligibility for retirement for represented employees and until eligible for unreduced retirement and completion of 20 years of service for non-represented employees. Illustrative rates are shown below:

For represented employees:

Age	Disability Rate	Age	Disability Rate
20	0.250 %	45	0.678 %
25	0.270	50	0.827
30	0.292	55	1.145
35	0.314	60	1.552
40	0.440	64	1.938

For non-represented employees:

Age	Disability Rate	Age	Disability Rate
20	0.042 %	45	0.113 %
25	0.045	50	0.138
30	0.049	55	0.191
35	0.052	60	0.259
40	0.073	64	0.323

Marriage - 80% of members are assumed to be married with wives 3 years younger than males.

Interest on Employee Contributions - Future years assumed to be 0.25% greater than inflation or 2.5% per year for represented employees and for the accumulated balances as of December 31, 2016 for non-represented employees.

Benefits Not Valued - Former Article 15 represented members who may be eligible for reduced retirement at attainment of age 55 and completion of 20 years of service is expected to have an insignificant cost.

The $2,500 post-retirement death benefit for represented members is not valued since premiums are paid outside of the Plan Trust.

The $10,000 post-retirement death benefit for former Queens Surface, Jamaica and Triboro Bus Service non-represented Employees (former Article 15) is not valued since premiums are paid outside of the Plan Trust.

The accidental death and dismemberment benefit for former Queens Surface, Jamaica and Triboro Bus Service non-represented Employees (former Article 15) is not valued as the costs are paid outside of the Plan Trust.

Form of payment - Normal Form, except that all former Liberty Lines Bus non-represented employees (former Article 13) members are assumed to elect the lump sum payment option. Lump sums valued using lump sum mortality table published by the IRS and a 4.5% assumed interest rate.

Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

7. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is the custodian and trustee of plan assets with the exception of Mellon asset management investments in which Mellon Bank N.A. is the custodian. JP Morgan Chase also provides cash receipt and cash disbursement services to the Plan. NEPC reviews the Plan's portfolio, the investment policies as stipulated by the Board of Managers and the performance of the Investment Managers. NEPC also provides audit services for the Plan's equity portfolios. Actuarial services were provided to the Plan by Milliman Inc.

8. SUBSEQUENT EVENTS

As of June 30, 2024, a total payment of $289.6 million has been made for the 2025 projected ADC for MTA DB Pension Plan.

Part QQ of Chapter 56 of the Laws of 2024 (“Chapter 56/2024”) reduced the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for Tier 6 members of the New York State and Local Police and Fire Retirement System. Chapter 56/2024 also provides for Tier 6 New York State and Local Police and Fire Retirement System members that if the wages earned during any year of credited service included in the period used to determine final average salary exceeds the average of the wages of the previous two years (not four years, as under precious law) of credited service by more than 10%. Collective bargaining requirements require the adoption of Chapter 56/2024 for the MTA Police Program.

SCHEDULE I

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
(in thousands)

		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:											
Service cost	$	230,704	220,423	213,674	213,495	173,095	162,273	148,051	138,215	124,354	121,079
Interest		515,016	485,878	455,230	427,672	387,193	358,118	335,679	308,009	288,820	274,411
Changes of benefit terms		349	-	-	-	-	61,890	76,511	73,521	6,230	-
Differences between expected and actual experience		23,934	95,172	20,656	92,019	35,935	75,744	(27,059)	86,809	121,556	2,322
Changes of assumptions		5,490	-	113,662	-	690,958	-	10,731	-	(76,180)	-
Benefit payments and withdrawals		(375,485)	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Net change in total pension liability		400,008	449,616	477,749	439,350	1,022,196	415,676	310,937	396,931	265,208	206,755
Total pension liability – beginning		7,877,401	7,427,785	6,950,036	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738	3,892,983
Total pension liability – ending (a)		8,277,409	7,877,401	7,427,785	6,950,036	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Plan fiduciary net position:											
Employer contributions		831,320	400,648	396,144	394,986	344,714	338,967	321,861	280,768	221,694	331,259
Member contributions		38,304	34,471	33,832	32,006	31,504	29,902	31,027	29,392	34,519	26,006
Net investment income		695,942	(464,023)	639,374	92,044	647,264	(150,422)	516,153	247,708	(45,122)	102,245
Benefit payments and withdrawals		(375,485)	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Administrative expenses & Transfer to investments		(4,660)	(4,334)	(3,513)	(3,660)	(3,408)	(3,152)	(4,502)	(3,051)	(1,962)	(9,600)
Net change in plan fiduciary net position		1,185,421	(385,095)	740,364	221,540	755,089	(27,054)	631,563	345,194	9,557	258,853
Plan fiduciary net position – beginning		5,368,034	5,753,129	5,012,765	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220	2,806,367
Plan fiduciary net position – ending (b)		6,553,455	5,368,034	5,753,129	5,005,764	4,779,569	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220
Employer’s net pension liability – ending (a)-(b)	$	1,723,954	2,509,367	1,674,656	1,944,272	1,731,117	1,464,010	1,021,280	1,341,906	1,290,169	1,034,518
Plan fiduciary net position as a percentage of the total pension liability		79.17%	68.12%	77.45%	72.03%	73.41%	73.33%	79.87%	71.82%	70.44%	74.77%
Covered payroll	$	2,349,672	2,113,336	1,970,242	1,996,960	1,996,090	1,984,629	1,805,156	1,724,219	1,603,924	1,544,050
Employer’s net pension liability as a percentage of covered payroll		73.37%	118.85%	85.00%	97.36%	86.73%	73.77%	56.58%	77.83%	80.44%	67.00%

In accordance with GASB No. 67, paragraph 50, such information was not readily available for periods prior to 2014.

2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

SCHEDULE II

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions
(in thousands)

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)		Covered Payroll	Contribution as a % of covered Payroll
2014	$ 271,523	$ 331,259	$ (59,736.00)	*	$ 1,544,050.00	21.45%
2015	273,730	221,694	52,036		1,603,924	13.82%
2016	290,415	280,768	9,647		1,724,219	16.28%
2017	316,916	321,861	(4,945)		1,805,156	17.83%
2018	331,566	338,967	(7,401)		1,984,629	17.08%
2019	349,928	344,714	5,214		1,996,090	17.27%
2020	392,921	394,986	(2,065)		1,996,960	19.78%
2021	394,366	396,144	(1,778)		1,970,242	20.11%
2022	404,245	400,648	3,597		2,113,336	18.96%
2023	416,538	831,320	(414,782)	*	2,349,672	35.38%

* Excess for 2014 reflects a prepaid contribution toward the 2015 Actuarially Determined Contribution.

* Excess for 2023 reflects a prepaid contribution toward the 2024 Actuarially Determined Contribution.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan for are as follows:

Valuation Dates	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are amotized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 16 years for the Fresh start base of January 1, 2022, 15 years for the mortality change and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are amotized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 18 years for the Fresh start base as of January 1, 2020 and period specified in current valuation report for specific plan change bases. 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 or service, of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 18 years for the Fresh start base as of January 1, 2020 and period specified in current valuation report for specific plan change bases. 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 or service, of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, period specified in current valuation report for specific plan change bases. Fresh start base as of January 1, 2020 will be determined based on the Plan's unfunded Entry Age Normal liability less amortization balances remaining plan change bases. 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 each group
Actuarial 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 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.50% for 2023, per annum, net of investment expenses	Net rate of 6.50% for 2022, per annum, net of investment expenses	Net rate of 6.50% for 2021, per annum, net of investment expenses	Net rate of 6.50% for 2020, per annum, net of investment expenses	Net rate of 6.50% for 2019, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Railroad retirenment wage base	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.
Salary increases	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees
Overtime	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Cost-of-living adjustments	1.35% per annum (2)	1.35% per annum (2)	1.35% per annum (2)	1.35% per annum (2)	1.35% per annum (2)
Provision for expenses	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost

(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.
(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan for are as follows:

Valuation Dates	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, period specified in current valuation report. 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 each group	For FIL bases, period specified in current valuation report. 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 each group	For FIL bases, period specified in current valuation report. 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 each group	For FIL bases, period specified in current valuation report. 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 each group	For FIL bases, period specified in current valuation report. 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 each group
Actuarial 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 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 value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses
Inflation	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Railroad retirenment wage base	3.5% per year	3.5% per year	3.5% per year	3.0% per year	3.0% per year
Mortality	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement ona generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.
Salary increases	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.5% for MTA Bus hourly employees	Varies by years of employment, and employee group; 3.5% for MTA Bus hourly employees
Overtime	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Cost-of-living adjustments	1.375% per annum (2)	1.375% per annum (2)	1.375% per annum (2)	1.375% per annum (2)	1.375% per annum (2)
Provision for expenses	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost

(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.
(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

Required Supplementary Information (Unaudited)
Schedule of Investment Returns

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2014	3.58%
2015	(1.47%)
2016	7.97%
2017	14.94%
2018	(3.67%)
2019	16.06%
2020	1.91%
2021	12.67%
2022	(8.01%)
2023	11.70%

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2023.

Metropolitan Transportation Authority

Employee Benefit Plans Presentation Financial Statements For The Year Ended December 31, 2023

7/29/2024

MTA Benefit Plans Financial Statements

December 31, 2023

#	BENEFIT PLAN NAME	TYPE	EMPLOYEES COVERED	TOTAL NET ASSETS	TOTAL MEMBERSHIP
1	MTA DEFINED BENEFIT PENSION PLAN	Defined Benefit Pension Plan	Covers certain LIRR non-represented and represented employees hired after December 31, 1987, MNCRR non-represented and certain represented employees, MTA Police, SIRTOA non-represented and represented employees, certain employees of MTA Bus and certain employees of the former LI Bus hired prior to January 23, 1983.	$6,553,455	32,948
2	MANHATTAN and BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN	Defined Benefit Pension Plan	MaBSTOA employees of the Transit Authority who are specifically excluded from NYCERS.	$3,810,475	15,930
3	LONG ISLAND RAILROAD COMPANY PLAN FOR ADDITIONAL PENSIONS	Defined Benefit Pension Plan	Long Island Railroad employees hired effective July 1, 1971 and prior to January 1, 1988.	$711,781	4,989
4	METRO NORTH COMMUTER RAILROAD COMPANY CASH BALANCE PLAN	Defined Benefit Pension Plan	Metro North Railroad employees hired prior to June, 1983	$253	25
5	MTA DEFERRED COMPENSATION PROGRAM	Defined Contribution Plans - (401K & 457)	All MTA non-represented employees and most represented employees.	$9,686,059	401K = 64,891 457 = 50,636
6	MTA RETIREE WELFARE BENEFITS PLAN (OPEB PLAN)	Retiree Benefits Welfare Plan	The MTA Group's retired employees and their eligible spouses and dependents.	$1,373,905	122,632

* Note: MTA employees are also participants in NYCERS (New York City Employees' Retirement System) with approximately 36,299 active members and NYSLERS (New York State and Local Retirement System) with approximately 1,717 active members.

Note: $'s in thousands.

MTA Benefit Plan Financial Statements

The MTA's Benefit Plans Financial Statements are prepared in conformity with Generally Accepted Accounting Principles in the United States (GAAP) using accounting standards established by the Government Accounting Standards Board (GASB). They include 4 sections as follows:

1. Managements' Discussion & Analysis (MD&A)
2. The basic Financial Statements which include:
   - The Statement of Fiduciary Net Position
   - The Statement of Changes in Fiduciary Net Position
3. The Notes to the Financial Statements
4. Required Supplementary Information (RSI)

MTA Pension Plans (including cost-sharing multi-employer) and MTA OPEB Plan

($'s in Thousands)	Balances as of December 31, 2023				
PENSION PLAN	Pension Liability	Plan Net Assets	Net Pension Liability	Funded Ratio	FY23 Contributions
Single Employer					
1 MTADB PLAN (MTA Group)	(8,277,409)	6,553,455	(1,723,954)	79.2%	829,720
2 MABSTOA Plan	(4,685,055)	3,810,475	(874,580)	81.3%	328,430
3 LIRR Additional Plan	(1,200,887)	711,781	(489,106)	59.3%	140,400
4 MNCRR Cash Balance Plan	(262)	253	(9)	96.6%	13
Total Single Employer Plans	**$ (14,163,613)**	**$ 11,075,964**	**$ (3,087,649)**	**78.2%**	**$ 1,298,563**
Cost-Sharing Multi-Employer Plans					
5 NYSLERS - MTA % = 0.30%	(697,412)	633,123	(64,289)	90.8%	14,205
6 NYCERS - MTA % = 22.07%	(22,147,583)	18,208,983	(3,938,600)	82.2%	763,929
Total Multi-Employer Plans	**$ (22,844,995)**	**$ 18,842,106**	**$ (4,002,889)**	**82.5%**	**$ 778,134**
TOTAL CONSOLIDATED PENSIONS	**$ (37,008,608)**	**$ 29,918,070**	**$ (7,090,538)**	**80.8%**	**$ 2,076,697**

OPEB PLAN	OPEB Liability	Plan Net Assets	Net OPEB Liability	Funded Ratio	FY23 Contributions
MTA Retiree Welfare Benefits Plan	**$ (21,595,402)**	**$ 1,373,905**	**$ (20,221,497)**	**6.4%**	**$ 2,139,096**

Metropolitan Transportation Authority
(A Component Unit of the State of New York)

Financial Statements as of and for the Years Ended
December 31, 2023, and 2022,
Required Supplementary Information, Supplementary Information,
Independent Auditor's Reports, Schedule of Expenditures of
Federal Awards, Schedule of State of New York Department of
Transportation Assistance Expended, and Schedule of Findings
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METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Metropolitan Transportation Authority (the "MTA"), a component unit of the State of New York, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the MTA'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 MTA as of December 31, 2023 and 2022, 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) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 MTA, 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 MTA is a component unit of the State of New York. The MTA requires significant subsidies from, and has material transactions with, the City of New York, the State of New York, and the State of Connecticut, and depends on certain tax revenues that are economically sensitive. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subcription-Based Information Technology Arrangements,* as of January 1, 2022. The adoption of GASB Statement No. 96 resulted in the restatement of the 2022 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 MTA'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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 MTA'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 required supplementary information on pages 7-25 and 113-141, as listed in the table of contents, 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the MTA's basic financial statements. The supplementary information on pages 142-148, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information on pages 142-148 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the MTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MTA's internal control over financial reporting and compliance.

June 18, 2024

FINACIAL STATEMENT

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INDEPENENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of
Metropolitan Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of the Metropolitan Transportation Authority (the "MTA"), a component unit of the State of New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the MTA's basic financial statements, and have issued our report thereon dated June 18, 2024, which contains emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* as of January 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered MTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MTA's internal control. Accordingly, we do not express an opinion on the effectiveness of MTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MTA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 18, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of
Metropolitan Transportation Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Metropolitan Transportation Authority's (the "MTA"), a component unit of the State of New York, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the MTA's major federal programs for the year ended December 31, 2023. The MTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the MTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the MTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to MTA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the MTA's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the MTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 MTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the MTS's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on MTA's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. MTA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA as of and for the year ended December 31, 2023, and have issued our report thereon dated June 18, 2024, which contained unmodified opinions on those financial statements which included emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2022. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

July XX, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal ALN Number	Federal Agency/Program Description/Grant Title	Pass-through Identifying Number	Grant Agreement Date	Pass-through to subrecipient	Federal Expenditures
	U.S. Department of Transportation/Federal Transit Administration				
20.500	**Federal Transit—Capital Investment Grants—Section 3 Discretionary Grants**				
	Direct - U.S. Department of Transportation/Federal Transit Administration:				
	Federal Transit Cluster:				
	COVID-19 - ARP Act MTA FY21 ESA	NY-2021-037	8/23/2021	$ -	$ 4,445,418
	Subtotal Federal Transit—Capital Investment Grants—Section 3 Discretionary Grants			$ -	$ 4,445,418
20.507	**Federal Transit—Formula Grants (Urbanized Area Formula Program)—Section 9 and 9A Formula Grants and Operating Assistance Grants**				
	Direct - U.S. Department of Transportation/Federal Transit Administration:				
	MTA Bus Sec 5307 FFY06 and 07/Security Projects	NY-90-X594	9/24/2008	-	369,294
	MTA FY10 §5307 LIRR/MNR/NYCT Projects	NY-90-X663	9/13/2011	-	14,157,199
	MTA FY11 §5307 LIRR/MNR/NYCT Projects	NY-90-X674	7/10/2012	-	9,211,177
	MTA Bus FY13 Formula	NY-90-X703	7/10/2013	-	351,190
	MTA FY 12 5307 LIRR/MN/NYCT Projects	NY-90-X722	9/19/2013	-	39,964,030
	MTA FY 12 5307 LIRR/MN/NYCT Projects	NY-90-X727	7/31/2014	-	4,029,655
	MTA Bus Radio Cmd Ctr (Cont'd)	NY-90-X738	9/19/2014	-	484,007
	MTA FY14 §5307 LIRR/MNR/NYCT Projects	NY-90-X749	3/13/2015	-	15,685,562
	MTA BUS §5307 FY10-FY14 Projects	NY-2016-025	8/24/2016	-	1,900,571
	MTA BUS - Bus Radio System Funding	NY-2016-029	8/24/2016	-	1,841,205
	MTA BUS §5307 FY10-FY14 Projects	NY-2016-046	8/24/2016	-	2,559,197
	MTA NYCT and MNR (Sixth Capital Program) 5307	NY-2017-044	9/18/2017	-	3,354,119
	MTA FY16-17 5307 NYCT/MNR/LIRR	NY-2017-047	9/18/2017	-	23,243,622
	MTA NYCT Section 5307 R211 Subway Car	NY-2018-059	9/10/2018	-	29,739,866
	MTA FY17 / FY18 § 5307 NYCT/MNR/LIRR	NY-2018-071	9/22/2017	-	16,647,919
	MTA NYCT/MNR (Flex)	NY-2019-052	9/3/2019	-	33,024,245
	MTA MNR Croton Falls Parking - CMAQ	NY-2019-055	8/26/2019	-	538,642
	MTA Bus Section 5307- 2017/2018	NY-2019-057	8/23/2019	-	3,063,256
	MTA Bus Section 5307 - 2018	NY-2019-058	8/22/2019	-	543,882
	MTA FY18 / FY19 § 5307 NYCT/MNR/LIRR	NY-2019-067	1/15/2020	-	8,669,379
	MTA FY19 / FY20 § 5307 NYCT/MNR/LIRR	NY-2020-069	9/2/2020	-	34,870,447
	MTA FY 2020 Flex	NY-2020-073	9/2/2020	-	121,487,669
	MTA FY20 Section 5307 NYCT/MNR/LIRR - Stations/ADA	NY-2020-074	7/2/2021	-	12,939,380
	MTA FY19 / FY20 § 5307 NYCT/LIRR	NY-2020-077	8/26/2020	-	65,505,339
	MTA FY21 Section 5307 NYCT/MNR/LIRR	NY-2021-018	6/15/2021	-	61,343,706
	MTA Bus Section 5307 - 2021- 110 Standard Bus Buy Remaining Funding	NY-2021-038	8/12/2021	-	195,721
	MTA FY21 Section 5307 NYCT - Stations	NY-2021-041	8/18/2021	-	71,026,448
	MTA FY21 Section 5307 NYCT/MNR/LIRR - Stations/ADA	NY-2021-043	8/18/2021	-	82,561,101
	MTA FY21 § 5307 NYCT/MNR/LIRR 2	NY-2021-045	8/18/2021	-	47,764,846
	MTA FY 2021 CMAQ (Flex 2)	NY-2021-054	9/3/2021	-	15,951,670
	MTA FY 2021 Flex	NY-2021-055	9/3/2021	-	11,696,596
	MTA FY21 Section 5307 NYCT/MNR/LIRR	NY-2021-056	9/3/2021	-	46,847,207
	MTA FY21 Section 5307 NYCT	NY-2021-065	9/22/2021	-	3,720,511
	COVID- 19- MTA Section 5307 CRRSAA Operating Assistance	NY-2022-001	12/8/2021	-	1,596,407
	COVID- 19 - MTA Section 5307 ARP Operating Assistance	NY-2022-002	1/4/2022	-	26,213,439
	MTA FY22 § 5307 MNR Park Avenue Viaduct	NY-2022-043	9/9/2022	-	83,877,736
	MTA FY21 § 5307 NYCT/MNR/LIRR	NY-2022-048	9/14/2022	-	17,664,623
	MTA FY22 5307 NYCT Elevators/Traction Power	NY-2022-049	9/13/2022	-	9,866,211
	MTA FY22 5307 NYCT/LIRR	NY-2022-052	9/14/2022	-	15,052,575
	MTA Bus Section 5307 FFY 2022	NY-2022-054	9/14/2022	-	2,788,857
	MTA FY22 CMAQ & STP (Flex) LIRR/MNR	NY-2022-061	9/16/2022	-	240,971
	MTA FY21 § 5307 NYCT/LIRR ADA Stations	NY-2022-064	9/19/2022	-	16,299,628
	MTA FY22 § 5307 NYCT/LIRR/MNR	NY-2022-065	9/16/2022	-	1,126,534
	MTA FY23 5307 NYCT - Purchase R211 RailCars (Option 1)	NY-2023-071	9/8/2023	-	3,028
	MTA FY 2023 CMAQ (Flex) NYCT ADA Parkchester- East 177th Street	NY-2023-080	9/8/2023	-	8,327,717
	MTA FY23 5307 NYCT/LIRR 1	NY-2023-099	9/14/2023	-	5,941,202
	Subtotal Federal Transit—Formula Grants (Urbanized Area Formula Program)—Section 9 and 9A Formula Grants and Operating Assistance Grants			$ -	$ 974,287,586

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal ALN Number	Federal Agency/Program Description/Grant Title	Pass-through Identifying Number	Grant Agreement Date	Pass-through to subrecipient	Federal Expenditures
	U.S. Department of Transportation/Federal Transit Administration				
20.525	**Federal Transit Administration—State of Good Repair Grants Program**				
	Direct - U.S. Department of Transportation/Federal Transit Administration:				
	MTA FY 13 SGR LIRR/MNR/NYCT §5337	NY-54-0001	5/7/2014	$ -	$ 4,380,894
	MTA FY14 SGR LIRR/MNR/NYCT §5337	NY-54-0004	3/3/2015	-	14,848,314
	MTA FY16-17 SGR LIRR/MNR/NYCT §5337	NY-2017-043	9/12/2017	-	3,625,214
	MTA NYCT Section 5337 R211 Subway Car	NY-2018-060	9/11/2018	-	212,463,214
	MTA FY15 SGR LIRR/MNR/NYCT §5337	NY-2018-072	9/20/2018	-	3,349,416
	MTA § 5337 NYCT ADA and Reconstruction Times Square Shuttle	NY-2019-014	7/24/2019	-	1,808,220
	MNR - Locomotive Purchase	NY-2019-047	8/26/2019	-	14,111,104
	MTA FY18/FY19 § 5337 NYCT/LIRR	NY-2019-050	8/27/2019	-	27,908,552
	MTA FY18 / FY19 § 5337 NYCT/MNR/LIRR II	NY-2019-065	9/23/2019	-	36,147,639
	MTA FY20 § 5337 NYCT/MNR/LIRR	NY-2020-083	8/26/2020	-	92,363,839
	MTA FY21 § 5337 NYCT/MNR/LIRR	NY-2021-016	8/26/2020	-	125,318,434
	MTA FY21 § 5337 NYCT/MNR/LIRR 2	NY-2021-042	8/26/2020	-	1,277,416
	MTA FY21 Section 5337 NYCT/LIRR - Stations/ADA	NY-2021-046	8/26/2020	-	85,849,471
	MTA 5337 SGR NYCT Emergency Exit 168 St	NY-2021-061	9/3/2021	-	881,318
	MTA FY21 Section 5337 NYCT - Stations	NY-2021-064	9/22/2021	-	1,290,882
	MTA FY21 § 5337 NYCT/LIRR 2	NY-2022-012	7/7/2022	-	29,819,927
	MTA FY22 § 5337 NYCT - Rolling Stock R211	NY-2022-014	8/2/2022	-	978,803
	MTA FY22 § 5337 LIRR	NY-2022-045	9/14/2022	-	37,807,674
	MTA FY23 5337 NYCT/LIRR 3	NY-2023-094	9/12/2023	-	6,185,656
	MTA FY23 5337 NYCT ADA Stations	NY-2023-101	9/14/2023	-	1,311,167
	Subtotal Federal Transit Administration—State of Good Repair Grants Program			$ -	$ 701,727,154
20.526	**Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs**				
	MTA BUS SEC.5339	NY-2016-040	9/16/2016	$ -	$ 2,169,437
	MTA NYCT SEC.5339	NY-2017-045	8/29/2017	-	14,801,910
	MTA BUS SEC.5339	NY-2019-056	9/24/2019	-	11,808,832
	MTA FY2020 MTA Bus 5339	NY-2020-066	8/19/2020		10,248,532
	MTA NYCT SEC.5339	NY-2021-036	8/10/2021	-	1,816,816
	MTA FY22 5339 (b) Competitive NYCT Quill Depot	NY-2022-029	8/29/2022	-	5,670,087
	MTA FY22 § 5339 NYCT	NY-2022-053	9/14/2022	-	1,747,491
				$ -	48,263,105
	Subtotal Federal Transit Administration—Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs			$ -	$ 749,990,259
	Total Federal Transit Cluster			$ -	$ 1,728,723,263
	U.S. Department of Transportation/Federal Railroad Administration				
	Pass-Through - State of New York Department of Transportation: Railroad Safety Program:				
20.301	Railroad Safety Infrastructure Improvement Grant Program ("RSIIG")	FRA-D036246	1/1/2019	$ -	$ 351,251.00
	MTA Expansion of Trespassing and Suicide Prevention Initiatives	FR-TSP-0003-22	1/11/2022	-	15,007
				$ -	$ 366,258
	Federal-State Partnership for Intercity Passenger Rail:				
20.326	Hudson Avenue Grade Crossing Rehabilitation and Safety Improvements	FRA-69A36521402780	5/27/2021	$ -	$ 47,009
	Penn Station Access - Hell Gate Line Catenary System State of Good Repair Replacement	FR-FPS-2000-23	4/18/2023	-	4,259,628
				$ -	$ 4,306,637
	Direct - U.S. Department of Transportation/Federal Transit Administration:				
20.321	Railroad Safety Technology Grants- MNR CRISI Program PTC Grant	NY-2019-049	8/20/2019	$ -	$ 375,567
20.521	New Freedom Program- GCT Elevator	NY-57-X018	9/10/2010	$ -	$ 5,501

(Continued)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Federal ALN Number	Federal Agency/Program Description/Grant Title	Pass-through Identifying Number	Grant Agreement Date	Pass-through to subrecipient	Federal Expenditures
	U.S. Department of Transportation/Federal Transit Administration				
20.527	**Public Transportation Emergency Relief Program**				
	NY MTA Hurricane Sandy Relief 5324	NY-44-X007	1/28/2014	$ -	$ 5,771,694
	NY MTA Hurricane Sandy Relief 5324	NY-44-X008	9/23/2014	-	7,275,937
	NY MTA Hurricane Sandy Relief 5324	NY-44-X012	2/12/2015	-	22,726,419
	MNR Power&Signals Resiliency Improvement	NY-44-X015	8/18/2015	-	80,480
	Emergency Communications Enhancements	NY-44-X016	9/2/2015	-	5,458,712
	Internal Station Hardening NYCT	NY-44-X017	9/2/2015	-	257,250
	MTA NYCT CR Protection of Street Level Openings in Flood Prone Areas	NY-2017-032	8/22/2017	-	817,153
	MTA LIRR Flood Resiliency for Long Island City Yard	NY-2017-034	8/24/2017	-	8,956,847
	NY MTA Hurricane Sandy Relief 5324	NY-2017-052	8/31/2017	-	120,346,284
	MTA NYCT CR Sec. 5324 Pumping Capacity Improvements	NY-2018-019	7/13/2018	-	534,742
	MTA NYCT Rockaway Line Protection CR - (Part 1: Hammels Wye)	NY-2018-025	7/17/2018	-	11,312,850
	MTA NYCT CR Sec. 5324 Protection of Tunnel Portals and Internal Sealing Part 1 (Resiliency)	NY-2018-028	7/17/2018	-	1,210,411
	MTA NYCT CR Sec. 5324 Right-of-Way (ROW) Equipment Hardening in Flood-Prone Areas	NY-2018-038	8/16/2019	-	2,907
	MTA LIRR CR Sec. 5324 New York-New Jersey River to River Rail Resiliency (R4) Project	NY-2018-039	9/5/2018	-	293,949
	MTA NYCT CR Sec. 5324 Flood Mitigation in Yards	NY-2018-052	8/17/2018	-	148,941,531
	MTA NYCT CR Sec. 5324 Flood Resiliency for Critical Bus Depots	NY-2019-020	7/23/2019	-	78,854
	MTA NYCT CR Sec. 5324 Flood Resiliency for Critical Support Facilities	NY-2019-028	7/29/2019	-	4,752,148
	MTA NYCT CR Sec. 5324 Hardening of Substations	NY-2019-044	8/14/2019	-	10,721,879
	MTA FY 2019 5324 Recovery & LPR -Part 7	NY-2019-066	8/26/2019	-	9,397,637
	Total Public Transportation Emergency Relief Program			$ -	358,937,684
20.530	**Public Transportation Innovation Program**				
	FY20 SRD - Designed for Impact - Safety & Collision Fatality Reduction	NY-2021-009	8/25/2021	$ -	$ 662,064
	MTA FFY 21 Section 5312 Transit's Path Forward in a Pandemic	NY-2021-014	6/25/2021	-	275,000
				$ -	$ 937,064
	TOTAL FROM U.S. DEPARTMENT OF TRANSPORTATION			**$ -**	**$ 2,093,651,974**
	U.S. Department of Homeland Security:				
	Pass-Through - State of New York Department of Emergency Management:				
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)—SANDY 2015	FEMA 4085 DRNYM (Capital)	1/23/2014	$ -	$ 2,118,639
	Disaster Grants—Public Assistance (Presidentially Declared Disasters)—SANDY 2015	FEMA 4085 DRNYC (Capital)	2/24/2017	-	669,050
	Disaster Grants—Public Assistance (Presidentially Declared Disasters)—SANDY 2015	FEMA DRNY (Operating)	11/23/2012	-	420,765
	Total Disaster Grants—Public Assistance (Presidentially Declared Disasters) Program			$ -	$ 3,208,454
	Direct - U.S. Department of Homeland Security:				
97.056	Port Security Grant program	FE2019-PU-00158	9/1/2019	$ -	$ 278,467
97.075	Rail and Transit Security Grant	FE2019-RA-00004	9/1/2019	$ 3,446,866	$ 4,499,094
	Rail and Transit Security Grant	FE2020-RA-00005	12/11/2020	3,299,437	11,716,200
	Rail and Transit Security Grant	FE2021-RA-00004	9/13/2021	3,024,112	7,054,099
	Rail and Transit Security Grant	FE2022-RA-00006	9/13/2022	179,839	182,670
	Total Rail and Transit Security Grant Program			$ 9,950,254.00	$ 23,452,063.00
	TOTAL FROM U.S. DEPARTMENT OF HOMELAND SECURITY			$ 9,950,254	$ 26,938,984
	TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 9,950,254	$ 2,120,590,958

See accompanying Notes to Schedule of Expenditures of Federal Awards.

(Concluded)

1. SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies — Expenditures reported on the schedule of expenditures of federal awards (the "Schedule") are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Basis of Presentation - The accompanying Schedule includes the federal award activity of the Metropolitan Transportation Authority ("MTA"), a component unit of the State of New York under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the MTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of the MTA.

Financial Reporting Entity — The Metropolitan Transportation Authority ("MTA" or "MTA Group") was established under the New York Public Authorities Law and is a public benefit corporation and a component unit of the State of New York 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 financial reporting entity consists of subsidiaries and affiliates, considered component units of the MTA, because the Board of the MTA serves as the overall governing body of these related entities.
The Reporting entity includes:
(1) the MTA is comprised of the following:

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.

- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.

- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in New York State ("NYS") and New Haven and Fairfield counties in Connecticut.

- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.

- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.

- MTA Construction and Development Company ("MTA Construction and Development"), formerly called MTA Capital Construction Company, provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.

- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.

- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.
- MTA Grand Central Madison Operating Company ("MTA GCMOC") operates and maintains the infrastructure and structures supporting Long Island Rail Road access into Grand Central Terminal.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Construction and Development, MTA Bus, MTA New York City Transit, MTA Bridges and Tunnels, and MTA GCMOC collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.

The subsidiaries and affiliates, considered component units of the MTA, are operationally and legally independent of the MTA. These related groups enjoy certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, they are included in the MTA's consolidated financial statements as blended component units because of the MTA's financial accountability for these entities and they are under the direction of the MTA Board (a reference to "MTA Board" means the board of MTAHQ and/or the boards of the other MTA Group entities 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 these related groups in its financial statements. While certain units are separate legal entities, they do have legal capital requirements and the revenues of all of the related groups of the MTA are used to support the organizations as a whole. The components do not constitute a separate accounting entity (fund) since there is no legal requirement to account for the activities of the components as discrete accounting entities. Therefore, the MTA financial statements are presented on a consolidated basis with segment disclosure for each distinct operating activity. All of the component units publish separate annual financial statements, which are available by writing to the MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, New York 10004.

Basis of Accounting — 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 and other employee benefit trust funds of the MTA. Separate financial statements are presented for the fiduciary funds.

2. INDIRECT COST RATE

The MTA has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. PASS-THROUGH PROGRAMS

When the MTA receives Federal funds from a government entity other than the Federal government ("pass-through"), the funds are accumulated based upon the Assistance Listing Number ("ALN") number advised by the pass-through grantor.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) YEAR ENDED DECEMBER 31, 2023

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

The regulations and guidelines governing the preparation of Federal and State financial reports vary by state and Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal and state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule of Expenditures of Federal Awards, which is prepared as explained in Note 1 above.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

***Internal control over financial reporting*:**

Material weakness(es) identified	____Yes	**X** No
Significant deficiency(ies) identified?	____Yes	X None Reported
Noncompliance material to financial statements noted?	____Yes	**X** No

Federal Awards

***Internal Control over major programs* :**

Material weakness(es) identified	___Yes	**X** No
Significant deficiency(ies) identified?	___Yes	**X** No

Type of auditor's report issued on compliance for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? X Yes ___No

Information of Major Programs:

ALN Number(s)	Name of Federal Program
20.500/507/525/526	Federal Transit Cluster.
20.527	Public Transportation Emergency Relief Program
20.326	Federal-State Partnership for Intercity Passenger Rail
97.075	Rail and Transit Security Grant

Dollar threshold used to distinguish between Type A and Type B programs: $ 6,361,773

Auditee qualified as low-risk auditee? Yes

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

3. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See Pages 161-162.

Reference Number: 2023-001

Federal Agency: U.S. Department of Homeland Security
Federal Program: Rail and Transit Security Grant Program
ALN Number: 97.075
Contract Number: FE2019-RA-00004; FE2020-RA-00005; FE2021-RA-00004; FE2022-RA-00006
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Deficiency-Non-Compliance

(1) CRITERIA

Subrecipient Monitoring - As stated in *Uniform Grant Guidance* - §200.331 Requirements for pass-through entities, all pass-through entities must:

- Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
  - Subrecipient name (which must match the name associated with its unique entity identifier);
  - Subrecipient's unique entity identifier;
  - Federal Award Identification Number (FAIN);
  - ALN Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the ALN number at time of disbursement;
  - Identification of whether the award is R&D; and
  - Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs);

(2) CONDITION/PERSPECTIVE

Metropolitan Transportation Authority ("MTA") has subrecipient monitoring procedures in place. MTA has Corporate policies and procedures regarding subrecipient contracts.

D&T tested the Rail and Transit Security Grant Program (ALN# 97.075). This program had one subrecipient. Based on our review of the subrecipient contract for this program, we noted that the subrecipient contract do not have all the required elements as stated in §200.331.

(3) CAUSE

MTA did not ensured that the contract between MTA and subrecipient include the ALN, and did not include all the required elements as required by 2 CFR; §200.331.

(4) EFFECT

The Subrecipient may not identify MTA contract as a federal program and may not include this program in Subrecipient's schedule of expenditures of federal awards contracts and may not be audited as part of the subrecipient's single audit.

Reference Number: **2023-001**

Federal Agency: U.S. Department of Homeland Security
Federal Program: Rail and Transit Security Grant Program
ALN Number: 97.075
Contract Number: FE2019-RA-00004; FE2020-RA-00005; FE2021-RA-00004; FE2022-RA-00006
Compliance Requirement: Subrecipient Monitoring
Type of Finding: Deficiency-Non-Compliance

(5) REPEAT FINDING

No

(6) RECOMMENDATION

We recommend that MTA implement policies and procedures to communicate the federal grant information to all subrecipients in accordance with *Uniform Grant Guidance CFR 200.331* subrecipient requirements.

(7) QUESTIONED COST

None.

(8) VIEWS OF RESPONSIBLE OFFICIAL

Also, see "Corrective Action Plan".

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS — FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

We performed MTA's single audit for the year ended December 31, 2022 prior to performing the single audit for the fiscal year ended December 31, 2023.

The following schedule contains the finding reference number and title for each of the findings included in the December 31, 2022 report. The letters under the heading Corrective Action indicates the following:

F Full (the Status of Prior Year Finding was fully implemented)
R Repeated during Current Year

Reference number	Compliance	Current Status
2022-1	Non-operating Revenue Account Reconciliation & Consolidation Reporting	F

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY PART 43 OF THE NEW YORK STATE CODIFICATION OF RULES AND REGULATIONS

To the Members of the Board of
Metropolitan Transportation Authority

Report on Compliance for Each Major State of New York Department of Transportation Assistance Program

Opinion on Each Major State of New York Department of Transportation Assistance Program

We have audited the Metropolitan Transportation Authority's (the "MTA"), a component unit of the State of New York, compliance with the types of compliance requirements described in Part 43 of the New York State Codification of Rules and Regulations ("NYSCRR") identified as subject to audit in the NYSCRR that could have a direct and material effect on each of the MTA's major State of New York Department of Transportation Assistance Program for the year ended December 31, 2023. The MTA's major State of New York Department of Transportation Assistance Program is identified in the summary of auditor's results section of the accompanying State of New York Department of Transportation assistance expended schedule of findings and questioned costs.

In our opinion, the MTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State of New York Department of Transportation Assistance Program for the year ended December 31, 2023.

Basis for Opinion on Each Major State of New York Department of Transportation Assistance Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of NYSCRR. Our responsibilities under those standards and the NYSCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State of New York Department of Transportation Assistance Program. Our audit does not provide a legal determination of the MTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the MTA's State of New York Department of Transportation Assistance Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the MTA's compliance based on our audit. 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, *Government Auditing Standards*, and the NYSCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the MTA's compliance with the requirements of each major State of New York Department of Transportation Assistance Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the NYSCRR, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 MTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the MTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the NYSCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State of New York Department of Transportation Assistance Expended Required by the Part 43 of the New York State Codification of rules and regulations

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA as of and for the year ended December 31, 2022, and have issued our report thereon dated June 18, 2024, which contained unmodified opinions on those financial statements which included emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2022. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of State of New York Department of Transportation Assistance Expended is presented for purposes of additional analysis as required by the NYSCRR and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of State of New York Department of Transportation Assistance Expended is fairly stated in all material respects in relation to the financial statements as a whole.

July XX, 2024

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION

SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2023

State Grantor Program Title	ALN Number	State Contract Number	Expenditures
Statewide Mass Transportation Operating Assistance Program	N/A	-	$ 187,924,000
Total State Transportation Assistance Expended			$ 187,924,000

See accompanying Notes to Schedule of State of New York Department of Transportation Assistance Expended.

NOTES TO SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED YEAR ENDED DECEMBER 31, 2023

1. BASIS OF PRESENTATION

a. Reporting Entity—General Principles of Consolidation— The consolidated financial statements of the business-type activities consist of MTA Headquarters, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Bus, MTA Capital Construction, MTA New York City Transit (including its subsidiary MaBSTOA), and MTA Bridges and Tunnels for years presented in the financial statements. All related group transactions have been eliminated for consolidation purposes.

The accompanying Schedule of State of New York Department of Transportation Assistance Expended of the MTA presents the activity of all financial assistance programs provided by the New York State Department of Transportation to the MTA.

b. Program Tested

For the MTA's purpose, a State Transportation Assistance Program, as defined by Part 43 of the New York State Codification of Rules and Regulations ("NYSCRR") is any program that exceeds $3,000,000 when the total State Transportation Assistance Expended of the reporting entity exceeds $100 million. Total expenditures incurred by the MTA for the State Transportation Assistance Programs were $187,924,000.

c. Indirect Costs

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the data presented.

2. BASIS OF ACCOUNTING

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

Operating Assistance— The MTA Group receives, subject to annual appropriation, New York State ("NYS") operating assistance funds that are recognized as revenue after the NYS budget is approved.

Generally, funds received under the NYS operating assistance program are fully matched by contributions from The City of New York and the seven other counties within the MTA's service area.

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including anticipated revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the year ended December 31, 2023, and 2022 totaled $8.4 billion and $8.4 billion, respectively.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS — STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2023

1. SUMMARY OF AUDITORS' RESULTS: STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

Internal control over State of New York Department of Transportation Assistance Expended:

Material weakness(es) identified	___ Yes	✓ No
Significant deficiency(ies) identified?	___ Yes	✓ None Reported
Type of auditor's report issued on compliance for State Transportation Assistance Programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the *Part 43 of the New York State Codification of Rules and Regulations*?	Yes	✓ No

Identification of State of New York Department of Transportation Assistance Program tested:

State Grantor Program Title	ALN Number	State Contract Number	Expenditures
Statewide Mass Transportation Operating Assistance Program	N/A	-	$187,924,000

Dollar threshold used to determine program to be tested:	$3,000,000	
Auditee qualified as low-risk auditee?	✓ Yes	___ No

2. FINDINGS AND QUESTIONED COSTS RELATING TO STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

None.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS — STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2023

None

* * * * * *

FEDERAL AWARDS—CORRECTIVE ACTION PLAN

REFERENCE # 2023-001	**Rail and Transit Security Grant Program - Subrecipient Monitoring**
Agency:	U.S. Department of Homeland Security
Criteria:	**Subrecipient Monitoring** - As stated in *Uniform Grant Guidance* - §200.331 Requirements for pass-through entities, all pass-through entities must: • Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes: • Subrecipient name (which must match the name associated with its unique entity identifier); • Subrecipient's unique entity identifier; • Federal Award Identification Number (FAIN); • ALN Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the ALN number at time of disbursement; • Identification of whether the award is R&D; and • Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs.
Condition/Context:	Metropolitan Transportation Authority ("MTA") has subrecipient monitoring procedures in place. MTA has corporate policies and procedures regarding subrecipient contracts. D&T tested the Rail and Transit Security Grant Program (ALN# 97.075). This program had one subrecipient. Based on our review of the subrecipient contract for this program, we noted that the subrecipient contract do not have all the required elements as stated in §200.331.
Recommendation:	We recommend that MTA implement policies and procedures to communicate the federal grant information to all subrecipients in accordance with *Uniform Grant Guidance CFR 200.331* subrecipient requirements.

Corrective Action Plan:	

DRAFT

The Metropolitan Transportation Authority

Report to Management

Year Ended December 31, 2023

Deloitte.

DRAFT

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July 29, 2024

The Audit Committee
Metropolitan Transportation Authority
New York, New York

And

The Management of the Metropolitan Transportation Authority New York, New York

Dear Members of the Audit Committee and Management:

In connection with our audits of the financial statements of the Metropolitan Transportation Authority (inclusive of Metropolitan Transportation Authority's Headquarters), First Mutual Transportation Assurance Company, Long Island Rail Road Company, Metro-North Commuter Railroad Company, MTA Bus Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, and the Triborough Bridge and Tunnel Authority (collectively the "MTA") as of and for the year ended December 31, 2023 (on which we have issued our reports dated June 18, 2024), performed in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards), we considered internal control relevant to the MTA's preparation of financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, in connection with our audits, we have identified, and included in the attached Appendix A, certain matters involving the MTA's internal control over financial reporting that we consider to be a significant deficiency under generally accepted auditing standards.

We have also identified, and included in the attached Appendix A, other deficiencies involving the MTA's internal control over financial reporting as of December 31, 2023 that we wish to bring to your attention.

We also plan to issue our Uniform Guidance reports in accordance with *Government Auditing Standards* and the U.S. Office of Management and Budget ("OMB") audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance") and compliance with the types of compliance requirements described in the *Part 43 of the New York State Codification of Rules and Regulations* which will include (1) Independent Auditor's Report (2) Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards* (3) Independent

Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and (4) Independent Auditor's Report on Compliance for Each Major State of New York Department of Transportation Assistance Program; and Report on Internal Controls over Compliance; and Report on Schedule of State of New York Department of Transportation Assistance expended Required by Part 43 of the New York State Codification of Rules and Regulations.

The definitions of a deficiency, a material weakness, and a significant deficiency are set forth in the attached Appendix B

Although we have included management's written response to our comments in the attached Appendix A, such responses have not been subjected to the auditing procedures applied in our audits and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

A description of the responsibility of management for designing, implementing, and maintaining internal control over financial reporting and of the objectives of and inherent limitations of internal control over financial reporting, is set forth in the attached Appendix C and should be read in conjunction with this report.

This report is intended solely for the information and use of management, the Audit Committee, Federal and State awarding agencies or pass-through entities, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

DRAFT

THE METROPOLITAN TRANSPORTATION AUTHORITY
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APPENDIX A

MTA CONSOLIDATED INFORMATION TECHNOLOGY ("IT") DEPARTMENT

DRAFT

MTA CONSOLIDATED INFORMATION TECHNOLOGY DEPARTMENT
PRIOR YEAR COMMENTS - DEFICIENCIES - 2022

We identified and previously communicated the following deficiencies in the MTA's Consolidated IT Department's internal control over financial reporting for the year ended December 31, 2023. As of the date of this report, we believe these deficiencies have not yet been remediated by the MTA.

1. **<u>ORT Batch Job Monitoring – DEFICIENCY (Carryforward from prior year)</u>**

Agency:
Triborough Bridge and Tunnel Authority ("TBTA")

Criteria:
Automated scheduling tools have been implemented for the completeness of the flow of processing and are monitored by the IT Department.

Condition:
During our audit procedures, Deloitte & Touche ("D&T") noted that management does not maintain documentation related to batch job monitoring. As such, we were unable to validate that management performs appropriate monitoring procedures around the completion of the relevant batch jobs and resolution of job errors.

Cause:
The root cause of this deficiency is that Management does not maintain documentation around the monitoring of batch jobs, specifically error resolution.

Effect:
There is a risk that production systems, programs, and/or jobs result in inaccurate, incomplete, or unauthorized processing of data.

Recommendation:
We recommend that TBTA management retain documentation related to monitoring of batch job status and the resolution of any noted errors.

Financial Statement Impact:
No Impact – risk associated with this deficiency mitigated by other controls and factors.

Management Response (2022):
Management Concurs: a design & operation of control was put in place in 2023.

Status Update:
We identified and previously communicated the deficiency during our audit of the financial statements of the MTA for the year ended December 31, 2023. As of the date of this report, we believe this deficiency has not yet been remediated by the MTA.

Management Response (2023):
Management Concurs: a design & operation of control was put in place in 2024.

2. ORT Application – User Access Recertification – (Carryforward from prior year)

Agency:
Triborough Bridge and Tunnel Authority ("TBTA")

Criteria:
User account recertifications / entitlement reviews are performed by the IT Department and application owners.

Condition:
D&T noted that for the ORT application, there is no periodic user account recertification / entitlement review performed by the IT Department or ORT application owners.

Cause:
The root cause of this deficiency is that IT Management does not have a formal user access review process in place to recertify access for the users who have access to the relevant application.

Effect:
Given that logical access is not periodically reviewed, there is a risk that users have access privileges beyond those necessary to perform their assigned duties, which may create improper segregation of duties.

Recommendation:
We recommend that MTA IT design and implement a review control to periodically recertify the appropriateness of users with access to ORT and their related system privileges.

Financial Statement Impact:
No Impact – risk associated with this deficiency mitigated by other controls and factors.

Management Response (2022):
Management Concurs: a design & operation of control was put in place in 2023.

Status Update:
We identified and previously communicated the deficiency during our audit of the financial statements of the MTA for the year ended December 31, 2023. As of the date of this report, we believe this deficiency has not yet been remediated by the MTA.

Management Response (2023):
Management Concurs: a design & operation of control was put in place in 2024.

DRAFT

METROPOLITAN TRANSPORTATION AUTHORITY – HEADQUARTERS

METROPOLITAN TRANSPORTATION AUTHORITY – HEADQUARTERS
CURRENT YEAR COMMENTS - DEFICIENCIES - 2023

We identified, and included below, deficiencies involving the MTA's internal control over financial reporting for the year ended December 31, 2023, that have not been previously communicated in writing or orally, by others within MTA, or by us that we wish to bring to your attention.

1. Review of Station Maintenance Revenue - DEFICIENCY

Agency:
Metropolitan Transportation Authority – (Headquarters, "MTAHQ")

Criteria:
MTAHQ performs annual billings of station maintenance revenue to New York City and its counties. As part of the MTAHQ's year-end close procedure, Management reviews the station maintenance balance to be accrued during the year based on the most recent bills as the basis before the actual billing in June of the succeeding year.

Condition:
During our audit procedures, D&T identified a deficiency in MTAHQ's review of non-operating revenue and corresponding receivables as the balances recognized for the station maintenance revenue and related receivables balances were not trued-up.

Cause:
D&T noted that there was an oversight by management on the review process which caused the station maintenance revenue and the related receivable balances to be understated.

Effect:
As a result, station maintenance revenue and corresponding receivables balances were understated in 2023 by $37M for the year ended and as of December 31, 2023, respectively.

Recommendation:
We recommend that MTAHQ management enhance its review and controls over station maintenance revenue and corresponding receivable account balances and update the account reconciliation timely.

Financial Statement Impact:
The net impact of these resulted in a known station maintenance revenue and related receivable balance understatement of $37M, which was corrected by management prior to the 12/31/2023 consolidated financial statement issuance.

Management Response:
Management will strengthen its review and controls over the station maintenance revenue and corresponding receivable account balances by ensuring that account analysis is updated timely.

2. Review of Accrual of Other Professional Services & Information Technology Expense - DEFICIENCY

Agency:
Metropolitan Transportation Authority – (Headquarters, "MTAHQ")

Criteria:
MTAHQ performs a review of the recording of other professional services and information technology expense and related accrual balances incurred as of year-end which has not been invoiced and/or paid.

Condition:
During our audit procedures, D&T identified a deficiency in MTAHQ's accrual review process for other professional services and information technology expense balance through our substantive testing as Management failed to accrue for invoices received in 2023 that pertain to 2022 expenses.

Cause:
MTAHQ failed to accrue certain invoices in 2022 as the MTA IT department did not receive the invoice information from the project manager for accrual of services already provided by the supplier in the prior period causing the 2022 portion of the supplier invoice not being accrued for in the proper accounting period.

Effect:
As a result, the 2022 portion of the supplier invoice was not accrued for in the proper accounting period (2022) and was only recorded in 2023 causing the operating expense to be overstated as 12/31/2023.

Recommendation:
We recommend that MTA IT management strengthen the accrual review process and improve communication protocols over operating expense that will need to be accrued for in the appropriate accounting period to be consistent with generally accepted accounting principles.

Financial Statement Impact:
The net impact of these resulted in a known overstatement of $632K and a projected misstatement of $58M projected overstatement for other professional services and information technology expenses as 12/31/2023. Management did not correct the error as it was deemed immaterial to the 12/31/2023 MTA consolidated financial statements.

Management Response:
MTA IT will be communicating the accrual process and requirements with their project managers to ensure that all eligible items are accounted for and are submitted to MTA Accounting for year-end accrual.

3. **Review of Balance Sheet Reconciliation of Subscription-based IT Arrangement ("SBITA")-related Accounts (GASB 96) – DEFICIENCY**

Agency:
Metropolitan Transportation Authority – (Headquarters, "MTAHQ")

Criteria:
MTAHQ performs a review of account reconciliation between the rollforward on Yardi Property Management Software and the PeopleSoft general ledger to verify the completeness and accuracy as well as the classification between current and non-current portion of SBITA liabilities.

Condition:
During our audit procedures, D&T identified a deficiency in MTAHQ's GASB 96 reconciliation through our substantive testing. D&T identified a difference between the current and non-current portion of SBITA liability per general ledger when compared to the rollforward schedule.

Cause
D&T notes that there was an oversight of management during the review for which they have misclassified the SBITA liability into current portion instead of non-current liability.

Effect:
As a result, MTAHQ misclassified the SBITA Liability amounting to $43M into current liability instead of non-current liability.

Recommendation:
We recommend that MTAHQ management enhance the reconciliation and review process over the SBITA-related accounts to ensure that the classification reflect correctly the period when the contractual obligation will be paid.

Financial Statement Impact:
The net impact resulted in a known classification misstatement between current and non-current portion of SBITA liability of $43M, which was corrected by management prior to the 12/31/2023 consolidated financial statement issuance.

Management Response:
Management implemented GASB Statement No. 96 SBITA in the 3rd Quarter of 2023. During this first year of implementation, management reviewed over 3,300 transactions in a short period of time. The accounting of SBITA has been transitioned to the new Lease Accounting group in 2024 for consistency in its review, controls and reconciliation.

DRAFT

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
CURRENT YEAR COMMENTS - DEFICIENCIES - 2023

We identified, and included below, deficiencies involving the Triborough Bridge and Tunnel Authority's ("TBTA") internal control over financial reporting for the year ended December 31, 2023, that have not been previously communicated in writing or orally, by others within TBTA, or by us that we wish to bring to your attention.

1. **Long-term Debt Account Reconciliation – SIGNIFICANT DEFICIENCY**

Agency:
Triborough Bridge and Tunnel Authority ("TBTA")

Criteria:
TBTA performs a quarterly reconciliation between the debt register, which includes the repayment schedules, and general ledger to verify that all debt transactions including the maturity dates of outstanding bonds are accurately reflected in the TBTA's financial statements.

Condition:
During our audit procedures, D&T identified a deficiency in TBTA's long-term debt account reconciliation through our substantive testing. D&T identified a difference between the current and non-current portion of long-term debt per GL in comparison to the repayments schedule based on the maturity dates.

Cause
D&T noted that there was an oversight by management during the reconciliation process which led to the misclassification of PMT Bond Series 2022B BAN into non-current liability instead of current liability.

Effect:
As a result, TBTA misclassified the PMT Bond Series 2022B BAN amounting to $766M into non-current liability instead of current liability.

Recommendation:
We recommend that TBTA management enhance the reconciliation and review process over its long term-debt account to ensure that the classification of its long-term bonds reflect the maturity date based on the review of the debt register and official statements.

Financial Statement Impact:
The net impact of these resulted in a known classification misstatement between current and non-current portion of long-term debt of $766M, which was corrected by management prior to the 12/31/2023 MTA consolidated and TBTA financial statement issuance.

Management Response:
Management runs a debt maturity schedule from Peoplesoft DealMaker to review the payments made by Treasury as well as to ensure the appropriate classification in the financial statements. In 2023, the reports were run and reviewed in June and November. However, management noted that the PMT Bond Series 2022B BAN was classified as long-term in the November report and was not updated to short-term until December. Going forward, management will be running this report additionally in December for the updated classification and to ensure that any required journal reclassification adjustments are made for year-end.

2. Review of Property-in-Progress Account – DEFICIENCY

Agency:
Triborough Bridge and Tunnel Authority ("TBTA")

Criteria:
TBTA performs a quarterly review of the property-in progress (PIP) to ensure that substantially completed projects (90% or above) are transferred out of PIP to the appropriate Fixed Asset category in a timely manner.

Condition:
During our audit procedures, D&T identified a deficiency in TBTA's PIP review through our substantive testing. D&T determined that a PIP was not properly transferred to fixed assets upon 90% completion threshold (substantially completed) of the project.

Cause
D&T notes that there was an oversight by management during the review process which led to the classification misstatement for a project that was substantially complete (92%) and was not appropriately transferred to Fixed Asset as of 12/31/2023.

Effect:
As a result, there was a misstatement between PIP, capital asset category and depreciation expense for the year ended 12/31/2023 which amounted to as follows:

a. PIP was overstated by $22M
b. Fixed assets-Roadway was understated by $22M
c. Depreciation expense-Roadway was understated by $272K
d. Accumulated Depreciation-Roadway was understated by $272K

Recommendation:
We recommend that TBTA management strengthen the review process for its PIP account to ensure that the transfers from PIP to fixed assets are made in a timely manner.

Financial Statement Impact:
The net impact of these resulted in a known classification misstatement between PIP and fixed assets of $22M. Furthermore, there is a known depreciation expense and related accumulated depreciation of fixed assets understatement of $272K. These misstatements were corrected by management prior to the 12/31/2023 MTA consolidated and TBTA financial statement issuance.

Management Response:
Management was in the process of transitioning the fixed assets accounting process from the General & Technical Accounting group to the Fixed Assets group during the December year-end close. Due to miscommunication, the capitalization of one item was not completed. The Fixed Asset review and capitalization process has been fully transitioned in the second quarter of 2024 and the review process will be strengthened.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
CURRENT YEAR COMMENTS - DEFICIENCIES - 2023

3. Review of Property-in-Progress Account – DEFICIENCY

Agency:
Triborough Bridge and Tunnel Authority ("TBTA")

Criteria:
TBTA performs a quarterly review of the fixed assets to verify that the fixed assets costs in the account are capitalized in accordance with generally accepted accounting principles.

Condition:
During our audit procedures, D&T identified a deficiency in TBTA's fixed assets review through our substantive testing. D&T noted that the TBTA improperly capitalized costs for a study performed on a project that will not be placed into service. Thus, the cost of such study should be expensed/written off from fixed assets.

Cause
D&T notes that there was an oversight by management during the review process which led to the misstatement in fixed assets for improperly capitalized costs related to a study performed for a replacement project on an existing fixed asset which was later determined to be not necessary.

Effect:
As a result, there was a misstatement in Capital Assets as of 12/31/2023 which amounted to as follows:

a. Fixed aseets-Roadway was overstated by $7M
b. Losses on early retirement was understatement by $6M
c. Depreciation expense-Roadway was overstated by $225K
d. Accumulated depreciation-Roadway was overstated by $272K

Recommendation:
We recommend that TBTA management strengthen the review process for its fixed asset account to ensure that the capitalized costs are in accordance with generally accepted accounting principles.

Financial Statement Impact:
The net impact of these resulted in a known misstatement of the following:

1. Capital asset overstatement of $7M
2. Losses on early retirement expense understatement of $7M
3. Depreciation expense overstatement of $225K
4. Accumulated depreciation overstatement of $225K

The above misstatements were corrected by management prior to the 12/31/2023 MTA consolidated and TBTA financial statement issuance.

Management Response:
Management concurs. The review of fixed assets and capitalization is being transitioned to the Fixed Assets group to standardize the review process.

DRAFT

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
CURRENT YEAR COMMENTS - DEFICIENCIES - 2023

We identified, and included below, deficiencies involving the First Mutual Transportation Assurance Company's ("FMTAC") internal control over financial reporting for the year ended December 31, 2023, that have not been previously communicated in writing or orally, by others within FMTAC, or by us that we wish to bring to your attention.

1. Cash Account Reconciliation – DEFICIENCY

Agency:
First Mutual Transportation Assurance Company ("FMTAC")

Criteria:
FMTAC performs a monthly reconciliation of cash accounts in the general ledger to ensure that the cash balances agree with the bank statements and/or third-party statements.

Condition:
During our audit procedures, D&T identified a deficiency in FMTAC's cash account reconciliation through our substantive testing. D&T determined that management did not perform a detailed reconciliation of the cash escrow account.

Cause
D&T notes that there was an oversight of management on which they have not performed a detailed reconciliation of the cash escrow account balance carried over from prior years.

Effect:
As a result, there was an understatement in the reported escrow balance as of 12/31/2023 amounting to $13.34 Million.

Recommendation:
We recommend that FMTAC management perform regular detailed reconciliation of cash accounts to ensure that the balances recorded in the general ledger agree with the amount in the bank statements and/or third-party statements.

Financial Statement Impact:
The net impact of these resulted in a known cash escrow understatement of $13M, which was corrected by management prior to the 12/31/2023 MTA consolidated and FMTAC financial statement issuance.

Management Response:
To rectify this matter, at June 30th and December 31st, management will perform a reconciliation of the escrow balances recorded to the general ledger to the escrow balances as reflected in third party statements. Required adjustments to the general ledger will be evaluated and recorded, if deemed necessary, at that time.

2. Review of Premium Earned / Unearned Revenue Calculation – DEFICIENCY

Agency:
First Mutual Transportation Assurance Company ("FMTAC")

Criteria:
FMTAC performs a monthly review of the earned portion of premiums based on the FMTAC's revenue policy.

Condition:
During our audit procedures, D&T identified a deficiency in FMTAC's review control for premium revenues on its two MTA Owner Controlled Insurance Program ("OCIP") programs through our substantive procedures:

a. The earned portion for OCIP 2 Mini RFP - 9/30/2023 - 9/30/2029 program was calculated based on time passed in 2023 versus the percentage of completion of the project based on FMTAC's revenue policy.
b. The unearned premium for the Bridge Program and Penn Station Access Project were accounted as one and the earned premium was initially calculated based solely on the percent of completion of the Bridge Program which caused a misstatement of unearned revenue for each program.

Cause
D&T notes that the Management did not apply the agency's revenue policy during the calculation of earned/unearned revenue for the year.

Effect:
As a result, there was an overstatement of the earned portion of premium revenue during 2023 totaling $14M.

Recommendation:
We recommend that FMTAC management enhance review controls over the calculation of premiums earned to ensure that the calculation follows FMTAC's policy for timely and accurate recognition and measurement of earned/unearned premium revenue.

Financial Statement Impact:
The net impact of these resulted in a known premium revenue overstatement of $13M and known unearned premium understatement for the same amount, which was corrected by management prior to the 12/31/2023 MTA consolidated and FMTAC financial statement issuance.

Management Response:
Management will set controls over the calculation of premiums earned to ensure that the calculation follows FMTAC's policy for timely and accurate recognition and measurement of earned/unearned premium revenue. Each program's calculation of premiums earned will be reviewed on an individual basis to verify if the premium is to be earned over an effective policy period or by percentage completion of its related project.

3. **Loss and Loss Adjustment Expense Review – DEFICIENCY**

Agency:
First Mutual Transportation Assurance Company ("FMTAC")

Criteria:
FMTAC performs a monthly review of loss and loss adjustment expenses.

Condition:
During our audit procedures, D&T identified a deficiency in FMTAC's review control through our substantive procedures for loss expense and loss adjustment expense for the yearly activity based on the loss used by Oliver Wyman, FMTAC actuaries.

Cause
D&T notes that there was an oversight in the review of loss and loss adjustment expense which caused a difference between the recorded amount of loss expense per GL and the amount of movement from 12/31/2022 to 12/31/2023 Oliver Wyman loss run report.

Effect:
As a result, there was an overstatement of loss adjustment expense balance recognized during the year amounting to $5M.

Recommendation:
We recommend that FMTAC management enhance review controls over loss and loss adjustment expense to ensure accurate recognition and measurement of loss adjustment expense at year end.

Financial Statement Impact:
The net impact of these resulted in a known loss adjustment expense and related losses payable overstatement of $5M, which was corrected by management prior to the 12/31/2023 MTA consolidated and FMTAC financial statement issuance.

Management Response:
To rectify this matter, management will establish a control that confirms that loss and loss adjustment expense as recorded to the general ledger at December 31st agree to the ITD loss and loss adjustment expenses per the current year Oliver Wyman loss run report less the ITD loss and loss adjustment expenses per the prior year Oliver Wyman loss run report.

DRAFT

NEW YORK CITY TRANSIT AUTHORITY

DRAFT

DEFICIENCIES

We identified, and included below, deficiencies involving the New York City Transit Authority's ("NYCTA") internal control over financial reporting for the year ended December 31, 2023, that have not been previously communicated in writing or orally, by others within NYCTA, or by us that we wish to bring to your attention.

1. Recording of Capital assets when incurred vs when paid – SIGNIFICANT DEFICIENCY

Agency:
New York City Transit Authority – ("NYCTA")

Criteria:
NYCTA incurs certain capital project force account (labor) expenses and record them as unbilled receivable from the MTA Capital Program. The capital work performed was for the construction of NYCTA assets with its own operating funds. These unbilled receivables are billed to MTA when funding is available for that project. If no available funding, the transaction remains as unbilled. At the time of billing, the financial system generates the transaction to record the billings as construction work-in-progress with a corresponding recognition of capital contribution from MTA.

Condition:
During our audit procedures, Management evaluated the accounting treatment and concluded that NYCTA should record expenses as construction work-in-progress when incurred and not when billed to MTA. Management also evaluated and concluded that NYCTA should capitalize these projects when completed and not when billed to MTA. As a result, there was a misclassification between the Due from MTA and constituent Authorities receivable, construction work-in-progress and other capital assets net of accumulated depreciation for the expenses incurred for capital projects. The depreciation expense in Statement of Revenues, Expenses and Changes in Net Position was also not recorded for the capital projects completed.

Cause:
Lack of detailed review of these accounts and not adapting the control activity to changing or increasing capitalization activity.

Effect:
Management reversed the Due from MTA and Constituent Authorities Receivable of $664M as of December 31, 2023 and record the Capital Work-in-Progress of $574M, Other Capital Assets, Net of Accumulated Depreciation and Amortization of $89M in Statement of Net Position and recorded Depreciation expenses amounting to $8M in Statement of Revenues, Expenses and Changes in Net Position for the period ended on December 31, 2023.

Out of the total reversal, MTA and Constituent Authorities Receivable includes $522M, Construction Work-in-Progress includes $433M and Other Capital Assets, Net of Accumulated Depreciation and Amortization includes $83M for capital expenses incurred to a period prior to January 1, 2023 in Statement of Net Position. Depreciation expenses include $6M accumulated expense incurred to a period prior to January 1, 2023 and recorded Statement of Revenues, Expenses and Changes in Net Position for the period ended on December 31, 2023.

Recommendation:
We recommend that NYCTA management to perform a detailed review of these accounts and record the capital work-in-progress when incurred and not when billed.

Financial Statement Impact:
As a result of correction NYCTA recorded construction work-in-progress of $433M and Other Capital Assets, Net of Accumulated Depreciation and Amortization of $83M for capital expenses incurred to a period prior to January 1, 2023 in Statement of Net Position. Depreciation expenses amounting to $6M that relates to a period prior to January 1, 2023 are recorded in Statement of Revenues, Expenses and Changes in Net Position for the period ended on December 31, 2023.

Management Response (2023):
Going forward, NYCTA management will perform a detailed review of capital work-in-progress and unbilled receivable account, record the capital assets and depreciate when appropriate.

DRAFT

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
CURRENT YEAR COMMENTS – DEFICIENCIES - 2023

DEFICIENCIES

We identified, and included below, deficiencies involving the Staten Island Rapid Transit Operating Authority's ("SIRTOA") internal control over financial reporting for the year ended December 31, 2023, that have not been previously communicated in writing or orally, by others within SIRTOA, or by us that we wish to bring to your attention.

2. Recording of Capital assets when incurred vs when paid – SIGNIFICANT DEFICIENCY

Agency:
Staten Island Rapid Transit Operating Authority – ("SIRTOA")

Criteria:
SIRTOA incurs certain capital project force account (labor) expenses and record them as unbilled receivable from the MTA Capital Program. The capital work performed was for the construction of SIRTOA assets with its own operating funds. These unbilled receivables are billed to MTA when funding is available for that project. If no available funding, the transaction remains as unbilled. At the time of billing, the financial system generates the transaction to record the billings as construction work-in-progress with a corresponding recognition of capital contribution from MTA.

Condition:
During our audit procedures, Management evaluated the accounting treatment and concluded that SIRTOA should record expenses as construction work-in-progress when incurred and not when billed to MTA. As a result, there was a misclassification between the MTA capital program funds receivable and construction work-in-progress for the expenses incurred for capital projects.

Cause:
Lack of detailed review of these accounts and not adapting the control activity to changing or increasing capitalization activity.

Effect:
Management reversed MTA capital program funds receivable of $4M as at December 31, 2023 and record the capital work-in-progress. Out of total reversal, $2M relates to capital expenses incurred to a period prior to January 1, 2023.

Recommendation:
We recommend that SIRTOA management to perform a detailed review of these accounts and record the capital work-in-progress when incurred and not when billed.

Financial Statement Impact:
As a result of correction, SIRTOA recorded capital work-in-progress amounting to $2M by reversing the MTA capital program funds receivable that relates to period prior to January 1, 2023 in 2023 financial statements.

Management Response (2023):
Going forward, SIRTOA management will perform a detailed review of capital work-in-progress and unbilled receivable account, record the capital assets and depreciate when appropriate.

APPENDIX B

DEFINITION

The definitions of a deficiency, a significant deficiency, and a material weakness are as follows:

A *deficiency* in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

APPENDIX C

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND INHERENT LIMITATIONS OF, INTERNAL CONTROL OVER FINANCIAL REPORTING

The following comments concerning management's responsibility for internal control over financial reporting and the objectives and inherent limitations of internal control over financial reporting are included in generally accepted auditing standards.

Management's Responsibility

The MTA's management is responsible for the overall accuracy of the financial statements and their conformity with accounting principles generally accepted in the United States of America. In this regard, the MTA's management is also responsible for designing, implementing, and maintaining effective internal control over financial reporting.

Objectives of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Control over Financial Reporting

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

* * * * *

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INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

The Audit Committee of the
Metropolitan Transportation Authority

We have performed the procedures enumerated in the accompanying Exhibit A on the Metropolitan Transportation Authority (the "MTA") Office of the Inspector General's budget accountability for the year ended December 31, 2023 ("the subject matter"). The MTA Office of the Inspector General (the "IG") is responsible for the subject matter.

The MTA, the IG, and the Auditor General of the MTA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the specified parties in evaluating the subject matter.

We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the accompanying Exhibit A.

We were engaged by the MTA, the IG, and the Auditor General of the MTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the MTA, the IG, and the Auditor General of the MTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the MTA, the IG, and the Auditor General of the MTA, and is not intended to be, and should not be, used by anyone other than these specified parties.

July 29, 2024

EXHIBIT A

The procedures and the associated findings are as follows:

1. We utilized a random number generator to randomly select five employees from the MTA Headquarters - IG payroll register for the month of December 2023 and we compared each individual's salary to an approved Personnel Action Form obtained from the IG management ("management").

   We found no exceptions as a result of the procedures.

2. We utilized a random number generator to randomly select two terminated employees from the listing of terminated employees for the year ended December 31, 2023 and obtained each individual's Personnel Action Form for completeness. We inspected the payroll register subsequent to each employee's termination and inspected these employees were appropriately removed from the payroll register.

   We found no exceptions as a result of the procedures.

3. We compared the IG's total payroll per the payroll register for the month of December 2023 to the MTA's monthly expense report for the month of December 2023 and observed they agreed.

   We found no exceptions as a result of the procedures.

4. We utilized a random number generator to randomly select five purchases made during the year from the IG's general ledger for the year ended December 31, 2023. For each purchase, we obtained from management the related requisitions and purchase orders and observed an approver's sign off.

   We found no exceptions as a result of the procedures.

5. We utilized a random number generator to randomly select fifteen disbursements from the IG's General Fund for the year ended December 31, 2023 and compared the selected disbursements to supporting documentation including invoices, purchases orders and cancelled checks obtained from management. For each selected disbursement, we observed the reimbursement recorded agreed to the invoice, purchase order, and cancelled check and was also signed off by management as evidence of authorization.

   We found no exceptions as a result of the procedures.

6. We utilized a random number generator to randomly select five petty cash vouchers from the IG's general ledger for the three months ended December 31, 2023, and obtained the respective voucher from management. For each selection, we observed the voucher was approved and signed off by management in accordance with IG Petty Cash Policy.

   We found no exceptions as a result of the procedures.

7. We compared the Cash Inspector General Fund's bank reconciliation for the month of December 2023 to the Authority's general ledger and observed they both agreed.

   We found no exceptions as result of the procedures.

8. We utilized a random number generator to randomly select five employee reimbursements from the IG listing of employees' reimbursements for the year ended December 31, 2023. We observed the reimbursements were supported by invoices, purchase orders, bank statements, reimbursement applications and refund requisitions provided by management. We also utilized a random number generator to randomly select five employee expense reports from the IG listing of employee expenses reports for the year ended December 31, 2023 and observed the expense reports were supported by invoices, purchase orders, and proof of payment such as bank statements.

   We found no exceptions as a result of the procedures.

9. We obtained a listing of fixed asset additions for the year ended December 31, 2023 from management. We observed that one fixed asset addition was made during the year ended December 31, 2023. For the fixed asset addition, we obtained the respective invoice, purchase order, and payment support from management. We observed management sign off of approval on the purchase orders and agreed the amounts in the invoices to proof of payment such as bank statements.

   We found no exceptions as a result of the procedures.

10. We inquired of management whether there were any fixed asset disposals made during the year ended December 31, 2023 for the IG, and management indicated there were none.

11. We recalculated the depreciation expense amount for all fixed assets with depreciation expense recorded in the IG's general ledger for the month of December 2023 that were in excess of $1,000.

    We found no exceptions as a result of the procedures.

12. We compared the IG's general ledger depreciation expense for the month of December 2023 to the MTA's general ledger and found them to be in agreement.

    We found no exceptions as a result of the procedures.

13. We compared the IG's total monthly expense report to the MTA's total monthly expense report for the month of December 2023. We observed that there was a difference of $34,181. We were informed the difference is a direct result of professional service contracts incurred during the year that are required for the MTA's year-end accrual process. This is offset by prior year adjustment related to depreciation recovery.

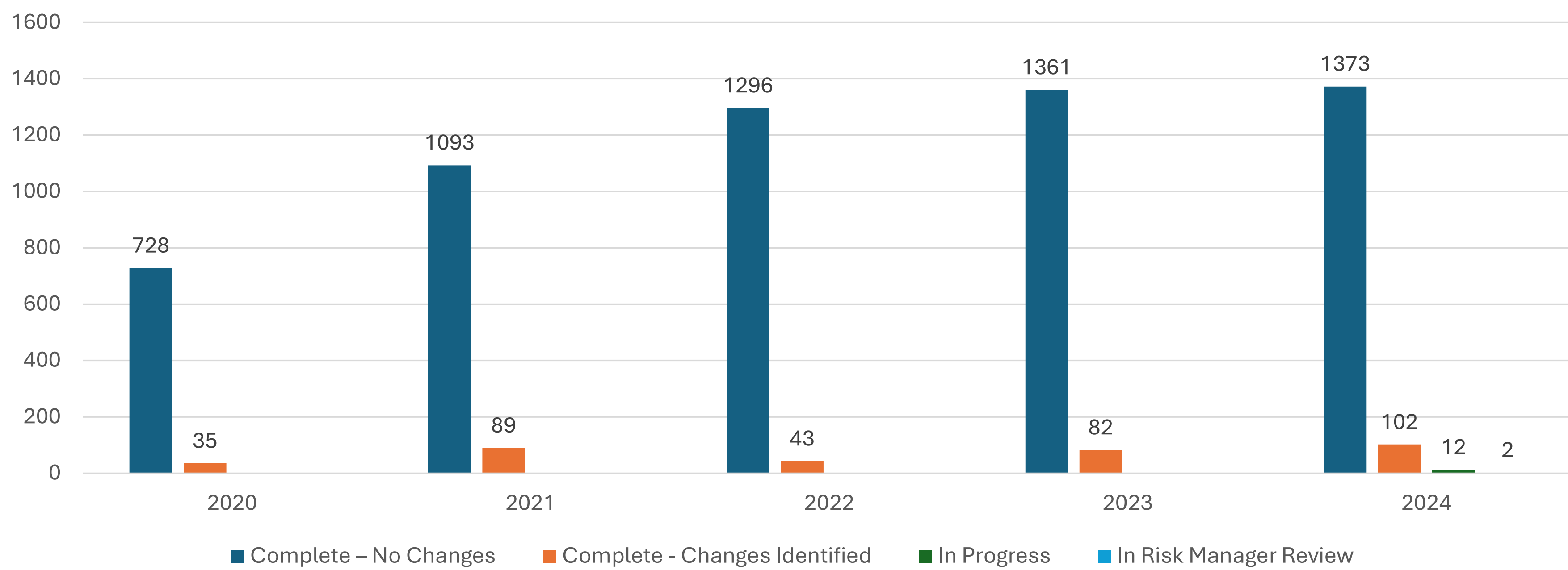
14. We obtained from management the IG's 2023 total expense budget and the actual total expenditures for the year ended December 31, 2023. We compared these reports and observed that total actual expenditures were less than the IG's 2023 total expense budget by $5,109,422.

Enterprise Risk Management (ERM)

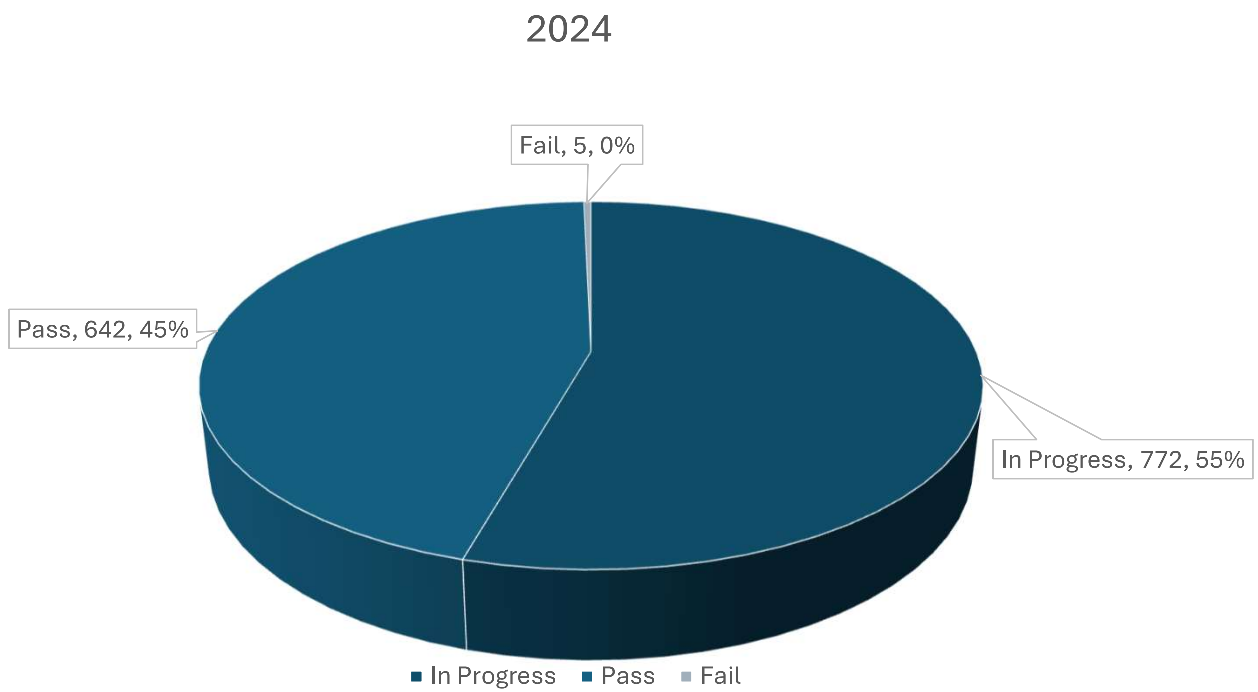
MTA Corporate Compliance

Mid Year Status Report to the
Audit Committee
July 2024

Risk Assessments By Status



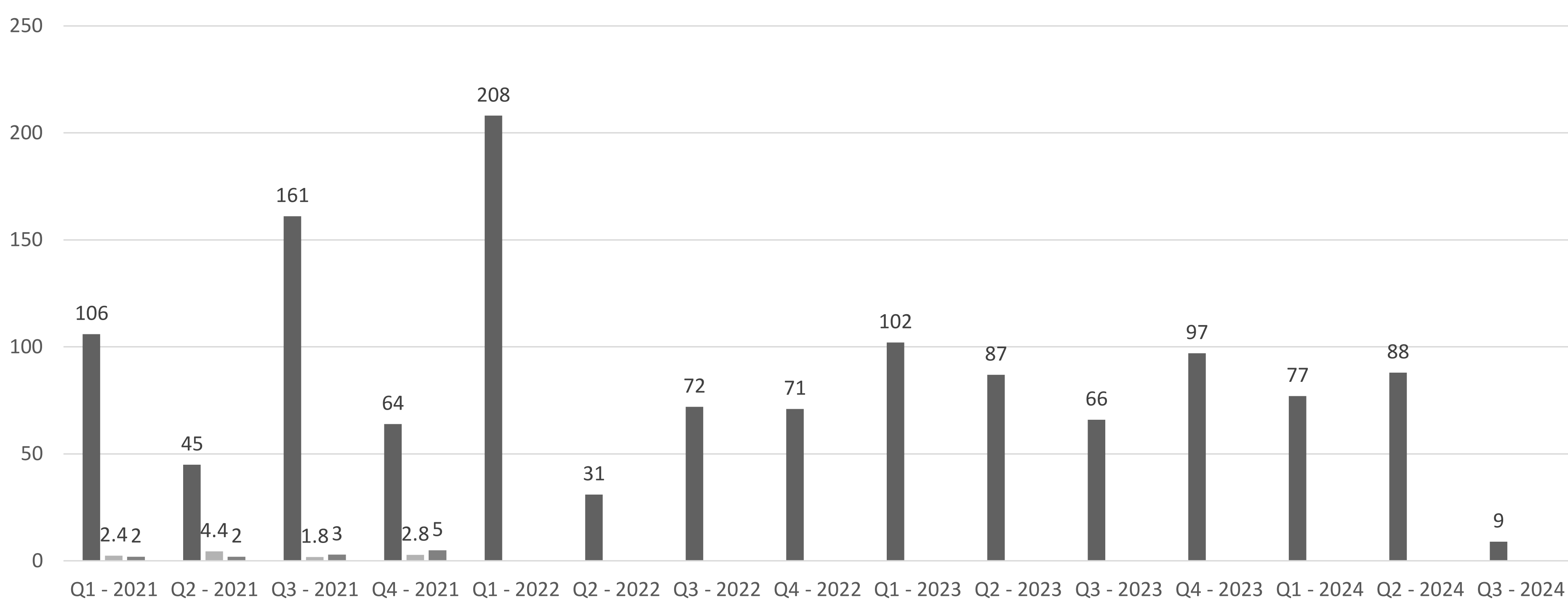
Internal Control Testing



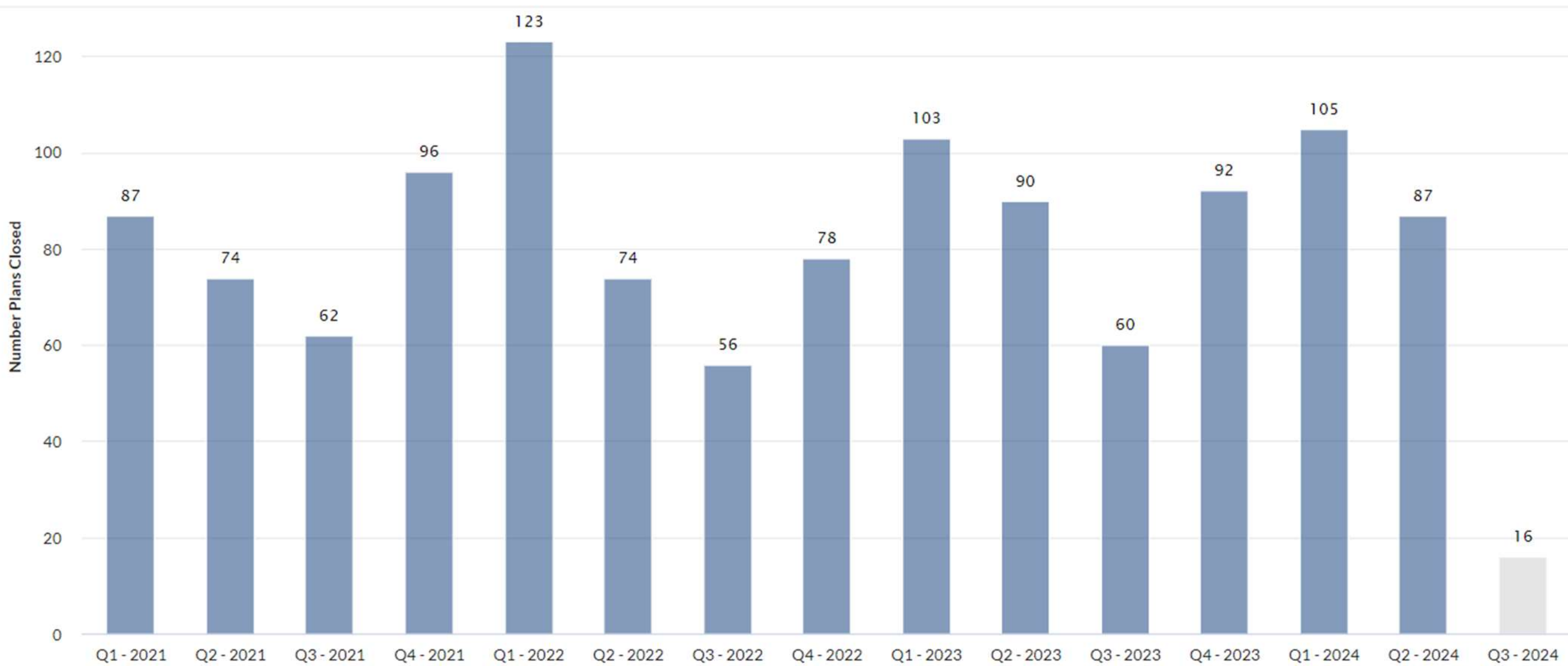
174

Remediation Plans Opened in 2024

Remediation Plans Creation Trending by Quarter



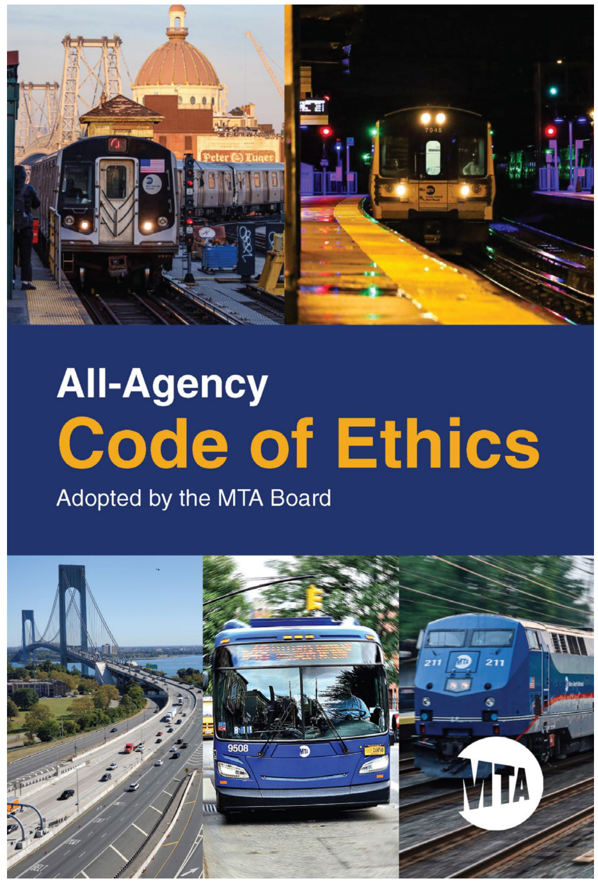
Remediation Plans Closure Trending by Quarter

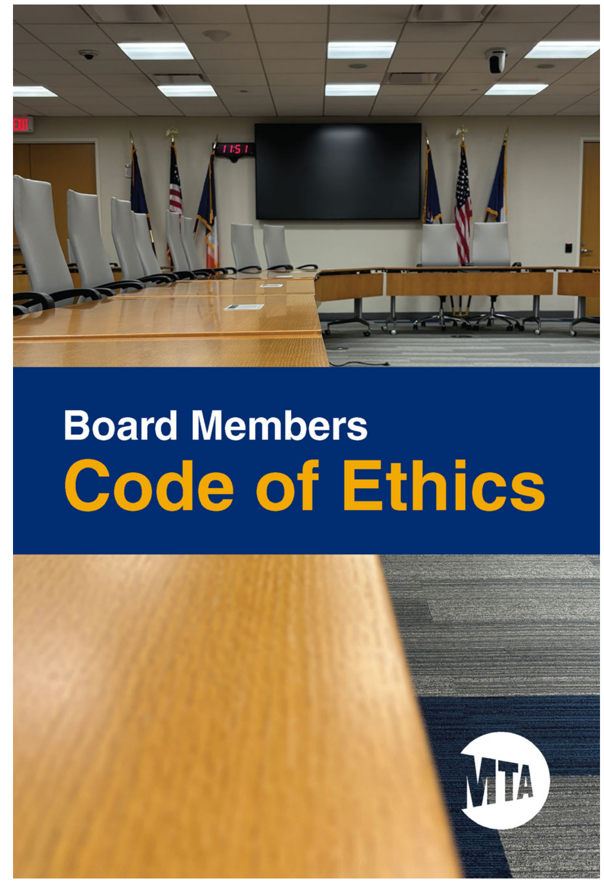


MTA ETHICS & COMPLIANCE PROGRAM

Annual Report to the Audit Committee - 2024

Presented by MTA Corporate Compliance





MTA Corporate Compliance

Founded 2004

MTA Board Adopts Code of Ethics

May 25, 2005

The New York Times

M.T.A. Adopts Ethics Code Curbing Gifts to Employees

By Sewell Chan
May 26, 2005

The Metropolitan Transportation Authority adopted a code of ethics yesterday for its 65,000 employees, establishing a "zero-tolerance policy" toward employees who receive gifts from companies and individuals that do business with the authority.

The 44-page ethics code -- which described itself as "a comprehensive guide" to matters like conflicts of interest, travel reimbursement, nepotism, financial disclosures and whistle-blowing -- will be distributed next month to all employees, from contracting officers to bus drivers.

The authority's chairman, Peter S. Kalikow, said the code would take the "transparency and openness of our agency one more step" forward.

Before the authority's board unanimously voted to approve the policy, he told its members, jokingly, "I was going to make everybody take a test on this."

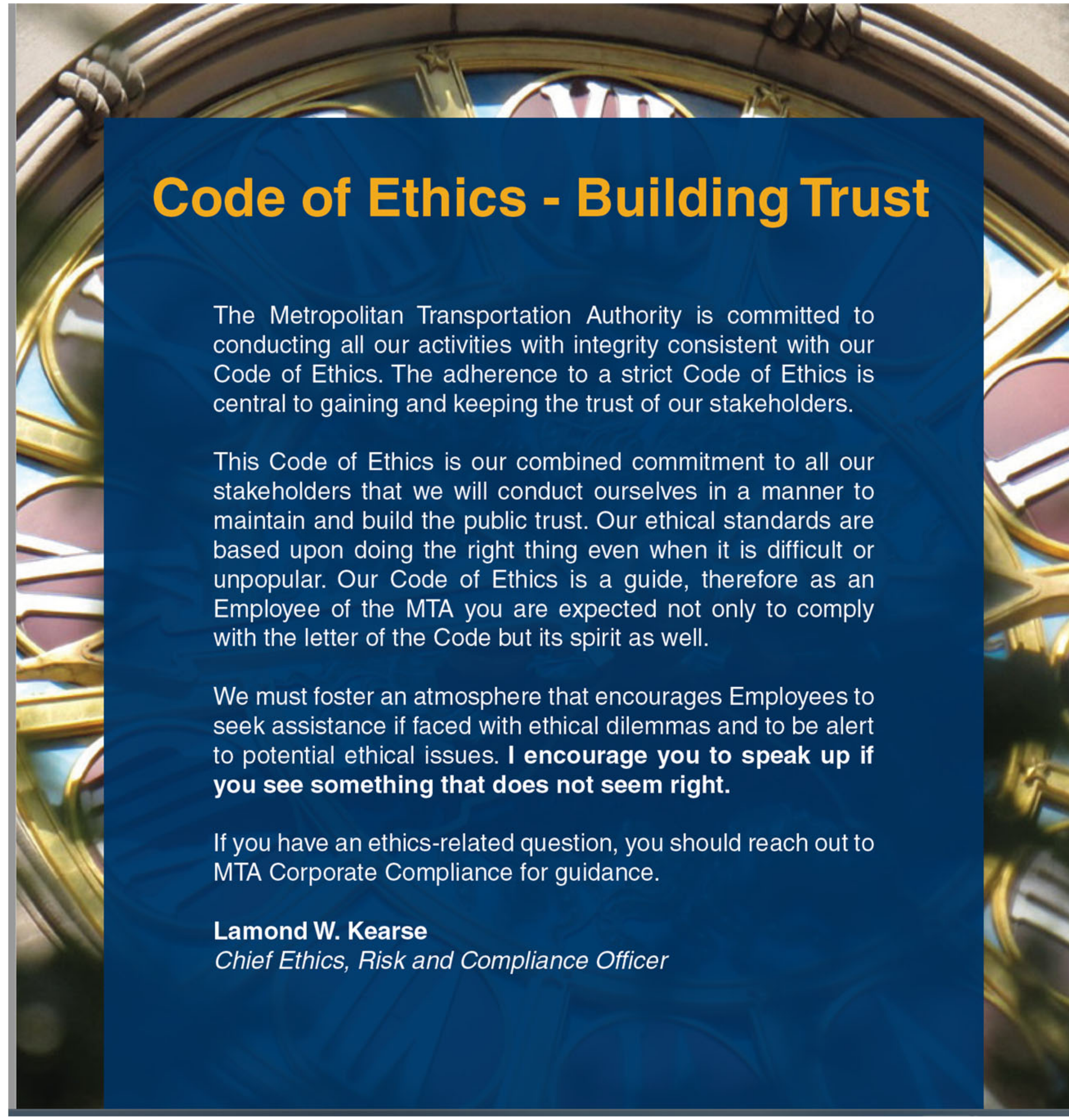
How do we Build Trust

Commitment to Ethical Standards

Encourage Employees to Do the Right Thing Even When Difficult

Treating the Code not as a Set of Rules but as a Guide to Acting Ethically

Fostering Atmosphere to Seek Assistance and to Speak up



Code of Ethics - Building Trust

The Metropolitan Transportation Authority is committed to conducting all our activities with integrity consistent with our Code of Ethics. The adherence to a strict Code of Ethics is central to gaining and keeping the trust of our stakeholders.

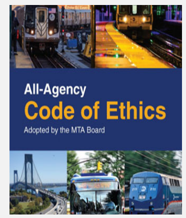
This Code of Ethics is our combined commitment to all our stakeholders that we will conduct ourselves in a manner to maintain and build the public trust. Our ethical standards are based upon doing the right thing even when it is difficult or unpopular. Our Code of Ethics is a guide, therefore as an Employee of the MTA you are expected not only to comply with the letter of the Code but its spirit as well.

We must foster an atmosphere that encourages Employees to seek assistance if faced with ethical dilemmas and to be alert to potential ethical issues. **I encourage you to speak up if you see something that does not seem right.**

If you have an ethics-related question, you should reach out to MTA Corporate Compliance for guidance.

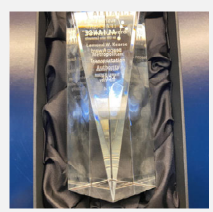
Lamond W. Kearse
Chief Ethics, Risk and Compliance Officer

YEAR IN REVIEW



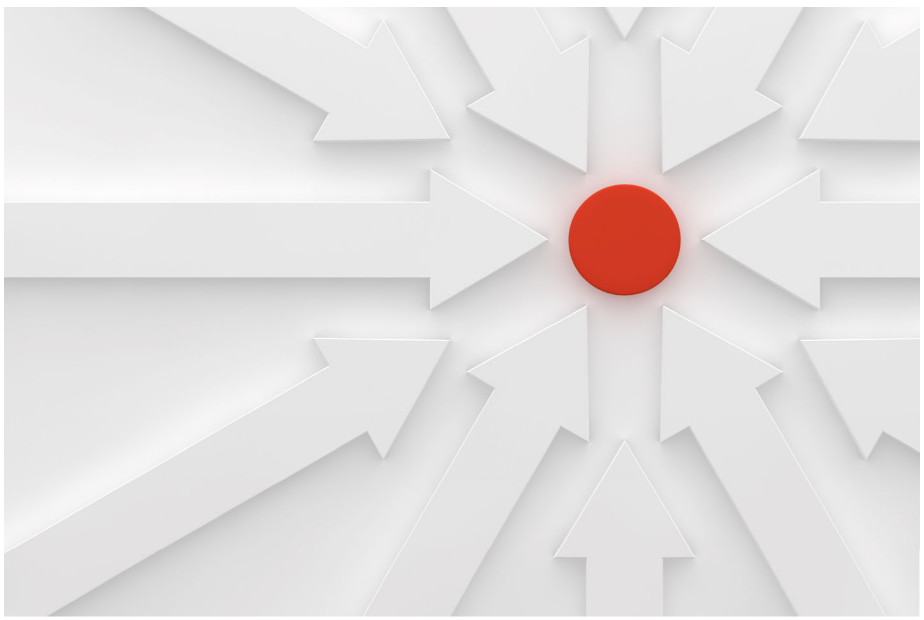
Revised MTA Code of Ethics and Board Member Code of Ethics

Established New Conflict of Interest Policy Regarding Outside Activities



Received Beacon Award from the Business Ethics Leadership Alliance at Global Ethics Summit

TOTAL MATTERS HANDLED



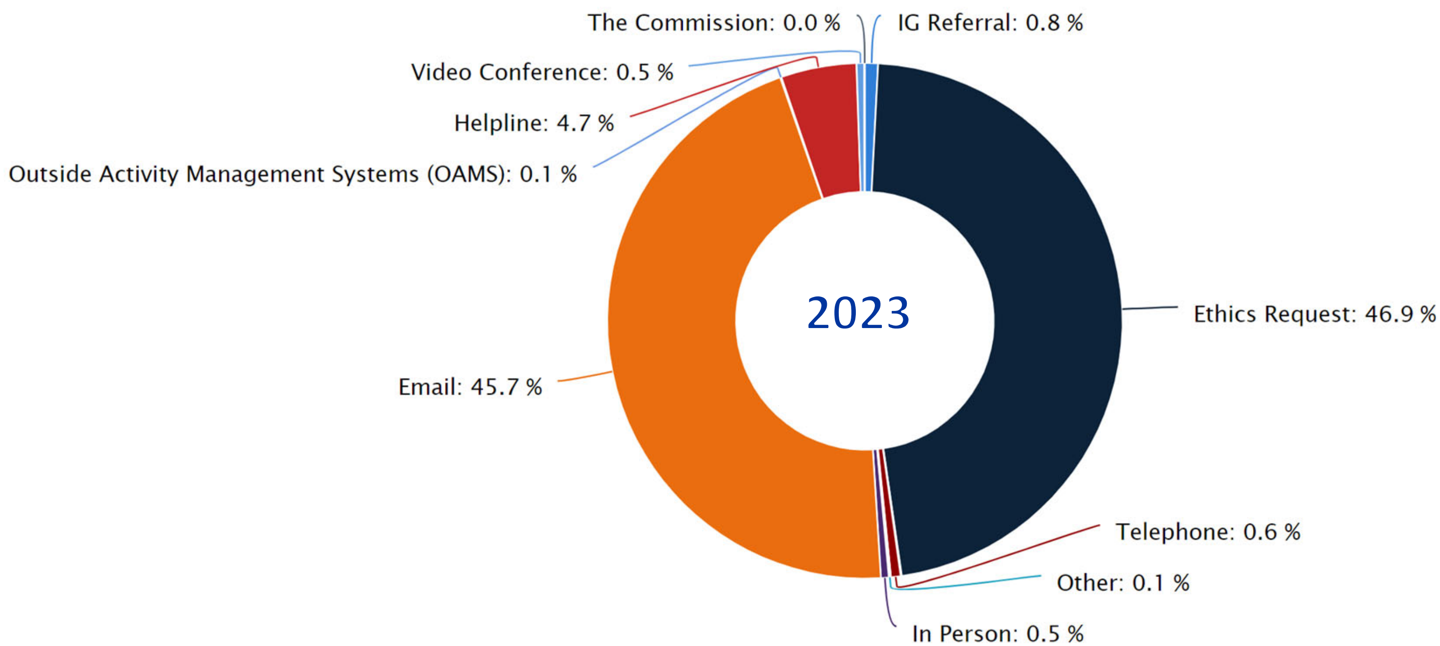
3.3k

2023

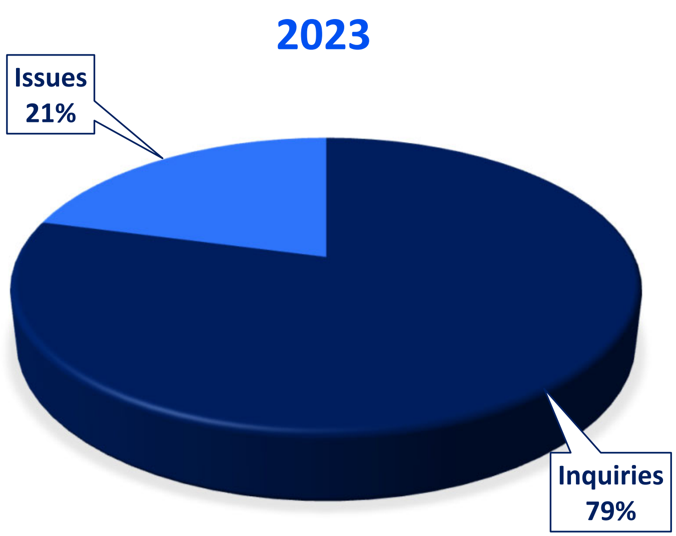
1.4k

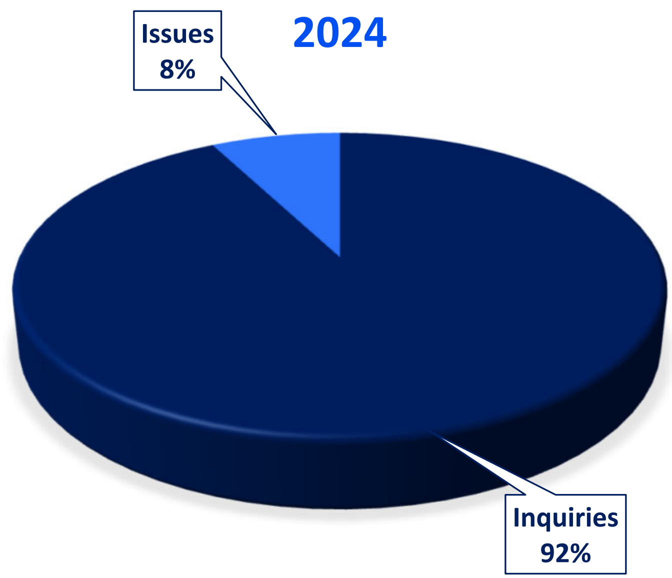
2024

Matters: By Source

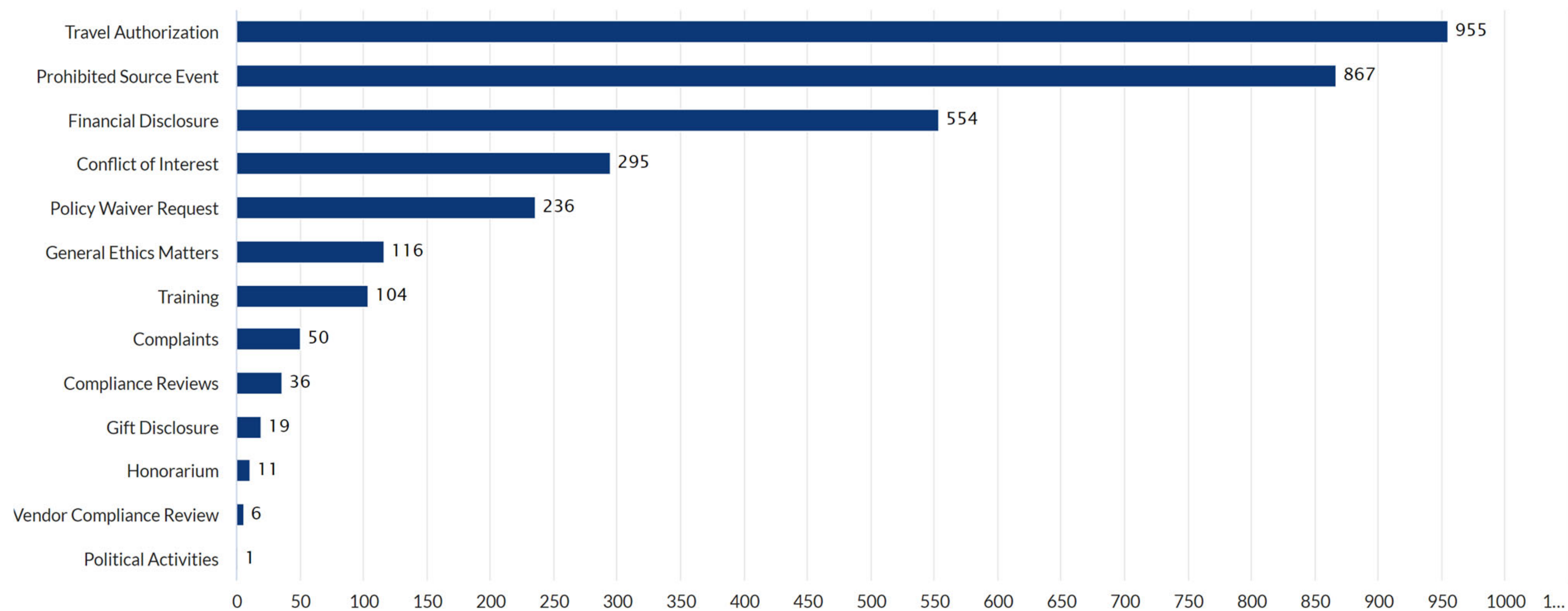


Matters: Issues Versus Inquiries

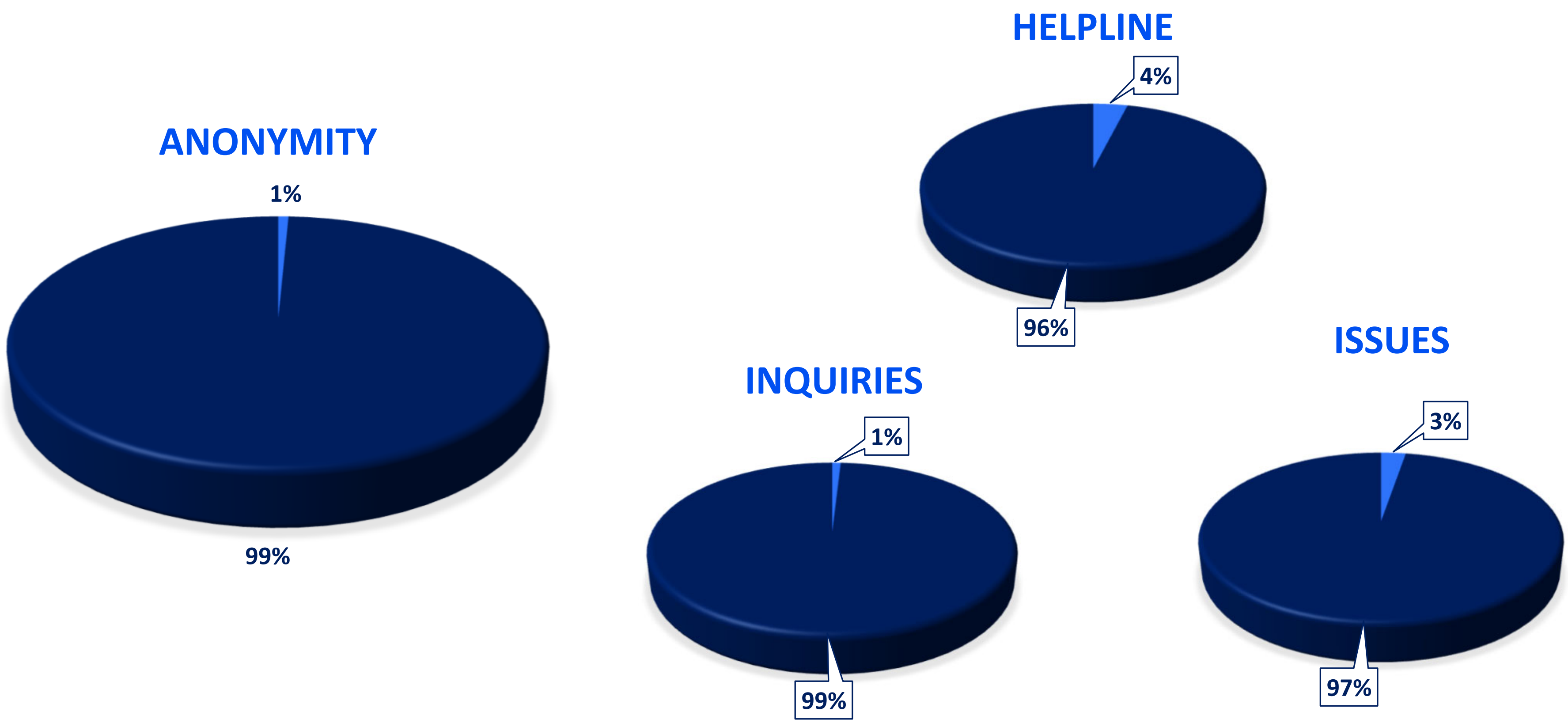




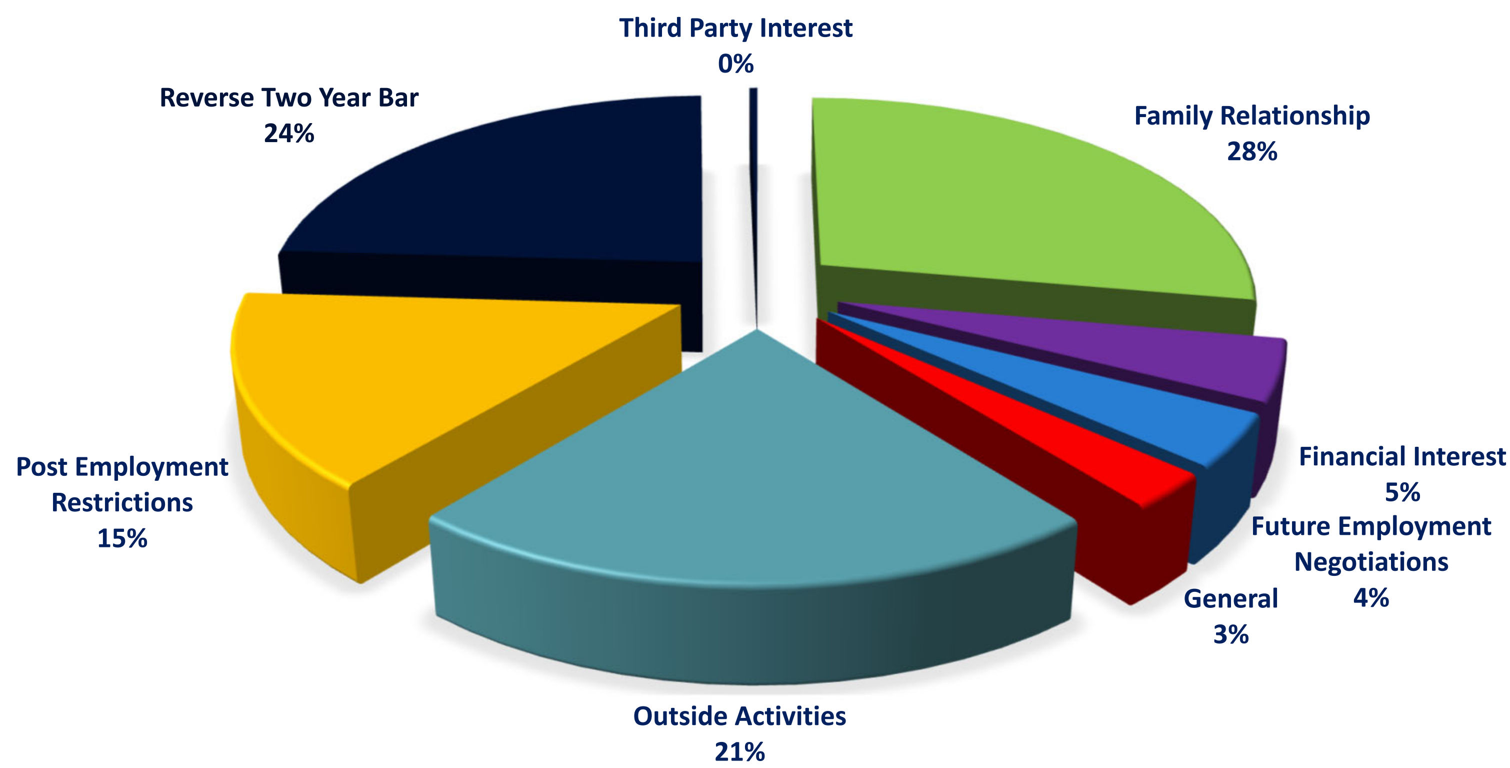
Matters: By Category



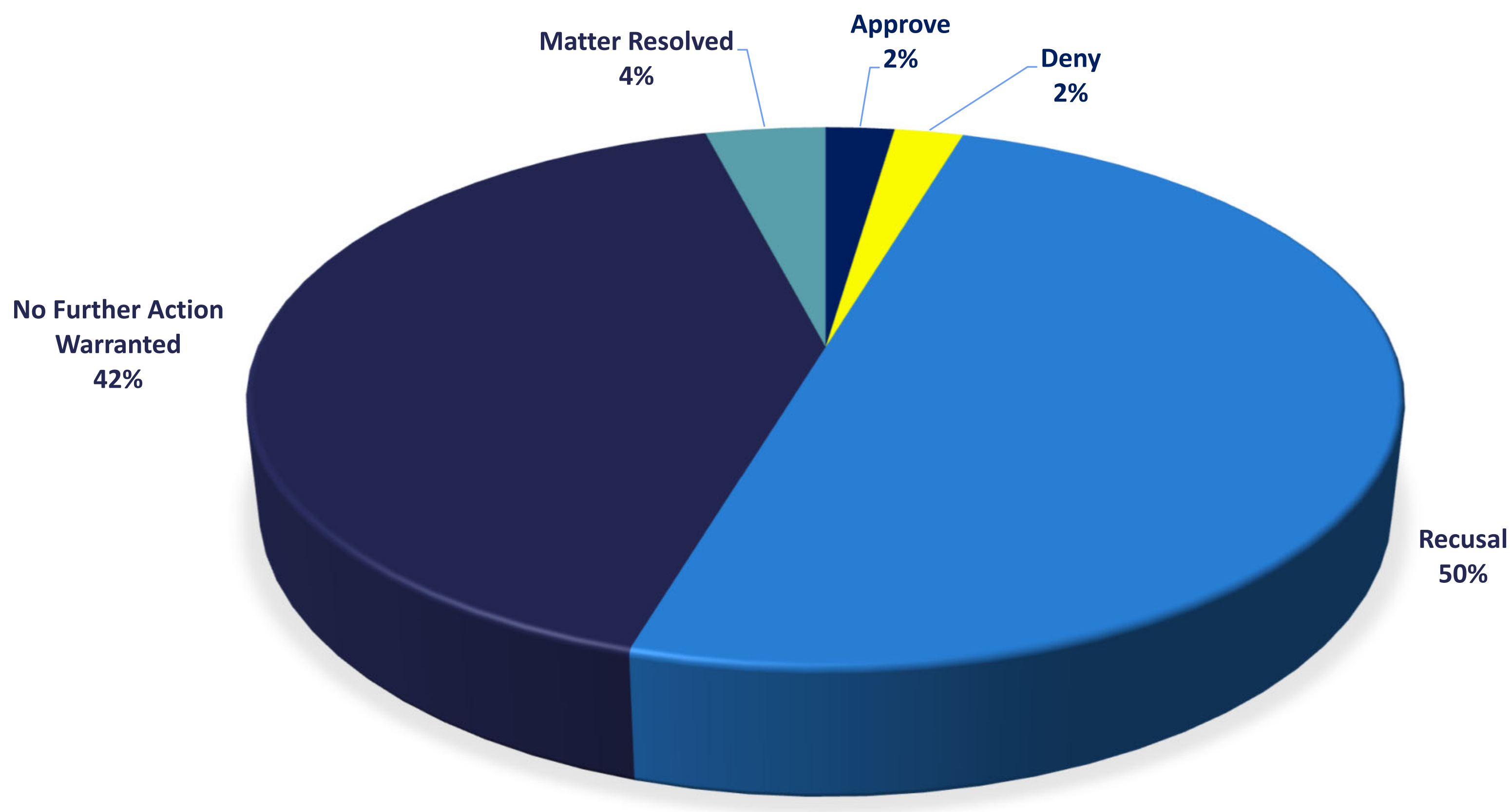
Matters: By Request for Anonymity



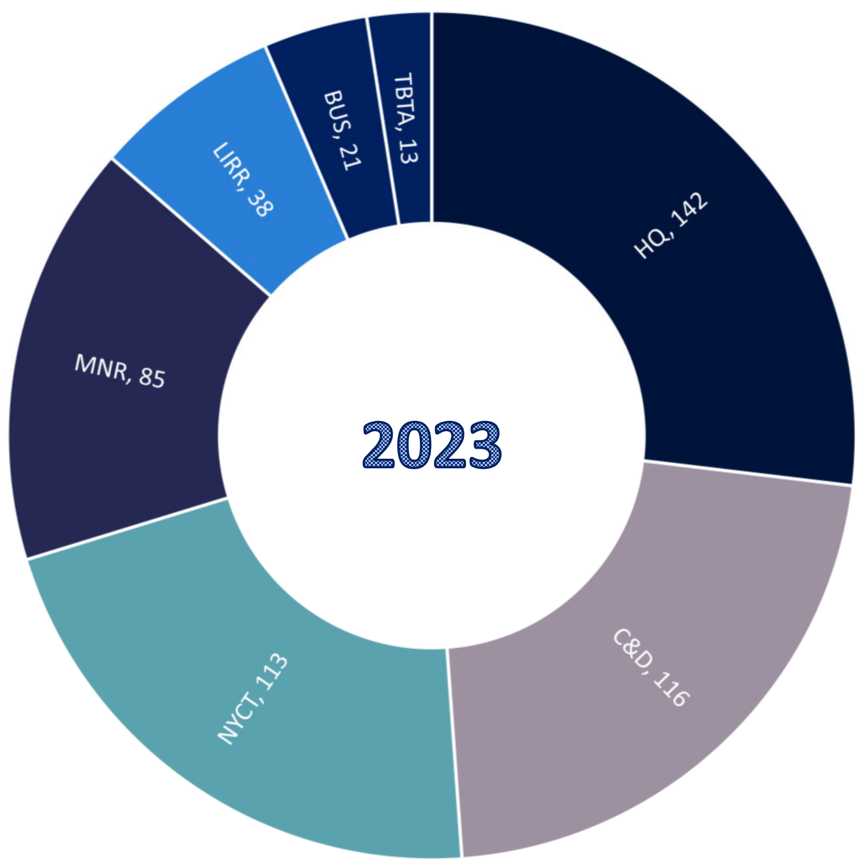
Conflict of Interests (“COI”) by Type



Conflict of Interests ("COI") Resolutions



COI Outside Activity Request Submitted



528

2023

457

2024

Ethics Training

- Live Ethics Training
- On Demand Ethics Training
- New Employee Orientation
- MNR Management Training
- C&D Training regarding Consultant Relationships & Gifts
- MTA Police Orientation

Live Ethics Training

4.5k

Communications

Compliance Corner

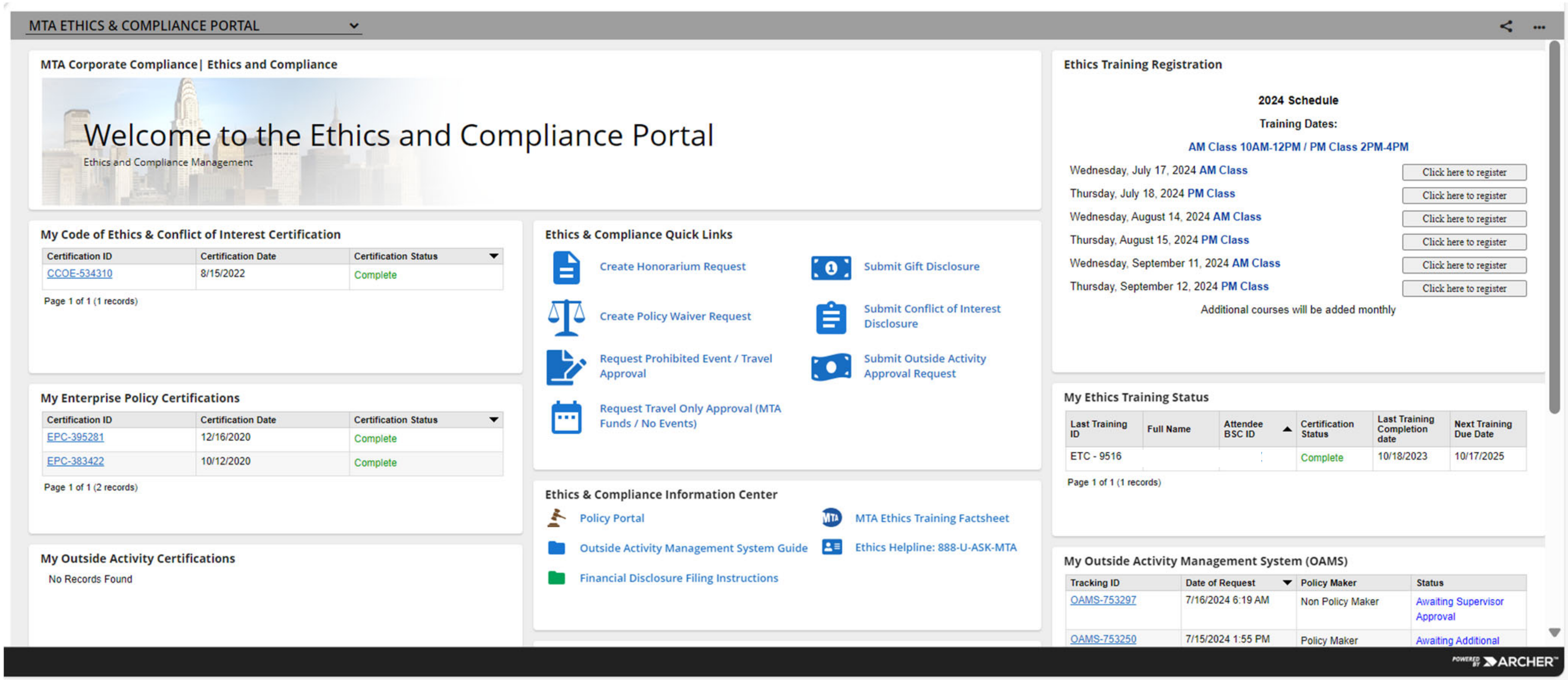
A helpful resource for handling some of the hot-topics and sticky situations we may be faced with.

Learn More →

Compliance Corner

Compliance Corner covers hot-topics and sticky situations we may be faced with and how to handle them. If you have a question or are unsure how to handle a particular situation, reach out to the MTA Ethics & Compliance Helpline at 888-U-ASK-MTA (888-827-5682).

June 2024	Let's Keep Politics Out of the Workplace—Political Activity
April 2024	Don't Let Your Side Gig Put Your Career in Jeopardy—Outside Activities
Nov. 2023	'Tis the Season to Be Wary—MTA Gifts Policy



MTA Ethics & Compliance Portal

Questions

Memorandum

Metropolitan Transportation Authority
State of New York

Date: July 17, 2024

To: Audit Committee Financial Disclosure Statement

From: Lamond W. Kearse, Chief Ethics, Risk & Compliance Officer

Re: Annual Report on 2023 Financial Interest Reporting Compliance

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At its January 1992 meeting, this Committee requested an annual report regarding compliance by MTA Headquarters and its Agencies ("MTA") with the financial interest reporting requirements established by Public Officers Law and the MTA All Agency Code of Ethics.

Pursuant to MTA's Code of Ethics and Public Officers Law §73-a, each year MTA identifies those employees who are required to file a Financial Disclosure Statement based upon earning in excess of the statutory amount and those employees who are designated policy makers. This information is sent to Commission on Ethics and Lobbying in Government ("Commission"). Employees in these categories receive notices from the Commission that they are required to complete a Financial Disclosure Statement which must be returned to the Commission by the statutory deadline of May 15.

At its January 1996 board meeting, the Board authorized and directed the Chairman or his designees to actively assist the Commission in its enforcement of the State's financial disclosure reporting requirements and to impose disciplinary action in appropriate cases.

In accordance with the Board's directive, and in order to reinforce in the minds of all MTA employees the MTA's commitment to compliance with the State's financial disclosure requirements, the annexed memoranda regarding compliance with financial disclosure was sent to all MTA employees and Board Members concurrently with the notice from the Commission.

The MTA will also continue actively to assist the Commission in its enforcement of the law. As of the date of this memorandum, there are approximately 8 delinquent filers from 2023.

This year the MTA has almost 6,500 filers. MTA Corporate Compliance will be monitoring compliance closely in the coming year.

Memorandum

Metropolitan Transportation Authority
State of New York

Date: May 8, 2024

To: Members of the Board

From: Lamond W. Kearse, Chief Compliance Officer

Re: Courtesy Reminder: Annual Financial Disclosure Statement 2023

Recently, the Commission on Ethics and Lobbying in Government ("COELIG") emailed notices regarding filing the Annual Financial Disclosure Statement for 2023.

All Board Members have an obligation to file a financial disclosure statement with COELIG pursuant to Section 1.03 of the MTA Board Member Code of Ethics and New York Ethics Law.

Your completed Financial Disclosure Statement for 2023 must be filed with COELIG no later than ***Wednesday, May 15, 2024***.

If you have not already done so, I urge you to file immediately. Should you find yourself in need of assistance with filing your financial disclosure statement, I encourage you to contact me at 646-252-1330 for guidance.

Memorandum

Metropolitan Transportation Authority
State of New York

Date: April 18, 2024

To: All MTA Financial Disclosure Statement Filers

From: Lamond W. Kearse, Chief Ethics, Risk & Compliance Officer

Re: Financial Disclosure Statement – 2024 Covering Calendar Year 2023

The Commission on Ethics and Lobbying in Government ("COELIG") emailed notices regarding the New York State Annual Financial Disclosure Statement for 2024, covering calendar year 2023, to applicable employees. All employees who have been designated FDS filers have an obligation to file a Financial Disclosure Statement with COELIG. This statement, whether completed on-line or hard copy, should be filled out carefully and thoughtfully and filed with COELIG **no later than Sunday, May 15, 2024** pursuant to COELIG's instructions.

I urge all employees to review our MTA All Agency Code of Ethics. A copy of the code can be found on MTA's Intranet, Internet or obtained from MTA Corporate Compliance. As you complete your financial disclosure form, you should be aware of any or actual potential conflicts of interest that you may need to report.

There is no exemption from filing for anyone who is away from work for any part of the calendar year or is working a reduced work schedule. New employees that are required to file, who commence service after the MTA submits its written list of financial filers, are required to file within 30 days of notification from COELIG.

As you know, COELIG is authorized to enforce the State's ethics and financial reporting laws, which include the ability to impose a civil penalty up to $40,000 or to seek prosecution as Class A misdemeanor violations of those laws. Pursuant to Board guidelines, in addition to providing its full cooperation and assistance to COELIG in its enforcement of the law, the MTA will impose such disciplinary action as may be appropriate in the case of violations.

Again, this year COELIG may assess penalties for filings received after the statutory deadline. To avoid late fines and possible disciplinary action, your statement must be received by COELIG **no later than May 15, 2024**.

Should you find yourself in a situation that raises any question as to your obligations concerning conflicts of interest or whether you are required to file a financial disclosure statement with COELIG, I encourage you to contact the Ethics Helpline at 888 U-ASK-MTA (888-827-5682) for guidance.

MTA AUDIT SERVICES

2024 Audit Plan Status

July 29, 2024

2024 Audit Plan Status

Financial/Operational/Technology

Projects Completed	40
Findings with Recommendations	78
Savings/Cost Efficiencies	$ 28.57 M

Contracts

Projects Completed	110
Pre-Award / Overhead Reviews	90
$ Audited	$ 227.7 M
Questioned Costs	$ 6.48 M

2024 - Highlights

- Transit Authority (TA) Receivables
- Farebox & OMNY Maintenance/OMNY Reconciliation
- Paratransit Invoice Review
- Power Inspection & Maintenance
- Cost Proposals – Sole Source Procurements & Impact Claims

2024 – Sandy Audit Unit

Superstorm Sandy Audit Unit
Recovery Oversight Audits
(Since 2013)

Total Grant Expenditures	$4.4 Billion
Costs Audited	$583 Million
Projects/Recommendations	157/411
Follow-up Audits Completed	13
Total Cost Adjustments	$66.6 Million

2024 Audit Areas

Service Delivery

- Station Signage/Cleaning √
- Bus Depot Operations √(2)
- Shop Overhaul Program
- Car Maintenance [RCMP] √
- Bridge & Tunnel Operations √
- Facility Management
- Elevators & Escalators
- Subway Car Cleaning
- SIR Operations & Maintenance
- Central Road Service
- Signals Inspection & Maintenance
- Key Performance Indicators

Revenue

- Cost and Revenue Allocation
- Ticket Offices/Stations √
- Ticket Vending Machine Maintenance
- Railroads On-Board Revenue √√(6) √
- Revenue & Subsidies
- Bus Revenue Processing √√
- Advertising Agreement
- TAB Summons √
- Student Pass/Reduced Fare √

Procurement

- Personal Services Contract √√
- As Needed Contracts
- Homeless Contract
- Materials Contract √√
- P-Card Review
- Paratransit Contracts √√

Human Resources

- All-Agency Hiring
- Sick Leave/Employee Availability √(2)
- OHS Medical Reviews
- Health Benefits
- Salary Adjustments/Compensation √
- FMLA
- Life Insurance Benefits
- EEO Complaints

Finance

- Timekeeping/Overtime √√
- Accounts Payable √√ √
- Pensions √√(4) √(2)
- Treasury/Investments √√
- Payroll
- Lien Payments
- Implementation of CBA Rules
- Special Acting Pay √
- MTA Police – Comp Time

Capital Program

- Superstorm Sandy √√
- Prevailing Wages √√ √
- Contract Management √√
- Additional Work Orders
- DBE Program √
- Project Labor Agreement
- NYS Code Compliance
- Third Party Contracts √√

Safety

- Accident/Incident Reporting √(2)
- Energy Management System √
- Workplace Violence/Safety Training√√ √
- Gate Guard Program √
- Train Yard Security
- Fare Evasion [Eagle Team]
- Safety Practices

Technology

- Network Reviews
- Cyber Security √
- Application Reviews
- Security over Sensitive and PII Data
- Disaster Recovery
- Data Retention

Looking Ahead

- Prioritize remaining audits for 2024 with input from Agency Presidents and HQ Tower Leads.
- Work with Management to achieve MTA's Strategic Priorities
- Continue to coordinate audit activities with:
  - External Auditors
  - City/State Controller's Office
  - MTA Chief Compliance Office
  - MTA Inspector General Office

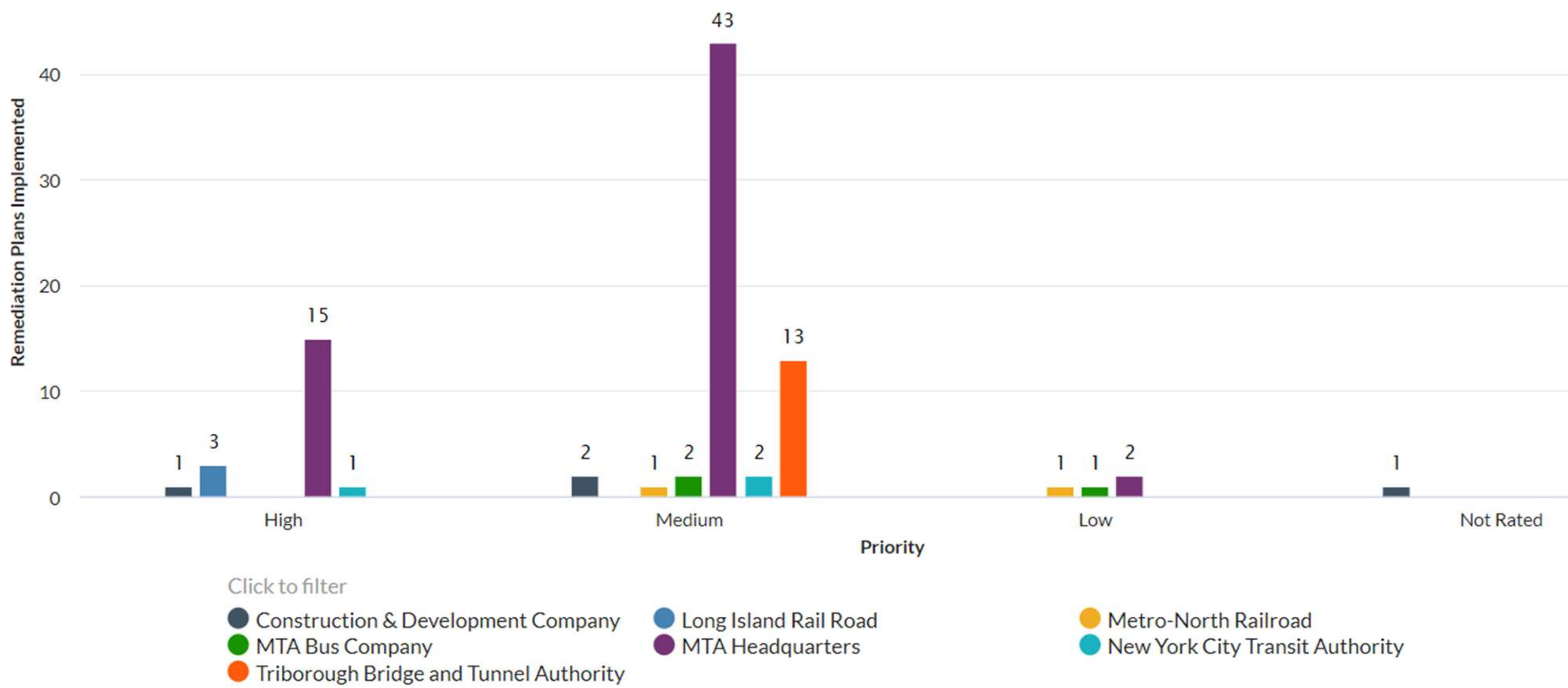
QUESTIONS?

MTA
CORPORATE COMPLIANCE

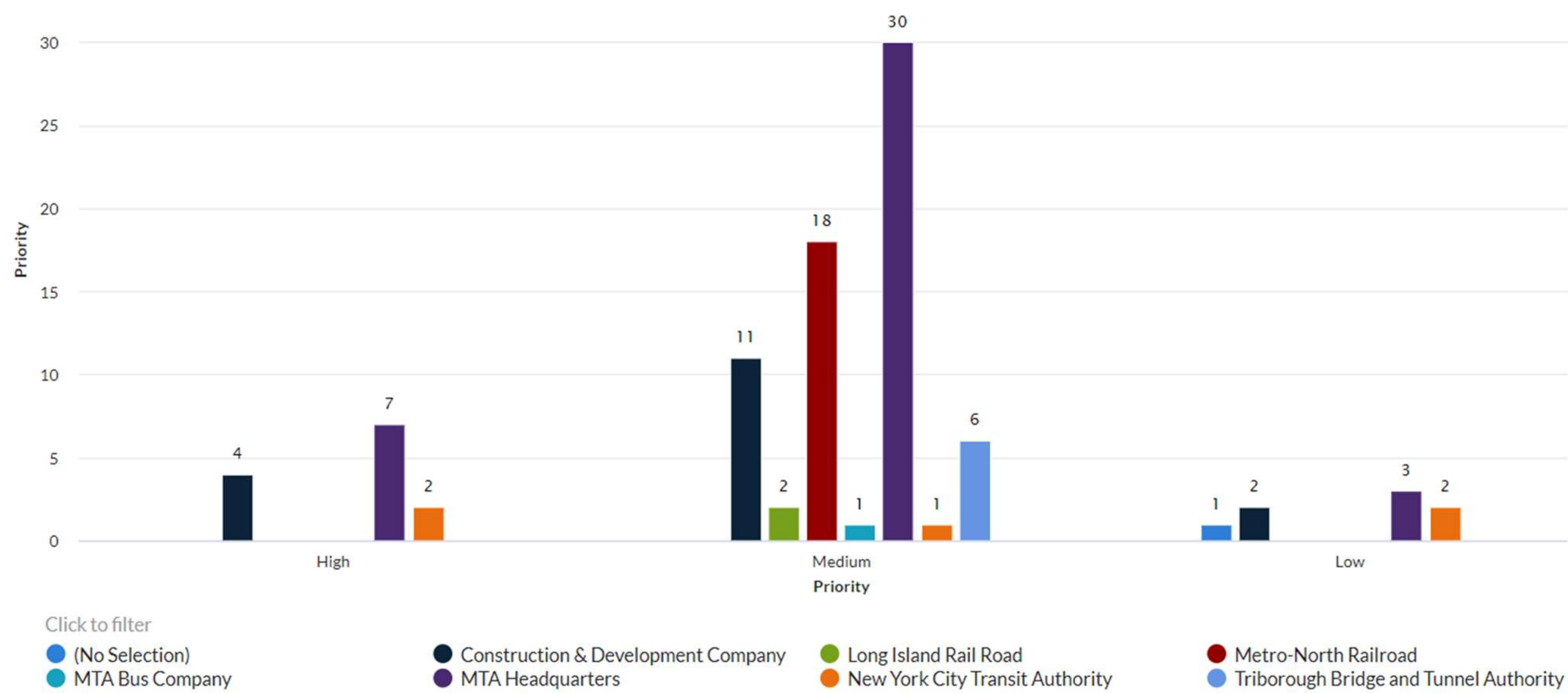
Remediation Plans Monitoring
Six Months Past Due

Report to the Audit Committee
July 2024

Remediation Plans Implemented Awaiting Closure By Agency & Priority



Remediation Plans Six Months Past Due by Agency & Priority



Remediation Plans Six Month Past Due which are High Priority By Business