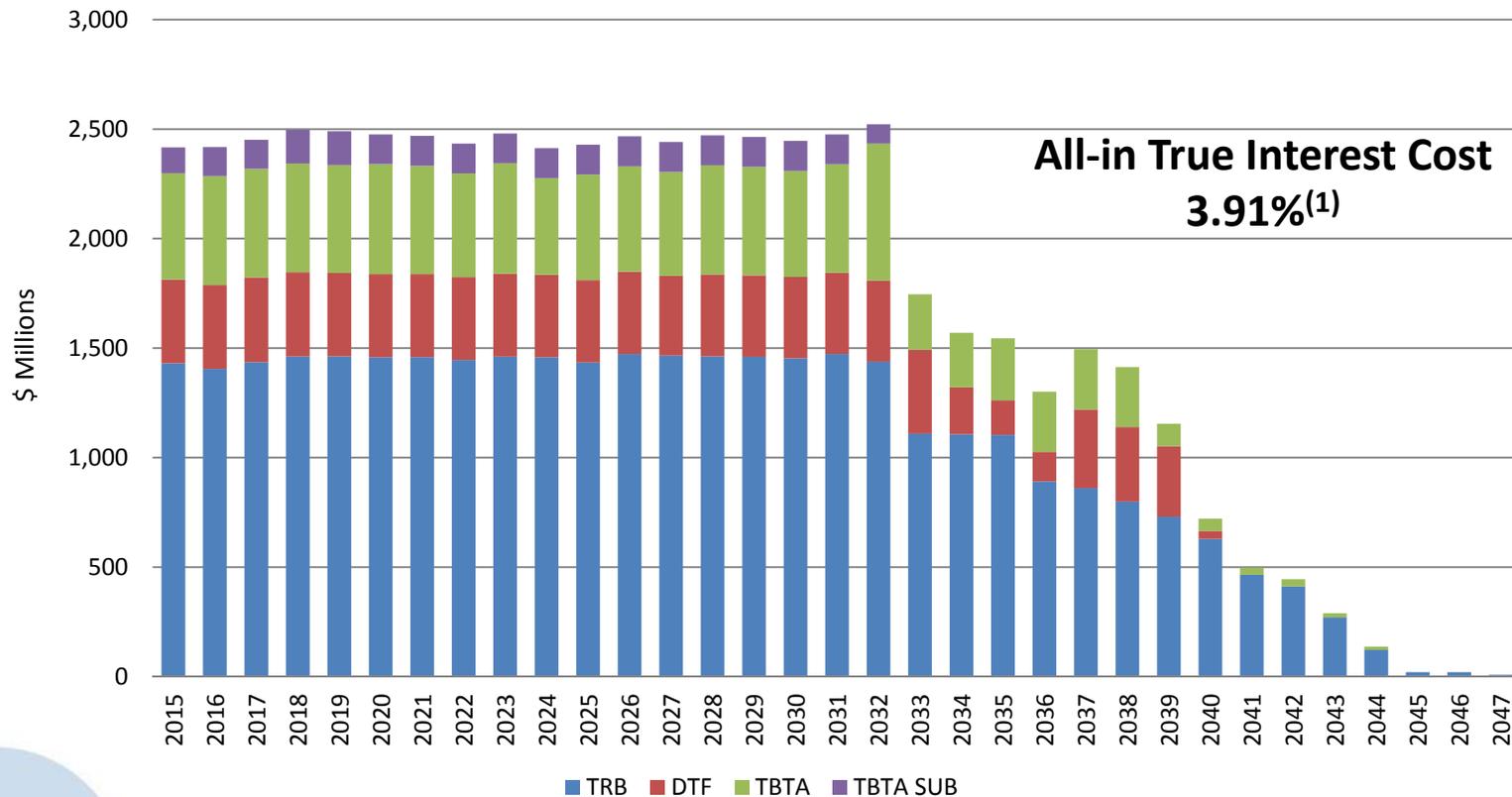


Debt Service on Outstanding Bonds by Credit

Corrected slide #3 added on 4/23/2015



(1) Fixed Rate TICs calculated as of issuance of Fixed Rate Bonds. Floating Rate TICs calculated from inception including fees. Any Unhedged Variable Rate Bonds that have been fixed to maturity are carried at the new Fixed Rate TIC. Synthetic Fixed Rate TICs include average swap rates plus current variable rate fees and estimated basis adjustments for life of swap. Synthetic Fixed Rate TICs do not include benefit of any upfront payments received by MTA. Variable Rate TICs include average remarketed rate plus current variable rate fees.

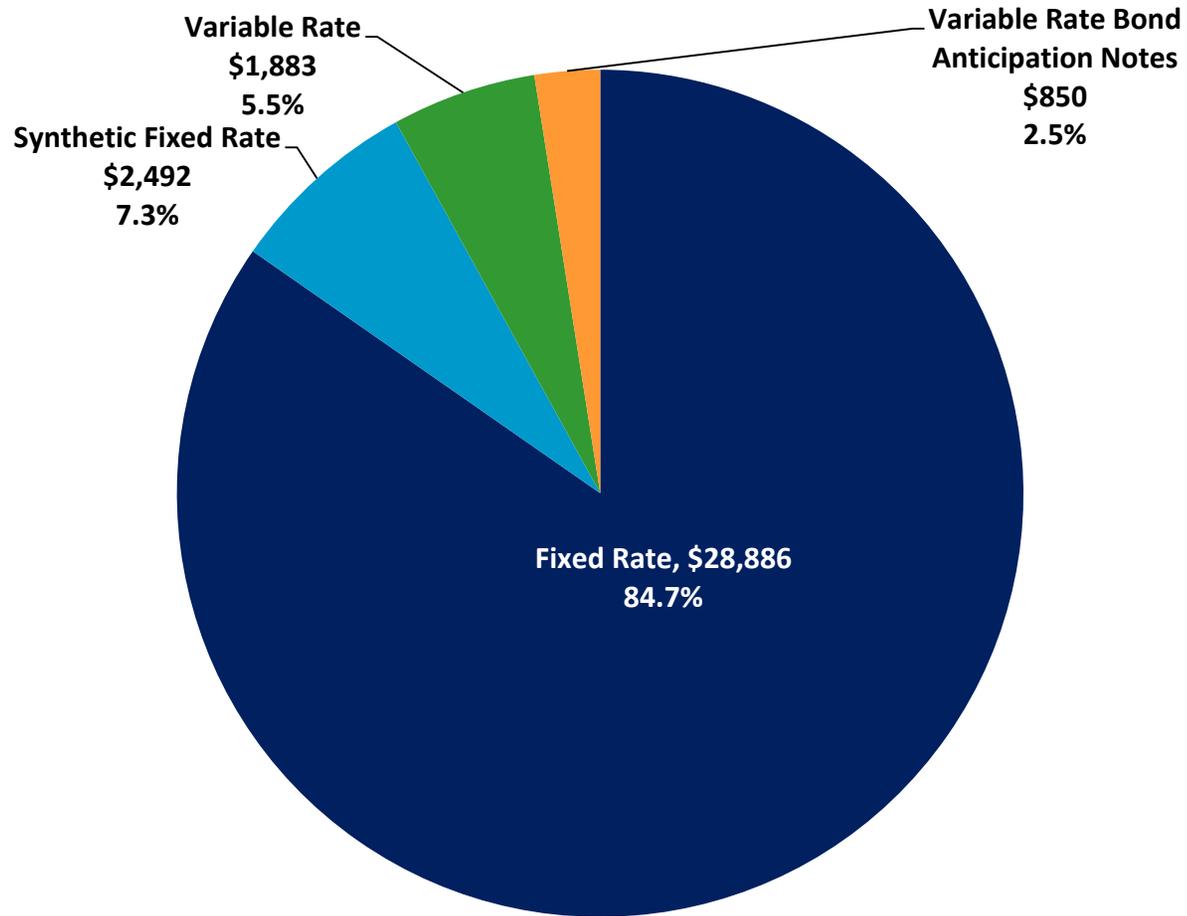
Report to the Finance Committee 2014 Year End Review

MTA Finance Department
Patrick McCoy, Director
January 20, 2015



Outstanding indebtedness totals \$34.1 billion*

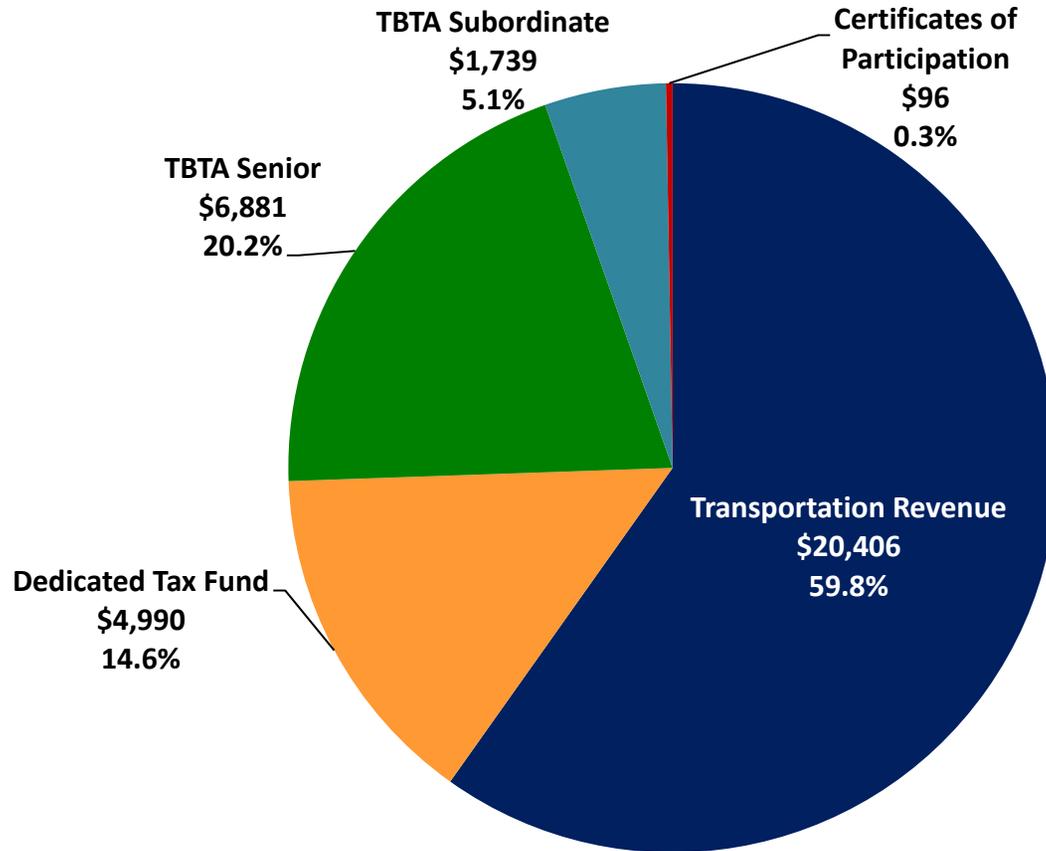
(\$ in millions)



* Includes 2 Broadway COPs but excludes State Service Contract bonds.
As of December 31, 2014.

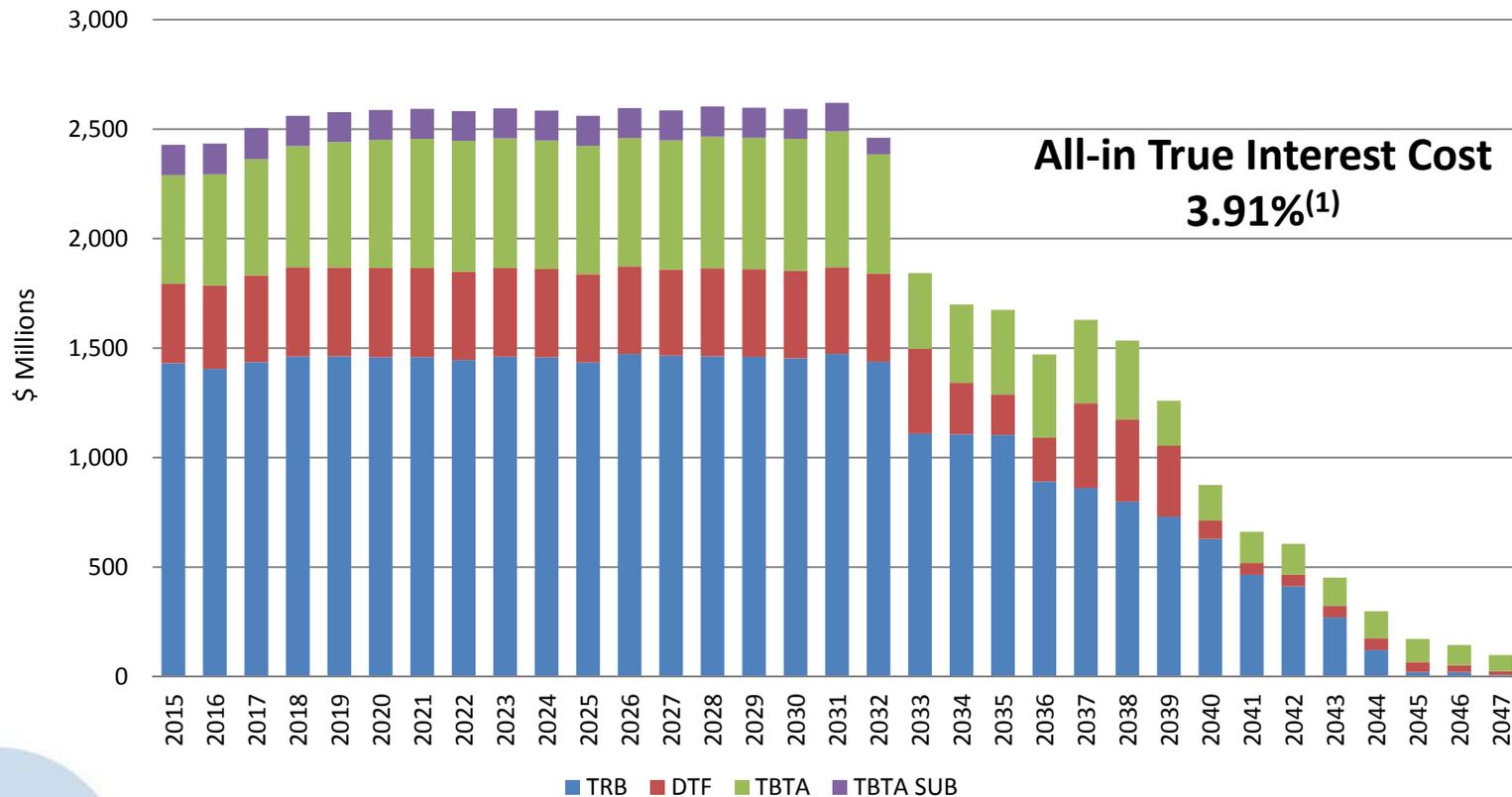
Debt By Resolution

(\$ in millions)



1. As of December 31, 2014.
2. Transportation Revenue Bonds include \$550 million Transportation Revenue Bond Anticipation Notes, Series CP-2 and \$300 million of Transportation Revenue BANs.
3. Total excludes State Service Contract Bonds debt service on which is paid by the State.
4. TBTA Senior Bonds include \$100 million Triborough Bridge and Tunnel BANs.

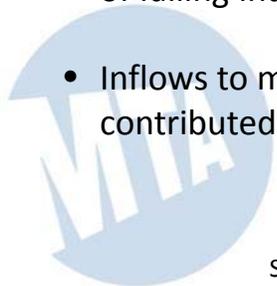
Debt Service on Outstanding Bonds by Credit



(1) Fixed Rate TICs calculated as of issuance of Fixed Rate Bonds. Floating Rate TICs calculated from inception including fees. Any Unhedged Variable Rate Bonds that have been fixed to maturity are carried at the new Fixed Rate TIC. Synthetic Fixed Rate TICs include average swap rates plus current variable rate fees and estimated basis adjustments for life of swap. Synthetic Fixed Rate TICs do not include benefit of any upfront payments received by MTA. Variable Rate TICs include average remarketed rate plus current variable rate fees.

2014 Market Recap

- High investor demand, relative safety from global volatility, and the appreciating value of the U.S. dollar contributed to a decline in Treasury rates throughout 2014.
 - The 10 year Treasury yield was at 2.17% at year-end, down from 3.03% a year earlier.
 - The 30 year Treasury yield ended 2014 at 2.75%, also down significantly from 3.96% at the end of 2013.
- Mid- and long-term municipal yields declined sharply, while short-term yields saw a slight increase, resulting in a flattening of the yield curve.
 - The 10 year AAA MMD index ended 2014 at 2.04%, down from 2.77% at the end of 2013. The index reached its YTD high of 2.79% on January 3 and its YTD low of 1.81% on October 15.
 - The 30 year AAA MMD ended at 2.86% at year-end 2014, down from 4.19% a year earlier. The index reached its YTD high of 4.20% on January 3 and its YTD low of 2.75% on October 15.
- Throughout the year, the municipal market strengthened due to an improvement in credit quality, absence of strong new issuance supply, Detroit Chapter 9 bankruptcy settlement, and the Fed taper quietly dissipating while the economy advanced.
- The volume of long-term municipal bonds issued in 2014 was up only 0.1% from 2013, to \$334.4 billion. In a period of falling interest rates, refundings gained 12.8% while new money issuance fell by 10.8%.
- Inflows to municipal bond funds and a 4% decline in the overall amount of municipal bonds outstanding also contributed to declining tax exempt rates.

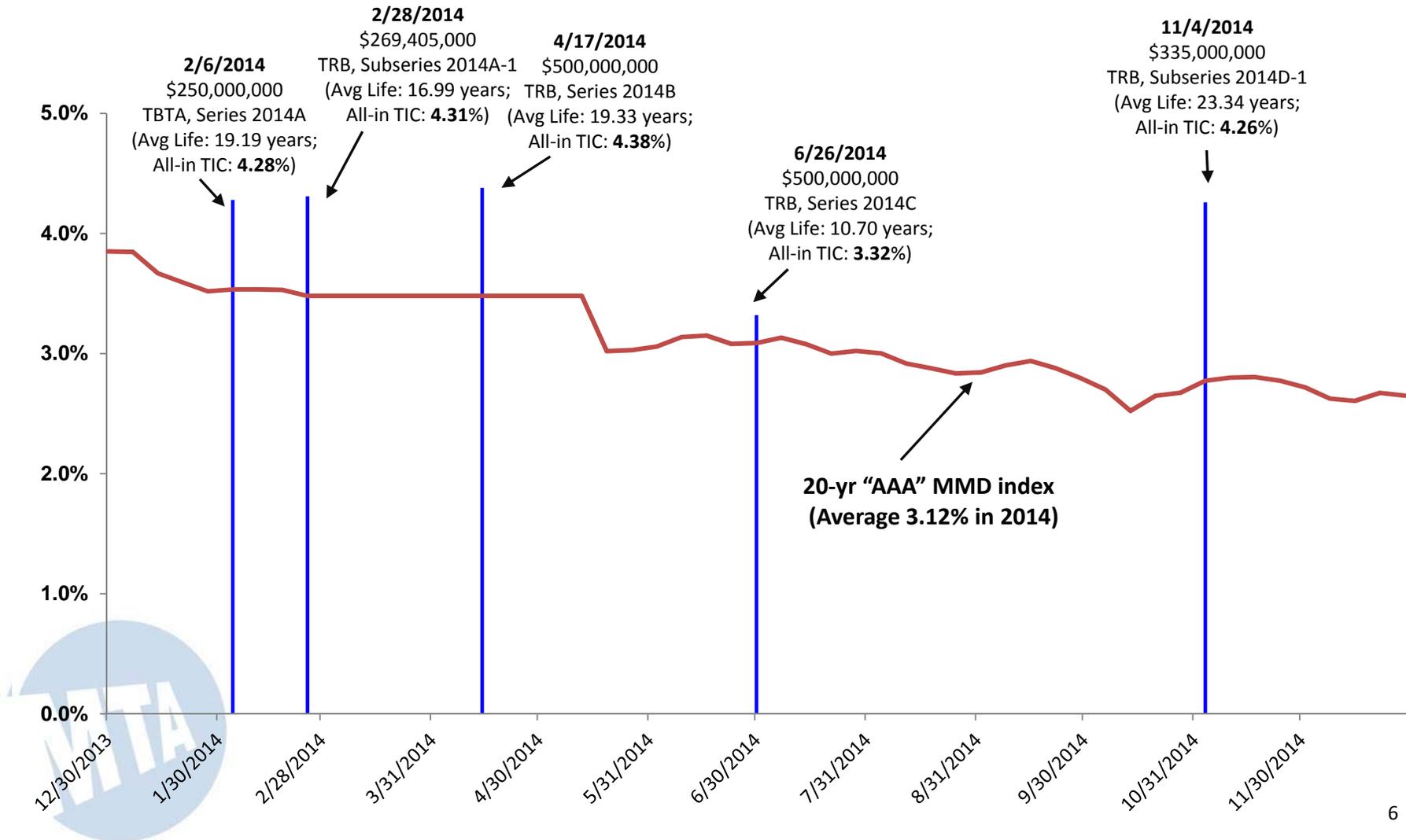


2014 Transactions Summary

- \$2.1 billion New Money borrowing
 - \$1.954 billion fixed rate mode
 - \$165 million variable rate mode
- \$130 million Refunding Bonds
 - \$147 million of fixed rate bonds called and refunded for savings and debt management
 - Present value savings of \$19.2 million or 13.3%
- Restructuring of TBTA 2002E related escrows and \$349 million Special Obligation Bonds
 - \$53.2 million cash release for TBTA capital program
 - \$36.2 million operating cash release
- \$1.4 billion Remarketing of Tendered Obligations
 - \$111 million remarketed as fixed-rate put bonds
 - \$1.042 billion remarketed as floating rate notes (FRNs)
 - \$170 million remarketed with bank support in daily mode and \$75 million in weekly mode
- \$892 million of debt was retired through normal amortization in 2014
- Net increase in debt is \$1.2 billion
- Total bond financed capital investments of \$2.53 billion



2014 MTA Fixed Rate New Money Bond Issuances



2014 Remarketing Results

<u>Bond Series</u>	<u>Par Amount</u>	<u>Mode</u>	<u>Put Date</u>	<u>TIC/Index¹</u>
DTF 2008A-1	170,805,000	Daily	6/16/2017	
DTF 2008A-2a	84,855,000	FRN	6/1/2017	Sifma+38bp
DTF 2008A-2b	84,855,000	FRN	11/1/2019	Sifma+58bp
DTF 2008B-3A	35,000,000	FRN	11/1/2018	Sifma+37bp
DTF 2008B-3C	44,740,000	FRN	11/1/2019	Sifma+45bp
TBTA 2005B-4A	28,800,000	FRN	1/4/2016	67%L+38bp
TBTA 2005B-4B	37,500,000	FRN	1/4/2017	67%L+52bp
TBTA 2005B-4C	38,700,000	FRN	2/1/2019	67%L+40bp
TBTA 2008B-2	63,650,000	FRN	11/15/2021	67%L+50bp
TBTA SUB 2000ABCD-1	19,150,000	FRN	1/1/2015	Sifma+01bp
TBTA SUB 2000ABCD-2	34,400,000	FRN	1/1/2016	Sifma+17bp
TBTA SUB 2000ABCD-3	36,600,000	FRN	1/1/2017	Sifma+25bp
TBTA SUB 2000ABCD-4	38,850,000	FRN	1/1/2018	Sifma+35bp
TBTA SUB 2000ABCD-5	18,850,000	FRN	1/1/2019	Sifma+44bp
TRB 2002D-2a	100,000,000	FRN	5/15/2017	69%L+47bp
TRB 2002D-2b	100,000,000	FRN	5/15/2018	69%L+60bp
TRB 2002G-1f	42,575,000	FRN	11/1/2018	67%L+48bp
TRB 2005E-2	75,000,000	Weekly	12/13/2017	
TRB 2008B-4	111,220,000	PUT	11/15/2019	3.82%
TRB 2011B	99,560,000	FRN	11/1/2017	67%L+35bp
TRB 2012A-2	50,000,000	FRN	5/15/2016	Sifma+27bp
TRB 2012G-1	84,450,000	FRN	11/1/2019	67%L+30bp
Total	1,399,560,000			

(1) Sifma averaged 0.0513% during 2014; 1 month LIBOR averaged 0.1551% during 2014



2014 Rating Agency Outreach

- On January 24, 2014, MTA gave a rating presentation to S&P seeking an upgrade for MTA Transportation Revenue Bonds pursuant to the S&P's recently revised rating methodology for mass transportation enterprises
 - On February 18, 2014, S&P upgraded its long-term rating on MTA Transportation Revenue Bonds to "A+" from "A"
 - On June 17, 2014, S&P upgraded for the second time its long-term rating on MTA Transportation Revenue Bonds to "AA-" from "A+"
- On December 26, 2014, MTA submitted comments on the draft rating methodology for mass transportation enterprises from Moody's; this new methodology is expected to be finalized in early 2015.

Credit	Moody's	S&P	Fitch	Kroll
Transportation Revenue	A2 Stable	AA- Stable	A Stable	NAF*
Dedicated Tax Fund	NAF*	AA Stable	AA- Stable	NAF*
TBTA – General Resolution	Aa3 Stable	AA- Stable	AA- Stable	AA Stable
TBTA – Subordinate Resolution	A1 Stable	A+ Stable	A+ Stable	AA- Stable



* NAF – Not applied for

2014 Investor Outreach - Presentations

- April 2, 2014, MTA Finance Department presented at the J.P. Morgan Public Finance Transportation & Utility Conference
- September 19, 2014, MTA Finance Department participated and presented on the Transportation and Economic Development Panel at the Bank of America Merrill Lynch 2014 Investor Conference
- On October 8, 2014, MTA hosted an Investor Tour of the Second Avenue Subway project
 - Attendees included some of MTA's largest institutional investors, representing approximately \$12.5 billion of MTA outstanding bonds
 - Investors traveled to the event from CA, CT, MA, NJ, IL, MD, PA, NH, and NYC
 - In addition, analysts from the four credit rating agencies participated



2014 Regulatory Recap

- **Municipal Advisor Rule**

- The SEC's final municipal advisor registration and recordkeeping Rules 15Ba1-1 through 15Ba1-8 and 15Bc4-1 was effective July 1, 2014
 - Firms that are engaged, or plan to engage, in municipal advisory activities must register with both the SEC and the Municipal Securities Rulemaking Board, unless exemption applicable
 - MTA Independent Registered Municipal Advisor (IRMA) Exemption Letter, dated June 23, 2014, posted to Investor website (revised December 2014 to reflect new address)

- **MCDC Initiative – Municipalities Continuing Disclosure Cooperation Initiative**

- Intended to address potential violations of the federal securities laws by in connection with certain representations about continuing disclosures in bond offering documents
- Issuers and underwriters were able to self-report to the SEC any possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in **Rule 15c2-12** under the Securities Exchange Act of 1934
 - Underwriters reported by September 10, 2014
 - Issuers reported by December 1, 2014
- MTA underwent comprehensive review, including hiring an outside disclosure specialist firm, Digital Assurance Certification, LLC (or DAC) to review its historical disclosure filings
 - MTA's senior managers reported to staff that MTA showed a strong disclosure record; no reports were filed on MTA by underwriters
 - After its internal review, **MTA did not have any findings of noncompliance** that triggered self-reporting under MCDC Initiative



2015 Financing Quarterly Calendar

(\$ in millions)

Purpose	Q1	Q2	Q3	Q4	Total
New Money ⁽¹⁾	500	750	500	500	2,250
Remarketing ⁽²⁾	559	450	866	373	2,248
Refunding ⁽³⁾	=	=	=	<u>1,067</u>	<u>1,067</u>
Total	1,059	1,200	1,366	1,940	5,565

Numbers may not total due to rounding

1. Bond issuance for approved Capital Programs
2. BANs, Mandatory Tender bonds, FRNs, and VRDBs for which MTA expects to seek replacement liquidity facilities or remarket to alternate modes
3. Bonds callable in November 2015



2015 Remarketing Outlook

Credit	Subseries	CUSIP	Par Outstanding (\$ in millions)	Mode	Liquidity Type	Liquidity Provider	Liquidity Exp./Put Date
TBTA Gen	2003B-1	89602NWU4	88.50	Weekly VRDB	LOC	CALPERs	1/31/2015
TBTA Gen	2003B-2	89602NWX2	47.79	Weekly VRDB	LOC	CALSTRs	1/31/2015
TBTA Gen	2003B-3	89602NWW0	56.63	Daily VRDB	LOC	US Bank	1/31/2015
TBTA Gen	2005A-1	89602NWX8	56.15	Daily VRDB	LOC	CALPERs	1/31/2015
TBTA Gen	2005A-2	89602NWX6	30.34	Weekly VRDB	LOC	CALSTRs	1/31/2015
TBTA Gen	2005A-3	89602NWX3	35.93	Weekly VRDB	LOC	US Bank	1/31/2015
TBTA Gen	2005B-2a	89602NXA7	88.99	Daily VRDB	LOC	CALPERs	1/31/2015
TBTA Gen	2005B-2b	89602NXB5	48.10	Daily VRDB	LOC	CALSTRs	1/31/2015
TBTA Gen	2005B-2c	89602NXC3	56.91	Daily VRDB	LOC	US Bank	1/31/2015
TBTA Sub	2013D-2a	89602NV27	58.02	100% LIBOR FRN			2/2/2015
Trans Rev	2013A ML	59259YH85	200.00	BAN			4/19/2015
TBTA Gen	2014A	89602NV50	100.00	BAN			5/15/2015
Trans Rev	2012A-3	59259YMA4	50.00	SIFMA FRN			5/15/2015
Trans Rev	2013A KB	N/A	100.00	BAN			5/29/2015
TBTA Gen	2005B-3	89602NGX6	194.00	Weekly VRDB	SBPA	Bank of America ML	7/3/2015
Trans Rev	CP2-A	59260N	100.00	CP	LOC	TD Bank	9/16/2015
Trans Rev	CP2-B	59260M	250.00	CP	LOC	Barclays	9/16/2015
Trans Rev	CP2-D	59260Q	200.00	CP	LOC	Citi	9/16/2015
TBTA Gen	2001C	89602NSQ8	122.57	Weekly VRDB	SBPA	JPMorgan	9/29/2015
Trans Rev	2005E-1	59259YTZ2	100.00	Weekly VRDB	LOC	Bank of America ML	10/2/2015
Trans Rev	2005E-3	59259YUB3	75.00	Daily VRDB	LOC	PNC	10/2/2015
TBTA Gen	2002F	89602NCG7	195.30	Daily VRDB	SBPA	Helaba	11/1/2015
Trans Rev	2002G-1g	59259YJ67	42.55	67% LIBOR FRN			11/1/2015
Trans Rev	2012G-2	59259YVF3	125.00	67% LIBOR FRN			11/1/2015
Trans Rev	2005D-1	59259YAG4	150.00	Weekly VRDB	LOC	Helaba	11/7/2015
TBTA Gen	2008B-3	89602NMX9	105.08	Put Bond			11/15/2015

* Providers will not be extending the current liquidity facility. MTA will be replacing the liquidity facilities with other banks, including Wells Fargo, PNC, and TD Bank.

Appendix

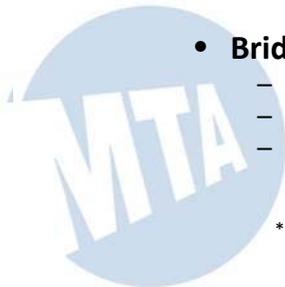
1. Bond Financed Capital Investments in 2014
2. 2014 Debt Issuance and Remarketing Activity
3. 2014 Cost of Issuance Summary



Bond Financed Capital Investments in 2014

- **MTA financed \$2.53 billion in capital expenditures from bond proceeds in 2014**
- **Capital Construction (\$1,025.3 million)***
 - East Side Access (\$533.2 million)
 - \$122 million for Harold Structure and Interlocking
 - \$149 million for Manhattan North and Manhattan South Structures
 - Second Avenue Subway (\$402.8 million)
 - \$100 million for construction of 86th St Station.
 - \$109 million for construction of 72nd St Station
- **New York City Transit/MTA Bus (\$971 million)**
 - \$48 million for mainline track and switch replacement
 - \$145 million of passenger station work
 - \$230 million for signals and communications
 - \$51 million for new express, articulated, standard and CNG buses
 - \$222 million for purchase of A and B Division Cars
- **Commuter Railroads (\$257.5 million)**
 - LIRR (\$126.7 million)
 - \$51 million for annual track and second track programs
 - \$21 million for M-9 Rolling Stock Procurement
 - MNR (\$130.8 million)
 - \$40 million for purchase of new M-8 rolling stock for New Haven Line
 - \$16 million for communication and signals work
- **Bridges and Tunnels (\$272.2 million)**
 - \$86 million for Verrazano-Narrows Bridge Roadways, Decking and Structural Painting
 - \$55 million for RFK Bridge Roadways and Decks
 - \$20 million for Bronx Whitestone Deck Replacement and utility work

* Includes Lower Manhattan Projects, Security and Administration.



2014 Debt Issuance and Remarketing Activity

Settlement Date	Series	Amount	Structure	Senior/Co-Senior Manager	Purpose	Assignment Basis	All-in Tic	Average Life
6/18/2014	DTF 2008A-1	170,805,000	Daily	RBC	Remarketing	Existing Assignment		
6/18/2014	DTF 2008A-2a	84,855,000	FRN	Goldman/Estrada/RBC	Remarketing	Existing Assignment		
6/18/2014	DTF 2008A-2b	84,855,000	FRN	Goldman/Estrada/RBC	Remarketing	Existing Assignment		
11/1/2014	DTF 2008B-3A	35,000,000	FRN	Goldman/Stern Brothers	Remarketing	Existing Assignment		
11/1/2014	DTF 2008B-3C	44,740,000	FRN	Goldman/Stern Brothers	Remarketing	Existing Assignment		
1/2/2014	TBTA 2005B-4A	28,800,000	FRN	Barclays/Duncan Williams-Oppenheimer	Remarketing	Existing Assignment		
1/2/2014	TBTA 2005B-4B	37,500,000	FRN	Barclays/Duncan Williams-Oppenheimer	Remarketing	Existing Assignment		
12/11/2014	TBTA 2005B-4C	38,700,000	FRN	Morgan Stanley-Siebert	Remarketing	Merit		
11/15/2014	TBTA 2008B-2	63,650,000	FRN	Morgan Stanley-Siebert	Remarketing	Merit		
2/6/2014	TBTA 2014A	250,000,000	Fixed	BofA Merrill/Cabrera Capital	NewMoney	Rotation	4.28	19.19
2/6/2014	TBTA SANDY BANS 2014A	100,000,000	BANS	BofA Merrill/Cabrera Capital	NewMoney	Rotation	0.62	1.50
9/30/2014	TBTA SUB 2000ABCD-1	19,150,000	FRN	J.P.Morgan/Citi/Rice-BONY	Remarketing	Existing Assignment		
9/30/2014	TBTA SUB 2000ABCD-2	34,400,000	FRN	J.P.Morgan/Citi/Rice-BONY	Remarketing	Existing Assignment		
9/30/2014	TBTA SUB 2000ABCD-3	36,600,000	FRN	J.P.Morgan/Citi/Rice-BONY	Remarketing	Existing Assignment		
9/30/2014	TBTA SUB 2000ABCD-4	38,850,000	FRN	J.P.Morgan/Citi/Rice-BONY	Remarketing	Existing Assignment		
9/30/2014	TBTA SUB 2000ABCD-5	18,850,000	FRN	J.P.Morgan/Citi/Rice-BONY	Remarketing	Existing Assignment		
5/27/2014	TRB 2002D-2a	100,000,000	FRN	Loop/J.P.Morgan/Piper	Remarketing	Merit		
5/27/2014	TRB 2002D-2b	100,000,000	FRN	Loop/J.P.Morgan/Piper	Remarketing	Merit		
9/10/2014	TRB 2002G-1f	42,575,000	FRN	Competitive: RBC	Remarketing	NA		
12/18/2014	TRB 2005E-2	75,000,000	Weekly	LOC Renewal: RBC	Remarketing	NA		
11/15/2014	TRB 2008B-4	111,220,000	PUT	Competitive: Morgan Stanley	Remarketing	NA	3.82	5.00
9/10/2014	TRB 2011B	99,560,000	FRN	Competitive: Morgan Stanley	Remarketing	NA		
5/15/2014	TRB 2012A-2	50,000,000	FRN	Piper/J.P.Morgan/Loop	Remarketing	Merit		
9/10/2014	TRB 2012G-1	84,450,000	FRN	Competitive: Morgan Stanley	Remarketing	NA		
2/28/2014	TRB 2014A-1	269,405,000	Fixed	Morgan Stanley-Siebert/Lebenthal	NewMoney	Rotation	4.31	16.98
2/28/2014	TRB 2014A-2	130,595,000	Fixed	Morgan Stanley-Siebert/Lebenthal	Refunding	Rotation	4.31	16.98
4/17/2014	TRB 2014B	500,000,000	Fixed	Wells Fargo/Castle Oak	NewMoney	Rotation	4.38	19.32
6/26/2014	TRB 2014C	500,000,000	Fixed	Jefferies/Stern Brothers	NewMoney	Rotation	3.32	10.70
11/4/2014	TRB 2014D-1	335,000,000	Fixed	RBC/Duncan Williams-Oppenheimer	NewMoney	Rotation	4.26	23.34
11/4/2014	TRB 2014D-2	165,000,000	FRN	RBC/Duncan Williams-Oppenheimer	NewMoney	Rotation	-	-
Total:		3,649,560,000						

- M/WBE firms earned = \$2,360,007 or 17.94% of total compensation (underwriters discount net of expenses).

2014 Cost of Issuance Summary

	New Money	Refunding	Remarketing	Total
NYS Bond Issuance Fee ⁽¹⁾	\$16,821,696	-	N/A	\$16,821,696
Underwriter's Discount ⁽²⁾	9,473,268	2,268,507	3,559,661	15,301,436
Bond Counsel	705,035	99,709	1,059,977	1,864,721
Financial Advisor Fee	697,273	97,227	N/A	794,500
Swap Advisor Fee	-	-	-	-
Rating Agency Fees	1,329,250	30,000	362,300	1,721,550
LOC Counsel	-	-	149,144	149,144
Bond Insurance	-	-	-	-
Accounting Fees ⁽⁴⁾	118,200	-	254,850	373,050
Trustee	27,000	5,000	42,000	74,000
Printing and Distribution	18,155	2,616	44,889	65,660
Miscellaneous ⁽³⁾	96,668	-	10,359	107,027
Total	\$29,286,545	\$2,503,059	\$5,483,181	\$37,272,784

(1) NYS Bond issuance fee of \$8.40 per \$1,000 issued is charged for new money and refunding transactions, not on remarketing transactions. BIC fees in 2014 were waived by NYS DOB on all refunding transactions.

(2) Underwriter's Discount includes fees paid to Underwriters, Underwriter's Counsel, and other expenses.

(3) Miscellaneous includes: Independent Engineer, Verification Agent and TM3 wire fees.

(4) Accounting fees on MTA/TBTA bond issues have been eliminated beginning 1/1/2015.