Metropolitan Transportation Authority

Audit Committee Meeting

May 2025

Committee Members

D. Jones, Chair
M. Fleischer
J. Ross Rizzo
L. Sorin

Audit Committee Meeting

Wednesday, 5/28/2025
8:30 - 9:00 AM ET

MTA Board Room - 20th Floor
2 Broadway

MINUTES OF MEETING
AUDIT COMMITTEE OF THE BOARD
MONDAY, JANUARY 27, 2025 – 1:30 P.M.
RONAN BOARD ROOM – 20TH FLOOR
2 BROADWAY

The following were present:

Honorable:

David Jones	**John-Ross Rizzo**	**Gerard Bringmann**
Haeda Mihaltses		

M. Murray – MTA	**L. Kearse – MTA**	**K. Makrakis - Deloitte**
P. Richardson - MTA	**J. Patel – MTA**	
D. Jurgens - MTA	**J. McGovern – MTA**	
J. Beckford - MTA	**D. Farber - MTA**	
N. Naimark - MTA		

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1. PUBLIC COMMENTS PERIOD

There were three speakers: Jason Anthony, Christopher Greif and Matty Buchys Hyland. 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/January-2025.

2. APPROVAL OF MINUTES

Since there was no quorum, the minutes of the October 28, 2024 meeting will be brought to the full Board on Wednesday for approval.

3. AUDIT COMMITTEE WORK PLAN

The Auditor General (Monica Murray) noted that there will be four meetings this year and that the specific agenda items for each meeting can be found in the Committee Book. The proposed Work Plan was included in the committee materials in October and since then there has been one change to the Work Plan. Specifically, the Information Technology Report was moved to the July Audit Committee meeting.

Since there was no quorum, the 2025 Audit Committee Work Plan will be brought to the full Board on Wednesday for approval.

4. INDEPENDENT ACCOUNTANT'S REVIEW REPORT – 3rd QUARTER 2024

In his opening remarks, the Audit Committee Chair (David Jones) stated that Kostas Makrakis, Managing Director, Deloitte will present the results of their review of the third quarter 2024 MTA Consolidated Interim Financial Statements, and that the financial statements will be issued in final form after the Audit Committee review and approval. Next, Makrakis gave his presentation stating that Deloitte has completed the review of the financial statements and provided its comments to management which were addressed. Deloitte will issue a review report within the next couple of days and the final interim financial statements along with the signed Deloitte review report, relevant audit committee communication report, and the management representation letter, will all be shared with the Committee. A review of interim financial information consists primarily of analytical procedures and inquiries of those responsible for financial and accounting matters. A review is substantially less in scope than an audit, the objective of which is to express an opinion on the financial statements. Accordingly, Deloitte does not express an opinion on the interim financial information. Based on the review procedures performed at this time, Deloitte was not aware of any material modifications that should be made to the interim financial statements for them to be in accordance with accounting principles generally accepted in the United States.

As required by the NY State Budget Office, the interim financial statements will be brought to the full Board on Wednesday for a vote with a recommendation to approve from the Audit Committee members.

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

5. ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL GUIDELINES

In his opening remarks, the Audit Committee Chair (David Jones) stated that Lamond Kearse, MTA Chief Compliance Officer, will brief the committee on selected aspects of the Enterprise Risk Management (ERM) program and agency compliance with the MTA's Internal Control Guidelines. Kearse then briefed the Committee noting that last year, they conducted 1,387 risk assessments, which is the process whereby they ask management to identify their business processes, objectives, the risks they face to achieve those objectives, and the internal controls they have a place to mitigate those risks. Of the 1,387, they identified 103 with significant changes. In 2024, they also performed Internal Control Self Assessments, a process in which control procedures are tested to ensure that they are operating efficiently and effectively. Of the 1,358 control self-assessments performed, 57 failed. Kearse noted that most of those 57 related to documentation or were minor deficiencies. However, there was one significant deficiency related to health and safety involving issues relative to the hearing prevention retention program. This deficiency involved documentation and not issues with any particular employee. Nonetheless, since it involved the health and safety of employees, it was rated as a significant deficiency for which management is working to resolve.

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

6. INTERNAL CONTROL ACT

With respect to the Internal Control Act, the MTA Chief Compliance Officer (Lamond Kearse) noted that the Act has certain requirements such as: issuing guidelines, maintaining a system of internal controls, having policies that are clear and concise for MTA employees, that the Board appoint someone to oversee internal controls, and that the MTA conduct education and training. In summary, the MTA is fully compliant with the Internal Control Act as it relates to these aforementioned items.

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

7. 2024 AUDIT PLAN STATUS AND 2025 AUDIT PLAN

The MTA Auditor General (Monica Murray) briefed the Audit Committee on the activities and accomplishments in 2024. She first stated that the mission of MTA Audit Services (MTA Audit) is to provide insightful, proactive and future focus audits examining risks and controls and identifying organizational improvements. Murray then thanked her Direct Reports: Darren Jurgens, Phyllis Richardson and Judy Beckford, as well as the entire audit staff for the results achieved in 2024. During the year, MTA Audit completed 79 operational and assurance audits and these audits identified 167 findings for which the audit teams made recommendations to improve internal controls and compliance with established processes while reducing risk. MTA Audit identified potential operating cost savings and efficiency opportunities of $33.5 million, which included opportunities to reduce costs, avoid unnecessary expenditures, or otherwise enhance revenue collection. These audit recommendations are tracked in the compliance Governance, Risk and Control (GRC) System to ensure that they are implemented. Also, 429 audit reviews related to capital projects were completed. This work included reviews of cost proposals, interim reviews, closeout audits, and audits of claims to ensure that contract billings were appropriate. Third-party questioned cost identified in these projects totaled $11.1 million. A summary of each of these operational audits has been provided to the Audit Committee as part of MTA Audit's year end summary. Some of the significant audits this year included: Transit receivables, revenue equipment maintenance, and operating contracts. Capital contract auditors worked with project management to review additional work orders, claims and performed final cost audits. In 2013, with approval from the Audit Committee, the Sandy Oversight Committee was established in cooperation with the MTA Inspector General, to perform independent integrity monitoring services for those projects which received FTA Emergency Funding. To honor its commitment to the FTA, the Sandy Audit Unit continues to perform assurance audits and its results are reported to the FTA on a quarterly basis. Since this unit was established, it has completed 159 projects, made 414 recommendations with cost adjustments of approximately $67 million. As required by the grant funding agreement, MTA Audit will continue to perform audits of ongoing Sandy Projects and is committed to following up on all recommendations until they are fully implemented. The Pension Quality Assurance function was established in 2013 at the request of HQ management. This group reviews the pension calculations of the Defined Benefit Plans for Metro-North, MTA Police, MTA Bus and for Long Island Rail Road's open and closed plans. They provide Pension Management with the results of their reviews daily, so that corrections can be made prior to payments being processed. With respect to the On-Board Program, the audit team performed over 8,300 tests this year to ensure that conductors are collecting the correct fare and that they are following standard operating procedures. The results of these tests were reported to agency management who utilize the information to estimate the rate of (i) fares not collected and (ii) improper fare collected. Information from the observations also allows management the opportunity to adjust resources where needed.

The Auditor General then provided a summary of the proposed 2025 Audit Plan which has been discussed with each of the Agency Presidents and with leadership at Headquarters. The foundation of the Audit Plan was developed through a formal risk assessment that is performed in accordance with the Institute of Internal Auditor Standards. The planning process began in September and it takes several months to complete, resulting in a comprehensive risk assessment, which is fully documented. Consistent with prior years, the risk assessment sources include financial data, an assessment of the nature of operations, control activities and previous audit results. A total of 97 management interviews were conducted which identified 153 potential audits. Audit suggestions were prioritized, and a proposed Audit Plan was developed for 2025 that includes 94 operational/assurance audits. The Auditor General met with the agency Presidents and Tower Leads to discuss and finalize the proposed plan to ensure that the areas of greatest risk will have appropriate audit coverage. The Auditor General then referenced a slide in the Committee Book, which is a snapshot of some of the 94 planned audits. Some of the intended audit coverage is highlighted below:

- **Finance** - Cost Savings Initiatives, Timekeeping Systems and Oversight & Assignment of Overtime
- **Safety** – Accident/Incident Reporting, FOIL requests, Safety Practices, Fare Evasion Gate Guard Program
- **Human Resources** – Hiring, Employee Availability, and Health Benefits,

- **Revenue Audits**
- **Capital Program** - Third-Party Reviews of Capital Contracts, Sandy Program, and New York City Engineering Audit Office reviews

The Auditor General referenced a slide in the Committee Book that showed a visual representation of how the resources associated with assurance audits will be allocated during the year. MTA Headquarter resource allocation is higher due to Transformation. In 2025, MTA Audit will focus its efforts to (i) support the initiatives of the MTA to improve efficiency and effectiveness of operations, (ii) continue to support the agency-wide operational goals with respect to cost savings, and (iii) evaluate contractor performance. Looking ahead, MTA Audit will continue to work with the MTA's external partners and audit entities. Also, the Office of Construction Oversight reports to the MTA Auditor General the purpose of which is to ensure oversight over the Capital Program without duplication of effort. Lastly, MTA Audit will work with internal control staff to ensure that recommendations are properly monitored.

MTA Board member Gerard Bringmann inquired about the number of Sandy projects that are still ongoing. In response, Darren Jurgens, Assistant Auditor General stated that MTA C&D has more than a half dozen of active Sandy construction projects.

As the Audit Committee did not have a quorum, the Committee made a recommendation to move approval of the 2025 Audit Plan to a full board vote on Wednesday.

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

8. OPEN AUDIT RECOMMENDATIONS

The MTA Chief Compliance Officer (Lamond Kearse) briefed the Committee on the implementation status of prior audit recommendations. Kearse began by referencing the presentation in the Committee Book and noted that the numbers published in the book have since decreased which is good news. In the last quarter, there were 121 new remediation plans created and 117 were closed. Currently, there are 25 remediation plans that have been implemented but are awaiting closure. This means that the agencies and departments have implemented the recommendation, but closure is subject to verification. There are also 27 high-priority remediation plans that are still open and six-months past due. However, of those 27 remediation plans, 10 are in that category of having been implemented and awaiting closure. Therefore, there are only 17 that are pending. Lastly, Kearse reiterated that the good news is that all the numbers have gone down significantly between today and when the report was prepared.

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

9. MOTION TO ADJOURN

Upon motion duly made and seconded, the committee adjourned the meeting.

MTA Board Meeting – January 29, 2025

The Audit Committee Chair (David Jones) indicated that the Audit Committee met on Monday (January 27, 2025) and reports that there are two actions for Board approval:

(i) Audit Work Plan,
(ii) Third Quarter 2024 MTA Consolidated Financial Statements

The Audit Committee discussed and accepted these agenda items; however a quorum of members was not present. Today, these items were moved for approval:

A motion was made and seconded by members of the Board to accept these items.

Respectfully submitted,

Monica Murray
Auditor General

Metropolitan Transportation Authority

2025 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 2025

Quarterly Financial Statements – 3rd Quarter 2024	External Auditor
Enterprise Risk Management Update and Internal Control Guidelines	Chief Compliance Officer
Compliance with the Internal Control Act	Chief Compliance Officer
2024 Audit Plan Status Report	Auditor General
2025 Audit Plan	Auditor General
Open Audit Recommendations	Chief Compliance Officer

May 2025

2024 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

July 2025

Quarterly Financial Statements – 1st Quarter 2025	External Auditor
Pension Audits (2024)	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 2024)	External Auditor

Enterprise Risk Management Update	Chief Compliance Officer
Ethics and Compliance Program	Chief Compliance Officer
Financial Interest Reports	Chief Compliance Officer
MTAAS 2025 Audit Plan Status Report	Auditor General
Information Technology Report	Chief Technology Officer
Open Audit Recommendations	Chief Compliance Officer
Contingent Liabilities/Third Party Lawsuits (Executive Session)	General Counsels/External Auditor

<u>October 2025</u>

Quarterly Financial Statements – 2nd Quarter 2025	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 (Executive Session)	Chief Technology Officer
Open Audit Recommendations	Chief Compliance Officer
Annual Audit Committee Report	Committee Chair

2025 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

Each Meeting
<u>Approval of Minutes</u>
Approval of the official proceedings of the previous month's Committee meeting.

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

As Appropriate
<u>Pre-Approval of Audit and Non-Auditing Services</u>
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.

<u>Follow-Up Items</u>
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.

<u>Status of Audit Activities</u>
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.

<u>Executive Sessions</u>
Executive Sessions will be scheduled to provide direct access to the Committee, as appropriate.

II. SPECIFIC AGENDA ITEMS

JANUARY 2025

<u>Quarterly Financial Statements - 3rd Quarter 2024</u>
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 2024.

<u>Enterprise Risk Management Update and Internal Control Guidelines</u>
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 2024/2025 Audit Plans

i. 2024 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 2024.

ii 2025 Audit Plan
A discussion by Audit Services of the areas scheduled to be reviewed in 2025 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 2025

2024 Financial Statements
The MTA public accounting firm will review the results and conclusions of their examination of the 2024 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 review of the 2024 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.

JULY 2025

Quarterly Financial Statements – 1st Quarter 2025
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 2025.

Pension Audits

i Management's Review of MTA-Managed/Controlled Pension Plan Financial Statements
The Deputy Chief, Controller's Office will present management's review of the 2024 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 2024 "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 Disclosure Statements, including any known conflicts of interest.

MTAAS 2025 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.

Information Technology Report
The MTA Chief Technology Officer will brief the Committee on the activities of the MTA IT for the past year, including its accomplishments, strategies and plans for the current year.

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.

OCTOBER 2025

Quarterly Financial Statements – 2nd Quarter 2025
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 2025.

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 2025 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 2025 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

The MTA Chief Technology Officer will make a presentation to the Committee on the security of sensitive data and systems at the MTA.

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.

MTA CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

MANAGEMENT'S REVIEW

AUDIT COMMITTEE MEETING

MAY 28, 2025

MTA COMPONENT UNITS

- The MTA is comprised of the following reporting entities:

1. Metropolitan Transportation Authority Headquarters (“MTAHQ”)
2. The Long Island Rail Road Company (“MTA Long Island Rail Road”)
3. Metro-North Commuter Railroad Company (“MTA Metro-North Railroad”)
4. Staten Island Rapid Transit Operating Authority (“MTA Staten Island Railway”)
5. First Mutual Transportation Assurance Company (“FMTAC”)
6. MTA Construction and Development Company (“MTA Construction and Development”)
7. MTA Bus Company (“MTA Bus”)
8. New York City Transit Authority (“MTA New York City Transit”)
9. Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”)
10. MTA Grand Central Madison Operating Company (“MTA GCMOC”)

MTA CONSOLIDATED FINANCIAL STATEMENTS

- The MTA's 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 6 sections as follows:
  1. Managements' Discussion & Analysis
  2. The basic Financial Statements which include:
     - The Statement of Net Position
     - The Statement of Revenues, Expenses and Changes in Net Position
     - The Statement of Cash Flows
     - The Statements of Fiduciary Net Position
     - The Statements of Changes in Fiduciary Net Position
  3. The Notes to the Financial Statements
  4. Required Supplementary Information (RSI)
  5. Supplementary Information: Combining Fiduciary Funds Financial Statements
  6. Additional Supplementary Information

NEW GASB ACCOUNTING STANDARDS

GASB #	Title	Effective Date
GASB 100	*Accounting Changes and Error Corrections* enhances accounting and financial reporting requirements for accounting changes and error corrections.	(Implemented) Fiscal Year 2024
GASB 101	*Compensated Balances* requires a liability to be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.	(Implemented) Fiscal year 2024
GASB 102	*Certain Risk Disclosures*	Fiscal Year 2025
GASB 103	*Financial Reporting Model Improvements*	Fiscal Year 2026
GASB 104	*Disclosure of Certain Capital Assets*	Fiscal Year 2026

GASB 101 IMPACT TO THE 2023 FINANCIAL STATEMENTS

	December 31, 2023		
	As Previously Stated	GASB 101 Impact	Restated
Current Liabilities Net Decrease			
Compensated absences	$1,163	($257)	$906
Non-Current Liabilities Net Increase			
Compensated absences	$0	$625	$625
Restatement of Net Position	$17,247	($368)	$16,879

MTA CONSOLIDATED STATEMENT OF NET POSITION FOR YEARS ENDED 12/31/2024 & 12/31/2023

($'s in Millions)	DECEMBER 31, 2024	DECEMBER 31, 2023 (Restated)
ASSETS		
Cash & investments	$ 14,079	$ 12,473
Accounts receivables (net)	1,825	1,620
Capital assets (net)	94,353	90,553
Other assets	1,633	1,583
TOTAL ASSETS	111,890	106,229
DEFERRED OUTFLOWS OF RESOURCES	8,343	9,672
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 120,233**	**$ 115,901**
LIABILITIES		
Long-term debt	48,704	47,790
Post-employment benefits other than pensions	20,229	22,435
Net pension liability	6,755	8,335
Liability for injury claims	6,512	5,754
Compensated absences	1,486	1,446
Other liabilities	7,042	7,186
TOTAL LIABILITIES	90,728	92,946
DEFERRED INFLOWS OF RESOURCES	8,984	6,076
NET POSITION	20,521	16,879
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	**$ 120,233**	**$ 115,901**

MTA CONSOLIDATED FINANCIAL STATEMENTS

ASSETS & DEFERRED OUTFLOWS	DECEMBER 31,		CHANGE	
$'s in Millions	2024	2023	$	%
Cash & investments	$14,079	$12,473	$1,606	13%
Receivables	1,825	1,620	205	13%
Capital assets (net)	94,353	90,553	3,800	4%
Other assets	1,633	1,583	50	3%
Total Assets	**$111,890**	**$106,229**	**$5,661**	5%
Total Deferred Outflows Of Resources	**$8,343**	**$9,672**	**($1,329)**	(14%)

- Cash & Investments increased $1.6 billion primarily due to the receipt and investment of Preventive Maintenance grant from the FTA.
- Capital assets increased $3.8 billion primarily as a result of capital additions of $2.0 billion to buildings and structures, $1.1 billion to passenger cars and locomotives, $1.7 billion to infrastructure and right-of-use and other capital assets of $2.6 billion, offset by net accumulated depreciation of $3.6 billion.
- Total deferred outflows of resources decreased due primarily to the pension prepayments to the MTA-sponsored plans and an actuarial gain on the market value of assets, offset by actuarial adjustments for changes in assumptions.

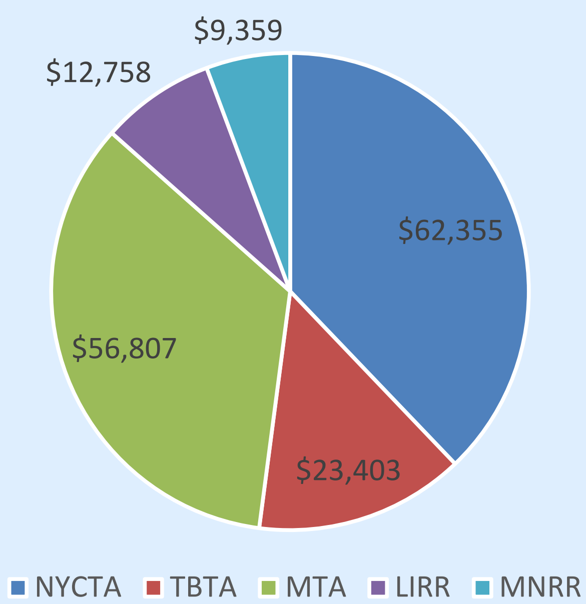
MTA CONSOLIDATED FINANCIAL STATEMENTS

LIABILITIES & DEFERRED INFLOWS	DECEMBER 31,		CHANGE	
$'s in Millions	2024	2023	$	%
		(Restated)		
Long-term debt	$48,704	$47,790	$914	2%
Other post-employment benefits	20,229	22,435	(2,206)	(10%)
Net pension liabilities	6,755	8,335	(1,580)	(19%)
Liabilities for injury claims	6,512	5,754	758	13%
Compensated absences	1,486	1,446	40	3%
Other liabilities	7,042	7,186	(144)	(2%)
Total Liabilities	**$90,728**	**$92,946**	**($2,218)**	(2%)
Total Deferred Inflows Of Resources	**$8,984**	**$6,076**	**$2,908**	48%

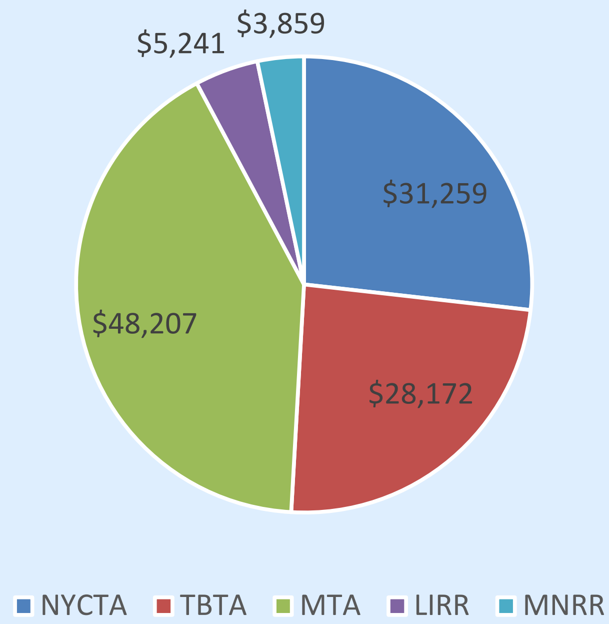
- Long-term debt increase is primarily due to increased issuance of Sales Tax Revenue Bonds and Payroll Mobility Tax Bond Anticipation Notes during 2024.
- OPEB liability decrease is primarily due to the $1.3 billion contribution to the OPEB Plan Trust Fund and changes in actuarial assumptions.
- Net Pension liability decreased $1.6 billion due to changes in the actuarial valuation primarily as a result of an actuarial gain on the market value of plan assets.
- Total Deferred Inflows of resources increased $2.9 billion primarily due to the OPEB change in actuarial assumptions.

Assets & Liabilities by Agency

Total Assets and Deferred Outflows of Resources



Total Liabilities and Deferred Inflows of Resources



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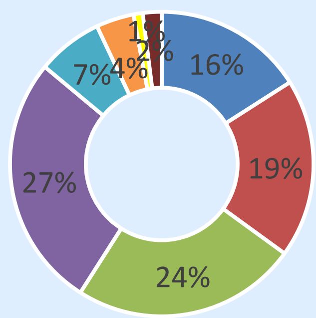
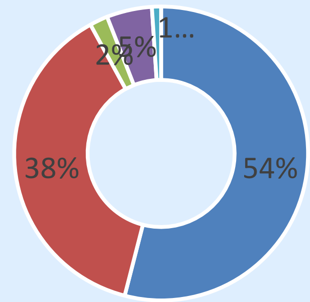
Capital Assets & Liabilities

Capital Assets



- Construction work-in-progress - 16%
- Other - 19%
- Infrastructure - 24%
- Buildings and structures - 27%
- Passenger cars & locomotives - 7%
- Bridges & tunnels - 4%
- Right-of-use assets - 1%
- Buses - 2%

Total Liabilities



- Long-term debt - 54%
- Other long-term liabilities - 38%
- Other current liabilities - 2%
- Accounts payable/Accrued expenses - 5%
- Lease payable - 1%

MTA CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

($'s in Millions)	DECEMBER 31,		CHANGE	
	2024	2023 (Restated)	$	%
Operating revenues	$8,508	$7,863	$ 645	8%
Operating expenses	(20,614)	(20,191)	(423)	(2%)
Operating Deficit	**(12,106)**	**(12,328)**	**222**	**2%**
Subsidies & tax revenues	13,329	10,168	3,161	31%
Less: Interest expense	(1,950)	(1,838)	(112)	(6%)
Surplus/(Deficit) Before Capital Grants & Appropriations	**(727)**	**(3,998)**	**3,271**	**82%**
Capital grants & appropriations	4,369	3,908	461	12%
Change In Net Position	**3,642**	**(90)**	**3,732**	**(4147%)**
Net Position - Beginning of Year	16,879	16,969	(90)	(1%)
Net Position - End Of Year	**$20,521**	**$16,879**	**$3,642**	**22%**

MTA CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

($'s in Millions)	DECEMBER 31,		CHANGE	
	2024	2023	$	%
Net Cash from Operating Activities	$ (5,496)	$ (8,018)	$ 2,522	31%
Net Cash from Non-Capital Financing Activities	9,065	8,591	474	6%
Net Cash from Capital & Related Financing Activities	(3,937)	(7,478)	3,541	(47%)
Net Cash from Investing Activities	560	7,553	(6,993)	93%
Net Change in Cash	192	648	(456)	(70%)
Cash - Beginning of Year	1,588	940	648	69%
Cash - End of Year	**$ 1,780**	**$ 1,588**	**$ 192**	**12%**

- Net Cash from Capital and Related Financing Activities increased $3,541 primarily due to Preventive Maintenance grant received in 2024, in addition to other funding sources.
- Net Cash from Investing Activities decreased $6,993 due to the higher sales and maturities of long-term securities in 2023 compared to 2024.

MTA CONSOLIDATED FINANCIAL STATEMENTS FOOTNOTES

1. Basis of Presentation
2. Significant Accounting Policies
3. Cash and Investments
4. Employee Benefits
5. Other Postemployment Benefits
6. Capital Assets
7. Long-Term Debt
8. Leases
9. Subscription-Based Information Technology Arrangements
10. Financed Purchases
11. Future Option
12. Compensated Absences
13. Estimated Liability Arising From Injuries To Persons
14. Commitments and Contingencies
15. Pollution Remediation Cost
16. Non-Current Liabilities
17. Fuel Hedge
18. Condensed Component Unit Information
19. Subsequent Events

DRAFT

Metropolitan Transportation Authority

(A Component Unit of the State of New York)

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

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METROPOLITAN TRANSPORTATION AUTHORITY

(A Component Unit of the State of New York)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 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 the MTA agencies and Fiduciary Funds:

(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 FINANCIAL STATEMENTS

Introduction

This report consists of: Management's Discussion and Analysis ("MD&A"), Consolidated Financial Statements, Fiduciary Funds Financial Statements, Notes to the Consolidated 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 and for the years ended December 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 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 financial statements.

The Consolidated Financial Statements

The Consolidated Statements of Net Position provide information about the nature and amounts of resources with present service capacity that the 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 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 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 Financial Statements

The notes provide information that is essential to understanding the consolidated 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 FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of and for the years ended December 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 financial statements and the various exhibits presented were derived from the MTA Group's consolidated financial statements.

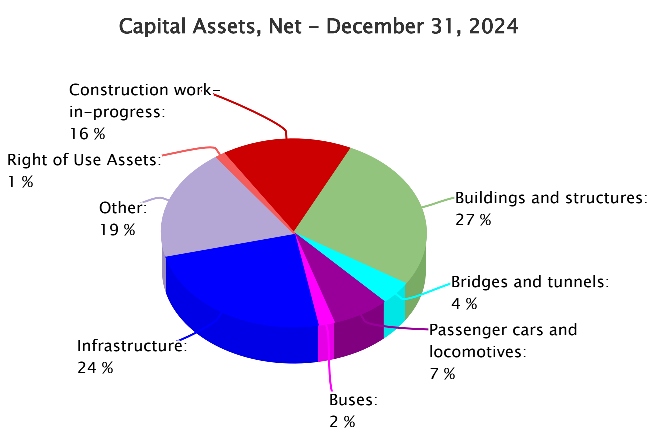
Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

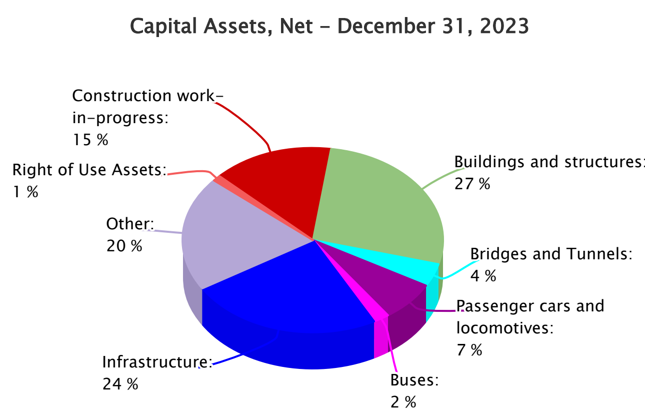
Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, right-of-use assets for leases on building, office space, storage space, equipment and vehicles, and intangible right-to-use assets for subscription-based information technology arrangements (SBITAs).

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)	December 31, 2024	December 31, 2023	December 31, 2022	Increase / (Decrease) 2024 - 2023	Increase / (Decrease) 2023 - 2022
Capital assets — net (see Note 6)	$ 94,353	$ 90,553	$ 87,639	$ 3,800	$ 2,914
Other assets	17,537	15,676	21,138	1,861	(5,462)
Total Assets	111,890	106,229	108,777	5,661	(2,548)
Deferred outflows of resources	8,343	9,672	8,274	(1,329)	1,398
Total assets and deferred outflows of resources	$ 120,233	$ 115,901	$ 117,051	$ 4,332	$ (1,150)





Significant Changes in Assets and Deferred Outflows of Resources Include:

December 31, 2024 versus December 31, 2023

- Net capital assets increased at December 31, 2024 by $3,800 or 4.2%. There was an increase in buildings and structures of $1,971, an increase in infrastructure of $1,733, primarily due to the CBDTP cameras and structures put in place for Congestion Pricing enforcement, an increase in other capital assets of $1,203 for elevator and escalator replacements, station renewal and accessibility projects, and IT software and police radios, an increase in passenger cars and locomotives of $1,090, an increase in construction in progress of $906, an increase in buses of $196, an increase in right-to-use assets of $130 and an increase in bridges and tunnels of $122. These increases were offset by a net increase in accumulated depreciation and amortization of $3,551. See Note 6 to the MTA's Consolidated Financial Statements for further information.

  Some of the more significant projects contributing to the net increase included:

  - 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.
    - Major safety and LIRR-infrastructure improvements including new track interlockings, five full station rehabilitations, four full bridge replacements and three bridge modifications.
    - Continued improvements at MTA Metro-North Railroad primarily for station rehabilitation and construction work for various projects relating to signals, depots and yards and track and structures.
    - Subway and bus real-time customer information and communications systems.
    - Continued structural rehabilitation and repairs of the ventilation system at various facilities.
    - 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 $1,861, or 11.9%. The major items contributing to this change include:
  - A net increase in cash and investments of $1,606, primarily due to increases in unrestricted current and non-current investments.
  - A net increase of $205 in current and non-current receivables from various federal and state government subsidies due to timing of receipts.
  - A net increase in other current and noncurrent assets of $50.
- Deferred outflows of resources decreased by $1,329, or 13.7%. This decrease was primarily due to the $639 pension prepayment to the MTA-sponsored plans, reducing pension liability and pension actuarial adjustments for projected and actual earnings on pension plan investments in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In addition, there was an accumulated decrease in fair value of derivative instruments of $46 and decrease in loss refunding of $108.

December 31, 2023 versus December 31, 2022

- Net capital assets increased on December 31, 2023 by $2,914 or 3.3%. There was an increase in buildings and structures of $9,774 and increase in infrastructure of $3,439, primarily due to the completion and capitalization of Grand Central Madison Terminal in January 2023, an increase in other capital assets of $1,119 for elevator and escalator replacements, station renewal and accessibility projects, and IT software and police radios, an increase in passenger cars and locomotives of $335, an increase in right-to-use assets of $246, and an increase in bridges and tunnels of $228. These increases were offset by a decrease in land and construction in progress of $8,762, primarily due to the completion and capitalization of Grand Central Madison Terminal in January 2023, a net increase in accumulated depreciation and amortization of $3,430, and a decrease in buses of $35. See Note 6 to the MTA's Consolidated Financial Statements for further information.

  Some of the more significant projects contributing to the net increase included:

  - 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.
    - Major safety and LIRR-infrastructure improvements including new track interlockings, five full station

rehabilitations, four full bridge replacements and three bridge modifications.

- Continued improvements to MTA Metro-North Railroad primarily for station rehabilitation and construction work for various projects relating to signals, depots and yards and track and structures.
- Subway and bus real-time customer information and communications systems.
- Continued structural rehabilitation and repairs of the ventilation system at various facilities.
- 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 decreased by $5,462, or 25.8%. The major items contributing to this change include:

  - A net decrease in cash and investments of $6,186, primarily due to decreases in unrestricted current investments of $3,416 and non-current unrestricted and restricted investments of $4,366 as a result of repayment of principal and interest of $3,023 on Payroll Mobility Tax Bond Anticipation Notes, Series 2020A, $1.3 billion transferred to the MTA OPEB Plan Trust and $639 of pension prepayments to the MTA-Sponsored Pension Plans.

  Offsetting these decreases were:

  - A net increase in other current and noncurrent assets of $402, primarily as a result of prepaying $639 of pension contributions for the years 2024 and 2025.
  - A net increase of $322 in current and non-current receivables from various federal and state government subsidies due to timing of receipts and due to a $150 accrual of the remaining one-time subsidy of $300 from the New York State General Fund.

- Deferred outflows of resources increased by $1,398, or 16.9%. This increase was primarily due to to the $1,319 transfer to the OPEB Plan Trust and pension actuarial adjustments for projected and actual earnings on pension plan investments in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

  Offsetting the increases were decreases in the deferred outflows related to unamortized losses on refundings of $142.

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

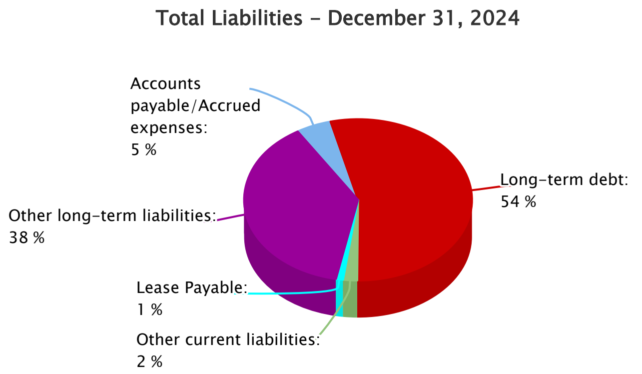
Current liabilities include: accounts payable, accrued expenses, current portion of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, the current portion of long-term lease liability, and other current liabilities. This also includes the current portion of compensated absences as a result of the implementation of GASB Statement No. 101, *Compensated Absences.* Refer to Note 2 for additional information.

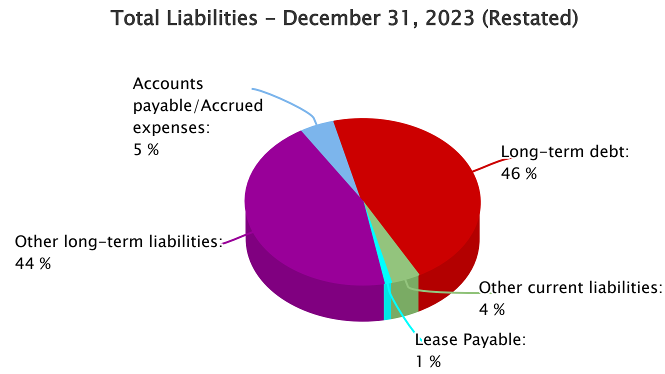
Non-current liabilities include: long-term debt, claims for injuries to persons, benefits, long-term lease liability, and other non-current liabilities. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*. Refer to Note 2 for additional information.

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

	December 31,			Increase/(Decrease)	
(In millions)	**2024**	**2023**	**2022**	**2024 - 2023**	**2023 - 2022**
		(Restated)			**(Restated)***
Current liabilities	$ 7,878	$ 9,093	$ 10,598	$ (1,215)	$ (1,505)
Non-current liabilities	82,850	83,853	85,410	(1,003)	(1,557)
Total liabilities	90,728	92,946	96,008	(2,218)	(3,062)
Deferred inflows of resources	8,984	6,076	4,074	2,908	2,002
Total liabilities and deferred inflows of resources	$ 99,712	$ 99,022	$ 100,082	$ 690	$ (1,060)

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





Significant Changes in Liabilities and Deferred Inflows of Resources Include:

***December 31, 2024* versus December 31, 2023**

- Current liabilities decreased by $1,215, or 13.4%. The decrease was primarily due to:
  - A decrease in the current portion of long-term debt of $1,206 mainly due to the longer debt maturities and bond refundings supported by the debt issuances with long maturities.
  - A decrease in unearned revenues of $476 mainly due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.

  Offsetting increases were:
  - An increase in the current portion of estimated liabilities from injuries of $134.
  - An increase in accounts payable of $130.
  - An increase in accrued payroll liabilities of $87, primarily due to the implementation of GASB 101 for compensated absences.
  - An increase in accrued expenses of $64.
  - An increase in capital accruals of $37 due to continued work on existing and new capital projects.
  - Net increases in other current liabilities of $15.
- Non-current liabilities decreased by $1,003, or 1.2%. This decrease was mainly due to:
  - A decrease in post-retirement benefits other than pensions of $2,206 mainly due to a change in assumptions and a decrease in net pension liability of $1,580 attributable to changes in the actuarial valuation primarily as a result of an actuarial gain on the fair value of plan assets.

  Offsetting increases were:
  - An increase in long-term debt of $2,120 from bond issuances in 2024.
  - An increase in estimated liability arising from injuries to persons of $624 as a result of the increase in the ELF reserve by the actuary for significant claim costs.
  - A net increase in other non-current liabilities of $39.
- Deferred inflows of resources increased by $2,908, or 47.9%, primarily due to an increase in deferred inflows related to OPEB of $3,041 as a result of changes in actuarial valuation for OPEB as required by GASB Statement No. 75, offset by a decrease in deferred inflows related to pensions of $94 as a result of changes in the actuarial valuation for the pension plans as required by GASB Statement No. 68, a decrease in other deferred inflows from leases of $22 and a decrease in unamortized bond refunding of $17.

December 31, 2023 versus December 31, 2022

- Current liabilities decreased by $1,505, or 14.2%. The decrease was primarily due to:
  - A net decrease in the current portion of long-term debt of $2,122, primarily from the redemption of $3.7 billion of Bond Anticipation Notes, including $2.9 billion which were originally placed under the Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF"). Offsetting the redemption was an increase from refundings of certain long-term debt.
  - A decrease in accrued payroll expenses of $428 as a result of the restatement from the implementation of GASB 101, *Compensated Absences*.
  - A decrease in interest payable of $108 mainly due to timing of interest payments on long-term debt.

  Offsetting decreases were:
  - An increase in unearned revenue of $657 due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.
  - An increase in the current portion of estimated liabilities from injuries of $158.
  - An increase in capital accruals of $110 due to continued work on existing and new capital projects.
  - Net increases in accounts payable, accrued expenses and other current liabilities of $228.
- Non-current liabilities decreased by $1,557, or 1.8%. This decrease was mainly due to:
  - A decrease in post retirement benefits other than pensions of $2,521 mainly due to a change in assumptions, offset by an increase in net pension liability of $1,412 attributable to changes in the actuarial valuation primarily as a result of an actuarial loss on the fair value of plan assets.
  - A decrease in the non-current portion of long-term debt of $1,381 due to reclassification from non-current to current.
  - A net decrease in other non-current liabilities of $67.

  Offsetting increases were:
  - An increase in compensated absences of $709 due to the restatement from the implementation of GASB 101.
  - An increase of $161 in estimated liability arising from injuries to persons.
  - An increase of $67 related to liabilities under GASB 96, *Subscription-Based Information Technology Arrangements,* and an increase of $63 in lease payable.
- Deferred inflows of resources increased by $2,002, or 49.1%, primarily due to an increase in deferred inflows related to OPEB of $2,703 as a result of changes in actuarial calculations for OPEB as required by GASB Statement No. 75, offset by a decrease in deferred inflows related to pensions of $626 as a result of changes in the actuarially determined calculations for the pension plans as required by GASB Statement No. 68, a decrease in other deferred inflows from leases of $68 and a decrease in unamortized bond refunding of $7.

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

(In millions)	December 31, 2024	December 31, 2023 (Restated)	December 31, 2022	Increase/(Decrease) 2024 - 2023	Increase/(Decrease) 2023 - 2022 (Restated) *
Net investment in capital assets	$ 43,847	$ 41,333	$ 34,885	$ 2,514	$ 6,448
Restricted for debt service	709	876	381	(167)	495
Restricted for claims	192	275	192	(83)	83
Restricted for other purposes	2,222	2,443	4,491	(221)	(2,048)
Unrestricted	(26,449)	(28,048)	(22,980)	1,599	(5,068)
Total Net Position	$ 20,521	$ 16,879	$ 16,969	$ 3,642	$ (90)

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

Significant Changes in Net Position Include:

***December 31, 2024* versus December 31, 2023**

At December 31, 2024, total net position increased by $3,642, or 21.6%, when compared with December 31, 2023. This change is a result of net non-operating revenues of $11,379, and appropriations, grants and other receipts externally restricted for capital projects of $4,369, which was offset by operating losses of $12,106.

The net investment in capital assets increased by $2,514, or 6.1%. Funds restricted for debt service, claims and other purposes decreased by $471, or 13.1% in the aggregate, while unrestricted net position increased by $1,599, or 5.7%, including a restatement of $368 as a result of the implementation of GASB 101, *Compensated Absences* (see Note 2 for additional information).

December 31, 2023 versus December 31, 2022

At December 31, 2023, total net position decreased by $90, or 0.5%, when compared with December 31, 2022. This change is a result of net non-operating revenues of $8,330 and appropriations, grants and other receipts externally restricted for capital projects of $3,908, which was offset by operating losses of $12,328, including $368 due to GASB 101 restatement of 2023 balances (see Note 2).

The net investment in capital assets increased by $6,448, or 18.5%. Funds restricted for debt service, claims and other purposes decreased by $1,470, or 29.0% in the aggregate, mainly due to an increase in funds restricted for other purposes of $2,048, offset by a decrease in funds restricted for debt service and claims of $578. Unrestricted net position decreased by $5,068, or 22.1%, including $368 from GASB 101 restatement of 2023 balances (see Note 2).

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

(In millions)	December 31, 2024	December 31, 2023 (Restated)	December 31, 2022	Increase/(Decrease) 2024 - 2023	Increase/(Decrease) 2023 - 2022 (Restated)*
Operating revenues					
Passenger and tolls	$ 7,560	$ 7,073	$ 6,356	$ 487	$ 717
Other	948	790	649	158	141
Total operating revenues	8,508	7,863	7,005	645	858
Non-operating revenues					
Grants, appropriations and taxes	9,660	8,415	8,419	1,245	(4)
Other	3,681	1,773	8,084	1,908	(6,311)
Total non-operating revenues	13,341	10,188	16,503	3,153	(6,315)
Total revenues	21,849	18,051	23,508	3,798	(5,457)
Operating expenses					
Salaries and wages	7,272	7,385	6,578	(113)	807
Retirement and other employee benefits	3,359	3,592	2,890	(233)	702
Postemployment benefits other than pensions	1,305	1,471	1,892	(166)	(421)
Depreciation and amortization	3,951	3,712	3,417	239	295
Other expenses	4,727	4,031	3,590	696	441
Total operating expenses	20,614	20,191	18,367	423	1,824
Non-operating expenses					
Interest on long-term debt	1,950	1,838	1,906	112	(68)
Other net non-operating expenses	12	20	18	(8)	2
Total non-operating expenses	1,962	1,858	1,924	104	(66)
Total expenses	22,576	22,049	20,291	527	1,758
Income (loss) before appropriations, grants and other receipts externally restricted for capital projects	(727)	(3,998)	3,217	3,271	(7,215)
Appropriations, grants and other receipts externally restricted for capital projects	4,369	3,908	4,611	461	(703)
Change in net position	3,642	(90)	7,828	3,732	(7,918)
Net position, beginning of year	16,879	16,969	9,141	(90)	7,828
Net position, end of year	$ 20,521	$ 16,879	$ 16,969	$ 3,642	$ (90)

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

Revenues and Expenses, by Major Source:

Years ended December 31, 2024 versus 2023

- Total operating revenues increased by $645, or 8.2%. The increase was mainly due to increased ridership and fares on trains, subways and buses as well as increased tolls from vehicle crossings. Fare and toll revenues had increases of $338 and $149, respectively. Other operating revenues increased by $158, when compared with the same period in 2023, due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues increased by $3,153, or 30.9%.
  - FTA reimbursements increased by $2,278, which includes a FTA preventive maintenance grant of $2,302 received as reimbursement for subway, bus and facility maintenance expenses.
  - Grants, appropriations, and taxes increased by $1,245, primarily due to increases in Payroll Mobility Tax subsidies of $862, MTA Aid Trust Account subsidies of $198, Metropolitan Mass Transportation Operating Assistance subsidies of $162, Urban Tax subsidies of $23, Operating Assistance - 18-B Program of $10, NYC Assistance Fund of $8, Mortgage Recording Tax subsidies of $6 and Internet Sales Tax of $4. Offsetting these increases were decreases in subsidies for Mansion Tax of $18, Build America Bond subsidy of $5 and Mass Transportation Trust Fund subsidies of $5.
  - These increases were offset by a decrease in operating subsidies from New York City of $307, a net decrease in other net non-operating revenues of $35, a decrease in Station maintenance, operation and use assessments of $23, and a decrease in subsidies from Connecticut Department of Transportation for the MTA Metro-North Railroad of $5.
- Labor costs decreased by $512, or 4.1%. The major changes within this category are:
  - Retirement and employee benefits decreased by $233 primarily due to changes in the actuarial valuation for pensions under GASB Statement No. 68.
  - Salaries and wages decreased by $113 mainly due to 2023 restatement as a result of the implementation of GASB 101, *Compensated Absences*.
  - Post-employment benefits other than pensions decreased by $166 due to changes in the actuarial valuation for OPEB.
- Non-labor operating costs increased by $935, or 12.1%. The variance was primarily due to:
  - An increase in claims of $450 due to unfavorable loss development in recent years which caused the existing reserves to be increased.
  - An increase in depreciation and amortization of $239, primarily due to CBDTP cameras and structures being placed in service in 2024.
  - An increase in maintenance and other operating contracts by $125.
  - An increase in paratransit service contracts of $100 primarily due to increased ridership.
  - An increase in professional service contracts of $45.
  - Offsetting the increases was a net decrease in other various expenses of $24 due to changes in operational requirements.
- Total net non-operating expenses increased by $104, or 5.6% primarily due to an increase in interest on long-term debt of $112 offset by a decrease of $8 from subsidies paid to Dutchess, Orange and Rockland counties.
- Appropriations, grants and other receipts externally restricted for capital projects increased by $461, or 11.8%, mainly due to timing in the availability of Federal and State grants for capital projects.

Years ended December 31, 2023 versus 2022

- Total operating revenues increased by $858, or 12.2%. The increase was mainly due to increased ridership and fares on trains, subways and buses as well as increased tolls from vehicle crossings. Fare and toll revenues had increases of $634 and $83, respectively. Other operating revenues increased by $141 when compared with the same period in 2022 due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues decreased by $6,315, or 38.3%.
  - FTA reimbursements decreased by $6,936, primarily due to decreased funding from the Federal government's American Rescue Plan Act ("ARPA") to support operations. This was offset by an increase in operating subsidies from New York City of $345, an increase in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $17 and a net increase in other net non-operating revenues of $263.

- Grants, appropriations, and taxes decreased by $4, primarily due to decreases in Urban Tax subsidies of $293, Mortgage Recording Tax of $277, Mansion Tax of $168, Operating Assistance - 18B Program of $7, Build America Bond Subsidy of $3, and Internet Sales Tax of $2. Offsetting these decreases were increases in subsidies for Metropolitan Mass Transportation Operating Assistance of $481, Payroll Mobility Tax of $237, New York City Assistance Fund of $20, and MTA Aid Trust and Mass Transportation Trust Fund subsidies of $8.

- Labor costs increased by $1,088, or 9.6%. The major changes within this category are:
  - Retirement and employee benefits increased by $702 primarily due to changes in the actuarial valuation for pensions under GASB Statement No. 68.
  - Salaries and wages increased by $807 mainly due to an increase in headcount coupled with wage adjustments.
  - Postemployment benefits other than pensions decreased by $421 due to changes in the actuarial valuation for OPEB.
- Non-labor operating costs increased by $736, or 10.5%. The variance was primarily due to:
  - An increase in depreciation and amortization of $295, primarily due to Grand Central Madison Terminal being placed in service in January 2023.
  - An increase in paratransit service contracts of $105 primarily due to increased ridership.
  - An increase in maintenance and other operating contracts by $104.
  - An increase in professional service contracts of $108 and materials and supplies of $80, mainly due to higher maintenance and repairs requirements.
  - A net increase in other various expenses of $147 due to changes in operational requirements.
  - A decrease in electric power of $46 and fuel of $57, primarily due to lower than projected rates and lower consumption.
- Total net non-operating expenses decreased by $66, or 3.4% primarily due to an decrease in interest on long-term debt of $68 offset by a increase of $2 in subsidies paid to Dutchess, Orange and Rockland Counties..
- Appropriations, grants and other receipts externally restricted for capital projects decreased by $703, or 15.2%, mainly due to timing in the availability of Federal and State grants for capital projects.

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 fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The fourth quarter 2024 rose above paid ridership during the fourth quarter of 2023 by 32 million (7.4%). For the fourth quarter of 2024 compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 19.9 million trips (6.6%), MTA New York City Transit bus paid ridership increased by 7 million trips (8.8%), MTA Long Island Rail Road paid ridership increased by 2.3 million trips (13%), MTA Metro-North Railroad paid ridership increased by 1.7 million trips (10.2%), MTA Bus paid ridership increased by 1.5 million trips (7.1%), and MTA Staten Island Railway paid ridership increased by 4 thousand trips (0.8%). Paid vehicle traffic at Triborough Bridge and Tunnel Authority ("TBTA") d/b/a MTA Bridges and Tunnels ("B&T") facilities for the fourth quarter of 2024 was above 2019 levels by 2.8 million crossings (3.3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2023, was up 257 thousand crossings (0.3%).

The Central Business District Tolling Program ("CBDTP") was established by New York State legislation in 2019 to both manage traffic congestion in Manhattan and be implemented in a manner that achieves a minimum $15 billion of funding for the projects identified in MTA's 2020-2024 Capital Program, and any additional revenues above that amount to be available for any successor program. On June 5, 2024, several weeks before CBDTP's scheduled start, Governor Hochul announced a pause of its implementation. Then on November 14, 2024, Governor Hochul announced a proposal to proceed with CBDTP, but with the toll rates that had been adopted by the TBTA Board in March 2024 phased-in over several years (the "Phase-In Approach"). Under this approach, CBDTP tolls will be implemented in three steps, culminating with the rates set in the March 2024 adopted toll structure. The interim steps will have tolls for each vehicle class and time of day, as well as tunnel crossing credits, proportionally reduced from the corresponding values in the March 2024 adopted toll structure. The proportional reductions will result in values for Phase 1 (2025, 2026, and 2027) equaling 60% of the corresponding values for the March 2024 adopted toll structure. For Phase 2 (2028, 2029, and 2030), the tolls and credits would equal 80% of the March 2024 adopted toll structure values. The March 2024 adopted toll structure values would come into full effect in 2031. On November 18, 2024, the TBTA Board formally adopted the Phase-In Approach. Following the execution of an agreement under the Value Pricing Pilot Program by FHWA and the Project Sponsors, TBTA began collecting CBDTP tolls on January 5, 2025.Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 86.7 thousand jobs (1.8%). On a quarter-to-quarter basis, New York City employment gained 16.5 thousand jobs (0.3%), the eighteenth consecutive quarterly increase. These increases were preceded by the steep decline of 880.5 thousand jobs (18.8%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 3.[DK1] 1 percent. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending.

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

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

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.5[DK2] % range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5% on September 18, 2024, decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42 (-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 twelve months ended December 31, 2024, operating revenue from tolls totaled $2,572, which was $153, or 6.32%, higher than the twelve months of 2023. Total crossings in 2024 were 337.2 million versus 335.1 million crossings in 2023, an increase of 0.56%.

MTA New York City Transit - Total revenue from fares was $3,534 in 2024, an increase of $185, or 5.5% from 2023. Total ridership was 1,532 million, an increase of 28 or 1.9% from 2023. Total operating expenses, including depreciation, other post-employment benefits and environmental remediation expenses, were $12,541 in 2024, an increase of $192, or 1.6%.

MTA Long Island Rail Road – Total operating revenue for the twelve months ended December 31, 2024 was $691, which was higher by $87, or 14.40%, compared to twelve months ended December 31, 2023. For the same comparative period, operating expenses were lower by-$38, or 1.5%, totaling $2,417 for the twelve months ended December 31, 2024.

MTA Metro-North Railroad – For the twelve months ended December 31, 2024, operating revenues totaled $662, an increase of $57, or 9.4%, compared to December 31, 2023. During the same period, operating expenses increased by $20, or 1.02%, to $1,982. Passenger fares accounted for 94.48% and 92.16% of operating revenues in 2024 and 2023, respectively. The remaining revenue represents rental income from retail businesses in and around passenger stations and from advertising revenues.

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 2022, the State appropriated $2.6 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 year ended December 31, 2024 was $352.4 compared to $345.8 at December 31, 2023.

Capital Programs

At December 31, 2024, $29,582 had been committed and $12,484 had been expended for the combined 2020-2024 Capital Programs and the 2020-2024 MTA Bridges and Tunnels Capital Program, $30,929 had been committed and $27,174 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and $29,777 had been committed and $28,357 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 $23,993 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 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 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 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. On October 30, 2024, the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $120.9 received from MTA's capital funding partners to support Penn reconstruction, Interborough Express project, and Second Avenue Subway West. This amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The last CPRB approved 2020-2024 Capital Programs provided $55,563 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, $13,087 in Federal funds, $3,169 in State of New York funding, $3,007 in City of New York funding, and $589 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 did not change the Program's budget at $33,913, as last approved. On October 30, 2024, the MTA Board approved an amendment to reduce the 2015-2019 Capital Program by $294 reflecting project closeout savings and removal of unneeded reserves to the CPRB and Bridges and Tunnels program envelopes. This amendment includes administrative funding transfers between approved capital programs and new funding to support existing initiatives. The amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The last approved 2015-2019 Capital Programs provided $33,619 in capital expenditures. The combined funding sources for the approved 2015–2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, include $9,099 in MTA bonds, $2,670 in MTA Bridges and Tunnels dedicated funds, $9,118 in State of New York funding, $6,755 in Federal funds, $2,692 in City of New York funding, $2,103 in pay-as-you-go ("PAYGO") capital, $906 from asset sale/leases, and $276 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. On October 30, 2024, the MTA Board approved an amendment to reduce the 2010-2014 Capital Program by $143 reflecting project closeout savings to the CPRB portion and the Bridges and Tunnels program envelopes. This amendment includes administrative funding transfers between approved capital programs and new funding to support existing initiatives. The amendment was submitted to the CPRB and deemed approved on December 9, 2024.

The last approved 2010-2014 MTA Capital provided $31,561k in 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 $11,654 in MTA Bonds, $1,972 in MTA Bridges and Tunnels dedicated funds, $7,374 in Federal Funds, $132 in MTA Bus Federal and City Match, $722 from City Capital Funds, and $1,264 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 $6,677 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 $977 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 $23,717 in capital expenditures. By December 31, 2024, the 2005-2009 MTA Capital Programs budget increased by $602 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 $24,319 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; $7,636 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 $1,081 from other sources.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2024 MTA November Financial Plan

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

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

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

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

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

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

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

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

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

Risks to MTA's Financial Future

Additional risks to the November Plan include:

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

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

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

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

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

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

More detailed information on the November Plan can be found in the MTA 2025 Final Proposed Budget - November Financial Plan 2025-2028 Volumes 1 and 2 at 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 $5.90 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 December 31, 2024, MTA has drawn down a total of $4.44 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 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 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 are consistent with these expectations.

In the final quarter of 2024, labor negotiations continued with unsettled bargaining groups, and three new labor agreements were ratified by the MTA Board. The ensuing paragraphs will highlight the terms of these agreements and will describe the overall status of collective bargaining at MTA agencies through December 31, 2024.

MTA Long Island Rail Road – At the end of the fourth quarter of 2024, MTA Long Island Rail Road has approximately 7,538 employees. Approximately 6,773 of these employees are represented by 8 different unions in 16 bargaining units. The railroad has settled agreements with all 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.

In December 2023, the MTA Board approved an agreement with the Sheet Metal, Air, Rail and Transportation Workers, Transportation Division (SMART-TD), covering approximately 2,943 members in 4 bargaining units with titles in Maintenance of Way, Maintenance of Equipment and Train Service; in March, the Board ratified an identical agreement, this time between the railroad and SMART's Yardmasters unit (covering 47 Yardmasters and Assistant Yardmasters). In the second quarter, two additional agreements, both with provisions identical to the SMART agreement, were enacted: in April, an agreement with the Sheet Metal Workers International Association (approximately 132 members) was approved; and in June, an agreement with the National Conference of Firemen and Oilers (approximately 82 members) was passed by the Board. In the final quarter, the MTA Board approved an agreement with the Independent Railway Supervisors Organization. Covering approximately 300 members, the agreement is identical to the others listed above, and will run from June 16, 2023 through August 15, 2026.

All of the agreements reached so far at Long Island Rail Road for the 2023-2026 period contain the same provisions. Running from June 16, 2023 through August 15, 2026 (38 months), they provide 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. The other important contract provisions are an increase in new hire 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 LIRR managers. With the passage of this agreement, LIRR now has effective agreements with approximately 50% of its represented workforce for the 2023-2026 period.

MTA Metro-North Railroad – As of December 31, 2024, Metro-North Railroad employs approximately 6,382 people. Among these are approximately 5,423 employees represented by ten different unions.

During the final quarter, Metro-North Railroad reached agreements with two of its largest bargaining groups, the Association of Commuter Rail Employees (ACRE): ACRE-1, representing approximately 998 Conductors and Assistant Conductors; and ACRE-9, representing approximately 419 Locomotive Engineers. Both agreements are 68 months in duration. The ACRE-1 agreement will run from September 2, 2021 through May 1, 2027; and the ACRE-9 agreement will run from July 1, 2021 through February 28, 2027. The first 26-month period of each agreement is identical to the pattern agreements reached with every other settled railroad union at both Metro-North Railroad and Long Island Rail Road for the 2021-2023 period.

It consists of the same wage increases as those earlier agreements, followed by a two-month extension (also an element of the previous agreements).

For the remaining 42-months, the agreements provide wage increases compounding to 12.70% (a 4.0% annual increase, a 4.0% annual increase, and a 4.2% annual increase) above 2023 levels. While these increases deviate from the familiar pattern of previous agreements pertaining to the current round of bargaining, the cost of wage increases exceeding those anticipated by the MTA Financial Plan will be completely offset by the recurring savings from the new provisions, and the net costs of the agreements remain consistent with Plan expectations. Important savings will derive from an increase in all employees' health care contributions from the current 2% of regular wages to 3%; from an additional 6-month contract extension; and from a set of new work rules, long sought by MTA management both to reduce overtime costs and to contribute to operational efficiencies, especially by allowing greater flexibility in the deployment of labor.

At Metro-North, negotiations continued in the fourth quarter with those unions whose terms have recently become amendable. Agreements with most of MNR'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, as of September 30, all of the railroad's represented employees looking forward to new agreements for the 2023-2026 period.

MTA Headquarters – As of December 31, 2024, MTA Headquarters employs approximately 5,481 people, of whom 3,558 are union members[1]. In the fourth quarter, no new agreements were reached, with most existing agreements having recently expired. Both agreements with the MTA Police unions-- the Police Benevolent Association (with more than 1,100 members) and the Commanding Officers Association (with 26 members)-- expired on April 15, 2024; and all three bargaining units of the Transportation Communications Union, which cover IT titles, Business Service Center titles and Procurement titles expired earlier this year (with the BSC and Procurement titles having expired on May 31, 2024; and the IT titles on February 29, 2024).

MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority – As of December 31, 2024, MTA New York City Transit and MaBSTOA employs approximately 47,922 people, 46,506 of whom are represented by 14 unions with 23 bargaining units.

As described above, in July 2023, the MTA Board ratified a memorandum of understanding that covers approximately 37,000 hourly operating employees at NYCT, MaBSTOA and MTA Bus Company. The currently effective agreement will run through May 15, 2026. Aside from the hourly Operating employees represented by TWU Local 100, other bargaining units within TWU Local 100 attained effective agreements in the second quarter of 2024, and these will run through November 30,2026. During the second quarter, an agreement with more than 800 members of the United Transit Leadership Organization was also ratified by the MTA Board, and it will run through December 31, 2024.[2]

In the fourth quarter, no new labor agreements were approved by the MTA Board for NYCT/MaBSTOA. As of December 31, 2024, the large majority of represented employees at NYCT/MaBSTOA are covered under effective labor agreements, because the TWU Local 100 agreements (with Operating hourly employees, but separately with Career and Salary employees, Computer and Telecommunications titles, and Staff Analysts) remain in effect until 2026.

MTA Bus Company – As of December 31, 2024, MTA Bus Company has 3,967 employees, approximately 3,849 of whom are represented by five different unions (now including the United Transit Leadership Organization) and six 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. In June, the MTA Bus Company also entered into an agreement with its TWU Local 100 bargaining unit that represents Administrative, Professional and Technical titles.

In the fourth quarter, no new labor agreements were reached with MTA Bus Company's unsettled unions.

MTA Bridges and Tunnels – As of December 31, 2024, MTA Bridges and Tunnels (the Triboro Bridge and Tunnel Authority, or TBTA) has 856 employees, approximately 628 of whom are represented by three different labor unions (four bargaining units). No new agreements with B&T unions were reached in the final quarter of 2024. Agreements with the Superior Officers Benevolent Association (representing around 100 active employees) and with AFSCME DC 37 Local 1655 (with an active membership of around 20) remain in effect, with both agreements expiring in November 2026; meanwhile, agreements with the the Authority's other two bargaining groups—District Council 37 Local 1931 (AFSCME DC 37-Local 1931), representing Maintainers and City Custodial Assistants; and Bridge and Tunnel Officers, represented by the Bridge and Tunnel Officers Benevolent Association (BTOBA), have expired, and their membership will be seeking new agreement terms going forward.

MTA Staten Island Railway – As of December 31, 2024, MTA Staten Island Railway had 393 employees, approximately 373 of whom are represented by five different unions (six bargaining units). No new labor agreements have been reached this year, and by the end of the third quarter, 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 UTLO agreement was a multi-agency agreement: aside from the approximately 800 members at NYCT, the new agreement will cover an additional 132 members, with 84% of these at MTA Bus company and the remainder working at SIRTOA and MTA HQ.

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(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2024 AND 2023

($ in millions)

	Business-Type Activities	
	December 31, 2024	**December 31, 2023 (Restated)**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	$ 1,029	$ 782
Cash restricted (Note 3)	751	806
Unrestricted investments (Note 3)	7,359	6,143
Restricted investments (Note 3)	2,495	2,610
Restricted investments held under financed purchase obligations (Notes 3 and 10)	95	95
Receivables:		
Station maintenance, operation, and use assessments	154	149
State and regional mass transit taxes	192	364
Mortgage Recording Tax receivable	33	24
State and local operating assistance	40	5
Other receivable from New York City and New York State	249	158
Receivable from federal and state government	363	203
Other	1,077	909
Less allowance for doubtful accounts	(544)	(498)
Total receivables — net	1,564	1,314
Materials and supplies	788	738
Prepaid expenses and other current assets (Note 2)	805	821
Total current assets	14,886	13,309
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	15,072	14,166
Other capital assets (net of accumulated depreciation and amortization)	79,281	76,387
Unrestricted investments (Note 3)	920	451
Restricted investments (Note 3)	1,139	1,302
Restricted investments held under financed purchase obligations (Notes 3 and 10)	291	284
Other non-current receivables	261	306
Other non-current assets	40	24
Total non-current assets	97,004	92,920
TOTAL ASSETS	111,890	106,229
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	62	108
Loss on debt refunding (Note 7)	290	398
Deferred outflows related to pensions (Note 4)	2,165	3,799
Deferred outflows related to OPEB (Note 5)	5,826	5,367
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,343	9,672
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 120,233	$ 115,901

See notes to the basic financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2024 AND 2023

($ in millions)

	Business-Type Activities	
	December 31, 2024	**December 31, 2023 (Restated)**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	$ 701	$ 571
Accrued expenses:		
Interest	284	285
Salaries, wages and payroll taxes	544	467
Current portion - compensated absences (Note 12)	745	737
Current portion — retirement and death benefits	32	30
Current portion — estimated liability from injuries to persons (Note 13)	859	725
Capital accruals	701	664
Other Accrued expenses	1,056	970
Total accrued expenses	4,221	3,878
Current portion — loan payable (Note 7)	11	11
Current portion — long-term debt (Note 7)	1,472	2,678
Current portion — pollution remediation projects (Note 15)	35	40
Derivative fuel hedge liability (Note 17)	9	10
Unearned revenues	1,429	1,905
Total current liabilities	7,878	9,093
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	6,755	8,335
Estimated liability arising from injuries to persons (Note 13)	5,653	5,029
Net OPEB liability (Note 5)	20,229	22,435
Loan payable (Note 7)	51	60
Long-term debt (Note 7)	47,232	45,112
Lease payable (Note 8)	868	900
Subscription-Based Information Technology Arrangements (Note 9)	118	98
Financed purchase (Note 10)	183	176
Compensated Absences (Note 12)	741	709
Pollution remediation projects (Note 15)	166	142
Contract retainage payable (Note 16)	500	449
Derivative liabilities (Note 7)	89	133
Other long-term liabilities (Note 16)	265	275
Total non-current liabilities	82,850	83,853
TOTAL LIABILITIES	90,728	92,946
DEFERRED INFLOWS OF RESOURCES:		
Gain on debt refunding	-	17
Deferred inflows related to leases (Note 8)	210	232
Deferred inflows related to pensions (Note 4)	335	429
Deferred inflows related to OPEB (Note 5)	8,439	5,398
TOTAL DEFERRED INFLOWS OF RESOURCES	8,984	6,076
NET POSITION:		
Net investment in capital assets	43,847	41,333
Restricted for debt service	709	876
Restricted for claims	192	275
Restricted for other purposes	2,222	2,443
Unrestricted	(26,449)	(28,048)
TOTAL NET POSITION	20,521	16,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 120,233	$ 115,901

See notes to the basic financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2024 AND 2023

($ in millions)

	Business-Type Activities	
	December 31, 2024	**December 31, 2023 (Restated)**
OPERATING REVENUES:		
Fare revenue	$ 4,996	$ 4,658
Vehicle toll revenue	2,564	2,415
Rents, freight, and other revenue	948	790
Total operating revenues	8,508	7,863
OPERATING EXPENSES:		
Salaries and wages	7,272	7,385
Retirement and other employee benefits	3,359	3,592
Postemployment benefits other than pensions (Note 5)	1,305	1,471
Electric power	531	510
Fuel	205	226
Insurance	8	32
Claims	845	395
Paratransit service contracts	617	517
Maintenance and other operating contracts	909	784
Professional service contracts	597	552
Pollution remediation projects (Note 15)	52	51
Materials and supplies	646	641
Depreciation and amortization (Note 2 and Note 6)	3,951	3,712
Other	317	323
Total operating expenses	20,614	20,191
OPERATING INCOME (LOSS)	(12,106)	(12,328)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	599	604
Metropolitan Mass Transportation Operating Assistance subsidies	3,000	2,838
Payroll Mobility Tax subsidies	3,375	2,513
MTA Aid Trust Account subsidies	463	265
Internet sales tax subsidies	333	329
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	352	346
Urban Tax subsidies	387	364
Mansion Tax	327	345
Other subsidies:		
Operating Assistance - 18-B program	376	366
Build America Bond subsidy	75	80
New York City Assistance Fund	373	365
Total grants, appropriations and taxes	9,660	8,415

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2024 AND 2023

($ in millions)

	Business-Type Activities	
	December 31, 2024	**December 31, 2023 (Restated)**
Connecticut Department of Transportation	260	265
Subsidies paid to Dutchess, Orange, and Rockland Counties	(12)	(20)
Interest on long-term debt (Note 2)	(1,950)	(1,838)
Station maintenance, operation and use assessments	211	234
Operating subsidies recoverable from NYC	573	880
Federal Transit Administration reimbursement	2,309	31
Other net non-operating revenues	328	363
Net non-operating revenues	11,379	8,330
(LOSS) / GAIN BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	(727)	(3,998)
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	4,369	3,908
CHANGE IN NET POSITION	3,642	(90)
NET POSITION— Beginning of year	16,879	16,969
NET POSITION — End of year	$ 20,521	$ 16,879

See notes to the basic financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	December 31, 2024	December 31, 2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	$ 7,530	$ 7,136
Rents and other receipts	1,064	930
Payroll and related fringe benefits	(11,019)	(11,665)
Other operating expenses	(3,072)	(4,422)
Net cash used by operating activities	(5,497)	(8,021)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	8,800	7,642
Operating subsidies from CDOT	267	264
Subsidies paid to Dutchess, Orange, and Rockland Counties	(11)	(18)
Federal Transit Administration reimbursement related to COVID-19	0	26
Other non-capital financing activities	9	3
Net cash provided by noncapital financing activities	9,065	7,917
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	3,768	-
MTA Bridges and Tunnels bond proceeds	4,043	5,297
MTA bonds refunded/reissued	(3,965)	(2,485)
MTA Bridges and Tunnels bonds refunded/reissued	(1,090)	(1,098)
MTA anticipation notes proceeds	500	-
MTA anticipation notes redeemed	(500)	(3,707)
Federal and local grants	5,449	2,497
Other capital financing activities	(2,890)	1,614
Payment for capital assets	(6,549)	(5,788)
Debt service payments	(3,314)	(3,169)
Internet and Mansion Tax	656	674
Receipts from leases	26	41
Payments from leases and subscription-based information technology arrangements	(70)	(88)
Net cash used by capital and related financing activities	(3,936)	(6,212)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(6,428)	(8,174)
Sales or maturities of long-term securities	3,772	15,064
Net sales (purchases) or maturities of short-term securities	2,886	(463)
Earnings on investments	330	537
Net cash provided by investing activities	560	6,964
NET INCREASE IN CASH	192	648
CASH — Beginning of year	1,588	940
CASH — End of year	$ 1,780	$ 1,588

See notes to the basic financial statements. (Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

($ In millions)

	Business-Type Activities	
	December 31, 2024	**December 31, 2023 (Restated)**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss (Note 2)	$ (12,106)	$ (11,960)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	3,951	3,712
Net increase / (decrease) in payables, accrued expenses, and other liabilities	1,361	(24)
Net (decrease) / increase in deferred outflows related to pensions	(1,634)	617
Net increase in deferred outflows related to OPEB	459	923
Net increase in deferred inflows related to pensions	94	626
Net decrease in deferred inflows related to OPEB	(3,042)	(2,703)
Net increase / (decrease) in net pension liability and related accounts	1,580	(1,412)
Net increase in net OPEB liability and related accounts	2,206	2,522
Net increase in receivables	1,667	390
Net decrease in materials and supplies and prepaid expenses	(33)	(712)
NET CASH USED BY OPERATING ACTIVITIES	$ (5,497)	$ (8,021)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	$ 228	$ (124)
Noncash capital and related financing activities:		
Capital assets related liabilities	1,790	1,743
Interest expense for leases and subscription-based information technology arrangements	61	49
Interest income from leases	7	7
Total Noncash capital and related financing activities	1,858	1,799
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	$ 2,086	$ 1,675

See notes to the basic financial statements.

(Continued)

(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, 2024 AND 2023

($ In thousands)

	Fiduciary Activities	
	December 31, 2024	**December 31, 2023**
ASSETS:		
Cash	$ 3,954	$ 10,625
Receivables:		
Employee loans	30,500	28,016
Participant and union contributions	411	3
Investment securities sold	2,719	3,404
Accrued interest and dividends	29,383	20,988
Other receivables	4,298	6,664
Total receivables	67,311	59,075
Equity securities	-	5,040,195
Fixed income securities	-	4,057,500
Other Alternative investments*	-	3,325,092
Total Investments at fair value/NAV	13,407,054	12,422,787
Total assets	$ 13,478,319	$ 12,492,487
LIABILITIES:		
Accounts payable and accrued liabilities	$ 9,256	$ 6,665
Payable for investment securities purchased	20,633	27,381
Accrued benefits payable	236	615
Accrued postretirement death benefits (PRDB) payable	5,728	5,720
Accrued 55/25 Additional Members Contribution (AMC) payable	1,098	1,504
Other liabilities	854	987
Total liabilities	37,805	42,872
NET POSITION:		
Restricted for pensions	12,007,932	11,075,711
Restricted for postemployment benefits other than pensions	1,432,582	1,373,904
Total net position	13,440,514	12,449,615
Total liabilities and net position	$ 13,478,319	$ 12,492,487

See notes to the basic 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, 2024 AND 2023

($ In thousands)

	Fiduciary Activities	
	December 31, 2024	**December 31, 2023**
ADDITIONS:		
Contributions:		
Employer contributions	$ 1,496,411	$ 3,439,246
Implicit rate subsidy contribution	66,606	62,445
Participant rollovers	4,216	-
Member contributions	67,925	63,744
Total contributions	1,635,158	3,565,435
Investment income:		
Net appreciation / depreciation in fair value of investments	913,383	1,092,168
Dividend income	111,106	110,796
Interest income	142,830	89,805
Less:		
Investment expenses	49,911	81,759
Investment income, net	1,117,408	1,211,010
Other additions:		
Total additions	2,752,566	4,776,445
DEDUCTIONS:		
Benefit payments and withdrawals	1,688,016	1,599,856
Implicit rate subsidy payments	66,606	62,445
Transfer to other plans	944	890
Administrative expenses	6,100	5,916
Total deductions	1,761,666	1,669,107
Net increase / (decrease) in fiduciary net position	990,900	3,107,338
NET POSITION:		
Restricted for Benefits:		
Beginning of year	12,449,615	9,342,277
End of year	$ 13,440,515	$ 12,449,615

See notes to the basic financial statements.

(A Component Unit of the State of New York)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 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 year ended December 31, 2024 and 2023 totaled $9.7 billion and $8.4 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 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.

New Accounting Standards —The MTA adopted the following GASB Statements for the year ended December 31, 2024:

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

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

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

The MTA evaluated the requirements under GASB Statement No. 101, *Compensated Absences,* and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and decreased by $216.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 in the Consolidated Statement of Net Position as of December 31, 2023 (in millions):

	As Previously Stated	GASB Statement No. 101 Impact	Restated
CURRENT LIABILITIES:			
Compensated absences	$ 1,163	$ (426)	$ 737
Other Accrued expenses	801	169	970
Total accrued expenses	4,135	(257)	3,878
Total current liabilities	9,350	(257)	9,093
NON-CURRENT LIABILITIES:			
Compensated absences	0	709	709
Other long-term liabilities	359	(84)	275
Total non-current liabilities	83,228	625	83,853
TOTAL LIABILITIES	92,578	368	92,946
NET POSITION:			
Unrestricted	(27,680)	(368)	(28,048)
TOTAL NET POSITION	17,247	(368)	16,879
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	115,901	0	115,901

In addition, revenues, expenses and changes in net position for the year ended December 31, 2023 were required to be restated by GASB Statement 101 as follows (in millions):

	As Previously Stated	GASB Statement No. 101 Impact	Restated
OPERATING EXPENSES:			
Salaries and wages	$ 7,036	$ 349	$ 7,385
Retirement and other employee benefits	3,581	11	3,592
Other	315	8	323
Total operating expenses	19,823	368	20,191
OPERATING LOSS	(11,960)	(368)	(12,328)
CHANGE IN NET POSITION	278	(368)	(90)
NET POSITION — End of year	17,247	(368)	16,879

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 in the consolidated statement of cash flows (in millions) for the year ended December 31, 2023:

	As Previously Stated	GASB Statement No. 96 Impact	Restated
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	$ (11,960)	$ (368)	$ (12,328)
Net increase (decrease) in payables	(24)	368	344
NET CASH USED BY OPERATING ACTIVITIES	(8,021)	-	(8,021)

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	MTA Required Year of Adoption
102	*Certain Risk Disclosures*	2025
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	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 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 with a maturity of 12 months or less from the balance sheet date have been classified as current assets in the consolidated interim financial statements. Investments with a maturity beyond 12 months from the balance sheet date are classified as non-current.

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 at December 31, 2024 and 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 December 31, 2024 and 2023 of $273 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 - Per 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, compensated absences, insurance, depreciation, lease and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, subsidies paid to counties, etc.) are reported as non-operating expenses.

Compensated Absences – Per GASB 101, the Authority has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means (if any).

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"), a $1.9 trillion package 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 NYS 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 December 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 NYS 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 the City of New York 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 NYS and who is picked up in, dropped off in, or travels through the Congestion Zone.

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

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

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

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 2023 and 2022 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, New York State and New York City each began paying $45 per annum to the MTA toward the cost of the program. In 2009, New York State reduced their $45 reimbursement to $6.3. Beginning in 2010, New York 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 New York State and New York City in 2023 and by the State in 2024. The City had advanced $30 million in 2023 for the year 2024, leaving an outstanding balance of $15 million as of December 31, 2024..

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 $1.9 and $3.4 for the years ended December 31, 2024 and 2023, respectively, 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 years ended December 31, 2024 and 2023 were 36.2 and $31.4, respectively. The amounts recovered for the years ended December 31, 2024 and 2023 were approximately 23.5 and $20.4, 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 reimbursement aggregated approximately 556.8 in the year ended December 31, 2024, and $402.4 in the year ended December 31, 2023. Total paratransit expenses, including paratransit service contracts, were 715.6 and $601.5 in 2024 and 2023, respectively.

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, provides a liability insurance program (aka “ELF”) that insures certain claims in excess of the self-insured retention limits of the agencies . For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits were $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 were $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 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. Effective October 31, 2024, MTA Staten Island Railway‘s self-insured retention limit was increased to $11. 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 retention, 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 December 31, 2024, the balance of the assets in this program was $195.04.

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

On March 1, 2024, 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 self-insured retention for each accident. Primary limits of $1 were procured through the commercial marketplace. Excess limits of $9 was procured through FMTAC.

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

On December 15, 2024, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies at $11 per occurrence loss for MTA Metro-North Railroad and MTA Long Island Rail Road.

Property Insurance — Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 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 $269.725 within the overall $500 per occurrence property program as follows: $28.543 (or 57.09%) of the primary $50 layer, plus $28.543 (or 57.09%) of the $50 excess $50 layer, plus $19.293 k(or 38.59%) of the $50 excess $100 layer, plus $11.793(or 23.59%) of the $50 excess $150 layer, plus $8.643 (or 17.29%) of the $50 excess $200 layer, plus $15.518 (or 31.04%) of the $50 excess $250 layer, plus $26.893 (or 53.79%) of the $50 excess $300 layer, plus $39.000 (or 78.00%) of the $50 excess $350 layer, plus $41.500 (or 83.00%) of the $50 excess $400 layer, and $50.000 (or 100%) of the $50 excess of $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. An additional $25 of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200. 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 December 31, 2024, restricted cash represents $751 received by the MTA from the State of New York and New York City for the Subway Action Plan and other capital projects.

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

	2024		2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	$ 319	$ 317	$ 114	$ 113
Uninsured and not collateralized	1,461	1,443	1,474	1,453
Total Balance	$ 1,780	$ 1,760	$ 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 December 31, 2024 and 2023 (in millions):

Investments by fair value level	**December 31,**	**Fair Value Measurements**		**December 31,**	**Fair Value Measurements**	
	2024	**Level 1**	**Level 2**	**2023**	**Level 1**	**Level 2**
Debt Securities:						
U.S. treasury securities	$ 10,806	$ 9,674	$ 1,132	$ 9,478	$ 7,975	$ 1,503
U.S. government agency	382	-	382	403	-	403
Asset backed securities	61	-	61	71	-	71
Commercial mortgage backed securities	80	-	80	172	-	172
Foreign bonds	10	10	-	10	10	-
Corporate bonds	115	115	-	114	114	-
Tax Benefit Lease Investments:						
U.S. treasury securities	145	145	-	146	146	-
U.S. government agency	123	69	54	122	67	55
Repurchase agreements	459	459	-	258	258	-
Total investments by fair value level	12,181	$ 10,472	$ 1,709	10,774	$ 8,570	$ 2,204
Financed Purchases	118			111		
Total Investments	$ 12,299			$ 10,885		

Investments classified as Level 1 of the fair value hierarchy, totaling $10,472 and $8,570 as of December 31, 2024 and 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 $436 and $458, U.S. treasury securities totaling $1,132 and $1,503, commercial paper totaling $0 and $0, asset-backed securities totaling $61 and $71, and commercial mortgage-backed securities totaling $80 and $172, as of December 31, 2024 and 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 market 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 purchase transactions described in Note 10, 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 transactions. 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 4.49% and 5.13% for the years ended December 31, 2024 and 2023, respectively.

Credit Risk — At December 31, 2024 and 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	December 31, 2024	Percent of Portfolio	December 31, 2023	Percent of Portfolio
A-1+	$ 80	1%	$ 175	2%
AAA	311	3%	315	3%
AA+	55	0%	55	1%
AA	19	0%	14	0%
A	72	1%	77	1%
A-	73	1%	113	1%
BBB	45	0%	41	0%
Not rated	506	4%	291	2%
U.S. Government	11,020	90%	9,693	90%
Total	12,181	100%	10,774	100%
Financed Purchases	118		111	
Total investment	$ 12,299		$ 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. While the MTA does not have a formal policy for interest rate risk, New York State statutes govern the MTA's investment policy. 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 a bond price's sensitivity to a 100 basis point change in interest rates.

	December 31, 2024		December 31, 2023	
(In millions)	Fair Value	Duration (in years)	Fair Value	Duration (in years)
U.S. treasury securities	$ 10,806	5.92	$ 9,478	4.85
U.S. government agency	382	5.14	403	6.40
Tax benefit financed purchase investments	268	4.69	268	5.35
Repurchase agreement	459	-	258	-
Asset-backed securities [1]	61	2.73	71	3.26
Commercial mortgage-backed securities [1]	80	3.38	172	5.25
Foreign bonds [1]	10	7.44	10	5.66
Corporates [1]	115	6.70	114	5.89
Total fair value	12,181		10,774	
Modified duration		5.62		4.81
Investments with no duration reported	118		111	
Total investments	$ 12,299		$ 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.

The 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 (e.g., $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 "LIRR Additional Plan"), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Pension 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 Pension 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. LIRR Additional Plan —

The LIRR Additional Plan is a single-employer defined benefit pension plan that provides retirement, disability and survivor benefits to members and beneficiaries. The LIRR Additional Plan covers MTA Long Island Rail Road employees hired effective July 1, 1971 and prior to January 1, 1988. The LIRR Additional Plan's activities, including establishing and amending contributions and benefits are administered by the Board of Managers of Pensions. The LIRR 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 LIRR Additional Plan is a closed plan.

The Board of Managers of Pensions is composed 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 LIRR Additional Plan may be amended by action of the MTA Board. The LIRR 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 Pension Plan —

The MaBSTOA Pension 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 Pension Plan is mandatory.

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

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 Pension Plan —

The MTA Defined Benefit Pension Plan is a cost sharing, multiple-employer defined benefit pension plan. The MTA Defined Benefit Pension 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 Pension Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Pension Plan is administered by the Board of Managers of Pensions. The MTA Defined Benefit Pension Plan, including benefits and contributions, may be amended by action of the MTA Board. The MTA Defined Benefit Pension 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. LIRR Additional Plan —

Pension Benefits — An eligible Long Island Rail Road employee who retires under the LIRR 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 LIRR 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 Pension Plan —

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

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

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

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

Tier 1 —

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

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

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

Ordinary Death Benefits — 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 Pension 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 Pension 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 Long Island Rail Road and MTA Metro-North Railroad.

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 693 of the Laws of 2023 removes the age 50 requirement from the TBTA 50/20 plan for Tier 4 and Tier 6 members.

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

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

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

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

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

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, 2023 and January 1, 2022, the dates of the most recent actuarial valuations, membership data for the following pension plans are as follows:

Membership at:	**January 1, 2023**				
	MNR Cash Balance Plan	**LIRR Additional Plan**	**MaBSTOA Pension Plan**	**MTA Defined Benefit Pension Plan**	**TOTAL**
Active Plan Members	-	14	8,393	19,071	27,478
Retirees and beneficiaries receiving benefits	20	4,962	6,307	12,141	23,430
Vested formerly active members not yet receiving benefits	5	13	1,230	1,867	3,115
Total	25	4,989	15,930	33,079	54,023

Membership at:	**January 1, 2022**				
	MNR Cash Balance Plan	**LIRR Additional Plan**	**MaBSTOA Pension Plan**	**MTA Defined Benefit Pension 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

Contributions and Funding Policy

1. LIRR Additional Plan —

Employer contributions are actuarially determined on an annual basis and are recognized when due. The LIRR 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 2023 and 2022), or (2) leave their contributions in the LIRR 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 2023 and 2022).

Funding for the LIRR 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 LIRR Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

2. MaBSTOA Pension Plan —

The contribution requirements of MaBSTOA Pension Plan members are established and may be amended only by the MaBSTOA Board in accordance with Sections 10.01 and 12.08 of the MaBSTOA Pension 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 – 50 and 20 Plan

ii. Tier 2 – 55 and 25 Plan

iii. Tier 4 – 62 and 5 Plan (with Tier III Supplement)

iv. Tier 4 – 55 and 25 Plan (operating employees only)

v. Tier 4 – 55 and 25 Plan (administrative employees only)

vi. Tier 4 – 57 and 5 Plan

vii. Tier 6 – 55 and 25 Plan (operating employees only)

viii. Tier 6 – 63 and 5 Plan (administrative employees only)

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

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, 2022 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. Per the January 1, 2023 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. Actual employer contributions for the years ended December 31, 2024 and 2023 were $22,354 (whole dollars) and $12,589 (whole dollars) respectively.

4. *MTA Defined Benefit Pension 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 Pension 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 Pension 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 Pension 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, 2024 and 2023 are as follows:

($ in millions)	2024	2023
LIRR Additional Plan	$ 75.0	$ 140.4
MaBSTOA Pension Plan	188.5	328.5
MNR Cash Balance Plan	- *	- *
MTA Defined Benefit Pension Plan	355.3	829.7
NYCERS	785.1	763.9
NYSLERS	22.2	14.1
Total	$ 1,426.0	$ 2,076.6

*MNR Cash Balance Plan's actual employer contributions for the years ended December 31, 2024 and 2023 were $22,354 (whole dollars) and $12,589 (whole dollars), respectively.

In 2024, MTA prepaid the 2025 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans, in the amount of $603.85.

Net Pension Liability

The MTA's net pension liabilities for each of the pension plans reported at December 31, 2024 and 2023 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,	**2024**		**2023**	
Pension Plan	**Measurement Date**	**Plan Valuation Date**	**Measurement Date**	**Plan Valuation Date**
LIRR Additional Plan	December 31, 2023	January 1, 2023	December 31, 2022	January 1, 2022
MaBSTOA Pension Plan	December 31, 2023	January 1, 2023	December 31, 2022	January 1, 2022
MNR Cash Balance Plan	December 31, 2023	January 1, 2023	December 31, 2022	January 1, 2022
MTA Defined Benefit Pension Plan	December 31, 2023	January 1, 2023	December 31, 2022	January 1, 2022
NYCERS	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2022
NYSLERS	March 31, 2024	April 1, 2023	March 31, 2023	April 1, 2022

Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of the LIRR Additional Plan, MaBSTOA Pension Plan, MNR Cash Balance Plan, MTA Defined Benefit Pension 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:

	LIRR Additional Plan		**MaBSTOA Pension Plan**	
Valuation Date:	**January 1, 2023**	**January 1, 2022**	**January 1, 2023**	**January 1, 2022**
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.
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.
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%	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.

	MNR Cash Balance Plan		**MTA Defined Benefit Pension Plan**	
Valuation Date:	**January 1, 2023**	**January 1, 2022**	**January 1, 2023**	**January 1, 2022**
Investment Rate of Return	4.00%, net of investment expenses.	4.00%, net of investment expenses.	6.50%, net of investment expenses	6.50%, net of investment expenses
Salary Increases	Not applicable	Not applicable	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 MTA Bus hourly employees.
Inflation	2.32%	2.40%	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.
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.

Actuarial Assumptions (continued)

	NYCERS		NYSLERS	
Valuation Date:	**June 30,**	**June 30,**	**April 1,**	**April 1,**
Investment Rate of Return	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	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 Increases of 3.0% per annum.	4.4% in ERS, 6.2 % in PFRS	4.4% in ERS, 6.2 % in PFRS
Inflation	2.50%	2.50%	2.90%	2.90%
Cost-of-Living Adjustments	AutoCOLA – 1.5% per annum Escalation – 2.5% per annum	AutoCOLA – 1.5% per annum Escalation – 2.5% per annum	1.50% per annum.	1.50% per annum.

Mortality

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

The actuarial assumptions used in the January 1, 2023 and 2022 valuations for the MTA plans are based on an experience study covering the period from January 1, 2015 - December 31, 2020, with certain assumptions modified subsequently. The mortality assumption used in the January 1, 2023 and 2022 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, 2023 and 2022 valuation was the RP-2014 Disabled Annuitant mortality table for males and females. This assumption was not applicable for the LIRR 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 2023 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, 2023 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, 2022 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
LIRR Additional Plan	December 31, 2023	6.50%
MaBSTOA Pension Plan	December 31, 2023	6.50%
MNR Cash Balance Plan	December 31, 2023	4.00%
MTA Defined Benefit Pension Plan	December 31, 2023	6.50%
NYCERS	June 30, 2024	7.00%
NYSLERS	March 31, 2024	5.90%

For the LIRR Additional Plan, MaBSTOA Pension Plan, MNR Cash Balance Plan, MTA Defined Benefit Pension 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:

	LIRR Additional Plan		MaBSTOA Pension 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%	2.21%	10.50%	2.21%
US Long Bonds	2.00%	2.65%	2.00%	2.65%
US Bank / Leveraged Loans	1.50%	3.55%	1.50%	3.55%
US Inflation-Indexed Bonds	2.00%	1.82%	2.00%	1.82%
US High Yield Bonds	3.00%	4.02%	3.00%	4.02%
Emerging Markets Bonds	2.00%	4.81%	2.00%	4.81%
US Large Caps	18.00%	5.38%	18.00%	5.38%
US Small Caps	7.00%	6.94%	7.00%	6.94%
Foreign Developed Equity	12.00%	6.92%	12.00%	6.92%
Emerging Markets Equity	4.50%	9.59%	4.50%	9.59%
Emerging Markets Small Cap Equity	1.50%	9.78%	1.50%	9.78%
US REITs	1.00%	6.63%	1.00%	6.63%
Private Real Estate Property	4.00%	5.14%	4.00%	5.14%
Private Equity	7.00%	10.46%	7.00%	10.46%
Private Credit	7.00%	6.64%	7.00%	6.64%
Commodities	4.00%	3.11%	4.00%	3.11%
Hedge Funds - MultiStrategy	13.00%	4.39%	13.00%	4.39%
	100.00%		100.00%	
Assumed Inflation - Mean		2.31%		2.31%
Assumed Inflation - Standard Deviation		1.44%		1.44%
Portfolio Nominal Mean Return		7.92%		7.92%
Portfolio Standard Deviation		12.47%		12.47%
Long Term Expected Rate of Return selected by MTA		**6.50%**		**6.50%**

Asset Class	MTA Defined Benefit Pension Plan Target Asset Allocation	MTA Defined Benefit Pension 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%	2.21%	100.00%	2.14%
US Long Bonds	2.00%	2.65%	-	-
US Bank / Leveraged Loans	1.50%	3.55%	-	-
US Inflation-Indexed Bonds	2.00%	1.82%	-	-
US High Yield Bonds	3.00%	4.02%	-	-
Emerging Markets Bonds	2.00%	4.81%	-	-
US Large Caps	18.00%	5.38%	-	-
US Small Caps	7.00%	6.94%	-	-
Foreign Developed Equity	12.00%	6.92%	-	-
Emerging Markets Equity	4.50%	9.59%	-	-
Emerging Markets Small Cap Equity	1.50%	9.78%	-	-
Global REITs	1.00%	6.63%	-	-
Private Real Estate Property	4.00%	5.14%	-	-
Private Equity	7.00%	10.46%		
Private Credit	7.00%	6.64%	-	-
Commodities	4.00%	3.11%	-	-
Hedge Funds - MultiStrategy	13.00%	4.39%	-	-
	100.00%		100.00%	
Assumed Inflation - Mean		2.31%		2.32%
Assumed Inflation - Standard Deviation		1.44%		1.44%
Portfolio Nominal Mean Return		7.92%		4.45%
Portfolio Standard Deviation		12.47%		4.30%
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	23.50%	6.80%	32.00%	4.00%
International Public Market Equities	0.00%	0.00%	15.00%	6.65%
Developed Public Market Equities	11.60%	7.20%	0.00%	0.00%
Emerging Public Market Equities	4.90%	8.60%	0.00%	0.00%
Fixed Income	31.00%	3.30%	23.00%	1.50%
Private Equities	10.00%	11.60%	10.00%	7.25%
Alternatives (Real Assets, Hedge Funds)	0.00%	0.00%	3.00%	5.79%
Real Estate	8.00%	7.00%	9.00%	4.60%
Infrastructure	4.50%	6.30%	0.00%	0.00%
Absolute Return Strategies	0.00%	0.00%	0.00%	0.00%
Opportunistic Portfolio	6.50%	8.50%	3.00%	5.25%
Cash	0.00%	0.00%	1.00%	0.25%
Credit	0.00%	0.00%	4.00%	5.40%
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.90%
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,	**2024**		**2023**	
Pension Plan	**Measurement Date**	**Rate**	**Measurement Date**	**Rate**
LIRR Additional Plan	December 31, 2023	6.50%	December 31, 2022	6.50%
MaBSTOA Pension Plan	December 31, 2023	6.50%	December 31, 2022	6.50%
MNR Cash Balance Plan	December 31, 2023	4.00%	December 31, 2022	4.00%
MTA Defined Benefit Pension Plan	December 31, 2023	6.50%	December 31, 2022	6.50%
NYCERS	June 30, 2024	7.00%	June 30, 2023	7.00%
NYSLERS	March 31, 2024	5.90%	March 31, 2023	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 – LIRR Additional Plan, MaBSTOA Pension Plan, MNR Cash Balance Plan and the MTA Defined Benefit Pension Plan

Changes in the MTA's net pension liability for the LIRR Additional Plan, MaBSTOA Pension Plan, MNR Cash Balance Plan and the MTA Defined Benefit Pension Plan for the year ended December 31, 2024, based on the December 31, 2023 measurement date, and for the year ended December 31, 2023, based on the December 31, 2022 measurement date, were as follows:

	LIRR Additional Plan			**MaBSTOA Pension 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, 2022	$ 1,258,877	$ 652,398	$ 606,479	$ 4,526,353	$ 3,310,111	$ 1,216,242
Changes for fiscal year 2023:						
Service Cost	81	-	81	99,603	-	99,603
Interest on total pension liability	77,391	-	77,391	292,158	-	292,158
Effect of plan changes	-	-	-	2,586	-	2,586
Effect of economic / demographic (gains) or losses	3,362	-	3,362	30,977	-	30,977
Benefit payments	(138,824)	(138,824)	-	(266,622)	(266,622)	-
Administrative expense	-	(546)	546	-	(567)	567
Member contributions	-	50	(50)	-	25,389	(25,389)
Net investment income	-	58,303	(58,303)	-	413,734	(413,734)
Employer contributions	-	140,400	(140,400)	-	328,430	(328,430)
Balance as of December 31, 2023	$ 1,200,887	$ 711,781	$ 489,106	$ 4,685,055	$ 3,810,475	$ 874,580

	LIRR Additional Plan			MaBSTOA Pension 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 2022:						
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

	MNR Cash Balance Plan			MTA Defined Benefit Pension 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, 2022	$ 310	$ 279	$ 31	$ 7,877,401	$ 5,368,034	$ 2,509,367
Changes for fiscal year 2023:						
Service Cost	-	-	-	230,704	-	230,704
Interest on total pension liability	12	-	12	515,016	-	515,016
Effect of plan changes	-	-	-	349	-	349
Effect of economic / demographic (gains) or losses	(19)	-	(19)	23,934	-	23,934
Effect of assumption changes or inputs	-	-	-	5,490	-	5,490
Benefit payments	(41)	(41)	-	(375,485)	(375,485)	-
Administrative expense	-	-	-	-	(4,660)	4,660
Member contributions	-	-	-	-	38,304	(38,304)
Net investment income	-	2	(2)	-	695,942	(695,942)
Employer contributions	-	13	(13)	-	831,320	(831,320)
Balance as of December 31, 2023	$ 262	$ 253	$ 9	$ 8,277,409	$ 6,553,455	$ 1,723,954

	MNR Cash Balance Plan			MTA Defined Benefit Pension 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 2022:						
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

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

The following presents the MTA's net pension liability calculated for the LIRR Additional Plan, MaBSTOA Pension Plan, MNR Cash Balance Plan and the MTA Defined Benefit Pension 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, 2023**			**December 31, 2022**		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
	(in thousands)			(in thousands)		
LIRR Additional Plan	$ 579,748	$ 489,106	$ 409,805	$ 703,189	$ 606,479	$ 522,065
MaBSTOA Pension Plan	1,403,484	874,580	426,535	1,729,789	1,216,242	781,313
MTA Defined Benefit Pension Plan	2,758,448	1,723,954	855,028	3,499,092	2,509,367	1,678,112

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
	(in whole dollars)			(in whole dollars)		
MNR Cash Balance Plan	$ 24,680	$ 9,226	$ (4,479)	$ 49,069	$ 30,726	$ 14,453

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, 2023 and June 30, 2022 actuarial valuations, rolled forward to June 30, 2024 and June 30, 2023, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYCERS	
	June 30, 2024	June 30, 2023
	($ in thousands)	
MTA's proportion of the net pension liability	21.980%	22.075%
MTA's proportionate share of the net pension liability	$ 3,615,094	$ 3,938,599

The following table presents the MTA's proportionate share of the net pension liability of NYSLERS based on the April 1, 2023 and April 1, 2022 actuarial valuations, rolled forward to March 31, 2024 and March 31, 2023, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYSLERS	
	March 31, 2024	March 31, 2023
	($ in thousands)	
MTA's proportion of the net pension liability	0.355%	0.299%
MTA's proportionate share of the net pension liability	$ 52,271	$ 64,289

The MTA's proportion of each respective Plan's net pension liability was based on the MTA's actual required contributions made to NYCERS for the plan's fiscal year-end June 30, 2024 and 2023 and to NYSLERS for the plan's fiscal year-end March 31, 2024 and 2023, relative to the contributions of all employers in each plan.

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, 2024**			**June 30, 2023**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYCERS	$ 6,138,640	$ 3,615,094	$ 1,483,419	$ 6,382,217	$ 3,938,599	$ 1,876,193

Measurement Date:	**March 31, 2024**			**March 31, 2023**		
	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	$ 164,345	$ 52,271	$ (41,334)	$ 155,359	$ 64,289	$ (11,810)

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

For the years ended December 31, 2024 and 2023, the MTA recognized pension expense related to each pension plan as follows (in $ thousands):

	December 31,	
Pension Plan	**2024**	**2023**
LIRR Additional Plan	$ 39,628	$ 58,880
MaBSTOA Pension Plan	185,108	259,366
MNR Cash Balance plan	(10)	(12)
MTA Defined Benefit Pension Plan	483,522	608,895
NYCERS	745,503	665,871
NYSLERS	23,939	23,325
Total	**$ 1,477,690**	**$ 1,616,325**

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For the years ended December 31, 2024 and 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 December 31, 2024	LIRR Additional Plan		MaBSTOA Pension Plan		MNR Cash Balance Plan		MTA Defined Benefit Pension 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	$ -	$ -	$ 28,782	$ 24,509	$ -	$ -	$ 191,569	$ 3,680
Changes in assumptions	-	-	82,937	-	-	-	368,103	-
Net difference between projected and actual earnings on pension plan investments	40,273	-	105,830	-	41	-	176,302	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	46,843	46,843
Employer contributions to the plan subsequent to the measurement of net pension liability	2,003	-	15,755	-	22	-	735	
Total	$ 42,276	$ -	$ 233,304	$ 24,509	$ 63	$ -	$ 783,552	$ 50,523

For the Year Ended December 31, 2024	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	$ 509,585	$ 11,291	$ 16,836	$ 1,425	$ 746,772	$ 40,905
Changes in assumptions	-	32,134	19,763	-	470,803	32,134
Net difference between projected and actual earnings on pension plan investments	47,145	-	-	25,534	369,591	25,534
Changes in proportion and differences between contributions and proportionate share of contributions	23,832	187,855	6,479	1,237	77,154	235,935
Employer contributions to the plan subsequent to the measurement of net pension liability	459,921	-	22,194	-	500,630	-
Total	$ 1,040,483	$ 231,280	$ 65,272	$ 28,196	$ 2,164,950	$ 334,508

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For the Year Ended December 31, 2023	**LIRR Additional Plan**		**MaBSTOA Pension Plan**		**MNR Cash Balance Plan**		**MTA Defined Benefit Pension 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**
LIRR Additional Plan	1.00	N/A	N/A
MaBSTOA Pension Plan	6.20	N/A	6.20
MNR Cash Balance Plan	1.00	N/A	1.00
MTA Defined Benefit Pension Plan	8.30	8.30	8.30
NYCERS	5.50	5.50	5.50
NYSLERS	5.00	5.00	5.00

For the years ended December 31, 2024 and 2023, $500.6 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, 2025 and December 31, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2024 will be recognized as pension expense as follows:

Year Ending December 31:	LIRR Additional Plan	MaBSTOA Pension Plan	MNR Cash Balance plan	MTA Defined Benefit Pension Plan	NYCERS	NYSLERS	Total
				(in thousands)			
2025	$ 17,318	$ 90,949	$ 12	$ 222,322	$ (89,859)	$ (8,415)	$ 232,327
2026	7,794	54,614	15	180,037	459,601	11,535	713,596
2027	17,507	74,419	12	234,904	(27,475)	16,275	315,642
2028	(2,346)	(32,269)	2	31,201	(18,412)	(4,513)	(26,337)
2029	-	4,328	-	37,898	25,426	-	67,652
Thereafter	-	999	-	25,933	-	-	26,932
	$ 40,273	$ 193,040	$ 41	$ 732,295	$ 349,281	$ 14,882	$ 1,329,812

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 $22,500 dollars or $30,000 dollars for those over age 50 for the year ended December 31, 2023, in each Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $23,000 dollars or $30,500 dollars for those over age 50 for the year ended December 31, 2024, in each Plan.

The two Plans offer the same array of investment options to participants. Eligible participants in the Deferred Compensation Program include employees (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 roth assets from other eligible retirement plans into the 401(k) and 457 Plans. Under certain conditions, both Plans accepts 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.

	December 31, 2024	**December 31, 2023**
	(In thousands)	
Employer 401(k)contributions	$3,894	$3,936

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, composed of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan. The 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. Pension 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 Pension Plan, the LIRR Additional Plan, the MNR Cash Balance Plan, the MaBSTOA Pension 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 and the VDC);

iii. have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTA Defined Benefit Pension Plan, the LIRR Additional Plan, the MaBSTOA Pension 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, 2023 and July 1, 2021, the date of the most recent actuarial valuation, the following classes of employees were covered by the benefit terms:

	Number of Participants	
	July 1, 2023	July 1, 2021
Active plan members	71,454	68,672
Inactive plan members currently receiving benefit payments	51,123	48,888
Inactive plan members entitled to but not yet receiving benefit payments	55	131
Total	122,632	117,691

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, 2024 and 2023, the MTA paid $849 and $882 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $66 and $62 for the years ended December 31, 2024 and 2023, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 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, 2023 and December 31, 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore, are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and 2022, the employer made a cash payment for retiree healthcare of $62,445 and $57,989, 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)	**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

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

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

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 Milliman. Milliman uses this model as the foundation for the trend that it recommends to our clients 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 — Trend rates were developed separately for NYSHIP benefits and self-insured plans administered by New York City Transit ("Union Health Plans"). The following lists illustrative rates for the NYSHIP benefits and associated Medicare Part B reimbursements, as well as for dental and vision benefits. (all amounts are in percentages).

	NYSHIP Trend		TBTA No Rx Trend		Medicare	Dental/ Vision
Fiscal Year	< 65	> = 65	< 65	> = 65	Part B Trend	Trend
2023	6.70%	5.90%	7.00%	4.90%	7.00%	4.00%
2024	7.00%	6.60%	7.20%	6.10%	7.30%	4.00%
2025	6.40%	6.40%	6.40%	6.40%	7.20%	4.00%
2026	5.80%	5.80%	5.80%	5.80%	7.70%	4.00%
2027	5.10%	5.10%	5.10%	5.10%	6.50%	4.00%
2028	4.90%	4.90%	4.90%	4.90%	7.00%	4.00%
2029	4.70%	4.70%	4.70%	4.70%	5.50%	4.00%
2030	4.50%	4.50%	4.50%	4.50%	6.10%	4.00%
2031	4.30%	4.30%	4.30%	4.30%	6.20%	4.00%
2032 - 2039	4.10%	4.10%	4.10%	4.10%	5.60%	4.00%
2040 - 2049	4.10%	4.10%	4.10%	4.10%	4.20%	4.00%
2050	4.10%	4.10%	4.10%	4.10%	3.80%	4.00%
2051 - 2064	4.20%	4.20%	4.20%	4.20%	3.80%	4.00%
2065 - 2066	4.10%	4.10%	4.10%	4.10%	3.80%	4.00%
2067 - 2068	4.00%	4.00%	4.00%	4.00%	3.80%	4.00%
2069 - 2070	3.90%	3.90%	3.90%	3.90%	3.80%	3.90%
2071 - 2073	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
2074 - 2089	3.70%	3.70%	3.70%	3.70%	3.80%	3.70%
2090+	3.70%	3.70%	3.70%	3.70%	3.60%	3.70%

The 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. (all amounts are in percentages).

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

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

Mortality — All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type:

- 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, 2021 (Lag) Actuarial Valuation for NYCERS dated October 2, 2023 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, 2024 and 2023, the MTA reported a net OPEB liability of $20,229 and $22,435, respectively. The MTA's net OPEB liability was measured as of December 31, 2023 and December 31, 2022, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023 and July 1, 2021 and rolled forward to December 31, 2023 and December 31, 2022, 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, 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 Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	98.50%	4.39%
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean return			4.37%
Portfolio Standard Deviation			0.49%
Long Term Expected Rate of Return selected by MTA			**4.25%**

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

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

Changes in Net OPEB Liability — Changes in the MTA's net OPEB liability for the year ended December 31, 2024 based on the December 31, 2023 measurement date, and for the year ended December 31, 2023, based on the December 31, 2022 measurement date, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position (in thousands)	Net OPEB Liability
Balance as of December 31, 2022	$ 22,446,401	$ 11,736	$ 22,434,665
Changes for the year:			
Service Cost	991,091	-	991,091
Interest on total OPEB liability	855,614	-	855,614
Effect of plan changes	74,166	-	74,166
Effect of economic/demographic gains or losses	(3,036,310)	-	(3,036,310)
Effect of assumptions changes or inputs	1,154,349	-	1,154,349
Benefit payments	(882,260)	(882,260)	-
Employer contributions	-	2,201,541	(2,201,541)
Net investment income	-	43,031	(43,031)
Administrative expenses	-	(143)	143
Net changes	(843,350)	1,362,169	(2,205,519)
Balance as of December 31, 2023	$ 21,603,051	$ 1,373,905	$ 20,229,146

	Total OPEB Liability	Plan Fiduciary Net Position (in thousands)	Net OPEB Liability
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

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, 2023**		
	1% Decrease (2.26%)	**Discount Rate (3.26%)**	**1% Increase (4.26%)**
Net OPEB liability	$23,153,304	$20,229,146	$17,810,727

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

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, 2023**		
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
Net OPEB liability	$17,310,279	$20,229,146	$23,893,435
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

*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, 2024 and 2023, the MTA recognized OPEB expense of $1.46 billion and $1.92 billion, respectively.

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

	December 31, 2024		**December 31, 2023**	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 282,966	$ 2,672,926	$ 355,728	$ 33,927
Changes of assumptions	2,156,494	3,329,443	1,551,188	4,123,792
Net difference between projected and actual earnings on OPEB plan investments	5,658	-	18,937	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,437,101	2,437,101	1,240,197	1,240,197
Employer contributions to the plan subsequent to the measurement of net OPEB liability	915,324	-	2,201,541	-
Total	**$ 5,797,543**	**$ 8,439,470**	**$ 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 7.8-year closed period, beginning the year in which the deferred amount occurs.

For the years ended December 31, 2024 and 2023, $915.3 and $2,201.5 were reported as employer contributions subsequent to measurement date. The current year contributions 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, 2025 and December 31, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Year ending December 31:	2025	$ (630,327)
	2026	(551,081)
	2027	(452,728)
	2028	(512,491)
	2029	(705,130)
	Thereafter	(705,493)
		$ (3,557,250)

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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 January 1, 2023, December 31, 2023 and December 31, 2024 (in millions):

	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2024
Capital assets not being depreciated:							
Land	$ 331	$ -	$ -	$ 331	$ -	$ -	$ 331
Construction work-in-progress	22,597	6,449	15,211	13,835	7,542	6,636	14,741
Total capital assets not being depreciated	22,928	6,449	15,211	14,166	7,542	6,636	15,072
Capital assets being depreciated:							
Buildings and structures	25,274	9,807	33	35,048	2,095	124	37,019
Bridges and tunnels	4,421	228	-	4,649	122	-	4,771
Equipment:		-					
Passenger cars and locomotives	14,479	383	48	14,814	1,115	25	15,904
Buses	3,989	137	172	3,954	354	158	4,150
Infrastructure	32,640	3,445	6	36,079	1,743	10	37,812
Other	30,386	1,127	8	31,505	1,309	106	32,708
Total capital assets being depreciated	111,189	15,127	267	126,049	6,738	423	132,364
Less accumulated depreciation:							
Buildings and structures	9,889	684	33	10,540	727	103	11,164
Bridges and tunnels	783	112	-	895	181		1,076
Equipment:							
Passenger cars and locomotives	8,505	391	43	8,853	390	25	9,218
Buses	2,237	275	171	2,341	263	158	2,446
Infrastructure	13,523	1,024	6	14,541	1,069	5	15,605
Other	12,332	1,061	9	13,384	1,154	92	14,446
Total accumulated depreciation	47,269	3,547	262	50,554	3,784	383	53,955
Total capital assets being depreciated - net	63,920	11,580	5	75,495	2,954	40	78,409
Capital assets - net	$ 86,848	$ 18,029	$ 15,216	$ 89,661	$ 10,496	$ 6,676	$ 93,481

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	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2024
Right-of-Use Assets being amortized:							
Leased buildings and structures	$ 745	$ 100	$ 2	$ 843	$ 13	$ -	$ 856
Leased equipment and vehicles	41	7	-	48	4	-	52
Leased other	4	6	-	10	-	-	10
Subscription-based IT arrangements	190	135	-	325	118	6	437
Total Right-of-Use Assets being amortized	980	248	2	1,226	135	6	1,355
Less accumulated amortization:							
Leased buildings and structures	105	51	-	156	55	-	211
Leased equipment and vehicles	26	12	-	38	7	-	45
Leased other	1	2	-	3	3	-	6
Subscription based IT arrangements	57	80	-	137	91	7	221
Total accumulated amortization	189	145	-	334	156	7	483
Right-of-Use Assets being amortized – net	791	103	2	892	(21)	(1)	872
Total Capital Assets, including Right-of-Use Asset, net of depreciation and amortization	$ 87,639	$ 18,132	$ 15,218	$ 90,553	$ 10,475	$ 6,675	$ 94,353

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 December 31, 2024 and 2023, these securities, which are not included in these consolidated financial statements, totaled $101.2 and $111.0, respectively, and had a fair value of $85.6 and $66.1, respectively.

As of December 31, 2024, $53.0 billion is unexpended from the MTA's Capital Program (2005-2024) and $22.4 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	December 31, 2024
MTA:					
Transportation Revenue Bonds					
1.43%-5.15% due through 2057	$ 46,395	$ 18,794	$ 2,315	$ 3,920	$ 17,189
Bond Anticipation Notes					
1.33% due through 2023	24,135	0	500	500	-
Dedicated Tax Fund Bonds					
1.86%-5.00% due through 2057	12,780	4,122	1,253	642	4,733
	83,310	22,916	4,068	5,062	21,922
Net unamortized bond premium	-	613	276	275	614
	83,310	**23,529**	**4,344**	**5,337**	**22,536**
TBTA:					
General Revenue Bonds					
1%–5.5% due through 2057	12,211	8,553	699	722	8,530
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	6,917	10,623	1,958	2,035	10,546
Subordinate Revenue Bonds					
1%-5.5% due through 2032	1,832	259	-	17	242
Sales Tax Revenue Bonds					
3.73%-5.5% due through 2063	3,604	1,954	1,650	-	3,604
Bond Anticipation Notes					
5.0% due through 2025	379	193	186	-	379
	24,943	21,582	4,493	2,774	23,301
Net unamortized bond premium		1,798	441	212	2,027
	24,943	**23,489**	**4,934**	**2,986**	**25,328**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	796	-	40	756
Net unamortized bond premium	-	85	-	1	84
	1,220	**881**	**-**	**41**	**840**
Total	**$ 109,473**	**$ 47,899**	**$ 9,278**	**$ 8,364**	**$ 48,704**
Current portion		$ 2,678			$ 1,472
Long-term portion		$ 45,221			$ 47,232

Details of the current portion of Long-Term debt at December 31, 2023 and 2024 are as follows:

Current Portion - MTA	December 31, 2023	December 31, 2024
Transportation Revenue Bonds	$ 856	$ 506
Bond Anticipation Notes	-	-
Dedicated Tax Fund Bonds	132	111
	988	617
Current Portion - TBTA		
General Revenue Bonds	282	366
PMT Bonds/ BAN	1,391	470
Sales Tax Revenue Bonds	-	2
Subordinate Revenue Bonds	17	18
	1,690	856
Total	**$ 2,678**	**$ 1,473**

(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	-	845	-	232	613
	79,242	**30,623**	**-**	**7,094**	**23,529**
TBTA:					
General Revenue Bonds					
1%–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**	**$ 5,313**	**$ 8,816**	**$ 47,790**
Current portion		$ 4,800			$ 2,678
Long-term portion		$ 46,493			$ 45,112

Details of the current portion of Long-Term debt at December 31, 2022 and 2023 are as follows:

Current Portion - MTA	December 31, 2022	December 31, 2023
Transportation Revenue Bonds	$ 612	$ 856
Bond Anticipation Notes	3,707	-
Dedicated Tax Fund Bonds	101	132
	4,420	988
Current Portion - TBTA		
General Revenue Bonds	267	282
PMT Bonds/ BAN	32	1,391
Subordinate Revenue Bonds	81	17
	380	1,690
Total	**$ 4,800**	**$ 2,678**

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 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.

On June 6, 2024, MTA purchased $45.172 of State and Local Governments Securities (SLGS) sufficient to prepay all or a portion of interest due on certain MTA Transportation Revenue Bonds through May 15, 2025. The funds were deposited in an escrow account. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the bonds and the MTA 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 July 16, 2024, MTA extended its irrevocable direct-pay LOC issued by TD Bank, N.A. associated with Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1g for two years to November 1, 2026, which is the final maturity of the bonds.

On July 16, 2024, MTA extended its irrevocable direct-pay LOC issued by TD Bank, N.A. associated with Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-2 for five years to July 16, 2029.

On September 9, 2024, MTA redeemed $7.175 Transportation Revenue Variable Rate Refunding Bonds, Series 2020B.

On October 29, 2024, MTA issued $479.460 of Transportation Revenue Refunding Fund Green Bonds, Series 2024B. Proceeds from the transaction were used to lock in a net present value savings of $58.550 or 11.18% of the refunded par by refunding certain outstanding Transportation Revenue Bonds.

On November 6, 2024, MTA extended its irrevocable direct-pay LOC issued by Bank of America, N.A. associated with Transportation Revenue Variable Rate Refunding Bonds, Subseries 2015E-3 to November 5, 2027.

On November 13, 2024, MTA effectuated a mandatory tender and remarketed $65.900 of Transportation Revenue Variable Rate Bonds, Subseries 2005D-2 and $69.650 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-4 as their respective irrevocable direct-pay LOCs issued by Bank of Montreal, National Association, were each replaced with separate irrevocable direct-pay LOCs issued by Bank of America, N.A. Both subseries of bonds were remarketed as VRDBs in Daily Mode. The LOCs for each subseries of bonds will expire on November 12, 2027.

On December 11, 2024, MTA effectuated a mandatory tender and remarketed $75.000 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-3. The Subseries 2012G-3 bonds were converted from SIFMA Floating Rate Notes to VRDBs in Daily Mode supported by an irrevocable direct-pay LOC issued by Royal Bank of Canada (acting through its New York Branch). The LOC will expire on December 10, 2027.

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 December 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, National Association and Bank of America, National Association, respectively. Unless renewed, the agreements are set to expire under their own terms on August 1, 2025.

On August 21, 2024, MTA executed a First Amendment to existing $800 taxable Revolving Credit Agreement with JP Morgan Chase Bank, National Association, extending the credit agreement to April 28, 2026.

On November 8, 2024, MTA amended its Revolving Credit Agreement with Bank of America, National Association to extend its expiration date to July 30, 2027, and adjusting the amount available under the line of credit from $400 to $200.

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.

On June 6, 2024, MTA purchased $15.558 of SLGS sufficient to prepay all or a portion of interest due on certain MTA Dedicated Tax Fund bonds through May 15, 2025. The funds were deposited in an escrow account. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the bonds and the MTA 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 July 23, 2024, MTA issued $388.505 of Dedicated Tax Fund Bonds, Series 2024A. Proceeds from the transaction were used to retire outstanding Triborough Bridge and Tunnel Authority Payroll Mobility Tax Bond Anticipation Notes, Series 2022A, which had an August 15, 2024 maturity.

On October 9, 2024, MTA issued $864.215 of Dedicated Tax Fund Green Bonds, Series 2024B. Proceeds from the transaction were used to retire outstanding Triborough Bridge and Tunnel Authority Payroll Mobility Tax Bond Anticipation Notes, Series 2022B, and to lock in net present value saving of $24.381 or 12.74% of the refunded par by refunding certain outstanding Transportation Revenue Bonds.

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 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, net expenses related to the interest swap associated with the issuance were $0.063 in 2024. The swap will mature in 2030.

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.

On June 6, 2024, MTA purchased $96.701 of SLGS sufficient to prepay all or a portion of interest due on certain TBTA General Revenue Bonds through May 15, 2025. The funds were deposited in an escrow account. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the bonds 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 July 18, 2024, MTA effectuated a mandatory tender and remarketed $26.850 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Series 2003B-2 exercising an optional purchase provision to remarket the bonds before its November 15 purchase date. The Subseries 2003B-2 bonds were converted from SIFMA Floating Rate Notes and remarketed as Variable Interest Rate Obligations in Daily Mode supported by an irrevocable direct-pay LOC issued by TD Bank, N.A. The new LOC will expire on July 18, 2029.

On August 21, 2024, MTA issued $699.260 of Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2024A. Proceeds from the transaction were used to fund existing approved bridge and tunnel capital projects and to lock in net present value saving of $19.204 or 4.37% of the refunded par by refunding certain outstanding TBTA bonds, including $244.090 of bonds issued as Build America Bonds.

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. There were no MTA Bridges and Tunnels Subordinate Revenue Bonds issued in 2024.

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.

On December 23, 2024, MTA issued $186 of Triborough Bridge and Tunnel Authority Second Subordinate BANs, Series 2024A. The notes were issued as tax-exempt notes with a final maturity of December 1, 2025. Proceeds from the transaction are being used to pay capital costs of the Central Business District Tolling Program.

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.

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 June 6, 2024, MTA purchased $82.711 of SLGS sufficient to prepay all or a portion of interest due on certain TBTA Payroll Mobility Tax Senior Lien Bonds through May 15, 2025. The funds were deposited in an escrow account. 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 July 10, 2024, MTA issued $770.105 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024C. Proceeds from the transaction were used to refund $510.025 million of Dedicated Tax Fund Build America Bonds and $325.000 of Transportation Revenue Build America Bonds. The refunding resulted in a net present value saving of $1.50 or 0.18% of the par amount of the refunded bonds, reduced the amount of outstanding MTA Build America Bonds by $779.085, and increased the par capacity of higher-rated credit debt.

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. The Series 2024A BANs were paid in full at maturity and are no longer outstanding.

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. 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**.**

On August 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 $7.175. This is due to the payment of Fee Purchase Payments in connection with the acquisition of 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 $48,538 as of December 31, 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.

For the year ended December 31, 2024, MTA refunding transactions decreased aggregate debt service payments by $327 and provided an economic gain of $202. For the year ended December 31, 2023, MTA refunding transactions increased aggregate debt service payments by $319 and provided an economic gain of $259. Details of bond refunding savings for December 31, 2024 and December 31, 2023 are as follows:

Refunding Bonds Issued in 2024	**Series**	**Date issued**	**Par value Refunded**	**Debt Service Savings (Increase)**	**Net Present Value of Savings**
Metropolitan Transportation Authority Transportation Revenue Refunding Bonds	2024A	3/27/2024	$ 1,289	$ 200	$ 99
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Bonds	2024C	7/10/2024	770	-17	2
Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds	2024A-2	8/21/2024	391	22	19
Metropolitan Transportation Authority Dedicated Tax Fund Refunding Green Bonds	2024B-2	10/9/2024	172	47	24
Metropolitan Transportation Authority Transportation Revenue Refunding Bonds	2024B	10/29/2024	479	75	59
Total Bond Refunding Savings			$ 3,101	$ 327	$ 202

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 gains and 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**	**December 31, 2024**
MTA:							
Transportation Revenue Bonds	$ 223	$ (4)	$ (23)	$ 196	$ (125)	$ 34	$ 105
State Service Contract Bonds	(12)	12		-	-	-	-
Dedicated Tax Fund Bonds	171	(35)	(10)	126	31	(36)	121
	382	(27)	(33)	322	(94)	(2)	226
TBTA:							
General Revenue Bonds	138	(47)	(13)	78	(4)	(9)	65
Subordinate Revenue Bonds	20	(21)	(1)	(2)	-	1	(1)
	158	(68)	(14)	76	(4)	(8)	64
Total	$ 540	$ (95)	$ (47)	$ 398	$ (98)	$ (10)	$ 290

Debt Service Payments — Future principal and interest debt service payments at December 31, 2024 are as follows (in millions):

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 639	$ 1,032	$ 856	$ 996	$ 1,495	$ 2,028
2026	751	973	749	1,032	1,500	2,005
2027	717	927	1,231	991	1,948	1,918
2028	764	834	871	954	1,635	1,788
2029	808	816	759	920	1,567	1,736
2030-2034	4,904	3,566	4,059	4,199	8,963	7,765
2035-2039	4,053	2,837	3,057	3,486	7,110	6,323
2040-2044	3,251	1,956	3,092	2,640	6,343	4,596
2045-2049	3,867	1,045	3,327	1,865	7,194	2,910
2050-2054	2,268	321	3,034	1,039	5,302	1,360
2055-2059	656	20	1,157	434	1,813	454
Thereafter	-	-	1,110	141	1,110	141
	$ 22,678	$ 14,327	$ 23,302	$ 18,697	$ 45,980	$ 33,024

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

Year	Principal	Interest	Total
2025	$ 11	$ 3	$ 14
2026	9	2	11
2027	9	2	11
2028	9	2	11
2029	7	1	8
2030-2034	15	2	17
2035-2039	2	0	2
Total	$ 62	$ 12	$ 74

Current portion	$ 11
Long-term portion	51
Total NYPA Loans Payable	$ 62

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

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebatable 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 years ended December 31, 2024 and 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	2002D-2b	Y	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2002G-1g	Y	TD Bank, N.A.	LOC	11/1/2026
Transportation Revenue	2005D-1	Y	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2005D-2	Y	Bank of America, N.A.	LOC	11/12/2027
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	7/16/2029
Transportation Revenue	2012G-3	Y	Royal Bank of Canada	LOC	12/10/2027
Transportation Revenue	2012G-4	Y	Bank of America, N.A.	LOC	11/12/2027
Transportation Revenue	2015E-1	N	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2015E-3	N	Bank of America, N.A.	LOC	11/5/2027
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	Y	UBS AG	LOC	12/5/2025

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 December 31, 2024 and 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 December 31, 2024

Bond Resolution Credit - Cashflow Hedges	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	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	$ (2.876)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	524.100	(8.628)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	13.260	(0.202)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	6.000	(0.103)
MTA Dedicated Tax Fund Bonds	2008A	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	207.025	(4.335)
MTA Transportation Revenue Bonds	2002D-2	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(19.676)
MTA Transportation Revenue Bonds	2005D & 2005E	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	263.460	(11.371)
MTA Transportation Revenue Bonds	2012G	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	354.100	(17.212)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	28.645	(0.069)
MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Bonds	2022E	SOFR Fixed Payer	Cash Flow	Regression	4/1/2016	86.845	(1.691)
					Total	$ 1,858.135	$ (66.163)

Derivative Instruments - Summary Information as of December 31, 2023

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

	Changes In Fair Value		Fair Value at December 31, 2024		Notional
	Classification	Amount (in millions)	Classification	Amount (in millions)	(in millions)
Government activities					
Cash Flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow of resources	$46.148	Debt	$(66.163)	$1,858.135

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 December 31, 2024):

Metropolitan Transportation Authority						
Related Bonds	Notional Amount as of 12/31/24	Effective Date	Maturity Date	Terms	Counterparty and Ratings(S&P / Moody's / Fitch)	Fair Value as of 12/31/24
TRB 2002D-2	$ 200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% SOFR+0.079%	JPMorgan Chase Bank, NA (AA-/ Aa2 / AA)	$ (19.676)
TRB 2005D & 2005E	197.595	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.076%	UBS AG (A+ / Aa2 / AA-)	(8.528)
TRB 2005E	65.865	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.076%	AIG Financial Products [(1)] (BBB+ / Baa2 / BBB+)	(2.842)
TRB 2012G	354.100	11/15/12	11/01/32	Pay 3.563%; receive 67% SOFR+0.076%	JPMorgan Chase Bank, NA (AA- / Aa2 / AA)	(17.212)
DTF 2008A	207.025	03/24/05	11/01/31	Pay 3.3156%; receive 67% SOFR + 0.076%	Bank of New York Mellon (AA- / Aa2 / AA)	(4.335)
Total	$ 1,024.585					$ (52.593)

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

MTA Bridges and Tunnels						
Related Bonds	Notional Amount as of 12/31/24	Effective Date	Maturity Date	Terms	Counterparty and Ratings (S&P / Moody's / Fitch)	Fair Value as of 12/31/24
TBTA 2018E & 2003B [4]	$ 174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR+0.076%	Citibank, N.A. (A+ / Aa3 / A+)	$ (2.876)
TBTA 2005B-2	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	JPMorgan Chase Bank, NA (AA- / Aa2 / AA)	(2.876)
TBTA 2005B-3	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	BNP Paribas North America (A+ / Aa3 / AA-)	(2.876)
TBTA 2005B-4	174.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	UBS AG (A+ / Aa2 / AA-)	(2.876)
TRB 2002G-1 & PMT 2022E TBTA 2005A & 2001C [2]	67.375 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.076%	U.S. Bank N.A. (A+ / A2 / A+)	(1.033) [3]
TRB 2002G-1 & PMT 2022E TBTA 2005A & 2001C [2]	67.375 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.076%	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(1.033) [3]
Total	**$ 833.550**					**$ (13.570)**

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

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.

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 December 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 December 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	AA-	Aa2	AA	$728,800	39.22%
UBS AG	A+	Aa2	A+	372,295	20.04%
The Bank of New York Mellon	AA-	Aa2	AA	207,025	11.14%
Citibank, N.A.	A+	Aa3	A+	174,700	9.40%
BNP Paribas US Wholesale Holdings, Corp.	A+	Aa3	AA-	174,700	9.40%
U.S. Bank National Association	A+	A2	A+	67,375	3.63%
Wells Fargo Bank, N.A.	A+	Aa2	AA-	67,375	3.63%
AIG Financial Products Corp.	BBB+	Baa2	BBB+	65,865	3.54%
Total				**$1,858,135**	**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.	BelowBaa2 (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 the 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, PMT 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 December 31, 2024, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was $52.5948.87 million; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of December 31, 2024, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $13.574 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)				
Year Ended	Variable-Rate Bonds			
December 31, 2024	Principal	Interest	Net Swap Payments	Total
2025	68.2	37.5	(3.8)	101.9
2026	70.8	34.8	(3.4)	102.2
2027	63.6	32.0	(3.1)	92.5
2028	55.9	29.6	(2.8)	82.7
2029	70.2	39.5	(2.5)	107.2
2030-2034	790.8	423.2	(6.5)	1,207.5
2035-2039	108.4	22.7	(1.1)	130.0
2040-2044	62.1	4.6	(0.1)	66.6

MTA Bridges and Tunnels (in millions)				
Year Ended	Variable-Rate Bonds			
December 31, 2024	Principal	Interest	Net Swap Payments	Total
2025	57.2	31.5	(6.4)	82.3
2026	30.4	30.3	(6.4)	54.3
2027	31.5	29.1	(6.3)	54.3
2028	32.9	27.8	(6.5)	54.2
2029	50.0	25.8	(6.4)	69.4
2030-2034	644.2	43.2	(10.1)	677.3
2035-2039	-	2.5	-	2.5
2040-2044	-	-	-	-

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 December 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 years ended December 31, 2024 and 2023 is presented below (in thousands):

	2024	2023
Lease Revenue	$ 37,902	$ 35,434
Interest Revenue	7,413	6,659
Other Variable Revenue	17,451	17,377

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

	2024	2023
Balance – beginning of year	$ 264,051	$ 326,247
Additions/remeasurements	15,144	(25,121)
Receipts/Interest	(38,381)	(37,075)
Balance – end of year	240,814	264,051
Less current portion	40,104	38,520
Lease receivable noncurrent	$ 200,710	$ 225,531

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

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

Year Ended December 31,	Principal	Interest	Total
2024	$ 40,104	$ 6,779	$ 46,883
2025	39,909	5,630	45,539
2026	32,257	4,650	36,907
2027	26,805	3,887	30,692
2028	11,943	3,440	15,383
2029-2033	21,909	14,162	36,071
2034-2038	7,024	12,088	19,112
2039-2043	4,161	11,096	15,257
Thereafter	56,702	60,646	117,348
Total	$ 240,814	$ 122,378	$ 363,192

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 74 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 70 years.

The amount of lease expense recognized for variable payments not included in the measurement of lease liability were $15,360 and $6,033 for the years ended December 31, 2024 and 2023, respectively. MTA recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023, respectively.

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

	2024	2023
Balance – beginning of year	$ 941,036	$ 877,965
Additions/remeasurements	14,978	110,819
Payments/Interest	(44,385)	(47,748)
Balance – end of year	911,629	941,036
Less current portion	43,501	40,530
Lease liability noncurrent	$ 868,128	$ 900,506

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

Year Ended December 31,	Principal	Interest	Total
2025	$ 43,501	$ 52,084	$ 95,585
2026	40,193	50,815	91,008
2027	33,215	49,707	82,922
2028	31,302	48,712	80,014
2029	36,866	47,505	84,371
2030 - 2034	209,475	213,483	422,958
2035 - 2039	147,906	166,262	314,168
2040 - 2044	145,071	113,555	258,626
Thereafter	224,100	88,617	312,717
Total	$ 911,629	$ 830,740	$ 1,742,369

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 $937 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, 2024, 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 12 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining subscription terms are between 1 year to 11 years.The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $12,770 and $10,654 for the years ended December 31, 2024 and 2023, respectively. MTA recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and 2023, respectively.

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

	2024	2023
Balance – beginning of year	$ 138,110	$ 80,778
Additions / remeasurements	113,873	135,027
Payments/Interest	(75,349)	(77,695)
Balance – end of year	176,634	138,110
Less current portion	58,940	39,909
SBITA liability noncurrent	$ 117,694	$ 98,201

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

Year Ended December 31,	Principal	Interest	Total
2025	$ 58,940	$ 7,823	$ 66,763
2026	47,427	5,244	52,671
2027	32,588	3,240	35,828
2028	5,096	1,806	6,902
2029	3,880	1,605	5,485
2030 - 2034	22,830	4,662	27,492
2035-2036	5,873	182	6,055
Total	$ 176,634	$ 24,562	$ 201,196

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 ("REFCO") 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, 2024, 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, 2024, the fair value of total collateral funds was $55.7.

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 Purchase Schedule

For the Year Ended December 31, 2024
(in millions)

Description	December 31, 2023	Increase	Decrease	December 31, 2024
Met Life	$ 8	$ -	$ -	$ 8
Met Life Equity	19	-	-	19
Bank of New York	22	5	-	27
Bank of America	41	-	-	41
Bank of America Equity	16	-	-	16
Met Life Equity	70	2	-	72
Total MTA Financed Purchase	176	$ 7	$ -	183
Current Portion Obligations under Financed Purchase	-			-
Long Term Portion Obligations under Financed Purchase	$ 176			$ 183

Financed Purchase Schedule

For the Year Ended December 31, 2023 (in millions) Description	December 31, 2022 (Restated)	Increase	Decrease (Restated)	December 31, 2023 (Restated)
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 Obligations under 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 Leases are as follows as of December 31, 2024 (in $ millions):

Year	ERY	WRY	Total
2025	$6	$36	$42
2026	6	36	42
2027	6	36	42
2028	7	37	44
2029	7	40	47
Therefater	2,496	14,131	16,627
Total	**$2,528**	**$14,316**	**$16,844**

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. COMPENSATED ABSENCES

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

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

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

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

	December 31, 2024	December 31, 2023
Balance - beginning of year	$1,445,781	$1,185,736
Net adjustment	40,706	260,045
Balance - end of year	1,486,487	1,445,781
Less: current portion	745,036	736,639
Compensated absences liability - noncurrent	$741,451	$709,142

13. 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 years ended December 31, 2024 and 2023 is presented below (in millions):

	December 31, 2024	**December 31, 2023**
Balance - beginning of year	$ 5,754	$ 5,435
Activity during the year:		
Current year claims and changes in estimates	1,370	897
Claims paid	(612)	(578)
Balance - end of year	6,512	5,754
Less current portion	(859)	(725)
Long-term liability	$ 5,653	$ 5,029

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

14. COMMITMENTS AND CONTINGENCIES

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 2021 TIFIA Loan is further supported by a debt service reserve account, which is funded in an 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.

15. 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 $52 and $51 for the years ended December 31, 2024 and 2023, respectively. A summary of the activity in pollution remediation liability at December 31, 2024 and 2023 were as follows:

	2024	2023
Balance at beginning of year	$ 182	$ 156
Current year expenses/changes in estimates	52	51
Current year payments	(33)	(25)
Balance at end of year	201	182
Less current portion	35	40
Long-term liability	$ 166	$ 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.

16. NON-CURRENT LIABILITIES

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

	December 31, 2022	Additions	Reductions	December 31, 2023	Additions	Reductions	December 31, 2024
Non-current liabilities:				(Restated) *			
Contract retainage payable	$ 416	$ 19		$ 435	$ 65	$ -	$ 500
Other long-term liabilities	414		(48)	366	-	(101)	265
Total non-current liabilities	**$ 830**	**$ 19**	**$ (48)**	**$ 801**	**$ 65**	**$ (101)**	**$ 765**

*Restated due to the adoption of GASB Statement No. 101, Compensated Absences. Refer to 2023 MTA Consolidated Financial Statements.

17. FUEL HEDGE

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

Counterparty	Cargill	Cargill	Cargill	Goldman Sachs	JPMorgan	Goldman Sachs	Cargill	Goldman Sachs
Trade Date	1/31/2023	2/28/2023	3/29/2023	4/24/2023	5/30/2023	6/27/2023	7/28/2023	8/29/2023
Effective Date	1/1/2024	2/1/2024	3/1/2024	4/1/2024	5/1/2024	6/1/2024	7/1/2024	8/1/2024
Termination Date	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025
Price/Gal	$2.6867	$2.5711	$2.4373	$2.4357	$2.2500	$2.2942	$2.5468	$2.5697
Original Notional Quantity	2,826,779	2,826,759	1,633,857	2,462,350	2,636,717	2,636,709	2,636,706	2,636,714

Counterparty	JPMorgan	Cargill	BOA_ Merrill	Cargill	Cargill	Goldman Sachs	Cargill	Goldman Sachs
Trade Date	9/26/2023	10/30/2023	11/27/2023	12/27/2023	1/30/2024	2/28/2024	3/27/2024	4/29/2024
Effective Date	9/1/2024	10/1/2024	11/1/2024	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025
Termination Date	8/31/2025	9/30/2025	10/31/2025	11/30/2025	12/31/2025	1/31/2026	2/28/2026	3/31/2026
Price/Gal	$2.6525	$2.5798	$2.4914	$2.4289	$2.4291	$2.3965	$2.4441	$2.4632
Original Notional Quantity	2,636,696	2,636,708	2,636,707	2,636,716	2,636,709	2,636,722	2,168,753	2,329,828

Counterparty	Cargill	Cargill	Cargill	Cargill	Cargill	Goldman Sachs	Goldman Sachs	Goldman Sachs
Trade Date	5/29/2024	6/27/2024	7/30/2024	8/28/2024	9/26/2024	10/31/2024	11/26/2024	12/23/2024
Effective Date	5/1/2025	6/1/2025	7/1/2025	8/1/2025	9/1/2025	10/1/2025	11/1/2025	12/1/2025
Termination Date	4/30/2026	5/31/2026	6/30/2026	7/31/2026	8/31/2026	9/30/2026	10/31/2026	11/30/2026
Price/Gal	$2.4272	$2.4759	$2.3380	$2.2900	$2.2105	$2.2460	$2.1952	$2.1568
Original Notional Quantity	2,535,018	2,535,006	2,535,001	2,535,006	2,535,002	2,535,017	2,535,018	2,535,019

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties, depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, cash settlement will take place. As of December 31, 2024, the total outstanding notional value of the ULSD contracts was 47.1 million gallons with a negative fair value of $9.2. 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).

18. CONDENSED COMPONENT UNIT INFORMATION

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

December 31, 2024	MTA	Metro - North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 11,490	$ 580	$ 569	$ 998	$ 3,123	$ (1,874)	$ 14,886
Capital assets	13,916	7,843	11,006	53,277	8,311	-	94,353
Other Assets	28,982	57	61	39	94	(26,582)	2,651
Intercompany receivables	39	261	234	4,005	11,398	(15,937)	-
Deferred outflows of resources	2,380	618	888	4,036	477	(56)	8,343
Total assets and deferred outflows of resources	**$ 56,807**	**$ 9,359**	**$ 12,758**	**$ 62,355**	**$ 23,403**	**$ (44,449)**	**$ 120,233**
Current liabilities	$ 3,559	$ 398	$ 316	$ 2,242	$ 1,809	$ (446)	$ 7,878
Non-current liabilities	27,722	2,572	3,702	23,213	25,662	(21)	82,850
Intercompany payables	16,078	141	56	-	284	(16,559)	-
Deferred inflows of resources	848	748	1,167	5,804	417	-	8,984
Total liabilities and deferred inflows of resources	**$ 48,207**	**$ 3,859**	**$ 5,241**	**$ 31,259**	**$ 28,172**	**$ (17,026)**	**$ 99,712**
Net investment in capital assets	$ (13,682)	$ 7,601	$ 10,921	$ 52,792	$ 2,206	$ (15,991)	$ 43,847
Restricted	2,520	-	-	-	1,902	(1,299)	3,123
Unrestricted	19,762	(2,101)	(3,404)	(21,696)	(8,877)	(10,133)	(26,449)
Total net position	**$ 8,600**	**$ 5,500**	**$ 7,517**	**$ 31,096**	**$ (4,769)**	**$ (27,423)**	**$ 20,521**
For the year ended December 31, 2024							
Fare revenue	$ 186	$ 626	$ 650	$ 3,534	$ -	$ -	$ 4,996
Vehicle toll revenue	-	-	-	-	2,572	(8)	2,564
Rents, freight and other revenue	64	36	41	823	26	(42)	948
Total operating revenue	**250**	**662**	**691**	**4,357**	**2,598**	**(50)**	**8,508**
Total labor expenses	1,632	1,160	1,348	7,548	248	-	11,936
Total non-labor expenses	805	465	495	2,724	284	(46)	4,727
Depreciation and amortization	512	357	574	2,269	239	-	3,951
Total operating expenses	**2,949**	**1,982**	**2,417**	**12,541**	**771**	**(46)**	**20,614**
Operating (deficit) surplus	**(2,699)**	**(1,320)**	**(1,726)**	**(8,184)**	**1,827**	**(4)**	**(12,106)**
Subsidies and grants	1,233	-	-	617	7	(1,033)	824
Tax revenue	7,747	-	-	2,923	660	(2,494)	8,836
Interagency subsidy	1,531	468	718	670	(2,809)	(578)	-
Interest expense	(1,303)	-	-	-	(501)	(146)	(1,950)
Other	(1,067)	262	2	2,201	18	2,253	3,669
Total non-operating revenues (expenses)	**8,141**	**730**	**720**	**6,411**	**(2,625)**	**(1,998)**	**11,379**
Income (Loss) before appropriations	5,442	(590)	(1,006)	(1,773)	(798)	(2,002)	(727)
Appropriations, grants and other receipts externally restricted for capital projects	(3,235)	847	816	3,742	-	2,199	4,369
Change in net position	2,207	257	(190)	1,969	(798)	197	3,642
Net position, beginning of year	6,393	5,243	7,707	29,127	(3,971)	(27,620)	16,879
Net position, end of year	**$ 8,600**	**$ 5,500**	**$ 7,517**	**$ 31,096**	**$ (4,769)**	**$ (27,423)**	**$ 20,521**
For the year ended December 31, 2024							
Net cash (used by) / provided by operating activities	$ (151)	$ (710)	$ (1,158)	$ (5,477)	$ 2,000	$ -	$ (5,496)
Net cash provided by / (used by) non-capital financing activities	9,438	743	1,224	6,763	(674)	(8,429)	9,065
Net cash (used by) / provided by capital and related financing activities	(8,584)	(28)	(65)	(954)	(573)	6,267	(3,937)
Net cash (used by) / provided by investing activities	(751)	-	-	(289)	(562)	2,162	560
Cash at beginning of year	1,530	21	5	23	9	-	1,588
Cash at end of year	**$ 1,482**	**$ 26**	**$ 6**	**$ 66**	**$ 200**	**$ -**	**$ 1,780**

December 31, 2023 Restated	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	13,670	7,324	10,740	50,852	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	**$ 56,807**	**$ 9,211**	**$ 13,230**	**$ 60,272**	**$ 22,205**	**$ (45,824)**	**$ 115,901**
Current liabilities	$ 4,002	$ 397	$ 340	$ 2,140	$ 2,674	$ (460)	$ 9,093
Non-current liabilities	28,550	2,852	4,219	25,359	22,907	(34)	83,853
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	**$ 50,414**	**$ 3,968**	**$ 5,523**	**$ 31,145**	**$ 26,176**	**$ (18,204)**	**$ 99,022**
Net investment in capital assets	$ (17,912)	$ 7,084	$ 10,621	$ 50,350	$ 2,015	$ (10,825)	$ 41,333
Restricted	3,315	-	-	-	1,245	(966)	3,594
Unrestricted	20,990	(1,841)	(2,914)	(21,223)	(7,231)	(15,829)	(28,048)
Total net position	**$ 6,393**	**$ 5,243**	**$ 7,707**	**$ 29,127**	**$ (3,971)**	**$ (27,620)**	**$ 16,879**
For the year ended December 31, 2023 Restated							
Fare revenue	$ 183	$ 558	$ 569	$ 3,348	$ -	$ -	$ 4,658
Vehicle toll revenue	-	-	-	-	2,419	(4)	2,415
Rents, freight and other revenue	177	48	35	658	28	(156)	790
Total operating revenue	**360**	**606**	**604**	**4,006**	**2,447**	**(160)**	**7,863**
Total labor expenses	1,452	1,150	1,429	8,173	244	-	12,448
Total non-labor expenses	757	442	475	2,270	244	(157)	4,031
Depreciation and amortization	354	363	564	2,205	226	-	3,712
Total operating expenses	**2,563**	**1,955**	**2,468**	**12,648**	**714**	**(157)**	**20,191**
Operating (deficit) surplus	**(2,203)**	**(1,349)**	**(1,864)**	**(8,642)**	**1,733**	**(3)**	**(12,328)**
Subsidies and grants	1,234	293	-	617	8	(216)	1,936
Tax revenue	7,159	-	-	4,392	674	(4,621)	7,604
Interagency subsidy	1,353	626	1,266	596	(3,198)	(643)	-
Interest expense	(1,267)	-	-	-	(762)	191	(1,838)
Other	(1,839)	(3)	(1)	(107)	346	2,232	628
Total non-operating revenues (expenses)	**6,640**	**916**	**1,265**	**5,498**	**(2,932)**	**(3,057)**	**8,330**
Loss before appropriations	4,437	(433)	(599)	(3,144)	(1,199)	(3,060)	(3,998)
Appropriations, grants and other receipts externally restricted for capital projects	(3,173)	715	740	3,156	-	2,470	3,908
Change in net position	1,264	282	141	12	(1,199)	(590)	(90)
Net position, beginning of the year	5,129	4,961	7,566	29,115	(2,772)	(27,030)	16,969
Net position, end of year	**$ 6,393**	**$ 5,243**	**$ 7,707**	**$ 29,127**	**$ (3,971)**	**$ (27,620)**	**$ 16,879**
For the year ended December 31, 2023 Restated							
Net cash (used in) / provided by operating activities	$ (1,745)	$ (1,175)	$ (1,734)	$ (5,435)	$ 2,068	$ -	$ (8,021)
Net cash provided by / (used in) non-capital financing activities	8,652	1,172	1,716	5,943	1,062	(10,628)	7,917
Net cash (used by) / provided by capital and related financing activities	(11,382)	5	18	(28)	(721)	5,896	(6,212)
Net cash (used by) / provided by investing activities	5,123	-	-	(482)	(2,409)	4,732	6,964
Cash at beginning of year	882	19	5	25	9	-	940
Cash at end of year	**$ 1,530**	**$ 21**	**$ 5**	**$ 23**	**$ 9**	**$ -**	**$ 1,588**

19. SUBSEQUENT EVENTS

On January 8, 2025, MTA extended its irrevocable direct-pay LOC issued by U.S. Bank National Association associated with TBTA General Revenue Variable Rate Bonds, Subseries 2003B-1 for three years to January 7, 2028.

On January 8, 2025, MTA extended its irrevocable direct-pay LOC issued by U.S. Bank National Association associated with TBTA General Revenue Variable Rate Refunding Bonds, Subseries 2005B-4c to January 7, 2028. The LOC was expected to expire on May 23, 2025 so the extension was done in conjunction with the Subseries 2003B-1.

On January 23, 2025, MTA launched its second Capital Lockbox credit with the inaugural issuance of $1,600 of its Real Estate Transfer Tax Revenue Bonds, Series 2025A (TBTA Capital Lockbox Fund). Proceeds from the transaction are expected to be used to finance approved 2020-2024 Capital Program transit and commuter projects, to fund the debt service reserve fund and to pay for cost of issuance.

On January 28, 2025, MTA executed a 2,535,012 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.226 (whole dollars) per gallon. The hedge covers the period from January 2026 through December 2026.

On February 4, 2025, MTA entered into a new taxable revolving credit agreement for $300 with Wells Fargo Bank, National Association. Unless renewed, the agreement is set to expire under its own terms on February 4, 2028.

On February 6, Triborough Bridge and Tunnel Authority issued $500 Subordinate Revenue Bond Anticipation Notes, Series 2025A (the Series 2025A Notes). Proceeds are being used to (i) finance approved transit and commuter projects included in the Metropolitan Transportation Authority's 2020-2024 Capital Program, (ii) fund capitalized interest payments due on the Series 2025A Notes through and including May 15, 2026, and (iii) pay certain financing, legal and miscellaneous expenses.

On February 24, 2025, MTA executed a 2,535,003 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.2142 (whole dollars) per gallon. The hedge covers the period from February 2026 through January 2027.

On March 19, 2025, Triborough Bridge and Tunnel Authority issued $400 Payroll Mobility Tax Bond Anticipation Notes, Series 2025A (the Series 2025A Notes). Proceeds are being used to (i) finance approved transit and commuter projects included in the Metropolitan Transportation Authority's 2020-2024 Capital Program, (ii) fund capitalized interest payments due on the Series 2025A Notes through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

On March 27, 2025, MTA issued $847.785 Transportation Revenue Refunding Green Bonds, Series 2025A. Proceeds are being used to (i) refund certain of the MTA's outstanding Transportation Revenue Bonds, including bonds issued as Build America Bonds, and (ii) pay certain financing, legal and miscellaneous expenses.

On March 27, 2025, MTA executed a 2,535,019 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.1770 (whole dollars) per gallon. The hedge covers the period from March 2026 through February 2027.

On April 9, 2025, Triborough Bridge and Tunnel Authority issued $800 Payroll Mobility Tax Bond Anticipation Notes, Series 2025B (the Series 2025B Notes). Proceeds are being used to (i) finance approved transit and commuter projects included in the Metropolitan Transportation Authority's 2020-2024 Capital Program, (ii) fund capitalized interest payments due on the Subseries 2025B-1 Notes through maturity, (iii) fund capitalized interest payments due on the Subseries 2025B-2 Notes through and including November 15, 2027, and (iv) pay certain financing, legal and miscellaneous expenses.

On April 29, 2025, MTA executed a 2,534,997 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.0747 (whole dollars) per gallon. The hedge covers the period from April 2026 through March 2027.

On May 2, 2025, Triborough Bridge and Tunnel Authority entered into a loan agreement with a custodian on behalf of a lender. Pursuant to the loan agreement, the lender provided a term loan to the Authority in the amount of $500M. The Authority expects to use the loan proceeds to finance transit and commuter projects in the 2020-2024 Capital Program and the 2025-2029 Capital Program. The term loan matures on May 1, 2026, however, the term loan is subject to earlier mandatory prepayment pursuant to the terms of the Loan Agreement. Interest on the term loan is payable monthly. The repayment of the principal of and interest on the loan is secured by a lien on Central Business District Tolling Program revenues collected on and after May 1, 2025 net of operating expenses and certain other costs.

On November 14, 2024, following a pause in implementation of the CBDTP, Governor Hochul announced a proposal to proceed with the CBDTP, but with the toll structure and rates that had been adopted by the MTA Bridges and Tunnels Board on March 27, 2024 being phased-in gradually over several years with proportionally lower toll rates for all vehicle classes in the first six-years of the program. In response, the MTA Bridges and Tunnels Board, at its November 18, 2024 meeting, adopted the phase-in approach to the toll rate schedule that it had approved on March 27, 2024. On November 21, 2024, the Federal Highway Administration ("FHWA") approved Re-evaluation 2 and conferred tolling authority through an agreement pursuant to its Value Pricing Pilot Program. The CBDTP went into effect and tolling commenced on January 5, 2025.

In a letter dated February 19, 2025, US Secretary of Transportation Duffy notified Governor Hochul that, among other things, he had concluded that CBDTP is not an eligible project under the Value Pricing Pilot Program, and on February 20, 2025, the Executive Director of the FHWA notified MTA Bridges and Tunnels that toll collection must cease effective March 21, 2025.

On February 19, 2025, MTA and MTA Bridges and Tunnels filed a complaint in the District Court for the Southern District of New York against Sean Duffy, as Secretary of the United States Department of Transportation, Gloria Shepherd, as Executive Director of the FHWA, the United States Department of Transportation, and the FHWA ("MTA v. Duffy") seeking a declaratory judgment that Secretary Duffy's purported termination of the November 21, 2024 Value Pricing Pilot Program agreement is null and void. On March 20, 2025, a day before the original deadline to cease toll collection, the Department of Transportation sent a letter extending that date to April 20, 2025. On April 21, 2025, Secretary Duffy sent a letter to Governor Hochul "direct[ing] the [New York State Department of Transportation]to show cause, no later than May 21, 2025, why FHWA should not take appropriate steps under 23 CFR § 1.36 to remedy New York's noncompliance with 23 U.S.C. § 301 in connection with the CBDTP." Secretary Duffy goes on to list the measures FHWA may impose if New York's "noncompliance continues." MTA and MTA Bridges and Tunnels have no intention of halting the CBDTP absent a court order, notwithstanding the letter. Accordingly, MTA Bridges and Tunnels plans to keep collecting tolls unless a court orders MTA Bridges and Tunnels to cease collecting tolls.

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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):	**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
Effect of economic / demographic (gains) or losses	3,362	(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	(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	70,764	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	50	73	140	249	333	760	884	1,108	1,304
Net investment income	58,303	(51,214)	95,247	4,024	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	(79,770)	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	760,690	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	$ 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	59.27%	51.82%	58.78%	56.04%	59.54%	58.06%	64.64%	50.92%	46.48%	48.86%
Covered payroll	$ 1,972	$ 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	24802.54%	29685.71%	16877.65%	11531.37%	7892.62%	4526.06%	2539.03%	2555.56%	2106.09%	1893.61%

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)	MaBSTOA Plan									
Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:										
Service cost	$ 99,603	$ 95,859	$ 93,934	$ 95,514	$ 89,814	$ 86,979	$ 84,394	$ 82,075	$ 77,045	$ 72,091
Interest	292,158	285,410	274,270	266,588	265,454	256,084	246,284	236,722	232,405	223,887
Effect of plan changes	2,586	1,760	-	-	-	-	-	-	-	-
Effect of economic / demographic (gains) or losses	30,977	(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	(266,622)	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Net change in total pension liability	158,702	104,336	175,632	123,452	311,810	134,648	139,729	144,758	60,525	118,935
Total pension liability—beginning	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	3,212,529
Total pension liability—ending (a)	4,685,055	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	328,430	158,618	156,204	159,486	206,390	205,433	202,684	220,697	214,881	226,374
Member contributions	25,389	25,548	24,935	24,709	23,552	21,955	19,713	18,472	16,321	15,460
Net investment income	413,734	(273,627)	416,287	60,326	447,365	(87,952)	350,186	212,260	(24,163)	105,084
Benefit payments and withdrawals	(266,622)	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Administrative expenses	(567)	(806)	(264)	(244)	(220)	(196)	(208)	(186)	(88)	(74)
Net change in plan fiduciary net position	500,364	(348,240)	351,735	6,347	455,866	(74,587)	363,253	263,420	27,023	171,397
Plan fiduciary net position—beginning	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	2,093,896
Plan fiduciary net position—ending (b)	3,810,475	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)	$ 874,580	$ 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	81.33%	73.13%	82.73%	77.87%	80.05%	74.63%	79.40%	72.26%	67.58%	68.00%
Covered payroll	$ 820,468	$ 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	106.60%	156.83%	99.32%	117.16%	104.59%	124.55%	101.04%	136.91%	160.14%	163.20%

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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 (continued)

($ in thousands)	MNR Cash Balance Plan									
Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:										
Interest	$ 12	$ 10	$ 11	$ 14	$ 18	$ 20	$ 21	$ 24	$ 29	$ 32
Effect of economic / demographic (gains) or losses	(19)	(6)	(11)	10	4	(11)	12	(15)	(10)	-
Effect of assumption changes or inputs	-	(16)	15	11	-	-	-	-	18	-
Benefit payments and withdrawals	(41)	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)	(88)
Net change in total pension liability	(48)	(45)	(23)	(70)	(31)	(49)	(38)	(68)	(76)	(56)
Total pension liability—beginning	310	355	378	448	479	528	566	634	710	766
Total pension liability—ending (a)	262	310	355	378	448	479	528	566	634	710
Plan fiduciary net position:										
Employer contributions	13	4	-	9	-	5	-	23	18	-
Net investment income	2	(43)	(5)	32	40	1	20	16	6	41
Benefit payments and withdrawals	(41)	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)	(88)
Administrative expenses	-	-	-	3	(3)	-	-	-	3	(3)
Net change in plan fiduciary net position	(26)	(72)	(43)	(61)	(16)	(52)	(51)	(38)	(86)	(50)
Plan fiduciary net position—beginning	279	351	394	455	471	523	574	612	698	748
Plan fiduciary net position—ending (b)	253	279	351	394	455	471	523	574	612	698
Employer's net pension liability—ending (a)-(b)	$ 9	$ 31	$ 4	$ (16)	$ (7)	$ 8	$ 5	-$8	$ 22	$ 12
Plan fiduciary net position as a percentage of the total pension liability	96.56%	98.87%	98.87%	104.23%	101.45%	98.33%	99.05%	101.41%	96.53%	98.31%
Covered payroll	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274
Employer's net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	-5.78%	-2.52%	2.99%	1.06%	-0.95%	1.49%	0.53%

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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 (continued)

($ in thousands) — **MTA Defined Benefit Plan**

Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:										
Service cost	$ 230,704	$ 220,423	$ 213,675	$ 213,494	$ 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
Effect of economic / demographic (gains) or losses	23,934	95,172	20,656	92,019	35,935	75,744	(27,059)	86,809	121,556	2,322
Effect of assumption changes or inputs	5,490	-	113,662	-	690,958	-	10,731	-	(76,180)	-
Effect of plan changes	349	-	-	-	-	61,890	76,511	73,521	6,230	-
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	477,750	439,349	1,022,196	415,676	310,937	396,931	265,208	206,755
Total pension liability—beginning	7,877,401	7,427,785	6,950,035	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)	8,277,409	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	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	99,045	651,919	(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	(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	228,541	759,744	(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	5,012,765	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)	$ 1,723,954	$ 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	79.17%	68.14%	77.45%	72.13%	73.48%	73.33%	79.87%	71.82%	70.44%	74.77%
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
Employer's net pension liability as a percentage of covered payroll	73.43%	118.85%	82.54%	94.46%	84.11%	72.09%	55.00%	75.20%	72.76%	61.59%

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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, 2024	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	21.980%	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	$ 3,615,094	$ 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*	$ 4,312,794	$ 3,929,800	$ 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	83.823%	100.224%	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	84.300%	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, 2024	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	0.355%	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	$ 52,271	$ 64,289	$ (25,856)	$ 313	$ 91,524	$ 24,472	$ 10,553	$ 29,239	$ 48,557	$ 9,768
MTA's actual covered payroll*	$ 165,315	$ 116,328	$ 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	31.619%	55.265%	-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	93.880%	90.780%	103.650%	99.950%	86.392%	96.267%	98.240%	94.703%	90.685%	97.947%

Note: The data provided in this schedule is based on the measurement date used by NYCERS and NYSLERS for the net pension liability.
*MTA's actual covered payroll have been restated in 2023 to represent the plan fiscal year, amounts prior to 2023 represent MTA's calendar year.

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REQUIRED SUPPLEMENTARY INFORMATION

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

($ in thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Additional Plan										
Actuarially Determined Contribution	$ 69,737	$ 72,666	$ 70,764	$ 70,553	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183	$ 82,382
Actual Employer Contribution	74,957	140,400	70,764	70,553	68,724	62,774	59,500	221,523	151,100	100,000
Contribution Deficiency (Excess)	$ (5,220)	$ (67,734)	$ -	$ -	$ (1)	$ -	$ (304)	$ (145,000)	$ (67,917)	$ (17,618)
Covered Payroll	$ 1,802	$ 1,972	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697
Contributions as a % of Covered Payroll	4159.66%	7119.68%	3463.99%	2184.33%	1328.26%	867.54%	455.02%	1080.62%	515.49%	251.91%
MaBSTOA Plan										
Actuarially Determined Contribution	$ 174,151	$ 170,033	$ 158,618	$ 156,204	$ 159,486	$ 209,314	$ 202,509	$ 202,924	$ 220,697	$ 214,881
Actual Employer Contribution	189,884	328,430	158,618	156,204	159,486	206,390	205,434	202,684	220,697	214,881
Contribution Deficiency (Excess)	$ (15,733)	$ (158,397)	$ -	$ -	$ -	$ 2,924	$ (2,925)	$ 240	$ -	$ -
Covered Payroll	$ 870,820	$ 820,468	$ 775,512	$ 768,868	$ 802,100	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674
Contributions as a % of Covered Payroll	21.81%	40.03%	20.45%	20.32%	19.88%	26.24%	26.47%	27.04%	30.80%	31.29%
Metro-North Cash Balance Plan										
Actuarially Determined Contribution	$ 22	$ 13	$ 4	$ -	$ -	$ 8	$ 5	$ -	$ 23	$ -
Actual Employer Contribution	22	13	4	-	-	-	5	-	23	14
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14)
Covered Payroll	$ -	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474
Contributions as a % of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	0.00%	2.68%	0.96%
MTA Defined Benefit Plan										
Actuarially Determined Contribution	$ 410,291	$ 416,538	$ 404,245	$ 392,547	$ 392,921	$ 349,928	$ 331,566	$ 316,916	$ 290,415	$ 273,700
Actual Employer Contribution	355,279	829,720	404,245	396,144	393,961	343,862	339,800	321,861	280,767	221,694
Contribution Deficiency (Excess)	$ 55,012	$ (413,182)	$ -	$ (3,597)	$ (1,040)	$ 6,066	$ (8,234)	$ (4,945)	$ 9,648	$ 52,006
Covered Payroll	$ 2,381,497	$ 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
Contributions as a % of Covered Payroll	14.92%	35.34%	19.15%	19.52%	19.21%	16.75%	16.73%	17.33%	15.73%	12.50%

REQUIRED SUPPLEMENTARY INFORMATION

(continued)

($ in thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NYCERS										
Actuarially Determined Contribution	$ 785,121	$ 763,929	$ 797,299	$ 842,269	$ 882,690	$ 952,616	$ 807,097	$ 800,863	$ 797,845	$ 736,212
Actual Employer Contribution	785,121	763,929	797,299	842,269	882,690	952,616	807,097	800,863	797,845	736,212
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,211,013	$ 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
Contributions as a % of Covered Payroll	18.64%	18.32%	20.72%	23.15%	23.40%	24.13%	20.31%	21.25%	22.64%	21.07%
NYSLERS										
Actuarially Determined Contribution	$ 22,194	$ 14,125	$ 16,284	$ 16,284	$ 14,533	$ 14,851	$ 14,501	$ 13,969	$ 12,980	$ 15,792
Actual Employer Contribution	22,194	14,125	16,284	16,284	14,533	14,851	14,501	13,969	12,980	15,792
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 211,876	$ 150,682	$ 110,702	$ 99,129	$ 102,838	$ 106,913	$ 109,210	$ 103,787	$ 94,801	$ 86,322
Contributions as a % of Covered Payroll	10.47%	9.37%	14.71%	16.43%	14.13%	13.89%	13.28%	13.46%	13.69%	18.29%

REQUIRED SUPPLEMENTARY INFORMATION

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

	Additional Plan		
Valuation Dates:	January 1, 2023	January 1, 2022	January 1, 2021
Measurement Date:	December 31, 2023	December 31, 2022	December 31, 2021
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
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.
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 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-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021
Pre-retirement:	Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.	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:	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% 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, 2020	January 1, 2019	January 1, 2018
Measurement Date:	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 13 year period beginning January 1, 2020) with level dollar payments.	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.
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%	7.00%
Investment rate of return:	6.50%, net of investment expenses.	6.50%, 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%	2.25%; 3.25%	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, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Measurement Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	Period specified in current valuation report (closed 16 year period beginning January 1, 2017) with level dollar payments.	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.	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%	3.00%
Actuarial assumptions:				
Discount Rate:	7.00%	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.	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.	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.	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.	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	N/A
Inflation/Railroad Retirement Wage Base:	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%
Cost-of-Living Adjustments:	N/A	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, 2023	January 1, 2022	January 1, 2021
Measurement Date:	December 31, 2023	December 31, 2022	December 31, 2021
Actuarial cost method:	Frozen Initial Liability cost method	Frozen Initial Liability cost method	Frozen Initial Liability cost method
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 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, 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.
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 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 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-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021
Pre-retirement:	Pri-2012 Employee mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	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:	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 92% for males and 100% 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:	Pri-2012 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%, if applicable.	60% of inflation assumption or 1.35% per annum, if applicable

REQUIRED SUPPLEMENTARY INFORMATION

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

	MaBSTOA Plan (continued)		
Valuation Dates:	January 1, 2020	January 1, 2019	January 1, 2018
Measurement Date:	December 31, 2020	December 31, 2019	December 31, 2018
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 for operating employees and non-operating members. Varies by years of employment.	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.
Actuarial assumptions:			
Discount Rate:	6.50%	6.50%	7.00%
Investment rate of return:	6.50%, net of investment expenses.	6.50%, 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%	2.25%	2.50%
Cost-of-Living Adjustments:	1.35% per annum	1.35% 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, 2017	January 1, 2016	January 1, 2015
Measurement Date:	December 31, 2017	December 31, 2016	December 31, 2015
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:	Varies by years of employment and employment type.	Varies by years of employment and employment type.	Varies by years of employment and employment type.
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.
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.	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, 2023	January 1, 2022	January 1, 2021
Measurement Date:	December 31, 2023	December 31, 2022	December 31, 2021
Actuarial cost method:	Unit Credit	Unit Credit	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%	4.00%	3.00%
Investment rate of return:	4.00%, net of investment expenses	4.00%, 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-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021
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, projected on a generational basis using Scale AA.
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, noth projected on a generational basis using Scale AA.
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.32%	2.40%	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, 2020	January 1, 2019	January 1, 2019
Measurement Date:	December 31, 2020	December 31, 2019	December 31, 2018
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:	3.00%	3.50%	4.00%
Investment rate of return:	3.00%, net of investment expenses.	3.50%, 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 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.
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%	2.25%	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, 2018	January 1, 2017	January 1, 2016
Measurement Date:	December 31, 2017	December 31, 2016	December 31, 2015
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:	4.00%	4.00%	4.00%
Investment rate of return:	4.00%, 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 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 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.
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%	2.30%	2.30%
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, 2014
Measurement Date:	December 31, 2014
Actuarial cost method:	Unit Credit Cost
Amortization method:	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:	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:	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:	4.50%
Investment rate of return:	4.50%, net of investment expenses.
Mortality:	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.
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.
Post-retirement Disabled Lives:	N/A
Inflation/Railroad Retirement Wage Base:	2.50%
Cost-of-Living Adjustments:	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, 2023	January 1, 2022	January 1, 2021
Measurement Date:	December 31, 2023	December 31, 2022	December 31, 2021
Actuarial cost method:	Frozen Initial Liability cost method	Frozen Initial Liability cost method	Entry Age Normal Cost
Amortization method:	For FIL bases, 15 years remaining for 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 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, 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.
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 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% 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.
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%
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
Pre-retirement:	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).	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:	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.	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.

Post-retirement 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.	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, 2020	January 1, 2019	January 1, 2018
Measurement Date:	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	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.	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. 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.
Actuarial assumptions:			
Discount Rate:	6.50%	6.50%	7.00%
Investment rate of return :	6.50%	6.50%	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%	2.25%; 3.25%	2.50%; 3.50%
Cost-of-Living Adjustments:	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, 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, 2017	January 1, 2016	January 1, 2015
Measurement Date:	December 31, 2017	December 31, 2016	December 31, 2015
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. 3.5% for MTA Bus hourly employees.
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 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	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%; 3.50%
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, 2023	June 30, 2022	June 30, 2021
Measurement Date:	June 30, 2024	June 30, 2023	June 30, 2022
Actuarial cost method:	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method:	N/A	N/A	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfundeds.
Asset Valuation Method:	The Plan Fiduciary Net Positions are based on the Market 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.	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.
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.	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.
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, 2020	June 30, 2019	June 30, 2018
Measurement Date:	June 30, 2021	June 30, 2020	June 30, 2019
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 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.
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, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement Date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarial cost method:	Entry Age Normal Cost	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.	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.	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.	3% per annum.
Actuarial assumptions:				
Discount Rate:	7.00%	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.	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.	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	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	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.	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, 2023	April 1, 2022	April 1, 2021
Measurement Date:	March 31, 2024	March 31, 2023	March 31, 2022
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	N/A	N/A	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	8-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	Market restart	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	4.4% in ERS, 6.2% in PFRS
Actuarial assumptions:			
Discount Rate:	5.90%	5.90%	5.90%
Investment rate of return:	5.90%, net of investment expenses.	5.90%, net of investment expenses.	6.80%, 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 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.
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.	1.4% 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, 2020	April 1, 2019	April 1, 2018
Measurement Date:	March 31, 2021	March 31, 2020	March 31, 2019
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:	4.40% in ERS; 6.20% in PFRS	4.20% in ERS; 5.00% in PFRS	0.038
Actuarial assumptions:			
Discount Rate:	5.90%	6.80%	7.00%
Investment rate of return:	5.90%, net of investment expenses.	6.80%, 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, 2015 through March 31, 2020 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, 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.
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%	2.50%	2.50%
Cost-of-Living Adjustments:	1.4% 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, 2017	April 1, 2016	April 1, 2015	April 1, 2014
Measurement Date:	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Actuarial cost method:	Aggregate 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.	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.	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%	3.80%	4.90%
Actuarial assumptions:				
Discount Rate:	7.00%	7.00%	7.00%	7.50%
Investment rate of return:	7.00%, net of investment expenses.	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 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 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	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%	2.70%
Cost-of-Living Adjustments:	1.3% per annum.	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:

Refer to Note 4 Employee Benefits.

Changes of Assumptions:

There were no significant changes in the economic and demographic used in the June 30, 2023 valuation for the NYCERS plan.

There were no significant changes in the economic and demographic assumptions used in the April 1, 2023 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):	**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	$ 1,002,930	$ 884,548
Interest on total OPEB liability	855,614	530,983	535,642	610,160	840,532	734,968	731,405
Effect of plan changes	74,166	-	-	-	-	1,580	27,785
Effect of economic/demographic (gains) or losses	(3,036,310)	14,299	292,154	(43,890)	247,871	(19,401)	13,605
Effect of assumption changes or inputs	1,154,349	(3,449,438)	(738,829)	1,939,528	311,286	(1,800,135)	911,465
Benefit payments	(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability	(843,350)	(2,510,113)	546,933	2,878,108	1,597,585	(771,180)	1,917,814
Total OPEB liability—beginning	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068	18,787,254
Total OPEB liability—ending (a)	21,603,051	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068
Plan fiduciary net position:							
Employer contributions	2,201,541	846,299	792,984	387,371	730,677	691,122	650,994
Net investment income	43,031	11,828	-	(77,118)	63,647	(18,916)	47,370
Benefit payments	(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Administrative expenses	(143)	(176)	(46)	(209)	(200)	(56)	-
Net change in plan fiduciary net position	1,362,169	11,652	(46)	(414,697)	63,447	(18,972)	47,370
Plan fiduciary net position—beginning	11,736	84	130	414,827	351,380	370,352	322,982
Plan fiduciary net position—ending (b)	1,373,905	11,736	84	130	414,827	351,380	370,352
Net OPEB liability—ending (a)-(b)	$ 20,229,146	$ 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	6.36%	0.05%	0.00%	0.00%	1.93%	1.76%	1.79%
Covered payroll	$ 7,490,519	$ 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	270.06%	327.59%	381.73%	363.43%	305.96%	283.65%	376.96%

Notes to Schedule:

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

Changes of assumptions: In the July 1, 2023 actuarial valuation, there were 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)	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Actuarially Determined Contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Employer Contribution (1)	$ 915,324	$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	N/A
Covered Payroll	$7,677,009	$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	11.92%	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 $62,445 and $57,989 for the years ended December 31, 2023 and 2022, 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, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2017	July 1, 2017
Measurement date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	3.26%, net of expenses	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	2.31%	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	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	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	4.25%	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.	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.

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(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, 2024

($ 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	$ 344	$ 31	$ 3,579	$ -	$ 3,954
Receivables:					
Employee loans	-	-	30,500	-	30,500
Participant and union contributions	-	(4)	415	-	411
Investment securities sold	-	217	2,502	-	2,719
Accrued interest and dividends	10,800	960	5,361	12,262	29,383
Other receivables	4,232	66	-	-	4,298
Total receivables	15,032	1,239	38,778	12,262	67,311
Investments at fair value/NAV:					
Total Investments at fair value/NAV	7,184,987	710,120	4,091,412	1,420,535	13,407,054
Total assets	$ 7,200,363	$ 711,390	$ 4,133,769	$ 1,432,797	$ 13,478,319
LIABILITIES:					
Accounts payable and accrued liabilities	$ 6,699	$ 413	$ 2,144	$ -	$ 9,256
Payable for investment securities purchased	11,512	1,023	8,098	-	20,633
Accrued benefits payable	-	-	21	215	236
Accrued postretirement death benefits (PRDB) payable	-	-	5,728	-	5,728
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	1,098	-	1,098
Other liabilities	371	33	450	-	854
Total liabilities	18,582	1,469	17,539	215	37,805
NET POSITION:					
Restricted for pensions	7,181,781	709,921	4,116,230	-	12,007,932
Restricted for postemployment benefits other than pensions	-	-	-	1,432,582	1,432,582
Total net position	7,181,781	709,921	4,116,230	1,432,582	13,440,514
Total liabilities and net position	$ 7,200,363	$ 711,390	$ 4,133,769	$ 1,432,797	$ 13,478,319

See Independent Auditor's Report and notes to the basic 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, 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/NAV:					
Equity securities	3,014,156	293,666	1,732,373	-	5,040,195
Fixed income securities	1,689,979	164,653	861,680	1,341,188	4,057,500
Other Alternative investments*	1,853,708	253,586	1,196,195	21,603	3,325,092
Total Investments at fair value/NAV	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 basic financial statements.

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(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, 2024

($ 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	$ 355,279	$ 74,956	$ 188,486	$ 877,690	$ 1,496,411
Implicit rate subsidy contribution	-	-	-	66,606	66,606
Participant rollovers	4,216	-	-	-	4,216
Member contributions	39,536	45	28,344	-	67,925
Total contributions	399,031	75,001	216,830	944,296	1,635,158
Investment income:					
Net appreciation / depreciation in fair value of investments	537,525	49,155	314,585	12,118	913,383
Dividend income	65,346	6,074	39,686	-	111,106
Interest income	57,241	5,230	32,818	47,541	142,830
Less:					
Investment expenses	26,183	2,900	19,991	837	49,911
Investment income, net	633,929	57,559	367,098	58,822	1,117,408
Other additions:					
Total additions	1,032,960	132,560	583,928	1,003,118	2,752,566
DEDUCTIONS:					
Benefit payments and withdrawals	398,888	133,794	277,644	877,690	1,688,016
Implicit rate subsidy payments	-	-	-	66,606	66,606
Transfer to other plans	944	-	-	-	944
Administrative expenses	4,801	626	529	144	6,100
Total deductions	404,633	134,420	278,173	944,440	1,761,666
Net increase / (decrease) in fiduciary net position	628,327	(1,860)	305,755	58,678	990,900
NET POSITION:					
Restricted for Benefits:					
Beginning of year	6,553,454	711,781	3,810,476	1,373,904	12,449,615
End of year	$ 7,181,781	$ 709,921	$ 4,116,231	$ 1,432,582	$ 13,440,515

See Independent Auditor’s Review Report and notes to the basic interim 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 / depreciation 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
Other additions:					
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 Review Report and notes to the basic interim financial statements.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	$ 5,157	$ 4,996	$ (161)
Vehicle toll revenue	2,583	2,564	(19)
Other operating revenue	966	948	(18)
Total revenue	8,706	8,508	(198)
OPERATING EXPENSES:			
Labor:			
Payroll	7,363	6,161	(1,202)
Overtime	1,099	1,111	12
Health and welfare	2,108	1,663	(445)
Pensions	1,732	1,394	(338)
Other fringe benefits	1,418	971	(447)
Postemployment benefits	960	1,305	345
Reimbursable overhead	-	(669)	(669)
Total labor expenses	14,682	11,936	(2,746)
Non-labor:			
Electric power	584	531	(53)
Fuel	212	205	(7)
Insurance	29	8	(21)
Claims	421	845	424
Paratransit service contracts	615	617	2
Maintenance and other	1,104	909	(195)
Professional service contract	969	597	(372)
Pollution remediation project costs	6	52	46
Materials and supplies	790	646	(144)
Other business expenses	327	317	(11)
Total non-labor expenses	5,058	4,727	(331)
Depreciation	3,643	3,951	309
Other expenses adjustment	213	-	(213)
Total operating expenses	23,595	20,614	(2,981)
NET OPERATING LOSS	$ (14,889)	$ (12,106)	$ 2,783

(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 YEAR ENDED DECEMBER 31, 2024
($ in millions)

Accrued Subsidies	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Mass transportation operating assistance	$ 3,150	$ 3,000	$ (150)	{1}
Mass transit trust fund subsidies	595	599	4	{1}
Mortgage recording tax 1 and 2	389	352	(37)	{1}
MRT transfer	(13)	(12)	1	{1}
Urban tax	391	387	(4)	{1}
State and local operating assistance	376	376	0	{1}
Station maintenance	208	211	3	{1}
Connecticut Department of Transportation (CDOT)	265	260	(5)	{1}
Subsidy from New York City for MTA Bus and SIRTOA	596	573	(23)	{1}
Build American Bonds Subsidy	-	75	75	{1}
Mobility tax	3,668	3,838	170	{1}
Assistance Fund (For hire vehicle)		373	373	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	332	327	(5)	{1}
Internet Marketplace Tax	335	333	(2)	{1}
Transfer to Central Business District Capital Lockbox	500	-	(500)	{1}
NYS/NYC Subway Action Plan	342	-	(342)	{1}
Other non-operating income	129	2,637	2,508	{2}
Total accrued subsidies	11,265	13,329	2,064	
Net operating deficit before subsidies and debt service	(14,889)	(12,106)	2,783	
Debt Service	(2,522)	(1,950)	572	
Loss on disposal of subway cars	(3)	-	3	
Conversion to Cash basis: Depreciation	3,643	-	(3,643)	
Conversion to Cash basis: OPEB Obligation	779	-	(779)	
Conversion to Cash basis: GASB 68 pension adjustment	(220)	-	220	
Conversion to Cash basis: Pollution & Remediation	6	-	(6)	
Other Cash Flow adjustments	12	-	(12)	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	$ (1,928)	$ (727)	$ 1,202	

{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.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

Financial Plan Actual Operating Loss at December 31, 2024			**$ (14,889)**
The Financial Plan Actual Includes:			
1	Higher farebox and vehicle toll revenues		(181)
2	Higher other operating revenue		(18)
3	Higher labor expense primarily from higher pension expense projections		2,746
4	Higher non-labor expense primarily from higher professional service contract expense		331
5	Other expense adjustments		(96)
Total operating reconciling items			**2,783**
Financial Statements Operating Loss at December 31, 2024			**(12,106)**
Financial Plan Deficit after Subsidies and Debt Service			**(1,928)**
The Financial Plan Actual Includes:			
1	Debt service bond principal payments		572
2	Adjustments for non-cash liabilities:		
	Depreciation	(3,643)	
	Unfunded OPEB expense	(779)	
	Unfunded GASB No. 68 pension adjustment	220	
	Other non-cash liability adjustment	(6)	(4,207)
The Financial Statement includes:			
3	Higher subsidies and other non-operating revenues and expenses		2,067
4	Total operating reconciling items (from above)		2,783
Financial Statement Gain Before Capital Appropriations			**$ (714)**

REQUIRED SUPPLEMENTARY INFORMATION

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

	MTA Defined Benefit Plan (continued)
Valuation Dates:	January 1, 2014
Measurement Date:	December 31, 2014
Actuarial cost method:	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.
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.
Salary increases:	Varies by years of employment, and employee group.
Actuarial assumptions:	
Discount Rate:	7.00%
Investment rate of return:	7.00%
Mortality:	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.
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.

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.
Inflation/Railroad Retirement Wage Base:	2.50%; 3.00%
Cost-of-Living Adjustments:	55% of inflation assumption or 1.375%, if applicable.

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New York City Transit Authority

(Component Unit of the Metropolitan Transportation Authority)

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

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinions

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

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

Basis for Opinions

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

Emphasis of Matters

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

___________, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
($ In Millions, except as noted)

FINANCIAL REPORTING ENTITY

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

The Reporting entity includes:

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

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

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction:

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

Management's Discussion and Analysis:

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

The Consolidated Financial Statements:

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

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

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

The Fiduciary Fund Financial Statements:

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

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

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

The Notes to the Consolidated Financial Statements:

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

Required Supplementation Information:

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

CONDENSED FINANCIAL INFORMATION

All amounts are in thousands, except as noted.

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

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

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

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

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

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

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

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

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

Significant changes in assets and deferred outflows of resources include:

December 31, 2024 versus 2023

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

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

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

December 31, 2023 versus 2022

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

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

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

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

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

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

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

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

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

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

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

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

Significant changes in liabilities and deferred inflows of resources include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

December 31, 2024 versus 2023

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

December 31, 2023 versus 2022

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

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

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

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

Revenue from Fares/Ridership

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

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2024 versus 2023

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

2023 versus 2022

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

Operating Expenses, by Major Function

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

2024 versus 2023

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

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

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

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

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

<u>2023 versus 2022</u>

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

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

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

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

- Postemployment benefits other than pensions decreased by $339,380, or 23.8%, primarily due to the net effect of plan assumption changes.

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

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

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

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

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

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

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

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

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

Nonoperating Revenues and Expenses

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

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

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

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

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

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

Changes in Net Position

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

Budget Highlights

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

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

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

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

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations and Overall Financial Position

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

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

Economic Conditions

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

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

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

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

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

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

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

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

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

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

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

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

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

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

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

2010-2014 Capital Program—The 2010-2014 Capital Program was approved by the MTA Board in September 2009. The program totaling approximately $25.6 billion was subsequently submitted to the NYS Capital Program Review Board ("CPRB") for their review and approval. The submitted Program was vetoed without prejudice by the Review Board in December 2009. Subsequently, the resubmitted 2010-2014 Program, totaling $26.3 billion was approved by the MTA Board in April 2010. In June 2010, the CPRB approved the 2010-2014 Capital Program totaling $23.8 billion, as submitted, of which the Authority's share was $12.8 billion. The approved CPRB program fully funded only the first two years of the plan, with a commitment to come back to CPRB with a funding proposal for the last three years. On December 21, 2011, the MTA Board approved an amendment to the 2010-2014 Program that funds the last three years of the program through a combination of self-help (efficiency improvements and real estate initiatives), participation by our funding providers and innovative and pragmatic financing arrangements. The Authority's share of the $24.3 billion revised program was $11.6 billion. On March 27, 2012, the CPRB approved the amended 2010-2014 Capital Program as submitted for the Transit and Commuter systems totaling $22.2 billion. On December 19, 2012, the MTA Board approved an amendment to the 2010-2014 Capital Programs to add projects for the repair and restoration of MTA agency assets damaged as a result of Tropical Storm Sandy, which struck the region on October 29, 2012. The revised programs provide for an additional $4.8 billion in Sandy recovery-related capital expenditures, of which the Authority's share is $3.4 billion. On January 23, 2013, the amended program for the Transit and Commuter systems totaling $26.2 billion as submitted was deemed approved by the CPRB. On July 24, 2013, the MTA Board approved a further amendment to the 2010-2014 Capital Programs for the Transit, Commuter and Bridges and Tunnels systems to include specific revisions to planned projects and to include new resilience/mitigation initiatives, totaling $5.8 billion in response to Tropical Storm Sandy. The Authority's share of the new initiative is $5.1 billion. On August 26, 2013, the CPRB deemed approved those amended 2010-2014 Capital Programs for the Transit and Commuter systems as submitted. On July 28, 2014, the MTA Board approved an amendment to the 2010-2014 Capital Programs to reflect revised project estimates. However, the overall program remained unchanged at $34.8 billion. On September 3, 2014, the amended program for the Transit and Commuter systems totaling $31.8 billion as submitted was deemed approved by the CPRB. On May 24, 2017, the MTA Board approved a further amendment to reduce the overall 2010-2014 capital program by $2.8 billion. The reduction reflects adjustments to the Sandy program to match funding and administrative scope transfers for projects in the Core program. On July 31, 2017, the amended program for the Transit and Commuter systems totaling $29.2 billion as submitted was deemed approved by the CPRB. On September 25, 2019, the MTA Board approved an amendment to the overall 2010-2014 capital program totaling $31.7 billion reflecting administrative budget adjustments and updated project cost and timing assumptions. The Authority's share of the amended program totaled $11.4 billion. On February 21, 2020, the CPRB deemed approved the revised 2010-2014 Capital Programs for the Transit and Commuter systems, as submitted. On October 30, 2024, the MTA Board approved an amendment to reduce the 2010-2014 Capital Program by $0.1billion reflecting project closeout savings to the CPRB portion and the Bridges and Tunnels program envelopes. This amendment includes administrative funding transfers between approved capital programs and new funding to support existing initiatives. The amendment was submitted to the CPRB and deemed approved on December 9, 2024.

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

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

2015-2019 Capital Program—The 2015-2019 Capital Program totaling $32.0 billion was approved by the MTA Board in September 2014. The program totaling approximately $29.0 billion was subsequently submitted to the CPRB for their review and was vetoed without prejudice by the Review Board in October 2014. On October 28, 2015, the MTA Board approved a revised 2015-2019 capital program totaling $26.1 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion was approved by the MTA Board in October 2015 and was not subject to CPRB approval. On April 20, 2016, the MTA Board approved a further revised 2015-2019 capital program totaling $29.5 billion, of which $26.6 billion was subsequently approved by the CPRB on May 23, 2016 (The MTA Bridges and Tunnels 2015-2019 Capital Program totaling $2.9 billion is not subject to CPRB approval.). The Authority's share of the approved 2015-2019 capital program was $15.8 billion. On February 23, 2017, the MTA Board approved an amendment to add three station investment projects to the NYCT and LIRR portions of the Capital Program resulting in a net increase of $0.1 billion transferred from prior capital programs. On May 24, 2017, the MTA Board approved further amendment, adding $2.9 billion to the 2015-2019 Capital Program reflecting increasing support for new priority projects, new funding for Second Avenue Subway Phase 2, and administrative scope transfers. The amended Capital Program, as submitted, was deemed approved by the CPRB on July 31, 2017. On December 13, 2017, the MTA Board approved an amendment to the Capital Program, adding $0.349 billion to incorporate the NYC Subway Action Plan. The Authority's share of the amended 2015-2019 capital program totaling $32.8 billion is $16.7 billion. On April 25, 2018, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33.3 billion reflecting updated project cost estimates, emerging new needs across the agencies, and reallocation of funds within the East Side Access and Regional Investment programs, among others. On June 1, 2018, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30.3 billion as submitted. The Authority's share of the amended capital program was $16.7 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion as approved by the MTA Board in April 2018, was not subject to CPRB approval.

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

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

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

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

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

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

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

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2024 MTA November Financial Plan

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

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

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

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

July and November Plans, and toll revenue which is $139 million favorable. Over the Plan period, additional expenses for critical New Needs total $195 million, Debt Service expense is $148 million favorable and Subsidy revenues are $8million favorable.

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

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

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

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

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

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

Risks to MTA's Financial Future

Additional risks to the November Plan include:

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

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

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

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

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

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

CONTACTING MTA CONTROLLER'S OFFICE

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

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

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

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

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

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

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

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

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

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

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

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

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

See notes to consolidated financial statements.

(Concluded)

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

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

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

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

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

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

See notes to consolidated financial statements. (Concluded)

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

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

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

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

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

See notes to consolidated financial statements.

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

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

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

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

See notes to consolidated financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands, except as noted)

1. BASIS OF PRESENTATION

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

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

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

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

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

In July 2003, the MTA Capital Construction Company was created by action of the MTA Board of Directors as a public benefit corporation subsidiary of the MTA under section 1266(s) of the Public Authorities Law. The mission of this subsidiary company is to plan, design and construct current and future major MTA system expansion projects. Projects currently underway, include all activities associated with the Long Island Rail Road East Side access, the Number 7 Line Extension, the Lower Manhattan Fulton Transit Center, the new South Ferry station complex, system-wide capital Security Projects, and the Second Avenue Subway, which are consolidated under the management of the MTA Capital Construction Company.

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

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

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

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

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

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

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

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

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

The New York State Public Authorities Law and the financing agreement between the Authority and the MTA provide that the Authority shall establish fares, tolls, and other fees for the use of its facilities as may be necessary to maintain its combined operations on a self-sustaining basis as defined in such law. It is the opinion of management that the Authority is in compliance with these requirements. The

Authority is not liable for real estate taxes, franchise taxes, or sales taxes on substantially all of its purchases or other excise taxes on its properties.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

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

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

* Reclass IBNR reserve from compensated absences to Other

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

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

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

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

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

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

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

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

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

- Net investment in capital assets: Capital assets including right-of-use assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Unrestricted: Net position that are not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

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

The principal funding sources for the Authority are as follows:

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

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

In April 2019, the approved 2019-2020 New York State Budget enacted legislation that included new, dedicated revenue streams for the MTA. The additional sources of revenue include a Central Business District Tolling Program. The Central Business District Tolling Program will assess a toll for vehicles entering the Central Business District, defined as south of 60th Street in Manhattan, but will exclude vehicles traveling on the FDR Drive or the West Side Highway, which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street. The Federal Highway Administration has provided MTA guidance to proceed with an environmental assessment, which will allow for the congestion pricing program to proceed.

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

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

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

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

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

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

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

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

State for the MTA. They are recognized as revenue in the amount of the annual appropriation when such appropriation becomes effective.

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

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

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

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

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

2024 and $402.4 million in 2023. Total paratransit expenses, including paratransit service contracts, were $715.6 million and $601.5 million in 2024 and 2023, respectively.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subscription-Based Information Technology Arrangements -Per GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or the Authority's incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

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

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

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

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

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

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

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

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as you go' basis. The majority of the benefits provided under the plan are self-insured with administrative services provided by various health insurance companies.

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

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

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

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

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

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

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3. CASH

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

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

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

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

4. MTA INVESTMENT POOL

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

5. CAPITAL ASSETS

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

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

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

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

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

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

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

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

6. LEASES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

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

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

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

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

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

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

8. COMPENSATED ABSENCES

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

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

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

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

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

9. EMPLOYEE BENEFITS

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

Plan Descriptions

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

The Board of Administration, established in 1963, determines the eligibility of employees and beneficiaries for retirement and death benefits. The MaBSTOA Pension Plan assigns authority to the MaBSTOA Board to modify, amend or restrict the MaBSTOA Pension Plan or to discontinue it altogether, subject, however, to the obligations under its collective bargaining agreements. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100 ("TWU") and three employer representatives. The MaBSTOA Pension Plan is a fiduciary component unit of the Authority and is reflected in the Pension Fund section of the Authority's basic financial statements.

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

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

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

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

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

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

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

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

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

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

Benefits Provided

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

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

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

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

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

Tier 1—

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

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

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

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

Tier 2—

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

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

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

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

Tiers 3 and 4—

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

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

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

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

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

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

Tier 6—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Contributions and Funding Policy—

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

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

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

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

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

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

- The retirement age increases to 63 and includes early retirement penalties, which reduce pension allowances by 6.5% for each year of retirement prior to age 63.
- Chapter 56 of the Laws of 2022 enacted in April 2022 reduced the vesting requirement for Tier 6 employees from 10 years to 5 years and modified the compensation used to determine the applicable member contribution rate from April 1, 2022 to December 31, 2024, to exclude overtime. Adjustments of the Pension Multiplier for calculating pension benefits (excluding Transit Operating Employees): the multiplier will be 1.75% for the first 20 years of service, and 2% starting in the 21st year; for an employee who works 30 years, their pension will be 55% of FAS under Tier 6, instead of 60% under Tier 4.
- Adjustments to the FAS Calculation; the computation changed from an average of the final 3 years to an average of the final 5 years. Pensionable overtime will be capped at $15,000 per year plus an inflation factor.

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- Pension buyback in Tier 6 will be at a rate of 6% of the wages earned during the period of buyback, plus 5% compounded annually from the date of service until date of payment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

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

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

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

(a) have retired;

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

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

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

Surviving Spouse and Other Dependents—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Healthcare Cost Trend—The Society of Actuaries ("SOA") developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and

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actuaries, which included a representative from the Authority's actuary. This model is used as the foundation for the trend that the actuary recommends for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trends where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable). Trend rates also reflect the expected impact of short-term inflation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. LOANS PAYABLE

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

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

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

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

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12. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

13. FUEL HEDGE

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

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

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

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

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

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

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

14. RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15. CONTINGENCIES

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

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

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

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

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

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

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16. CONDENSED COMPONENT UNIT INFORMATION

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

December 31	**2024**	**2023 (Restated)**
Current assets	$ 188,029	$ 166,371
Capital assets	584,794	661,958
Deferred outflows of resources	233,303	592,370
Total assets and deferred outflows of resources	1,006,126	1,420,699
Current liabilities	345,772	410,508
Non-current liabilities	1,962,294	2,270,513
Deferred inflows of resources	24,509	30,956
Total liabilities and deferred inflows of resources	2,332,575	2,711,977
Net investment in capital assets	573,765	649,776
Unrestricted	(1,900,214)	(1,941,054)
Total net position	$ (1,326,449)	$ (1,291,278)
For the Year Ended December 31		
Fare revenue	$ 256,053	$ 262,883
Advertising and other revenue	14,270	14,487
Total operating revenue	270,323	277,370
Total labor expenses	1,229,530	1,397,806
Total non-labor expenses	197,223	138,981
Depreciation	93,248	105,964
Total operating expenses	1,520,001	1,642,751
Operating deficit	(1,249,678)	(1,365,381)
Loss before capital contributions	(1,249,678)	(1,365,381)
Capital contributions	1,214,507	1,313,332
Change in net position	(35,171)	(52,049)
Net position, beginning of the year	(1,291,278)	(1,239,229)
Net position, end of year	$ (1,326,449)	$ (1,291,278)
For the Year Ended December 31		
Net cash used in operating activities	$ (1,189,808)	$ (1,296,692)
Net cash provided by non-capital financing activities	1,198,423	1,297,845
Net cash used in capital and related financing activities	(1,763)	(1,739)
Net cash (used in) provided by investing activities	(618)	615
Net Increase in cash	6,234	29
Cash at beginning of year	815	786
Cash at end of year	$ 7,049	$ 815

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Changes of Benefit Terms

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

Changes of Assumptions

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

(Concluded)

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

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

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

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

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

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

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

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

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

Methods and assumptions used to determine contribution rates:

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

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

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

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

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Metropolitan Transportation Authority ("MTA") Long Island Rail Road

(Component Unit of the MTA)

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority:

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA Long Island Rail Road, a component unit of the Metropolitan Transportation Authority (the "MTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the MTA Long Island Rail Road'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 Long Island Rail Road as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the MTA Long Island Rail Road 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 Long Island Rail Road is a component unit of the MTA. The MTA is a component unit of the State of New York. The MTA Long Island Rail Road requires significant subsidies from and has material transactions with the MTA. 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, *Subscription-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 Long Island Rail Road's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MTA Long Island Rail Road'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 Long Island Rail Road'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 MTA Long Island Rail Road's Net Pension Liability and Related Ratios for the Long Island Rail Road Company Plan for Additional Pensions, Schedule of the MTA Long Island Rail Road's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, Schedule and Notes of the MTA Long Island Rail Road's Contributions to all Pension Plans, Schedule of the MTA Long Island Rail Road's Proportionate Share of the Net Other Post-Employment

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

___________, 2025

MTA LONG ISLAND RAIL ROAD
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Dollars in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of MTA Long Island Rail Road ("MTA LIRR", "LIRR"), a component unit of the Metropolitan Transportation Authority ("MTA"), for the years ended December 31, 2024 and 2023. This discussion and analysis is intended to serve as an introduction to MTA LIRR's financial statements, which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Business-Type Activity Financial Statements, (3) Fiduciary Fund Financial Statements, (4) Notes to Financial Statements, and (5) Required Supplemental Information.

Management's Discussion and Analysis

The MD&A provides an assessment of how MTA LIRR's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA LIRR's overall financial position. It may contain opinions, assumptions or conclusions by MTA LIRR's management that should not be considered a replacement for and must be read in conjunction with the LIRR's statements of net position as of December 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the LIRR's financial statements.

The Financial Statements

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

The Statements of Revenues, Expenses and Changes in Net Position show how MTA LIRR's net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of MTA LIRR's operations over the twelve months and can be used to determine how MTA LIRR has funded its costs.

The Statements of Cash Flows provide information about MTA LIRR's cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing.

The Fiduciary Fund Financial Statements

The Fiduciary fund is used to account for resources held in a trustee capacity for the benefit of parties outside of a government entity. The Fiduciary fund is disclosed in the MTA LIRR's financial statements as part of the supplementary information. The fiduciary fund is reported as a Pension Trust Fund.

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

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

The Notes to the Financial Statements

The Notes provide information that is essential to understanding the financial statements, such as MTA LIRR's accounting methods and policies. The notes also have the details of cash, capital assets, retirement benefits, lease transactions, future commitments and contingencies and any other events or developing situations that could materially affect MTA LIRR's financial position.

Required Supplemental Information

The Required Supplemental Information provides information concerning the MTA LIRR's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It also includes the Schedule of Changes in the MTA LIRR's Net Pension Liability and Related Ratios for The LIRR Company Plan for Additional Pensions, the Schedule of the MTA LIRR's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule of MTA LIRR's Contributions to All Pension Plans, the Schedule of the MTA LIRR's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan, and the Schedule of the MTA LIRR's contributions to the MTA OPEB Plan.

FINANCIAL REPORTING ENTITY

In 1966, the MTA acquired the capital assets of MTA LIRR from the former Pennsylvania Railroad Company. In February 1980, MTA LIRR became a component unit of the MTA, pursuant to New York State Public Authorities Law, 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. MTA LIRR is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA LIRR's financial position for the years ended December 31, 2024 and 2023. Additionally, an examination of major economic factors that have contributed to these 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 in conformity with MTA LIRR's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America. All amounts are in thousands.

Total Assets, Distinguishing Between Current Assets, Noncurrent Assets, and Deferred Outflows of Resources

Current 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.

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Noncurrent assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment, vehicles and intangible right-to-use assets for subscription-based information technology arrangements (SBITAs).

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

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2024	2023	2022	2024–2023	2023–2022
Total current assets	$ 804,013	$ 1,278,472	$ 1,406,969	$ (474,459)	$ (128,497)
Total noncurrent assets	11,066,534	10,809,740	10,639,442	256,794	170,298
Total deferred outflows of resources	887,675	1,142,442	918,984	(254,767)	223,458
Total assets and deferred outflows of resources	$12,758,222	$13,230,654	$12,965,395	$ (472,432)	$ 265,259

Significant Changes in Assets and Deferred Outflows of Resources—

December 31, 2024 versus 2023

Current assets decreased in 2024 by $474,459 or 37.11% compared to prior year primarily due to a settlement of the outstanding balance of subsidy receivables from MTA for the American Rescue Plan Act grant (ARPA) of $503,814, offset by an increase of $31,489 in capital projects funded by MTA.

In 2024, noncurrent assets increased $256,794 or 2.38% compared to 2023. Noncurrent assets are comprised of net capital assets and other non-current receivables. Capital assets increased by $265,356 offset by the decrease of other non-current receivables of $8,562.

The major components of the increase in net capital assets are related to assets placed into beneficial service, changes to construction work-in-progress and changes in accumulated depreciation.

Significant additions to capital assets resulted from the following:

- Major additions to capital assets totaled $697,951. The increase is primarily due to the additional M-9 cars put into service for $186,560, additional costs for the Positive Train Control project for $66,737, Track programs for $77,885, ADA at various stations for $57,642, Long Island City Yard Restoration project for $46,489, West Side Yard for $42,857, 3rd Track for $30,204, Mets Willets Station for $18,733, extending Great Neck Pocket Track for $11,604, Penn Station 33rd Corridor Phase 2 Construction for $11,002 and various capital projects for $148,238.

- In addition, there was an increase of $854,241 for new projects in progress, which was offset by the decrease in construction work-in-progress mainly due to the capitalization of projects totaling $709,802, retirements of $11,409, SBITA impairment of $6,313, and increases in accumulated depreciation and amortization of $559,312.

Deferred outflows of resources decreased by $256,604 or 22.46% due to the following: deferred outflows for pensions decreased by $417,845 per the actuarial report, offset by an increase in deferred outflows for

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postemployment benefits other than pensions by $161,242. Refer to Note 7 and Note 8 of the financial statements for further information, respectively.

December 31, 2023 versus 2022

Current assets decreased in 2023 by $128,497 or 9.13% compared to prior year primarily due to the receipt of proceeds due from MTA for the American Rescue Plan ("ARPA") additional assistance allocation of $451,030, offset by an increase of $221,663 for prepayment of 2024 projected actuarially determined contributions ("ADC") for pension and $68,820 invested funds at MTA for Company financed investments.

In 2023, noncurrent assets increased $170,298 or 1.60% compared to 2022. Noncurrent assets are comprised of net capital assets and other non-current receivables. Capital assets increased by $177,026 offset by the decrease of other non-current receivables of $6,728.

The major components of the increase in net capital assets are related to assets placed into beneficial service, changes to construction work-in-progress and changes in accumulated depreciation.

Significant additions to capital assets resulted from the following:

- Major additions to capital assets totaled $1,194,857. The increase is primarily due to the Penn Station 33rd Street LIRR Concourse widening project totaling $489,461, Jamaica Capacity Improvements project for construction of a new platform at Jamaica Station and improvements to existing infrastructure at Jamaica Station totaling $247,090, additional M-9 cars put into service for $102,600, additional costs for the LIRR Expansion Project of the Main Line Third Track totaling $94,667, and Track programs totaling $80,120.

These increases were offset by the decrease in construction work-in-progress mainly due to the capitalization of projects totaling $1,178,661 and offset by an increase of $741,965 for new projects-in-progress; and increases in accumulated depreciation and amortization of $536,726.

Deferred outflows of resources increased by $223,458 or 24.32% due to the following: deferred outflows for pensions increased by $220,585 per the actuarial report, and deferred outflows for postemployment benefits other than pensions increased by $2,873. Refer to Note 7 and Note 8 of the financial statements for further information, respectively.

Total Liabilities, Distinguishing Between Current Liabilities, Noncurrent Liabilities and Deferred Inflows of Resources

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

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

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

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2024	2023 (Restated)	2022	2024–2023	2023–2022 (Restated)
Current liabilities	$ 372,041	$ 383,759	$ 575,667	$ (11,718)	$ (191,908)
Noncurrent liabilities	3,702,242	4,219,882	3,999,137	(517,640)	220,745
Total Liabilites	4,074,283	4,603,641	4,574,804	(529,358)	28,837
Deferred inflows of resources	1,167,379	920,015	824,008	247,364	96,007
Total liabilities and deferred inflows of resources	$ 5,241,662	$ 5,523,656	$ 5,398,812	$ (281,994)	$ 124,844

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

Significant Changes in Liabilities and Deferred Inflows of Resources—

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

In 2024, total liabilities and deferred inflows of resources decreased by $281,994 or 5.11% compared to 2023.

- Current liabilities decreased by $11,718 or 3.05% primarily due to the following: a decrease due to timing in payments made to vendors of $19,508, a decrease in accrued expenses payable of $13,665, a decrease in materials received but not invoiced of $9,575, and a decrease in current portion of estimate liability from injuries of $2,363 offset by an increase in payroll related liability of $15,400, an increase in due to MTA and affiliated agencies of $13,001, and an increase in vouchers payable of $5,071.

- Noncurrent liabilities decreased by $517,640 or 12.27% primarily due to the decrease in net pension liability of $409,714 and postemployment benefits ("OPEB") other than pensions of $138,550, offset by an increase in subscription-based IT arrangements of $16,540 and compensated absences of $14,916.

- Deferred inflows of resources increased by $247,364 or 26.89% primarily due to an increase of $257,461 in the proportionate share and difference in employer contributions as a result of MTA's allocation of OPEB prepayment in 2023. The increase was offset by a decrease of $8,858 in deferred Inflows from leases.

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

In 2023, total liabilities and deferred inflows of resources increased by $124,844 or 2.31% compared to 2022.

- Current liabilities decreased by $191,898 or 33.34% primarily due to the following: a decrease in due to MTA and affiliated agencies of $198,038, offset by an increase of the timing in payments made to vendors of $14,992.

- Noncurrent liabilities increased by $220,745 or 5.52% primarily due to the increase in net pension liability of $372,590 and lease liability of $8,291, offset by a decrease in other post-employment benefits ("OPEB") liability of $202,913.

- Deferred inflows of resources increased by $96,007 or 11.65% primarily due to an increase of $276,740 deferred inflows from OPEB due to an increase in the Bond Buyer Index, partially offset by increases in the healthcare trend assumption. The increase was offset by a decrease of $83,374 for deferred Inflows from pensions primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings. See Note 7 and 8 of the financial statements for further information.

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

Net Position represents the residual interest in MTA LIRR assets after liabilities are deducted and consists of the net investment in capital assets and unrestricted deficit. Net investment in capital assets include capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2024	2023 (Restated)	2022	2024–2023	2023–2022 (Restated)
Net investment in capital assets	$ 10,920,909	$ 10,621,428	$ 10,444,972	$ 299,481	$ 176,456
Unrestricted	(3,404,349)	(2,914,430)	(2,878,389)	(489,919)	(36,041)
Total net position	$ 7,516,560	$ 7,706,998	$ 7,566,583	$ (190,438)	$ 140,415

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

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

Total net position decreased by $190,438 in 2024. The decrease was comprised of operating and capital contributions from the MTA of $1,535,752 offset by an operating loss of $1,726,190.

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

Total net position increased by $140,415 in 2023. The increase was comprised of operating and capital contributions from the MTA of $2,005,780 offset by an operating loss of $1,864,365.

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Condensed Statements of Revenues, Expenses and Changes in Net Position

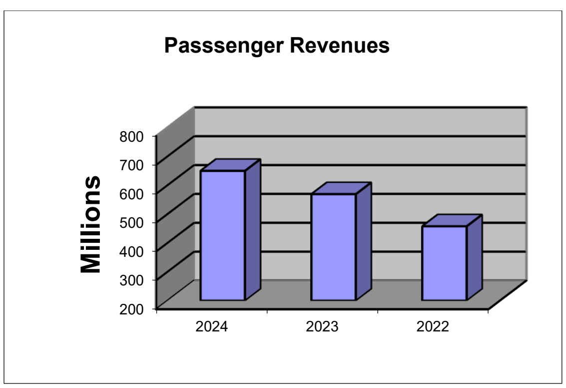
(Dollars in thousands)

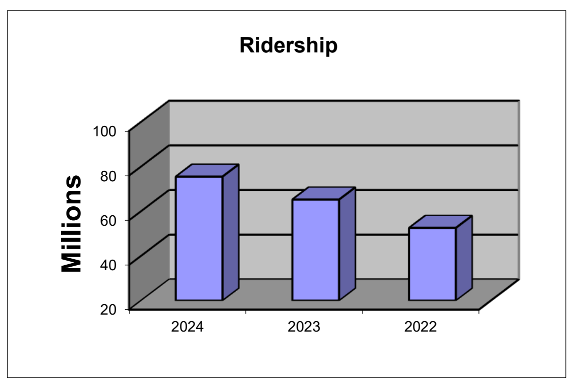
	December 31, 2024	2023 (Restated)*	2022
Operating revenues	$ 691,358	$ 604,220	$ 492,415
Operating expenses	(2,417,548)	(2,468,585)	(2,157,129)
Operating loss	(1,726,190)	(1,864,365)	(1,664,714)
Nonoperating revenue and capital contributions:			
Operating subsidies from MTA	718,267	1,265,427	688,678
Capital contributions	816,327	740,703	1,151,374
Other non operating revenues (expenses)	1,158	(1,350)	(3,863)
FTA Reimbursement	-	-	954,844
Total nonoperating revenue and capital contributions	1,535,752	2,004,780	2,791,033
Change in net position	(190,438)	140,415	1,126,319
Net position—beginning of year	7,706,998	7,566,583	6,440,264
Net position—end of year	$ 7,516,560	$ 7,706,998	$ 7,566,583

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

Revenues and Expenses by Major Source

Operating Revenues





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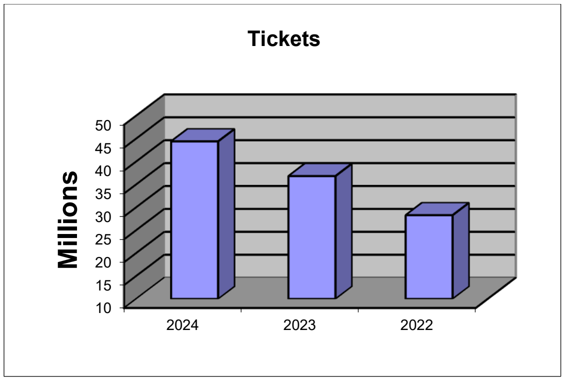

The Long Island Rail Road concluded 2024 with strong ridership growth, continuing the upward trend of recent years. Total ridership in 2024 increased by 15.70%, reaching 75.5 million customers, compared to 65.2 million in 2023. This represents 82.90% of 2019's ridership. Non-Commutation ridership rose by 19.70%, totaling 47.3 million customers—a gain of 7.8 million—which surpassed 2019's pre-pandemic ridership by 16.80%. Commutation ridership increased by 9.70%, reaching 28.2 million customers, a gain of 2.5 million. However, when compared to 2019, commutation ridership year-to-date (YTD) decreased by 44.30%, representing just 55.70% of 2019's ridership. The strong growth in non-commutation ridership indicates higher demand for off-peak travel, while Commutation ridership showed steady growth as more people returned to the office, either part-time or full-time.

Operating Expenses by Categories

(Dollars in thousands)

	2024	2023 (Restated)	2022	Increase/Decrease 2024–2023	Increase/Decrease 2023–2022
Salaries and wages	$ 838,298	$ 840,698	$ 730,566	$ (2,400)	$ 110,132
Health and welfare	139,966	126,013	106,525	13,953	19,488
Pension	177,970	246,551	147,681	(68,581)	98,870
Other fringe benefits	130,688	135,602	117,886	(4,914)	17,716
Other postemployment benefits (OPEB)	61,214	80,240	116,454	(19,026)	(36,214)
Electric power	103,522	103,352	100,095	170	3,257
Fuel	26,542	29,873	36,909	(3,331)	(7,036)
Insurance	28,113	24,950	20,655	3,163	4,295
Claims	18,780	12,554	12,861	6,226	(307)
Maintenance and other operating contracts	92,296	83,387	63,994	8,909	19,393
Environmental remediation	7,512	12,793	16,065	(5,281)	(3,272)
Professional service contracts	61,546	44,874	31,856	16,672	13,018
Materials and supplies	133,828	132,454	123,533	1,374	8,921
Depreciation and amortization	574,311	564,594	518,445	9,717	46,149
Other expenses	22,962	30,650	13,604	(7,688)	17,046
Total operating expenses	$2,417,548	$2,468,585	$2,157,129	$ (51,037)	$ 311,456

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

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Significant Changes to Operating Expenses in 2024

Total 2024 operating expenses decreased by $51,037 or 2.07% over 2023 as follows:

- Health and welfare increased by $13,953 or 11.07% due to increases in medical insurance rates and increases in headcount.
- Pension costs decreased by $68,581 or 27.82% primarily due to actuarial gain on investments in pension as reflected in the net difference between projected and actual earnings.
- OPEB decreased by $19,026 or 23.71% primarily due to actuarial gain on investments in pension as reflected in the net difference between projected and actual earnings.
- Fuel decreased by $3,331 or 11.15% primarily due to lower rates.
- Insurance increased by $3,162 or 12.67% primarily due to higher liability insurance.
- Claims increased by $6,226 or 49.59% primarily due to increases in the latest actuarial estimate.
- Maintenance and other operating contracts increased by $8,909 or 10.68% primarily due to non-revenue vehicle repairs.
- Environmental remediation decreased by $5,281 or 41.28% primarily due to lower overall increase in environmental reserves for new projects and decreases in environmental reserves for existing projects.
- Professional service contracts increased by $16,672 or 37.15% primarily due to higher legal fees, write-off of project expenses that are not capital eligible, and expenses from mobile ticketing application support.
- Other expenses decreased by $7,687 or 25.08% primarily due to lower office supplies, travel meetings & conventions, and employee tuition expenses.

Significant Changes to Operating Expenses in 2023

Total 2023 operating expenses increased by $311,456 or 14.44% over 2022 as follows:

- Salaries and wages increased by $110,132 or 15.07% primarily due to increased headcount and overtime related to new service provided to Grand Central Madison terminal and accruals for employee retroactive wages.
- Health and welfare increased by $19,488 or 18.29% primarily due to higher rates.
- Pension costs increased by $98,870 or 66.95% primarily due to actuarial loss on investments in pension as reflected in the net difference between projected and actual earnings.
- Other fringe benefits increased by $17,716 or 15.03% primarily due to higher Federal Employers' Liability Act (FELA) indemnity reserves and miscellaneous employee expenses.
- OPEB decreased by $36,214 or 31.10% primarily due to the net effect of plan assumption changes.
- Fuel decreased by $7,036 or 19.06% primarily due to lower rates.
- Insurance increased by $4,295 or 20.79% primarily due to higher liability insurance.

- Maintenance and other operating contracts increased by $19,393 or 30.30% primarily due to higher facility maintenance and repair, weed control and clearing, security services, and janitorial costs.
- Environmental remediation decreased by $3,272 or 20.37% primarily due to lower overall increase in environmental reserves for new projects.
- Professional service contracts increased by $13,018 or 40.87% primarily due to higher legal fees and write-off of project expenses that are not capital eligible.
- Other expenses increased by $17,046 or 125.30% primarily due to increase in bad debt reserves, disposal of M-7 trains, and higher credit card processing fees.

Significant Changes to Nonoperating Revenue and Capital Contributions in 2024

In 2024, total nonoperating revenue and capital contribution decreased by $469,028 or 23.40%. Other nonoperating revenues (expenses) increased by $2,508 or 185.83% compared to 2023 primarily due to an increase in interest expense from company financed investment transactions with MTA. MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Operating subsidies are provided by MTA to LIRR as part of an MTA approved financial plan. Operating subsidies from the MTA decreased by $547,159 or 43.24% compared to 2023.

In 2024, nonoperating capital project subsidies from MTA increased by $75,624 or 10.21%. Nonoperating capital projects subsidies are provided as part of the MTA approved five-year Capital Program. The five-year Capital Program is in year five of the 2020-2024 and was approved in January 2020. The Capital Program supports three key imperatives: completion of the restoration of the system which began in 1982; preservation of the investments is made through timely replacement of assets; and expansion of the MTA transportation network to better serve the economy of the New York City region. The amount of these subsidies is based on scheduled project activity occurring during the current five-year capital program lifecycle.

Significant Changes to Nonoperating Revenue and Capital Contributions in 2023

In 2023, total nonoperating revenue and capital contribution decreased by $786,253 or 28.17%. Other nonoperating revenues (expenses) increased by $2,513 or 65.06% compared to 2022 primarily due to a decrease in interest expense from company financed investment transactions with MTA. FTA Reimbursement decreased $954,844 or 100.00% compared to 2022 since no new Federal grants were received in 2023. MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Operating subsidies are provided by MTA to LIRR as part of an MTA approved financial plan. Operating subsidies from the MTA increased by $576,749 or 83.75% compared to 2022.

In 2023, nonoperating capital project subsidies from MTA decreased by $410,671 or 35.67%. Nonoperating capital projects subsidies are provided as part of the MTA approved five-year Capital Program. The five-year Capital Program is in year four of the 2020-2024 and was approved in January 2020. The Capital Program supports three key imperatives: completion of the restoration of the system which began in 1982; preservation of the investments is made through timely replacement of assets; and expansion of the MTA transportation network to better serve the economy of the New York City region. The amount of these subsidies is based on scheduled project activity occurring during the current five-year capital program lifecycle.

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 fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.00%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2024 exceeding 2023 paid ridership levels by 32 million trips (7.40%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA Long Island Rail Road paid ridership increased by 2.3 million trips (13.00%).

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 86.7 thousand jobs (1.80%). On a quarter-to-quarter basis, New York City employment gained 16.5 thousand jobs (0.30%), the eighteenth consecutive quarterly increase. These increases were preceded by the steep decline of 880.5 thousand jobs (18.80%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 3.10%. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending.

Real GDP increased 2.80% in 2024 (from the 2023 annual level to the 2024 annual level), compared with an increase of 2.90% in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports; conversely, increases in imports had a dampening impact on real GDP.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the fourth quarter of 2024, with the metropolitan area index increasing 4.20% while the national index increased 2.70% when compared with the fourth quarter of 2023. Regional prices for energy products increased 0.60% while national prices for energy products fell 2.90%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.40%, while nationally, inflation exclusive of energy products increased 3.20%. The New York Harbor spot price for conventional gasoline decreased by 10.60% from an average price of $2.35 per gallon to an average price of $2.10 per gallon between the fourth quarters of 2023 and 2024.

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.50% 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 4.50% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5.00% on September 18, 2024, decreased the range to 4.50% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.50% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 million (-55.20%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8 million (32.00%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42 million (-57.20%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations—One of the most reliable predictors of customer satisfaction is the ability of the LIRR to deliver passengers to their intended destinations on time. For 2024, the LIRR's OTP was 95.65%, which was above the goal of 94.00% and an increase of 1.70% percentage points from 2023. The opening of Grand Central Madison in 2023 altered operation in an unprecedented way that led to a dip in 2023 which was improved as the operation was finetuned through 2024.

The M9 fleet, with a mean distance between failures (MDBF) of 434,481 miles, was the strongest contributor in the LIRR's fleet reliability achievements. In addition, LIRR's RCM program and rigorous maintenance strategies contributed to sustained outstanding reliability performance.

The Maintenance of Equipment Department's strategic maintenance efforts continued to sustain more than 25 years old C3 fleet reliability, with C3 fleet achieving MDBF of 79,594– trailing the goal by 20.00%.

At the end of 2024, the multiple unit (MU) electric fleet consisted of 828 M7, 202 M9 and 99 M3 cars available for revenue service. The diesel fleet consisted of 134 C3 coach cars and 45 diesel locomotives.

New M-9 rail cars entered passenger service on September 11, 2019. The new cars incorporate and improve upon the most successful and popular features of the MTA's two recent electric car fleets, the LIRR's familiar M-7 electric cars and the M8 cars serving Metro-North's New Haven Line. The entire 202 M-9 cars have been put into revenue service by the end of 2024.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

Improving ADA Accessibility - In 2024, accessibility upgrades were completed at four Babylon Branch stations -- Amityville, Copiague, Lindenhurst, and Massapequa Park. Until recently, these viaduct stations, which were constructed between 1974 and 1981, did not provide ADA access. The scope of work included installation of new elevators (one per station), new elevator machine rooms, upgrades to power and communications infrastructure, MTA Help Point kiosks, lighting and CCTV cameras. Work also included installation of tactile warning strips on platform edges and accessibility upgrades to the station building restrooms. With the completion of work at these four stations, 114 of 126 LIRR stations are currently ADA accessible, with work progressing for accessibility upgrades at additional stations.

M-9 Fleet –All 202 train cars from the M-9 fleet have been delivered and entered revenue service. These new train cars have allowed some of the M-3 train fleet (which dates from the 1980s) to be retired, with other trains used to support fleet needs for Grand Central Madison service.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There were no fare changes in 2024.

On August 20, 2023, fare changes took effect following unanimous approval by the MTA Board in July. The changes mark the resumption of modest, biennial fare adjustments and include:

- Monthly and weekly ticket rates increase by up to 4.5% with monthly tickets not exceeding $500.
- Maintaining the 10% monthly ticket discount introduced in 2022
- Off-peak discounts by 26%
- CityTicket remaining at $5, one-way option on all off-peak trains within city limits and a new $7 peak CityTicket offered
- Discontinuance of the 20-trip ticket pilot.
- Discontinuance of Atlantic Ticket.
- Far Rockaway Ticket, a station-specific offering mirroring CityTicket prices will be offered.

Labor Negotiation Update—MTA LIRR has five collective bargaining agreements in effect through August 15, 2026, covering approximately 3,418 employees and half of the represented workforce. The unions under contract include the largest bargaining unit at the LIRR, Sheet Metal, Air, Rail & Transportation Workers (“SMART”) – Transportation Division, in addition to the SMART-Mechanical Division (Sheet Metal Workers), SMART-Yardmasters, National Conference of Fireman & Oilers, and the Independent Railway Supervisors Association. The collective bargaining agreements between LIRR and the five other bargaining units became amendable on June 15, 2023 and the parties are actively engaging in collective bargaining pursuant to the Railway Labor Act. During these continued negotiations, all terms and conditions of the amendable collective bargaining agreements remain in status quo and in full force and effect until modified by mutual agreement.

The 2024 MTA November Plan

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

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

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

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

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

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

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

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

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

Risks to MTA's Financial Future

Additional risks to the November Plan include:

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

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

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

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

receipts received by MTA. Real estate related tax receipts continue to decline related to fewer real estate transactions both in the residential and commercial markets.

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

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

More detailed information on the November Plan can be found in the MTA 2025 Final Proposed Budget - November Financial Plan 2025-2028 Volumes 1 and 2 at www.MTA.info

Contacting MTA Controller's Office

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

	Business-Type Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2024**	**2023 (Restated)**
CURRENT ASSETS:		
Cash (Note 3)	$ 6,463	$ 5,302
Fare cards	7,776	9,370
Invested Funds at MTA Investment Pool	58,580	68,820
Receivables:		
Passenger	2,485	4,580
Due from MTA and affiliated agencies (Note 10)	176,113	664,433
Due from NYSDOT	8,949	7,184
Rents	5,103	3,882
Other	56,689	51,155
Less: allowance for doubtful accounts	(7,247)	(6,763)
Receivables—net	242,092	724,471
Materials and supplies—net of allowance of $79,395 and $76,235 in 2024 and 2023, respectively	199,865	193,990
Prepaid expenses and other current assets	289,237	276,519
Total current assets	804,013	1,278,472
NONCURRENT ASSETS:		
Capital assets (Notes 2 and 5):		
Land and construction work-in-progress	1,295,070	1,150,631
Other capital assets—net of accumulated depreciation	9,710,631	9,589,714
Other noncurrent receivables (Note 11)	60,833	69,395
Total noncurrent assets	11,066,534	10,809,740
Total assets	11,870,547	12,088,212
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pension (Note 6)	345,688	761,696
Deferred outflows for postemployment benefits other than pensions (Note 7)	541,987	380,746
Total deferred outflows of resources	887,675	1,142,442
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$12,758,222	$13,230,654

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

	Business-Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2024**	**2023 (Restated)**
CURRENT LIABILITIES:		
Accounts payable	$ 86,871	$ 119,373
Due to MTA and affiliated agencies (Note 10)	55,638	43,799
Accrued expenses and other liabilities:		
Salary, wages and payroll taxes	81,810	66,409
Current portion-compensated absences	95,861	91,585
Retirement and death benefits	1,011	1,166
Current portion-estimated liability arising from injuries to persons (Note 8)	30,083	32,446
Current portion-loan payable (Note 9)	2,415	2,322
Current portion lease payable (Note 11)	5,878	7,612
Current portion-Subscription-based IT Arrangements (Note 12)	2,903	1,055
Environmental remediation (Note 14)	929	9,226
Total accrued expenses	220,890	211,821
Unearned revenues	8,642	8,766
Total current liabilities	372,041	383,759
NONCURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 8)	163,452	158,440
Net pension liability (Note 6)	1,137,526	1,547,240
Postemployment benefits other than pensions (Note 7)	2,171,591	2,310,141
Environmental remediation (Note 14)	51,611	39,842
Loan payable (Note 9)	12,881	15,294
Lease payable (Note 11)	39,382	39,730
Subscription-based IT arrangements payable (Note 12)	21,333	4,793
Compensated absences (Note 13)	101,251	99,880
Other long-term liabilities (Note 15)	3,215	4,522
Total noncurrent liabilities	3,702,242	4,219,882
Total liabilities	4,074,283	4,603,641
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension (Note 6)	1,384	2,623
Deferred inflows from post employment benefits other than pensions (Note 7)	1,099,120	841,659
Deferred inflows from leases (Note 11)	66,875	75,733
Total deferred inflows of resources	1,167,379	920,015
NET POSITION:		
Net investment in capital assets	10,920,909	10,621,428
Unrestricted deficit	(3,404,349)	(2,914,430)
Total net position	7,516,560	7,706,998
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 12,758,222	$ 13,230,654

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

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

	Business-Type Activities	
	2024	2023 (Restated)
OPERATING REVENUES:		
Passenger	$ 649,735	$ 568,951
Rents and utilities	21,568	19,778
Advertising	11,231	10,458
Other	8,824	5,033
Total operating revenues	691,358	604,220
OPERATING EXPENSES:		
Salaries and wages	838,298	840,698
Retirement and other employee benefits	448,624	508,166
Postemployment benefits other than pensions	61,214	80,240
Electric power	103,522	103,352
Fuel	26,542	29,873
Insurance	28,113	24,950
Claims	18,780	12,554
Maintenance and other operating contracts	92,296	83,387
Environmental remediation	7,512	12,793
Professional service contracts	61,546	44,874
Material and supplies	133,828	132,454
Depreciation and amortization	574,311	564,594
Other	22,962	30,650
Total operating expenses	2,417,548	2,468,585
OPERATING LOSS	(1,726,190)	(1,864,365)
NONOPERATING REVENUES:		
Operating subsidies from MTA	718,267	1,265,427
Federal Transit Authority (“FTA”) Reimbursement	-	-
Other non operating revenues (expenses)—net	1,158	(1,350)
Total nonoperating revenues—(net)	719,425	1,264,077
LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,006,765)	(600,288)
CAPITAL CONTRIBUTIONS—MTA contributions for capital projects	816,327	740,703
CHANGE IN NET POSITION	(190,438)	140,415
NET POSITION—Beginning of year	7,706,998	7,566,583
NET POSITION—End of year	$ 7,516,560	$ 7,706,998

See notes to financial statements.

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

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

	Business-Type Activities	
	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 650,995	$ 565,987
Rents, advertising, and other receipts	30,270	27,361
Payroll and related fringe payments	(893,690)	(1,279,806)
Other operating expenses	(945,723)	(1,047,903)
Net cash used in operating activities	(1,158,148)	(1,734,361)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies from MTA	718,267	1,265,427
Other nonoperating revenue (expense)	1,872	(531)
FTA reimbursement	503,814	451,030
Cash provided by noncapital financing activities	1,223,953	1,715,926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from Leases	12,559	12,012
Payments of Leases and subscription-based IT arrangements	(21,660)	(17,997)
Capital contributions from MTA	334,284	310,492
Capital expenditures incurred for capital program	(389,827)	(285,757)
Net cash provided by (used in) in capital financing activities	(64,644)	18,750
NET DECREASE IN CASH	1,161	315
CASH—Beginning of year	5,302	4,987
CASH—End of year	$ 6,463	$ 5,302
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (1,726,190)	$ (1,864,365)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	574,311	564,594
Net increase in accounts payable, accrued expenses, other liabilities, unearned revenues	(5,567)	(531,650)
Net increase in receivables	16,298	341,266
Net increase in materials and supplies, prepaid expenses and other current assets, other assets	(17,000)	(244,206)
NET CASH USED IN OPERATING ACTIVITIES	$ (1,158,148)	$ (1,734,361)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ (816,327)	$ (740,703)
Capital assets related liabilities	(152,805)	(117,735)
Interest expenses for leases and subscription-based IT arrangements	3,280	994
Interest income from leases	(2,039)	(2,246)
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ (967,891)	$ (859,690)

See notes to financial statements.

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THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

	Pension Trust Fund	
	2024	**2023**
ASSETS:		
Cash	$ 30	$ 625
Investments at fair value	333,230	256,097
Investments measured at net asset value	376,890	455,808
Total investments	710,120	711,905
Receivables:		
Participant and union contributions	(4)	3
Other receivable	67	72
Securities sold	217	477
Accrued interest and dividends	960	558
Total receivables	1,240	1,110
Total assets	711,390	713,640
LIABILITIES:		
Due to broker for securities purchased	1,023	1,606
Forward Currency & Margin contracts	33	48
Due to broker for investment fees	6	211
Due from broker for administrative expenses	407	(6)
Total liabilities	1,469	1,859

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THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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

	Pension Trust Fund	
	2024	**2023**
ADDITIONS:		
Investment income:		
Net realized and unrealized gains (losses)	$ 49,155	$ 53,613
Interest income	6,074	3,376
Dividend income	5,230	6,641
Total investment income	60,459	63,630
Less investment expenses	(2,901)	(5,327)
Total net investment income	57,558	58,303
Contributions (Note 6):		
Employer	74,957	140,400
Participant and union	45	50
Total contributions	75,002	140,450
Total additions	132,560	198,753
DEDUCTIONS:		
Benefits paid to participants	133,794	(138,824)
Administrative expenses	626	(546)
Total deductions	134,420	(139,370)
NET INCREASE (DECREASE) IN PLAN NET POSITION	(1,860)	59,383
PLAN NET POSITION RESTRICTED FOR PENSIONS:		
Beginning of year	711,781	652,398
End of year	$ 709,921	$ 711,781

See notes to financial statements.

MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Dollars in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—In 1966, the Metropolitan Transportation Authority ("MTA") acquired the capital assets of MTA Long Island Rail Road ("LIRR") from the former Pennsylvania Railroad Company. In February 1980, MTA LIRR became a component unit of the MTA pursuant to New York State Public Authorities Law. MTA LIRR is a part of the related financial reporting group of the MTA and is a component unit of the MTA. The MTA is a component unit of the State of New York.

MTA LIRR performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and MTA LIRR expects that such deficits will continue in the foreseeable future. Funding for MTA LIRR's operations and capital needs is provided by MTA, which obtains the required funds from state and federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to MTA LIRR on a discretionary basis. The continuance of MTA LIRR's operations has been, and will continue to be, dependent upon the receipt of adequate funds from MTA to subsidize operating deficits.

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

MTA LIRR is not liable for real estate or personal property taxes on its properties or sales taxes on substantially all its purchases.

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. Separate financial statements are presented for the fiduciary fund.

As part of the 2019 adoption of Governmental Accounting Standards Board ("GASB") 84, *Fiduciary Activities*, the MTA and the stand-alone agencies are required to show the balance sheet and income statement of pension or other postemployment plans that meet the criteria of a fiduciary fund. The LIRR Company Plan for Additional Pensions ("Additional Plan") is categorized as a Pension Trust Fund and is a fiduciary component unit of MTA LIRR.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

New Accounting Standards—**Restatement**—The MTA LIRR adopted the following GASB Statements for the year ended December 31, 2024:

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

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

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

The MTA evaluated the requirements under GASB Statement No. 101, *Compensated Absences,* and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and decreased by $14,545.

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The following schedule summarizes the net effect of adopting GASB Statement No. 101 in the Statement of Net Position as of December 31, 2023 (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Current liabilities:			
Current portion-compensated absences	92,595	(1,010)	91,585
Total accrued expenses	212,831	(1,010)	211,821
Total current liabilities	384,769	(1,010)	383,759
Noncurrent liabilities:			
Compensated Absences	-	99,880	99,880
Other Long Term Liabilites	88,847	(84,325)	4,522
Total noncurrent liabilities	4,204,327	15,555	4,219,882
Total liabilities	4,589,096	14,545	4,603,641
Net position:			
Net investment in capital assets	10,621,428	-	10,621,428
Unrestricted deficit	(2,899,885)	(14,545)	(2,914,430)
Total net position	7,721,543	(14,545)	7,706,998
Total liabilities, deferred inflows of resources and net position	13,230,654	-	13,230,654

In addition, revenues, expenses and net position as of December 31, 2023, were required to be restated by GASB 101 as follows (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Operating expenses:			
Salaries and wages	828,165	12,533	840,698
Retirement and other employee benefits	507,207	959	508,166
Other	29,597	1,053	30,650
Total operating expenses	2,545,040	14,545	2,468,585
Operating loss	(1,849,820)	(14,545)	(1,864,365)
Loss before capital contributions	(585,743)	(14,545)	(600,288)
Change in net position	154,960	(14,545)	140,415
Net position—beginning of year	7,566,583	-	7,566,583
Net position—end of period	7,721,543	(14,545)	7,706,998

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 in the statement of cash flows (in thousands) for the year ended December 31, 2023:

Year Ended December 31, 2023	**As Previously Stated**	**GASB Statement No. 101 Impact**	**Restatement Reported**
Reconciliation of cash flows from operating activities:			
Operating loss	(1,849,820)	(14,545)	(1,864,365)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Net increase in accounts payable, accrued expenses, other liabilities, unearned revenues	(546,195)	14,545	(531,650)
Net cash used in operating activities	(1,734,361)	-	(1,734,361)

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

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

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 amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates and assumptions.

Invested Funds at MTA Investment Pool—The MTA, on behalf of the MTA LIRR, invests funds, which are not immediately required for the MTA LIRR'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. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The MTA categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA Investment Pool is value based on other observable inputs (Level 2 inputs).

At December 31, 2024 and 2023, MTA LIRR had intercompany investment pool balances of $58,580 and $68,820, respectively, reported in the Statements of Net Position.

Materials and Supplies—Materials and supplies, except for rebuilt items, are valued at the lower of average cost or market, net of obsolescence reserve. Rebuilt items are recorded at 50% of their average purchase price.

Fare Cards—MTA LIRR sells joint prevalued MetroCard ("fare cards") on consignment on behalf of an affiliated agency. Such fare cards are recorded at cost and reimbursed to the affiliated agency upon sale.

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, construction work-in-progress, buildings and structures, equipment, infrastructure—road and leasehold improvements of MTA LIRR having a minimum useful life of 2 years and a cost of more than $25. Capital assets also include the Pennsylvania Station Leasehold. 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 implementation 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; 7 to 50 years for buildings and structures; 25 to 35 years for passenger cars, locomotives and work train equipment; 3 to 20 years for other equipment; and 6 to 43 years for infrastructure—road. 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. The Pennsylvania Station leasehold improvement is amortized over 30 years. Right-to-use SBITA assets are amortized over the subscription term.

MTA LIRR reviews long-lived assets for impairment when events or circumstances indicate that the carrying amount may not be recoverable and records the appropriate loss when assets are disposed of or are determined to be impaired.

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

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

Pollution Remediation Projects—In accordance with, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 14), pollution remediation costs have been charged in accordance with the provisions of. An operating expense provision and corresponding liability measured at its current value using the expected cash flow method have been recognized for certain pollution remediation obligations that 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: an imminent threat to public health due to pollution exists; the MTA LIRR is in violation of a pollution prevention-related permit or license; the MTA LIRR is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA LIRR is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities; or the MTA LIRR voluntarily commences or legally obligates itself to commence remediation efforts.

Operating Revenues—Passenger revenues from the sale of tickets are recognized as income as they are sold; unearned revenue is recorded for tickets sold in advance of the period for which the ticket is valid. Revenues from rents, advertising and other related income are recorded when earned.

Nonoperating Revenues—Nonoperating subsidies are provided to MTA LIRR by MTA as part of an MTA approved financial plan. Nonoperating capital projects subsidies are provided as part of the MTA approved 5 Year Capital Program based on scheduled project activity occurring during the current 5-year capital program lifecycle. MTA LIRR received $99,600 in 2022 from the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA"). Additionally, MTA LIRR received $451,030 in American Rescue Plan Act of 2021 ("ARPA") funds in 2023. MTA LIRR recognized this funding as a non-operating subsidy.

Nonexchange Transactions with MTA—In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, funds contributed by MTA for the MTA LIRR's capital project expenditures are reported as nonoperating revenue when such expenditures are accrued. MTA contributions for capital projects are included as nonoperating capital projects subsidy in the accompanying statements of revenues, expenses and changes in net position.

The cost of certain services provided by MTA for the benefit of the MTA LIRR is accrued as incurred. MTA does not charge the MTA LIRR (or other related groups) for the cost of police services relating to the other lines.

Operating and Nonoperating Expenses—Operating and nonoperating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA LIRR (e.g. salaries, compensated absences, insurance, depreciation, lease amortization 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.

Compensated Absences—Per GASB 101, MTA LIRR has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has been used but not yet paid in cash or settled through noncash means (if any).

Liability Insurance— First Mutual Transportation Assurance Company ("FMTAC"), an insurance captive subsidiary of MTA, provides a liability insurance program (aka "ELF") that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than $50,000 for all agencies and an additional $10,000 for NYCT. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was $195,040.

MTA also maintains an All Agency Excess Liability Insurance Policy (ELP), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of $325,000 for a total limit of $375,000 ($325,000 excess of $50,000).

On March 1, 2024, 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 $11,000 per occurrence on a combined single limit with a $1,000 self-insured retention for each accident. Primary limits of $1,000 were procured through the commercial marketplace. Excess limits of $9,000 were procured through FMTAC.

On December 15, 2024, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11,000 per occurrence loss for MTA LIRR.

Property Insurance – Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a $25,000 per occurrence deductible, subject to an annual $75,000 aggregate deductible. The total All Risk program annual limit is $500,000 per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25,000 per occurrence self-insured deductible, MTA self-insures above that deductible for $269,725 within the overall $500,000 per occurrence property program as follows: $28,543 million (or 57.09%) of the primary $50,000 layer, plus $28,543 (or 57.09%) of the $50,000 excess $50,000 layer, plus $19,293 (or 38.59%) of the $50,000 excess $100,000 layer, plus $11,793 (or 23.59%) of the $50,000 excess $150,000 layer, plus $8,643 (or 17.29%) of the $50,000 excess $200,000 layer, plus $15,518 (or 31.04%) of the $50,000 excess $250,000 layer, plus $26,893 (or 53.79%) of the $50,000 excess $300,000 layer, plus $39,000 (or 78.00%) of the $50,000 excess $350,000 layer, plus $41,500 (or 83.00%) of the $50,000 excess $400,000 layer, and $50,000 (or 100%) of the $50,000 excess of $450,000 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 $500,000 per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An addition $25,000 of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of “certified” losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act (“TRIPRA”) of 2019. The remaining 20% of the Related Entities’ losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200,000. 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 $215,000 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 $5,000 and less than the $200,000 TRIPRA trigger up to a maximum recovery of $200,000 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 $215,000. Recovery under the terrorism policy is subject to a deductible of $25,000 per occurrence and $75,000 in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities’ deductible in any one year exceed $75,000 future losses in that policy year are subject to a deductible of $7,500. The terrorism coverages expire at midnight on May 1, 2025.

All Agency Protective Liability—FMTAC All-Agency Protective Liability Program. Under the All-Agency Protective Liability Program (“AAPL”), FMTAC directly insures the Related Entities against claims arising out of work performed by independent contractors on capital projects. The policy provides coverage of $2,000 per occurrence.

FMTAC All-Agency Protective Excess Liability Program. FMTAC directly insures the Related Entities to provide excess coverage on top of the AAPL. The policy provides coverage of $9,000 in excess of $2,000 per occurrence, with an $18,000 annual aggregate. Any excess is covered by the ELF program.

Self-Insurance and Risk Retention—The MTA LIRR is self-insured for liabilities arising from injuries to passengers, employees and others with the exception of injuries to non-employees and off-duty employees arising from occurrences at NYS stations (“Station Liability”), and employees and non-employees, arising from reimbursable project work (“Force Account”). The MTA LIRR accrues the estimated total cost for the self-insured liability arising out of these claims. For incidents occurring on or before October 31, 2012, claims arising from Station Liability and Force Account are fully insured up to $9,000 per occurrence. That amount was increased to $10,000 per occurrence for incidents occurring on or after November 1, 2012 and increased to $11,000 on October 31, 2015.

Deferred Compensation Plan—The MTA and its affiliated agencies’ employees are participants in a deferred compensation plan established in 1985 in accordance with Internal Revenue Code Section 457. MTA LIRR established a trust or custodial account with a third party financial institution to hold plan assets for the exclusive use of the participants and their beneficiaries. Accordingly, at December 31, 2024 and 2023, plan assets and liabilities are not reflected in the accompanying Statements of Net Position.

Retirement Benefits—MTA LIRR'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.

MTA LIRR 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 MTA LIRR's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of MTA LIRR's year end. Changes in the net pension liability during the period 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 period 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 period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Other Postemployment Benefits—The MTA LIRR has adopted the standards 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 LIRR recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

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

3. CASH

The Bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

The Bank balances in 2024 and 2023 that were not insured were maintained in major financial institutions considered by management to be secure. As of December 31, 2024 and 2023, cash consists of:

	2024		2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured (FDIC) or collateralized deposits	$ 5,080	$ 4,612	$ 3,625	$ 3,104
Uninsured and noncollateralized fund on-hand and in-transit	1,383	-	1,677	-
Total cash	$ 6,463	$ 4,612	$ 5,302	$ 3,104

Cash carrying amounts also include deposits in transit and cash on hand offset by any outstanding checks.

MTA LIRR or its agent in MTA LIRR's name holds all collateralized deposits. These accounts contain revenue pledged by MTA LIRR as collateral for certain MTA Transportation Revenue Bonds, as further described in Note 4 below.

The MTA, on behalf of the Authority, invests funds, which are not immediately required for MTA LIRR'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. As such, there were no investments subject to credit or interest rate risk.

4. TRANSPORTATION REVENUE BONDS

MTA LIRR's capital programs are partially funded from the proceeds of bonds, including the MTA's Transportation Revenue Bonds. The Transportation Revenue Bonds are special obligations of MTA, payable from, and secured by a pledge of:

- the gross operating revenues of MTA LIRR, Metro-North Commuter Railroad, and the New York City Transit Authority and its component, Manhattan and Bronx Surface Transit Operating Authority until monthly deposits of principal and interest are satisfied under the Transportation Revenue Bond Resolution,
- Triborough Bridge and Tunnel Authority's operating surplus,
- general operating subsidies from the State and local governments,
- special tax-supported operating subsidies, and
- Station maintenance and service reimbursements.

5. CAPITAL ASSETS—NET

Capital assets and improvements include all land, buildings, equipment, and infrastructure of MTA LIRR having a minimum useful life of two years and having a cost of more than $25. 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. In 1988, MTA LIRR and MTA entered into a 99-year lease agreement with Amtrak for the Pennsylvania Station. This agreement, with an option to renew, is for rights to the lower concourse level and certain platforms. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 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.

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The following is a summary of capital assets activity at January 1, 2023, December 31, 2023, and December 31, 2024 (in thousands):

	As of January 1, 2023	Additions	Deletions	As of December 31, 2023	Additions	Deletions	As of December 31, 2024
Capital assets, not being depreciated:							
Land	$ 48,112	$ -	$ -	$ 48,112	$ -	$ -	$ 48,112
Construction work-in-progress	1,550,799	741,965	1,190,245	1,102,519	854,241	709,802	1,246,958
Total capital assets, not being depreciated	1,598,911	741,965	1,190,245	1,150,631	854,241	709,802	1,295,070
Capital assets, being depreciated:							
Leasehold improvements	562,394	499,296	-	1,061,690	24,887	-	1,086,577
Pennsylvania station leasehold	44,600	-	-	44,600		-	44,600
Buildings and structure	6,460,875	261,716	-	6,722,591	189,969	94	6,912,466
Equipment:							-
Passenger cars & Locos	2,954,993	102,600	23,216	3,034,377	197,360	1,085	3,230,652
Equipment & other	883,816	55,438	3,488	935,766	26,714	6,687	955,793
Infrastructure—road	5,419,779	259,611	6,120	5,673,270	224,392	3,543	5,894,119
Total capital assets, being depreciated	16,326,457	1,178,661	32,824	17,472,294	663,322	11,409	18,124,207
Less accumulated depreciation/amortization:							
Leasehold improvements	74,313	38,080	-	112,393	50,063	-	162,456
Pennsylvania station leasehold	44,600	-	-	44,600		-	44,600
Buildings and structure	1,854,814	176,298	-	2,031,112	183,453	63	2,214,502
Equipment:							-
Passenger cars & Locos	2,002,471	106,198	18,454	2,090,215	98,552	1,085	2,187,682
Equipment & other	594,768	36,797	3,295	628,270	37,495	6,648	659,117
Infrastructure—road	2,837,335	193,185	6,120	3,024,400	193,495	3,543	3,214,352
Total accumulated depreciation/amortization	7,408,301	550,558	27,869	7,930,990	563,058	11,339	8,482,709
Total capital assets, being depreciated/amortized—net	8,918,156	628,103	4,955	9,541,304	100,264	70	9,641,498
Capital assets—net	10,517,067	1,370,068	1,195,200	10,691,935	954,505	709,872	10,936,568
Right of Use Assets being amortized:							
Leased buildings and structures	32,051	11,072	-	43,123	5,786	-	48,909
Leased equipment and vehicles	26,078	5,083	-	31,161	1,949	-	33,110
Leased other	3,233	-	-	3,233		-	3,233
Subscription-based IT Arrangements	7,595	41	-	7,636	26,894	6,313	28,217
Total Right of Use Assets being amortized	68,957	16,196	-	85,153	34,629	6,313	113,469
Less accumulated amortization:							
Leased buildings and structures	5,768	2,918	-	8,686	3,828	-	12,514
Leased equipment and vehicles	14,493	9,135	-	23,628	5,025	-	28,653
Leased other	750	284	-	1,034	193	-	1,227
Subscription-based IT Arrangements	1,694	1,701	-	3,395	2,137	3,590	1,942
Total accumulated amortization	22,705	14,038	-	36,743	11,183	3,590	44,336
Right of Use Assets being amortized—net	46,252	2,158	-	48,410	23,446	2,723	69,133
Total capital assets, including Right of Use Asset—net of depreciation and amortization	$10,563,319	$1,372,226	$1,195,200	$10,740,345	$ 977,951	$ 712,595	$11,005,701

In December 2021, MTA obtained legal title to the wireless telecommunications equipment installed on its property according to the network license agreement entered into with the licensee. The license agreement provides for the licensee to construct, operate, and maintain the wireless network. This asset was transferred by MTA to LIRR as a non-cash capital contribution recorded at $27,300 representing the fair market value at the date of conveyance. In addition, in December 2021, LIRR obtained legal title to work in process wireless telecommunications equipment to be installed on its property according to the network license agreement entered into with the licensee. The work in process assets were transferred by MTA to LIRR as a non-cash capital contribution recorded at $33,200 representing the fair market value at the date of conveyance.

As of December 31, 2024, $53,048,513 is unexpended from the MTA's Capital Program (2005–2024) and $22,387,340 has been committed.

As of December 31, 2023, $60,192,118 is unexpended from the MTA's Capital Program (2005–2024) and $25,084,948 has been committed.

6. EMPLOYEE BENEFITS

MTA LIRR sponsors and participates in two defined benefit pension plans for their employees, the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") and the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of each of the pension plans follows:

Plan Descriptions

1. LIRR Additional Plan—

The LIRR Additional Plan is a single-employer defined benefit pension plan that provides retirement, disability and survivor benefits to members and beneficiaries. The LIRR Additional Plan covers MTA Long Island Rail Road employees hired effective July 1, 1971 and prior to January 1, 1988. The LIRR Additional Plan's activities, including establishing and amending contributions and benefits are administered by the Board of Managers of Pensions. The LIRR 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 LIRR Additional Plan is a closed plan.

The Board of Managers of Pensions is composed 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 LIRR Additional Plan may be amended by action of the MTA Board. The LIRR 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. MTA Defined Benefit Plan—

The MTA Defined Benefit Pension Plan is a cost sharing, multiple-employer defined benefit pension plan. The MTA Defined Benefit Pension 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 Pension Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Pension Plan is administered by the Board of Managers of Pensions. The MTA Defined Benefit Pension Plan, including benefits and contributions, may be amended by action of the MTA Board. The MTA Defined Benefit Pension 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.

Benefits Provided

1. LIRR Additional Plan—

Pension Benefits — An eligible Long Island Rail Road employee who retires under the LIRR 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 LIRR 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. MTA Defined Benefit Pension Plan

Pension Benefits — Retirement benefits are paid from the Plan to 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 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 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 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.

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.

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 credited service for covered MTA Long Island Rail Road management and represented employees.

The disability retirement allowance for MTA Long Island Rail Road management and represented employees is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS.

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 post-1987 MTA Long Island Rail Road 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.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered post-1987 MTA Long Island Rail Road employee 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.

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.

Membership

Membership in the LIRR Additional Pension Plan ("LIRR Additional Pension Plan" or "Additional Plan") consisted of the following at January 1, 2024 and January 1, 2023, the date of the latest actuarial valuation:

	January 1, 2024	**January 1, 2023**
Active plan members	12	14
Retirees and beneficiaries receiving benefits	4,772	4,962
Vested formerly active members not yet receiving benefits	13	13
Total	4,797	4,989

Contributions and Funding Policy

1. Long Island Rail Road Company Plan for Additional Pensions 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 Defined Benefit Pension Board of Managers (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 MTA Defined Benefit Pension Board of Managers (1.5% in 2023 and 2022).

Funding for the Additional Plan 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 LIRR Additional Company Plan for Additional Pensions on a discretionary basis. The continuance of the MTA's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Plans. The MTA LIRR's proportionate share of the prepayments for the LIRR Additional Plan was $140,400 of which $71,740 has been amortized in 2023, and $72,260 was amortized in 2024. In 2024, MTA prepaid 2025 ADCs for MTA-Sponsored Plans. The MTA LIRR's proportionate share of prepayment for the LIRR Additional Plan was $72,954.

Contributions as a percent of covered payroll was 4,159.78% for the year ended December 31, 2024. The actual contributions for the year ended December 31, 2024 was $74,957.

Contributions as a percent of covered payroll was 7,118.93% for the year ended December 31, 2023. The actual contributions for the year ended December 31, 2023 was $72,666.

2. *MTA Defined Benefit Plan*

MTA LIRR's 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. The following summarizes the types of employee contributions made to the Plan.

Effective January 1, 1994, covered MTA LIRR 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, employee contributions, if any, were eliminated after ten years of contributing to the Plan. MTA LIRR 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.

Covered MTA LIRR represented employees who first became eligible to be Plan participants prior to January 30, 2008 contribute 3% of salary. MTA LIRR represented employees who became participants after January 30, 2008 contribute 4% of salary. MTA LIRR 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.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Plans. The MTA LIRR's proportionate share of the prepayments for the MTA Defined Benefit Plan was $310,630 of which $158,860 has been amortized in 2023, and $153,770 was amortized in 2024. In 2024, MTA prepaid 2025 ADCs for MTA-Sponsored Plans. The MTA LIRR's proportionate share of prepayments for the MTA Defined Benefit Plan was $156,198.

Contributions as a percent of covered payroll was 15.32% for the year ended December 31, 2024. The actual contributions for the year ended December 31, 2024 was $156,198.

Contributions as a percent of covered payroll was 15.36% for the year ended December 31, 2023. The actual contributions for the year ended December 31, 2023 was $156,701.

Net Pension Liability—MTA LIRR's net pension liabilities for each of the pension plans reported at December 31, 2024 were measured as of December 31, 2023. The total pension liability for each of the pension plans was determined by an actuarial valuation as of the valuation date of January 1, 2023, that was updated to roll forward the total pension liability to the respective year-end.

Actuarial valuations are performed annually as of January 1. 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.

Actuarial Assumptions—The total pension liability in the January 1, 2023, actuarial valuations was determined using the following actuarial assumptions, which were based on the 2023 actuarial experience study, for each of the pension plans as follows:

	Additional Plan	**MTA Defined Benefit Plan**
Interest Rate	Net rate of 6.5%, per annum—net of investment expenses.	Net rate of 6.5%, per annum—net of investment expenses.
Inflation	2.25% per annum.	2.25% per annum.
Railroad retirement wage base	3.25% per year.	3.25% per year.
Mortality	Based on experience of all MTA members reflecting Mortality improvement on a generational basis using MP-2021. For Pre-Retirement, Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. Postretirement Healthy Lives: Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females.	Based on experience of all MTA members reflecting Mortality improvement on a generational basis using MP-2021. For Pre-Retirement, Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. Postretirement Healthy Lives: Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. For Postretirement Disabled Lives: Pri-2012 Disabled Annuitant table for Males and females.
Separations other than for normal retirement	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.
Salary increases	3.0% per year	3.0% per year
Overtime	Earnings in each year are 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	Earnings in each year are 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-

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	Additional Plan	MTA Defined Benefit Plan
	employees to account for unused vacation pay.	represented employees to account for unused vacation pay.
Cost of living adjustments	Not applicable.	60% of inflation or 1.35% per annum.
Provision for expenses	Estimated administrative charges added to the normal cost. Administrative expenses are based on the prior two year's reported administrative expenses.	Estimated administrative charges added to the normal cost. Administrative expenses are based on the prior two year's reported administrative expenses.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was 6.5% for both the Additional Plan and the MTA Defined Benefit Plan for the January 1, 2023 valuation consistent with prior year. 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 target allocation and best estimates of arithmetic real rates of return ("RROR") for each major asset class included in each of the pension funds are as follows:

Asset Class	Additional Plan Target Allocation*	Additional Plan Real Rate of Return	MTA Defined Benefit Plan Target Allocation*	MTA Defined Benefit Plan Real Rate of Return
US Core Fixed Income	10.50 %	2.21 %	10.50 %	2.21 %
US Long Bonds	2.00	2.65	2.00	2.65
US Bank/Leveraged Loans	1.50	3.55	1.50	3.55
US Inflation-Indexed Bonds	2.00	1.82	2.00	1.82
US High Yield Bonds	3.00	4.02	3.00	4.02
Emerging Market Bonds	2.00	4.81	2.00	4.81
US Large Caps	18.00	5.38	18.00	5.38
US Small Caps	7.00	6.94	7.00	6.94
Foreign Developed Equity	12.00	6.92	12.00	6.92
Emerging Market Equity	4.50	9.59	4.50	9.59
Private Credit	7.00	6.64	7.00	6.64
Private Real Estate Property	4.00	5.14	4.00	5.14
Private Equity	7.00	10.46	7.00	10.46
Commodities	4.00	3.11	4.00	3.11
Hedge Funds-Multi Strategy	13.00	4.39	13.00	4.39
Emerging Market Small Cap Equity	1.50	9.78	1.50	9.78
US REITS	1.00	6.63	1.00	6.63
Assumed Inflation—Mean		2.31		2.31
Assumed Inflation—Standard Deviation		1.44		1.44
Portfolio Nominal Mean Return		7.92		7.92
Portfolio Standard Deviation		12.47		12.47
Long-Term Expected Rate of Return selected by MTA		6.50		6.50

* Based on October 2021 Investment Policy

Discount Rate

As of December 31, 2023, the discount rate used to measure the total pension liability of both the Additional Plan and the MTA Defined Benefit Plan was 6.5%.

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.

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Changes in Net Pension Liability—Additional Plan

Changes in MTA LIRR's net pension liability for the Additional Plan for the year ended December 31, 2024, based on the December 31, 2023 measurement date, are as follows:

	Additional Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance—December 31, 2022	$ 1,258,877	$ 652,398	$ 606,479
Changes for the year:			
Service cost	81	-	81
Interest on total pension liability	77,391	-	77,391
Effect of economic/demographics gains or losses	3,362	-	3,362
Benefit payments	(138,824)	(138,824)	-
Administrative expense	-	(546)	546
Member contributions	-	50	(50)
Employer contributions	-	140,400	(140,400)
Net investment income	-	58,303	(58,303)
Balance—December 31, 2023	$ 1,200,887	$ 711,781	$ 489,106

Changes in MTA LIRR's net pension liability for the Additional Plan for the year ended December 31, 2023, based on the December 31, 2022 measurement date, are as follows:

	Additional Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance—December 31, 2021	$ 1,322,471	$ 777,323	$ 545,148
Changes for the year:			
Service cost	146	-	146
Interest on total pension liability	81,371	-	81,371
Effect of economic/demographics gains or losses	(1,347)	-	(1,347)
Benefit payments	(143,764)	(143,764)	-
Administrative expense	-	(761)	761
Member contributions	-	51	(51)
Employer contributions	-	70,763	(70,763)
Net investment income	-	(51,214)	51,214
Balance—December 31, 2022	$ 1,258,877	$ 652,398	$ 606,479

The following presents the MTA LIRR's net pension liability calculated at the measurement dates using the current discount rate of 6.5% for the Additional Plan, as well as what the net pension

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liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) 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	$579,463	$488,106	$409,805

The following presents the MTA LIRR's net pension liability calculated at the measurement dates using the current discount rate of 6.5% for the Additional Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate:

2022	**1% Decrease (5.50)%**	**Current Discount Rate (6.50)%**	**1% Increase (7.50)%**
Net pension liability	$703,189	$606,479	$522,065

MTA LIRR's Proportion of Net Pension Liability—MTA Defined Benefit Plan

The following table presents MTA LIRR's proportionate share of the net pension liability of the MTA Defined Benefit Plan at the measurement date December 31, 2023, and the proportion percentage of the net pension liability of the MTA Defined Benefit Plan allocated to MTA LIRR:

MTA Long Island Railroad's proportion of the net pension liability	37.62 %
MTA Long Island Railroad's proportionate share of the net pension liability	$648,420

The following table presents MTA LIRR's proportionate share of the net pension liability of the MTA Defined Benefit Plan at the measurement date December 31, 2022, and the proportion percentage of the net pension liability of the MTA Defined Benefit Plan allocated to MTA LIRR:

MTA Long Island Railroad's proportion of the net pension liability	37.49 %
MTA Long Island Railroad's proportionate share of the net pension liability	$940,762

MTA LIRR's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the calendar year.

The following table presents MTA LIRR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (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)%**
MTA Long Island Railroad's proportionate share of the net pension liability	$ 1,037,728	$648,552	$321,662

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The following table presents MTA LIRR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2022	**1% Decrease (5.50)%**	**Current Discount Rate (6.50)%**	**1% Increase (7.50)%**
MTA Long Island Railroad's proportionate share of the net pension liability	$ 1,311,810	$ 940,761	$ 629,124

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

For the years ended December 31, 2024 and 2023, MTA LIRR recognized pension expense related to each pension plans as follows:

Pension Plans	**2024**	**2023**
Additional Plan	$ 39,628	$ 58,880
MTA Defined Benefit Plan	189,083	234,917
Total	$ 228,711	$ 293,797

At December 31, 2024, MTA LIRR reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	Additional Plan		MTA Defined Benefit Plan		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	$0	$0	$72,068	($1,384)	$72,068	($1,384)
Changes in assumptions	-	-	138,481	-	138,481	-
Net difference between projected and actual earnings on pension plan investments	40,273	-	66,325	-	106,598	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	26,538	-	26,538	-
Employer contribution to plan subsequent to the measurement date of net pension liability	2,003	-	-	-	2,003	-
Total	$ 42,276	$	$ 303,412	$ (1,384)	$ 345,688	$ (1,384)

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At December 31, 2023, MTA LIRR reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	Additional Plan		MTA Defined Benefit Plan		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	$ -	$ -	$ 82,324	$ -	$ 82,324	$ -
Changes in assumptions	-	-	171,944	(2,623)	171,944	(2,623)
Net difference between projected and actual earnings on pension plan investments	56,874	-	186,965	-	243,839	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	34,222	-	34,222	-
Employer contribution to plan subsequent to the measurement date of net pension liability	72,666	-	156,701	-	229,367	-
Total	$ 129,540	$ -	$ 632,156	$ (2,623)	$ 761,696	$ (2,623)

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 annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 1 year closed period for the Additional Plan and 8.3 years period for the MTA Defined Benefit Plan, beginning in the year in which the deferred amount occurs.

The amount of $166 reported as deferred outflows of resources related to pensions resulting from the MTA LIRR's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows (inflows) of resources related to pensions at December 31, 2024 will be recognized as pension expense as follows:

December 31	Plan	Benefit Plan	Total
2025	$17,318	$92,433	$109,751
2026	7,794	73,230	81,024
2027	17,506	94,506	112,012
2028	(2,345)	16,965	14,620
2029	-	16,487	16,487
Thereafter	-	9,404	9,404
Total	$ 40,273	$ 303,025	$ 343,298

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 MTA, its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the MTA, 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, pay for the administrative cost of running 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 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 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 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 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 restructured to set up a four tier strategy:

1. ***Tier 1***—The MTA Target-Year Lifecycle Funds, which are comprised of a mix of several funds, most of which are available as separate investments in the Deferred Compensation Program. The particular mix of investments for each Fund is determined by the "target" date, which is the date the money is intended to be needed for retirement income.

2. ***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 Russell Mid Cap Index.

3. ***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 a selected index. These institutional strategies

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provide participants with a diversified array of distinct asset classes, with a single fund option in each class to simplify the decision-making process.

4. ***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.

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 $22,500 in 2023 and $23,000 in 2024. For those over age 50, the maximums are $30,000 for 2023 and $30,500 for 2024.

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 accepts rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

The following is a summary of activity for the 401k and 457 deferred compensation programs ($ in thousands):

	2024	2023
Contributions:		
Employee contributions—net of loans	$ 83,825	$ 83,793
Participant rollovers	5,425	3,370
Total contributions	$ 89,250	$ 87,163

7. OTHER POSTEMPLOYMENT BENEFITS

The MTA LIRR 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 and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA LIRR's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

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

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

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

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

The MTA LIRR 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 members. NYSHIP offers a Preferred Provider Organization (“PPO”) plan and several Health Maintenance Organization (“HMO”) plans.

The MTA LIRR 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 LIRR must:

(a) have retired;

(b) be receiving a pension;

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan and the Additional Plan; and

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

Surviving Spouse and Other Dependents—

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

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

Contributions—The MTA LIRR 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

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dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, the MTA LIRR paid $103,544 and $95,059 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $25,837 and $23,680 for the years ended December 31, 2024 and 2023, respectively. There were no additional implicit rate subsidy adjustments for the years ended December 31, 2024 and December 31, 2023.

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 2021 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2023 and December 31, 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue in the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and December 31, 2022, the employer made a cash payment for retiree healthcare of $23,680 and $19,990 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)	**2023 Retirees**	**2022 Retirees**
Total blended premiums	$ 71,379	$ 67,155
Employment payment for retiree healthcare	23,680	19,990
Net payments	$ 95,059	$ 87,145

(2) Net OPEB Liability

At December 31, 2024, the MTA LIRR reported a net OPEB liability of $2,171,591 for its proportionate share of the OPEB Plan’s net OPEB liability. The net OPEB liability was measured as of the OPEB Plan’s fiscal year-end of December 31, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and rolled forward to December 31, 2024. The MTA LIRR’s proportion of the net OPEB liability was based on a projection of the MTA LIRR’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2024, the MTA LIRR’s proportion was 10.77% percent.

At December 31, 2023, the MTA LIRR reported a net OPEB liability of $2,310,141 for its proportionate share of the OPEB Plan’s net OPEB liability. The net OPEB liability was measured as of the OPEB Plan’s fiscal year-end of December 31, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and rolled forward to December 31, 2023. The MTA LIRR’s proportion of the net OPEB liability was based on a projection of the MTA LIRR's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2023, the MTA LIRR's proportion was 10.30% percent.

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 are 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.

(3) Actuarial Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. The MTA LIRR 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, 2023. Update procedures were used to roll forward the total OPEB liability to December 31, 2023, the measurement date. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2023
Measurement date	December 31, 2023
Discount rate	3.26%, net of expenses
Inflation	2.31 %
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Investment rate of return	4.25 %

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2022, the

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measurement date. 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
Measurement date	December 31, 2022
Discount rate	3.72%, net of expenses
Inflation	2.33 %
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Investment rate of return	3.72 %

Salary Scale

A. Members hired prior to January 1, 1988—Salaries are assumed to increase 3.00% per year.

B. Managers hired on or after January 1, 1988—Salaries are assumed to increase by years of service. Rates are shown below.

Years of Service	**Rate of Increase**
0–1	8.00 %
2	7.00
3	6.50
4	5.50
5	5.00
6	4.90
7	4.80
8	4.70
9	4.60
10	4.50
11	4.25
12	4.00
13	3.75
14	3.50
15+	3.25

C. Represented Employees hired on or after January 1, 1988—Salaries are assumed to increase by years of service. Rates are shown below:

Years of Service	**Rate of Increase**
0–1	12.50 %
2	11.50
3–4	10.00
5	6.00
6	4.25
7	4.00
8	3.75
9	3.50
10+	3.25

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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, 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 (all amounts are in percentages).

		NYSHIP
Fiscal Year	**<65**	**>=65**
2023	6.70 %	5.90 %
2024	7.00	6.60
2025	6.40	6.40
2026	5.80	5.80
2027	5.10	5.10
2028	4.90	4.90
2029	4.70	4.70
2030	4.50	4.50
2031	4.30	4.30
2040	4.10	4.10
2050	4.20	4.20
2060	4.20	4.20
2070	3.90	3.90
2080	3.70	3.70
2090	3.70	3.70
2100	3.70	3.70

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date is based on the ultimate rates as described in the the table above.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type. For Rail Members, including LIRR, 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%.

Expected Rate of Return on Investments—The long-term expected rate of return on OPEB 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 OPEB 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

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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 are summarized in the following table:

		Long-Term Expected		
Asset Class	Target Allocation	2023 Rate of Return	2022 Real Rate of Return	2021 Real Rate of Return
US Short (1-3 Yr) Govt/credit Bonds	98.50 %	4.39 %	1.31 %	-
US Cash	1.50 %	3.07	-	(0.26)%
Total	100 %			
Long term expected rate of return selected by MTA		4.25 %	3.72 %	2.06 %

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

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

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

December 31, 2023 Measurement Date	1% Decrease 2.26%	Discount Rate 3.26% (in thousands)	1% Increase 4.26%
Proportionate share of the net OPEB liability	$ 2,618,639	$ 2,171,591	$ 2,014,393

December 31, 2022 Measurement Date	1% Decrease 2.72%	Discount Rate 3.72% (in thousands)	1% Increase 4.72%
Proportionate share of the net OPEB liability	$ 2,749,274	$ 2,310,141	$ 2,141,078

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December 31, 2021 Measurement Date	1% Decrease (1.06)%	Discount Rate (2.06)% (in thousands)	1% Increase (3.06)%
Proportionate share of the net OPEB liability	$ 2,905,943	$ 2,513,054	$ 2,194,271

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

December 31, 2023 Measurement Date	1% Decrease	Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 1,957,793	$ 2,171,591	$ 2,702,348

December 31, 2022 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 2,071,795	$ 2,310,141	$ 2,849,910

December 31, 2021 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 2,134,682	$ 2,513,054	$ 2,977,755

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

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

For the year ended December 31, 2024, the MTA LIRR recognized OPEB expense of $94,200, which represents its proportionate share of the Plan's OPEB expense.

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

At December 31, 2024, 2023 and 2022, the MTA LIRR reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,488	$ (287,993)
Changes in assumptions	232,351	(358,730)
Net difference between projected and actual earnings on OPEB plan investments	610	0
Changes in proportion and differences between contributions and proportionate share of contributions	174,995	(452,397)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	103,544	
	$ 541,988	$ (1,099,120)

	December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 36,630	$ (3,494)
Changes in assumptions	159,729	(424,635)
Net difference between projected and actual earnings on OPEB plan investments	1,950	-
Changes in proportion and differences between contributions and proportionate share of contributions	87,378	(413,530)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	95,059	-
	$ 380,746	$ (841,659)

	December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,708	$ (4,226)
Changes in assumptions	196,586	(147,895)
Net difference between projected and actual earnings on OPEB plan investments	4,744	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,690	(498,585)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	87,145	-
	$ 377,873	$ (650,706)

For the year ended December 31, 2024, $541,988 was reported as deferred outflows of resources related to OPEB. This amount includes both MTA LIRR's contributions after the measurement date

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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. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Year Ending December 31	
2025	$ (128,123)
2026	(114,578)
2027	(97,503)
2028	(102,059)
2029	(54,028)
Thereafter	(23,302)
	$ (519,593)

8. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property as of December 31, 2024 and 2023, is presented below:

	2024	**2023**
Balance—beginning of year	$ 190,886	$ 177,754
Activity during the year:		
Current year claims and changes in estimates	46,889	32,605
Claims paid	(44,240)	(19,473)
Balance—end of year	193,535	190,886
Less current portion	(30,083)	(32,446)
Long-term liability	$ 163,452	$ 158,440

9. LOANS PAYABLE

In December 2005, 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 turnkey, 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 with no penalty.

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The debt service requirements as of December 31, 2024 are as follows:

Year	Loans Payable Principal	Loans Payable Interest	Loans Payable Total
2025	$ 2,415	$ 597	$ 3,012
2026	2,423	513	2,936
2027	2,508	428	2,936
2028	2,248	341	2,589
2029	562	288	850
2030–2034	3,137	966	4,103
2035–2039	1,997	165	2,162
2040–2044	7		7
Total	$15,297	$ 3,298	$ 18,595

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

10. DUE FROM MTA AND AFFILIATES

MTA LIRR and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. MTA LIRR’s subsidies from MTA for use in operations are recorded as credits to operations when received. Funds for MTA LIRR’s capital project expenditures are also provided by MTA. Funds contributed by MTA for MTA LIRR’s capital project expenditures are classified as nonoperating.

Due from/to MTA and affiliated agencies as of December 31, 2024 and 2023, consists of:

	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$172,712	$(29,961)	$659,149	$(15,984)
Affiliated agencies	3,401	(25,677)	5,284	(27,815)
Total MTA and affiliated agencies	$176,113	$(55,638)	$664,433	$(43,799)

11. LEASES

MTA LIRR 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 made during the lease term, using MTA LIRR’s incremental borrowing rate at the time of valuation ranging from 0.97% to 5.87% 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 LIRR leases its land, building, station concession, equipment, and right-of-way to other entities. These leases have terms between 1 year to 74 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 70 years. In addition, MTA LIRR 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 years ended December 31, 2024 and 2023 is presented below (in thousands):

	2024	**2023**
Lease revenue	$ 10,814	$ 10,751
Interest revenue	2,039	2,246
Other variable revenue	6,754	7,090

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

	2024	**2023**
Balance—beginning of year	$ 79,414	$ 85,831
Additions/remeasurements	2,209	3,264
Receipts/interest	(10,774)	(9,681)
Balance—end of year	70,849	79,414
Less current portion	(10,016)	(10,019)
Lease receivable—noncurrent	$ 60,833	$ 69,395

MTA LIRR recognized $0 and $0 revenue associated with residual value guarantees and termination penalties for years ended December 31, 2024 and 2023.

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

Year Ended December 31	Principal	Interest	Total
2025	$ 10,016	$ 1,868	$ 11,884
2026	10,442	1,637	12,079
2027	10,049	1,400	11,449
2028	9,845	1,174	11,019
2029	1,988	1,092	3,080
2030–2034	4,739	4,818	9,557
2035–2039	910	4,378	5,288
2040–2044	918	4,209	5,127
2045–2049	964	4,039	5,003
2050–2054	1,163	3,840	5,003
2055–2059	1,403	3,600	5,003
2060–2064	1,486	3,325	4,811
2065–2069	1,715	3,029	4,744
2070–2074	2,070	2,674	4,744
2075–2079	2,497	2,247	4,744
2080–2084	3,012	1,731	4,743
2085–2089	3,634	1,109	4,743
2090–2094	3,998	362	4,360
Total	$ 70,849	$ 46,532	$ 117,381

As Lessee

MTA LIRR leases building, office space, storage space, equipment, vehicles, and cell tower space from other entities. These leases have terms between 1 year to 74 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 70 years.

The amount of lease expenses recognized for variable payment not included in the measurement of lease liability were $874 and $640 for the years ended December 31, 2024 and 2023. MTA LIRR recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for years ended December 31, 2024 and 2023.

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

	2024	2023
Balance—beginning of year	$47,342	$ 42,402
Additions/remeasurements	7,735	16,156
Payments/interest	(9,817)	(11,216)
Balance—end of year	45,260	47,342
Less current portion	(5,878)	(7,612)
Lease liability—noncurrent	$39,382	$ 39,730

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

Year Ended December 31	Principal	Interest	Total
2025	$ 5,878	$ 1,778	$ 7,656
2026	4,007	1,557	5,564
2027	2,789	1,416	4,205
2028	2,389	1,312	3,701
2029	2,621	1,205	3,826
2030–2034	15,472	4,207	19,679
2035–2039	6,041	1,376	7,417
2040–2044	172	1,122	1,294
2045–2049	220	1,086	1,306
2050–2054	279	1,039	1,318
2055–2059	350	980	1,330
2060–2064	437	907	1,344
2065–2069	544	815	1,359
2070–2074	673	701	1,374
2075–2079	831	560	1,391
2080–2084	1,022	387	1,409
2085–2089	980	182	1,162
2090–2094	555	50	605
Total	$45,260	$ 20,680	$65,940

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA LIRR entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using MTA LIRR's incremental borrowing rate at the time of valuation ranging from 1.95% to 5.25% if an applicable stated or implicit rate is not available.

The initial measurement of MTA LIRR'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 LIRR's subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 1 year to 12 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining subscription terms are between 1 year to 11 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $3,887 and $4,095 for the years ended December 31, 2024 and 2023, respectively. MTA LIRR recognized $1,980 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and 2023, respectively

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

	2024	**2023**
Balance—beginning of year	$ 5,848	$ 6,858
Additions/remeasurements	22,190	41
Payments/interest	(3,802)	(1,051)
Balance—end of year	24,236	5,848
Less current portion	(2,903)	(1,055)
SBITA Liability—noncurrent	$ 21,333	$ 4,793

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

Year Ended December 31	**Principal**	**Interest**	**Total**
2025	$ 2,903	$ 1,182	$ 4,085
2026	1,617	1,068	2,685
2027	1,690	986	2,676
2028	1,792	897	2,689
2029	1,883	802	2,685
2030–2034	11,415	2,331	13,746
2035–2036	2,936	91	3,027
Total	$24,236	$ 7,357	$ 31,593

13. COMPENSATED ABSENCES

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

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

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

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

	2024	2023
Balance—beginning of year	$ 191,465	$ 167,525
Net adjustment	5,647	23,940
Balance—end of year	197,112	191,465
Less current portion	(95,861)	(91,585)
Compensated absences liability—noncurrent	$ 101,251	$ 99,880

14. ENVIRONMENTAL REMEDIATION

MTA LIRR has implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. An operating expense and corresponding liability, measured at its current value using the expected cash flow method, have been recognized for certain pollution remediation obligations that are no longer able to be capitalized as a component of a capital project.

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists.
- MTA LIRR is in violation of a pollution prevention-related permit or license.

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- MTA LIRR is named by a regulator as a responsible or potentially responsible party to participate in remediation.
- MTA LIRR is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- MTA LIRR voluntarily commences or legally obligates itself to commence remediation efforts.

MTA LIRR does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In addition, MTA LIRR does not expect any recoveries of cost that would have a material effect on the recorded obligations.

In accordance with GASB Statement No. 49, pollution remediation expenses were recorded on the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2024 and 2023, respectively. The expense provision was measured at its current value utilizing the prescribed expected cash flow method.

As of December 31, the pollution remediation liability totaled $52,540 for 2024 and $49,068 for 2023, primarily consisting of future remediation activities associated with lead and asbestos abatement.

A summary of activity in estimated liability arising from environmental remediation as of December 31, 2024 and 2023 is presented below:

	2024	2023
Balance—beginning of year	$ 49,068	$ 40,271
Activity during the year:		
Current year remediation and changes in estimates	7,512	12,792
Remediation paid	(4,040)	(3,995)
Balance—end of year	52,540	49,068
Less current portion	(929)	(9,226)
Long-term liability	$ 51,611	$ 39,842

15. OTHER LONG-TERM LIABILITIES

A summary of activity in estimated liability arising from other liabilities as of December 31, 2024 and 2023 is presented below:

	2024	2023
Balance—beginning of year	$ 4,522	$ 81,791
Activity during the year:		
Current year changes in sick leave estimate	-	(80,032)
Sick leave payout	-	-
Other long term liabilities	(1,307)	2,763
Balance—end of year	$ 3,215	$ 4,552

16. COMMITMENTS AND CONTINGENCIES

Management has reviewed with counsel all other actions and proceedings pending against or involving MTA LIRR, 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 have a significant impact on MTA LIRR's financial position, cash flows or results of operations.

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

17. SUBSEQUENT EVENT

MTA LIRR doesn't have any subsequent events to report as of May xx,2025.

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REQUIRED SUPPLEMENTAL INFORMATION

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(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE MTA LIRR'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE LIRR ADDITIONAL PLAN AT DECEMBER 31
(In thousands, except percentages)

	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	97,612	101,477	104,093	106,987	110,036
Differences between expected and actual experience	3,362	(1,347)	30,029	10,428	63,646	213	1,890	15,801	6,735	-
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	1,258,887	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)	1,200,897	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
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	51	51	73	140	249	333	760	884	1,108	1,304
Net investment income (loss)	58,303	(51,214)	95,247	4,024	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	59,384	(124,925)	16,633	(79,771)	21,143	(132,010)	174,110	51,019	(56,654)	272,099
PLAN FIDUCIARY NET POSITION—Beginning	652,397	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	760,690	840,460	819,317	951,327	777,217	726,198	782,852
EMPLOYER'S NET PENSION LIABILITY—Ending(a)-(b)	$ 489,116	$ 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	59 %	51.82 %	58.78 %	56.04 %	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	$ 13,169	$ 20,500	$ 29,312	$ 39,697	$ 43,267
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	24,788 %	29,685.71 %	27,325.71 %	17,001.65 %	10,976.23 %	4,494.20 %	2,539.07 %	2,555.56 %	2,106.09 %	1,893.61 %

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE MTA LIRR'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31
(In thousands, except percentages)

	2023	2022	2021	2020	2019	2018	2017	2016
MTA Long Island Rail road's proportion of the net pension liability	37.62 %	37.49 %	37.59 %	37.270 %	34.790 %	33.176 %	35.402 %	33.186 %
MTA Long Island Rail road's proportionate share of the net pension liability	$ 647,451	$940,762	$629,503	$722,023	$602,256	$485,694	$361,550	$455,330
MTA Long Island Rail road's actual covered-employee payroll	$ 1,019,898	$894,798	$885,711	$872,612	$880,114	$885,247	$794,719	$741,461
MTA Long Island Rail road's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	63.48 %	105.13 %	71.07 %	82.743 %	68.429 %	54.865 %	45.494 %	61.410 %
Plan fiduciary net position as a percentage of the total pension liability	78.93 %	72.27 %	77.45 %	72.126 %	73.483 %	73.326 %	79.868 %	71.820 %

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(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF MTA LIRR'S CONTRIBUTIONS TO ALL PENSION PLANS
FOR THE YEARS ENDED DECEMBER 31
(In thousands, except percentages)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Additional Plan									
Actuarially determined contribution	$ 69,737	$ 72,665	$ 70,764	$ 70,553	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183
Actual employer contribution	74,957	140,400	70,764	70,553	68,724	62,774	59,500	76,523	81,100
Contribution deficiency (excess)	$ (5,220)	$ (67,735)	$ -	$ -	$ (1)	$ -	$ (304)	$ -	$ 2,083
Covered payroll	$ 1,802	$ 1,972	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,169	$ 20,500	$ 29,312
Contributions as a % of covered payroll	4,159.66 %	7,118.93 %	3,463.99 %	2,184.33 %	1,328.25 %	867.47 %	451.83 %	373.29 %	276.68 %
MTA Defined Benefit Pension Plan									
Actuarially determined contribution	$ 152,092	$ 156,701	$ 151,551	$ 148,242	$ 146,427	$ 121,740	$ 114,854	$ 109,304	$ 101,965
Actual employer contribution	156,198	310,630	151,551	148,242	146,427	121,740	114,854	111,459	99,800
Contribution deficiency (excess)	$ (4,106)	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,155)	$ 2,165
Covered payroll	$ 1,019,670	$ 1,019,981	$ 894,798	$ 885,711	$ 872,612	$ 880,114	$ 885,247	$ 794,719	$ 741,461
Contributions as a % of covered payroll	15.32 %	15.36 %	16.94 %	16.74 %	16.78 %	13.83 %	12.97 %	14.02 %	13.46 %

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The following actuarial methods and assumptions were used in the funding valuation for the LIRR Company Plan for Additional Pensions:

Valuation dates	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Measurement date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial cost method	Frozen Initial Liability Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	For FIL Bases, 15 years remaining for Fresh start base, including vacation pay adjustments base of January 1, 2022 dollar payments	Period specified in current valuation report (closed 11 year period beginning January 1, 2022) with level dollar payments	Period specified in current valuation report (closed 13 year period beginning 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	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 15 year period beginning January 1, 2017) with level dollar payments	Period specified in current valuation report (closed 15 year period beginning January 1, 2016) with level dollar payments
Asset valuation method	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Actuarial assumptions:								
Discount Rate	6.5 %	6.5 %	6.5 %	6.5 %	7.0 %	7.0 %	7.0 %	7.0 %
Investment rate of return	6.5% per annum, compounded annually, net of investment expenses.	6.5% per annum, compounded annually, net of investment expenses.	6.5% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.
Mortality	Based on experience of all MTA members reflecting morality improvement on a generational basis using MP-2021.	Based on experience of all MTA members reflecting morality improvement on a generational basis using MP-2021.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.
Inflation/Railroad Retirement Wage Base	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%
Salary increases	Varies by years of employment	%	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
Cost-of-living adjustments	60% of inflation adjustment of 1.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of MTA LIRR's Contributions to the MTA Defined Benefit Plan:

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

Changes of Benefit Terms—There were no changes of benefit terms in the January 1, 2023 funding valuation.

Changes of Assumptions—The expected investment return assumption remained 6.5%.

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE MTA LIRR'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN FOR THE YEARS ENDING DECEMBER 31:
(In thousands)

Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**
MTA Long Island Rail Road's proportion of the net OPEB liability	11.31 %	10.77 %	10.30 %	11.78 %	11.48 %
MTA Long Island Rail Road's proportionate share of the net OPEB liability	$ 2,171,591	$2,310,140	$2,513,054	$2,875,214	$2,424,927
MTA Long Island Rail Road's covered payroll	$ 1,021,472	$1,021,953	$ 896,841	$ 901,217	$ 888,502
MTA Long Island Rail Road's proportionate share of the net OPEB liability as a percentage of its covered payroll	212.59 %	226.05 %	280.21 %	319.04 %	272.92 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.36 %	0.05 %	- %	- %	1.93 %

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE MTA LIRR'S CONTRIBUTIONS TO THE MTA OPEB PLAN AND NOTES TO THE SCHEDULE OF THE MTA LIRR'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	2024	2023	2022	2021	2020	2019
Actuarially determined contribution				N/A	N/A	N/A
Actual employer contribution (1)	$ 103,544	$ 95,059	$ 87,145	$ 84,539	$ 55,970	$ 84,422
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	1,021,472	1,021,953	896,841	901,217	888,502	898,755
Actual contribution as a percentage of covered payroll	10.14 %	9.30 %	9.72 %	9.38 %	6.30 %	9.39 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $25,837, $23,680, $19,990, $12,719, $22,765, and $24,241 for the year ended December 31, 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

(2) Notes to Schedule of the MTA LIRR's Contribution to the OPEB Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2023
Measurement date	December 31, 2023
Discount rate	3.26%, net of expenses
Inflation	2.31%
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25%
Investment rate of return	4.25%

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

Changes of Assumptions: In the July 1, 2023 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

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Metro-North Commuter Railroad Company

(Component Unit of the Metropolitan Transportation Authority "MTA")

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Metro-North Commuter Railroad Company (the "MTA Metro-North Railroad"), a component unit of the Metropolitan Transportation Authority ("MTA") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the MTA Metro-North Railroad'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 financial position of the MTA Metro-North Railroad as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years 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 MTA Metro-North Railroad, 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.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the MTA Metro-North Railroad is a component unit of the MTA. The MTA is a component unit of the State of New York. MTA Metro-North Railroad requires significant subsidies from and has material transactions with MTA. MTA Metro-North Railroad also relies on subsidies from the Connecticut Department of Transportation to support the Connecticut operations of the New Haven Line. Our opinion is 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, Subscription-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 Metro-North Railroad'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 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 MTA Metro-North Railroad'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 Metro-North Railroad'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, the Schedule of Changes in the MTA Metro-North Commuter Railroad Company's Net Pension Liability and Related Ratios for the Metro-North Cash Balance Plan, the Schedule of the MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule and Notes to the Schedule of MTA Metro-North Commuter Railroad Company's Contributions to all Pension Plans, the Schedule of

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

___________, 2025

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Dollars in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of the Metro-North Commuter Railroad Company (the "MTA Metro-North Railroad", "MNR", or the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2024 and 2023. It is intended to serve as an introduction to the MTA Metro-North Railroad's financial statements which have the following components: (1) Management's Discussion and Analysis (MD&A), (2) Financial Statements, (3) Notes to the Financial Statements and (4) Required Supplementary Information.

Management's Discussion and Analysis

The management's discussion and analysis provides an assessment of how the MTA Metro-North Railroad's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Company's overall financial position. It may contain opinions, assumptions or conclusions by the Company's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements.

The Financial Statements

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

The Statements of Revenues, Expenses and Changes in Net Position show how MTA Metro-North Railroad's net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of the Company's operations over the twelve months and can be used to determine how the Company has funded its costs.

The Statements of Cash Flows provide information about the MTA Metro-North Railroad's cash receipts, cash payments and net changes in cash resulting from operations; noncapital financing and capital related financing activities.

The Notes to the Financial Statements

The notes provide information that is essential to understanding the financial statements, such as the MTA Metro—North Railroad's basis of presentation and significant accounting policies.

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The notes also have the details of cash, capital assets, employee benefits, lease transactions and future commitments and contingencies of the MTA Metro-North Railroad, including any other events or developing situations that could materially affect the MTA Metro-North Railroad's financial position.

Required Supplementary Information

The Required Supplementary Information provides information concerning MTA Metro-North Commuter Railroad Company's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It also includes the Schedule of Changes in the MTA Metro-North Commuter Railroad Company's Net Pension Liability and Related Ratios for the Metro-North Commuter Railroad Company Cash Balance Plan, the Schedule of the MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule of MTA Metro-North Commuter Railroad Company's Contributions to All Pension Plans, the Notes to Schedule of MTA Metro-North Commuter Railroad Company's Contributions to all Pension Plans, the Schedule of MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Other Postemployment Benefit Liability in the MTA Other Postemployment Benefit Plan, and the Schedule and Notes of MTA Metro-North Commuter Railroad Company's Contributions to Other Postemployment Benefit Plan and Notes to Schedule of Contributions to the Other Postemployment Benefit Plan.

FINANCIAL REPORTING ENTITY

The MTA Metro-North Railroad is a component unit of the MTA, established in September 1982 pursuant to the New York State Public Authorities Law and is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

The MTA Metro-North Railroad plays a vital role in the transportation network for the region. Commuter service is provided every day of the year, although frequency of service varies by route, day of week and time of day. Passenger transportation is provided between New York City and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in New York State, and New Haven and Fairfield counties in Connecticut. The Company has direct operating responsibility for the entire New Haven commuter railroad line under a Service Agreement among MTA, MTA Metro-North Railroad and the Connecticut Department of Transportation ("CDOT"). Under the terms of the Service Agreement, CDOT pays 65% of the net operating deficit of the New Haven main line operating deficit.

The MTA Metro-North Railroad also has a service agreement with New Jersey Transit ("NJT"). The agreement allows NJT to provide passenger service on the Port Jervis and Pascack Valley Lines in the State of New York (referred to as "West of Hudson"). The MTA Metro-North Railroad compensates NJT for that service, for their operating deficit, capital needs and under certain prescribed circumstances for fare hold down amounts.

CONDENSED FINANCIAL INFORMATION

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

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Total Assets, Distinguishing Between Current Assets, Noncurrent Assets and Deferred Outflows of Resources

Current assets include, but are not limited to cash, receivables due from MTA and affiliates, other receivables, farecards (MetroCard subway tickets) on consignment, materials, and supplies net of the reserve for obsolescence and prepaid expenses. This also include the receivable from leases of MTA Metro North's land, buildings, station concession, equipment and right-of-way to third parties.

Noncurrent assets include, but are not limited to structures, construction of buildings, the acquisition of equipment, passenger cars, and locomotives and right-to-use assets for leases on buildings, office space, storage space, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs).

Deferred outflows of resources for pensions reflect changes in pension valuation and employer contributions subsequent to the measurement date.

Deferred outflows of resources for OPEB reflect changes in the valuation of OPEB and employer contributions subsequent to the measurement date ($ in thousands).

	As of December 31,			Increase/(Decrease)	
	2024	2023	2022	2024-2023	2023-2022
Current assets	$ 840,755	$ 955,464	$ 986,998	$ (114,709)	$ (31,534)
Noncurrent assets	7,899,920	7,391,405	7,031,492	508,515	359,913
Deferred outflow of resources for pension	244,655	533,067	388,236	(288,412)	144,831
Deferred outflows of resources for OPEB	373,010	331,112	351,938	41,898	(20,826)
Total asset and deferred outflows of resources	$9,358,340	$9,211,048	$8,758,664	$ 147,292	$452,384

Significant changes in Assets and Deferred Outflows of resources include:

December 31, 2024 versus 2023

- Current assets decreased in 2024 by $114,709 or 12.01% primarily due to receipt of proceeds from MTA for American Rescue Plan Act (ARPA) additional assistance allocation of $308,869 offset by an increase of $146,502 for accrued receivable from MTA Capital and Individuals & Companies, $28,952 in inventory, $10,427 in prepaid insurance and $9,402 invested funds at MTA for Company financed investments.

- Noncurrent assets increased in 2024 by $508,515 or 6.88%. Increase construction work-in- progress of $40,158 included $27,835 increase in Capital Accrual and $12,323 increase in various projects. Major additions to capital assets in 2024 were $434,661 Harmon Shop Replacement, $84,076 Harmon to Poughkeepsie Signals, $66,967 Cyclical Track Programs, $41,874 Mainline Turnouts, $22,392 Harlem and Hudson Power Improv, $22,939 Stations and Roadway Equipment purchases, $21,218 Harlem Line Stations Improvement, $20,581 SBITA Assets additions, $20,362 Bridges Rehabilitation and $79,102 of other various projects, programs, and studies. These increases were offset by increases in depreciation and amortization of $345,815.

- Deferred outflows of resources for Pensions decreased by $288,412 or 54.10% due to a decrease in difference of contributions made after measurement date of $138,263; a decrease in difference between projected versus actual plan investment earnings of $108,548; a decrease in the actuarial assumption of $31,406 and decrease in difference between expected and actual experience of $9,945.

- Deferred outflows of resources for OPEB increased by $41,898 or 12.65% primarily due to an increase in actuarial assumption changes or inputs of $47,529 offset by a decrease in the proportion of share due to the differences in employer contributions of $7,532.

December 31, 2023 versus 2022

- Current assets decreased in 2023 by $31,534 or 3.19% primarily due to receipt of proceeds from MTA for American Rescue Plan (“ARPA”) additional assistance allocation of $249,977 offset by an increase of $137,816 for prepayment of 2024 projected actuarially determined contributions (“ADC”) for pension and $84,342 in funds invested at MTA.

- Noncurrent assets increased in 2023 by $359,913 or 5.12%. Increases in construction work-in- progress of $431,284 included $200,667 for design build of Penn Station access, $94,266 Park Avenue Viaduct Replacement, $62,219 for Harmon Shop Replacement and $39,541 GCT trainshed related expenses. Major additions to capital assets in 2023 were $59,677 for Harlem Wayside Communication and Signals, $35,282 for Harmon to Poughkeepsie Signals, $33,742 for Network Infrastructure Replacement, and $18,609 for the M-8 fleet purchase. These increases were offset by depreciation and amortization of $358,460.

- Deferred outflows of resources for Pensions increased by $144,831 or 37.30% due to an increase in difference between expected and actual experience of $9,969; an increase in difference between projected versus actual plan investment earnings of $167,157; and an increase in difference of contributions made after measurement date of $16,123; offset by a decrease in the proportion of share due to the differences in employer contributions of $12,585; and a decrease in the actuarial assumption of $35,834.

- Deferred outflows of resources for OPEB decreased by $20,826 or 5.92% due to decrease in actuarial assumption changes or inputs of $27,623; decrease in difference between projected versus actual plan investment earnings of $2,067; and decrease in recognition of the differences between expected and actual experience of $3,845 offset by increase in the proportion of share due to the differences in employer contributions $9,290 and increase in contributions after measurement date of $3,418.

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

Current liabilities include: accrued payroll and related fringe benefits, the short-term portion of claims liabilities, amounts due to MTA and affiliates, accounts payable, current portion of long-term lease liabilities and other current liabilities. This also include the current portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*. Refer to Note 2 for additional information.

Noncurrent liabilities include: net pension and net OPEB liabilities, long-term portion of claims liabilities, environmental, long-term lease liabilities and loans payable. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*. Refer to Note 2 for additional information.

Deferred inflows of resources reflect the deferred inflows related to leases, and actuarial measurements related to pension and OPEB ($ in thousands).

	As of December 31,			Increase/(Decrease)	
	2024	2023 (Restated)	2022	2024-2023	2023-2022 (Restated)*
Current liabilities	$ 537,841	$ 566,112	$ 601,943	$ (28,271)	$ (35,831)
Noncurrent liabilities	2,572,315	2,852,094	2,704,130	(279,779)	147,964
Deferred inflow of resources	747,891	549,884	491,324	198,007	58,560
Total liabilities and deferred inflows of resources	$3,858,047	$3,968,090	$3,797,397	$ (110,043)	$170,693

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

Significant changes in liabilities include:

December 31, 2024 versus 2023

- Current liabilities decreased in 2024 by $28,271, or 4.99%. This decrease was primarily due to amounts owed to the MTA and affiliated agencies of $28,655, environmental remediation liability of $18,700, and timing in payments to vendors of $16,968. These decreases were offset by an increase in salaries payable and retroactive wage accrual for represented employees of $31,420; an increase in compensated absences of $3,190; and an increase in leases and subscription-based information technology arrangements of $3,079.

- Non-current liabilities decreased in 2024 by $279,779, or 9.81%. This decrease was primarily attributable to a decrease of $268,329 in net pension liability and a decrease of $156,708 in net OPEB liability. These decreases were partially offset by an increase of $147,106 in personal injury liability.

- Deferred inflows of resources increased by $198,007 or 36.01% primarily due to an increase of $201,154 in the proportionate share and difference in employer contributions as a result of MTA's allocation of OPEB prepayment in 2023, offset by a decrease of $8,123 in leases.

December 31, 2023 versus 2022

- Current liabilities decreased by $35,831, or 5.95%, in 2023. This decrease was primarily due to the restatement of GASB 101 Compensated Absences of $38,233 and a decrease of $32,427 due to MTA and affiliated agencies. These decreases were offset by increases in timing of payments made to vendors of $15,324 and $14,244 retroactive wage accrual for agreement employees with expired agreements.

- Non-current liabilities increased by $147,964, or 5.47%, in 2023. This rise was primarily due to a $268,016 increase in net pension liability and a $40,489 increase in compensated absences resulting from the implementation of GASB 101. These increases were partially offset by a $155,883 decrease in the GASB 75 net OPEB liability.

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- Deferred inflows of resources increased by $58,560 or 11.92% primarily due to the increase in deferred inflows for OPEB due to an increase in the bond buyer index changes. These increases were offset by a decrease in deferred inflows for pension primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings. See Note 7 and 8 of the financial statements for further information.

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

In 2024, the total net position increase of $257,335 or 4.91% is primarily due to increased payments made by MTA for operating and capital subsidies. In addition, this includes a restatement of $6,631 as a result of the implementation of GASB No. 101 *Compensated Absences*. Refer to Note 2 for additional information.

In 2023, the total net position increase of $281,691 or 5.68% is primarily due to increased payments made by MTA for operating and capital subsidies.

($ in thousands)

	As of December 31,			Increase/(Decrease)	
	2024	2023 (Restated)	2022	2024-2023	2023-2022 (Restated)*
Net investment in capital assets	$ 7,600,917	$ 7,083,944	$ 6,677,358	$ 516,973	$ 406,586
Unrestricted	(2,100,624)	(1,840,986)	(1,716,091)	(259,638)	(124,895)
Total net position	$ 5,500,293	$ 5,242,958	$ 4,961,267	$ 257,335	$ 281,691

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

Condensed Statements of Revenues, Expenses and Changes in Net Position ($ in thousands)

	Years Ended December 31,			Favorable/(Unfavorable)	
	2024	2023 (Restated)	2022	2024-2023	2023-2022 (Restated)*
Operating revenues	$ 662,180	$ 605,789	$ 487,317	$ 56,391	$ 118,472
Operating expenses	(1,982,499)	(1,955,481)	(1,839,986)	(27,018)	(115,495)
Operating loss	(1,320,319)	(1,349,692)	(1,352,669)	29,373	2,977
Total nonoperating revenues and capital contributions	1,577,654	1,631,383	2,205,491	(53,729)	(574,108)
Change in net position	257,335	281,691	852,822	(24,356)	(571,131)
Net position—beginning of year	5,242,958	4,961,267	4,108,445	281,691	852,822
Net position—end of year	$ 5,500,293	$ 5,242,958	$ 4,961,267	$ 257,335	$ 281,691

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

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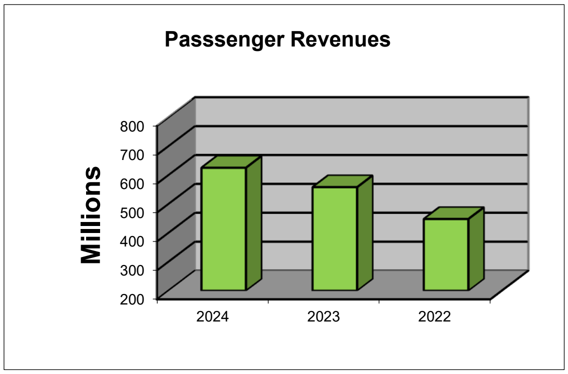
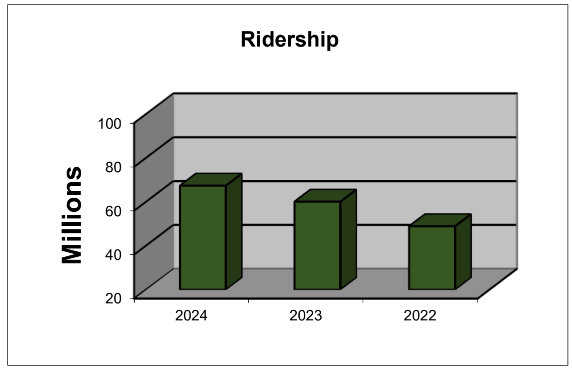
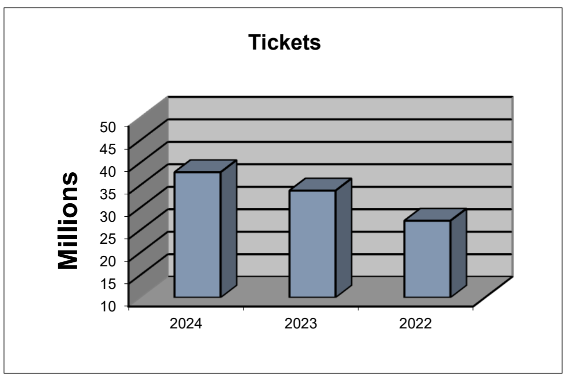
Operating Revenues by Major Source







The MTA Metro-North finished 2024 with ridership growth, rebounding from previous declining trends caused by the COVID-19 pandemic. Total ridership for 2024 was 67.4 million customers, marking a 12.0% increase over 2023's 60.1 million riders. Compared to 2019, total ridership decreased by 22.2%. Commutation ridership for 2024 increased by 11.2%, with 25.2 million passengers compared to 2023. Non-commutation ridership grew by 12.6%, reaching 42.2 million passengers compared to 2023. Non-commutation ridership increased for both East and West of Hudson, growing by 12.7% and 6.0%, respectively, compared to 2023. The rise in ridership is primarily due to people returning to work, travel, and leisure activities.

MTA Metro-North (East of Hudson) passenger revenue increased in 2024 by $67.2 million or 12.3% MTA Metro- North (West of Hudson) passenger revenue increased in 2024 by $0.1 million or 1.3%.

MTA Metro-North (East of Hudson) ridership increased in 2024 by 7.2 million or 12.1% in 2024 compared to 2023. MTA Metro-North (West of Hudson) ridership increased in 2024 by 70.8 thousand or 7.0% compared to 2023.

MTA Metro-North (East of Hudson) passenger revenue increased in 2023 by $108.4 million or 24.7% MTA Metro- North (West of Hudson) passenger revenue increased in 2023 by $1.4 million or 16.9%, mainly due to increased ridership as people are returning to work, travel, and leisure activities.

MTA Metro-North (East of Hudson) ridership increased in 2023 by 11.2 million or 23.3% from 2022. When adjusted for the same number of calendar workdays, the 2023 ridership increased by 11.3 million or 23.6%. MTA Metro-North (West of Hudson) ridership increased in 2023 by 120.7 thousand or 13.5% from 2022.

Expenses by Category

December 31, 2024 versus 2023

Salaries and wages increased by $29,119 or 4.10% in 2024 over 2023, primarily due to an increase in overtime, accruals for employee retroactive wages as well as lower reimbursable recoveries due to scheduling and timing changes in capital project expenditures.

Retirement and Other Employee Benefits increased by $7,283 or 2.17% in 2024 over 2023. The increase is primarily due to higher health and welfare costs of $17,969 and higher railroad retirement taxes of $22,591. These increases were offset by lower pension costs of $33,252 and a decrease in meal allowance of $235.

Postemployment Benefits other than Pensions decreased by $25,516 or 24.59%. This decrease is primarily due to a decrease in the expected and actual experience, difference from employer contributions from prior year and changes in actuarial assumptions.

Electric Power costs decreased by $4,039 or 4.72% as compared to 2023 primarily due to lower rates.

Fuel costs decreased by $3,896 or 14.22% as compared to 2023 primarily due to lower rates.

Maintenance and Other Operating Contracts increased by $6,673 or 5.93%. This increase was due to higher police costs of $3,593; increase in security and telephone services of $3,155; and increase of revenue and non-revenue vehicle repairs of $3,284. These increases were offset by lower maintenance and repairs of $3,466.

Professional service contracts increased by $6,315 or 14.75%. This increase is primarily due to the adjusted higher allocation of MTA Information Technology and MTA Finance Operations shared service costs for the

New Haven Line of $7,539; $1,868 in legal expenses and other outside services of $2,260. These increases were offset by lower SBITA expenses of $5,215 and engineering services of $657.

Environmental Remediation decreased by $2,139 or 46.14% and is mainly attributable to timing of projects requiring remediation.

Materials and supplies increased by $2,623 or 2.28% primarily due to an increase in propulsion, truck and suspension materials and increase in reserve for obsolescence.

December 31, 2023 versus 2022

Salaries and wages increased by $54,977 or 8.39% in 2023 over 2022, primarily due to an increase in overtime, accruals for employee retroactive wages as well as lower reimbursable recoveries due to scheduling and timing changes in capital project expenditures.

Retirement and Other Employee Benefits increased by $33,448 or 11.08% in 2023 over 2022. The increase is primarily due to higher pension costs of $44,845 from increased interest on the pension liability and higher health and welfare costs of $11,445. These increases were offset by higher overhead costs recovery of $6,060 due to increased capital worked performed and lower railroad retirement taxes of $8,410 as a result of the implementation of GASB Statement No. 10, *Compensated Absences*.

Postemployment Benefits other than Pensions decreased by $28,001 or 21.25%. This decrease is primarily due to a decrease in the proportionate share and difference from employer contributions from prior year and changes in actuarial assumptions.

Electric Power costs decreased by $8,253 or 8.80% as compared to 2022. This is primarily due to lower rates.

Fuel costs decreased by $6,393 or 18.92% as compared to 2022. This is primarily due to lower rates.

Maintenance and Other Operating Contracts increased by $14,988 or 15.37%. This increase was due to higher real estate management services of $1,711; increase in water and telephone usage of $3,011; increase of maintenance repairs of $3,212 and weed control and clearing expense of $1,726. These increases were offset by lower revenue vehicle maintenance and repairs of $2,818 and ferry expense of $1,420.

Professional service contracts increased by $3,821 or 9.80%. This increase is primarily due to the adjusted higher allocation of MTA Information Technology and MTA Finance Operations shared service costs for the New Haven Line of $1,895 and other outside services of $2,669. These increases were offset by lower engineer services of $1,902.

Environmental Remediation increased by $4,498 or 3274% and is mainly attributable to timing of projects requiring remediation.

Materials and supplies increased by $15,281 or 15.31% primarily due to increases in vendor lead times, which require a higher on-hand supply for rolling stock material usage of car body, HVAC, truck and suspension, and diesel engine material.

Nonoperating Revenues and Capital Contributions by Major Source

December 31, 2024 versus 2023

MTA Contributions for Capital Projects—MTA capital contributions increased in 2024 by $132,016 or 18.45%. The increase in 2024 is primarily due to timing of capital contributions.

MTA Operating Subsidies—MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Operating subsidies are provided by MTA to MNR as part of an MTA approved financial plan. Operating subsidies from the MTA decreased by $158,284 or 25.29% compared to 2023 primarily due to MTA offsetting the subsidies to MNR by the receivable amount that was due to MNR for ARPA, CRSSA and CARES funds.

CDOT Subsidies Relating to the New Haven Line—CDOT subsidies decreased in 2024 by approximately $4,252 or 1.61% primarily due to a decrease in operating deficit subsidy of approximately $5,283, and an increase in administrative asset subsidy of $1,031. The decrease in operating deficit subsidy is attributable to audit settlements related to prior years of approximately $1,420; an adjustment to the calculations of the 2022/2023 CDOT Final Deficit Billings of $6,293; offset by an increase in annual CDOT billings of approximately $2,430 or 1%.   The amount CDOT is required to contribute is derived from an agreed upon formula based on the New Haven Line deficit

December 31, 2023 versus 2022

MTA Contributions for Capital Projects—MTA capital contributions decreased in 2023 by $196,622 or 21.56%. The decrease in 2023 is primarily due to timing of capital contributions.

MTA Operating Subsidies—MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Subsidies were higher in 2023 compared to 2022 by $132,344 or 26.81%. Labor related expenses increased by $54,977 and non-labor expenses increased by $60,518. These were offset by an increase in fare revenue collection of $118,472.

CDOT Subsidies Relating to the New Haven Line—CDOT subsidies increased in 2023 by approximately $18,037 or 7.30% primarily due to an increase in operating deficit subsidy of approximately $16,808, and an increase to the CDOT administrative asset billing of approximately $1,229. The increase in operating deficit subsidy is primarily attributable to the increase in train services during the calendar year 2023. The amount CDOT is required to contribute is derived from an agreed upon formula based on the New Haven Line deficit.

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 fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2024 exceeding 2023 paid ridership levels by 32million trips (7.4%) during the fourth quarter.

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

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

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

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

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.5[DK2] % range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5% on September 18, 2024, decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

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

Results of Operations

2024

As a result of the COVID-19 pandemic and related safety restrictions, systemwide Metro-North ridership was still lower than pre-pandemic ridership but did increase in 2024 to about 67,379 rides from about 60,141 the previous year.

East-of-Hudson ridership was up 12.1% to about 66,293. Ridership on the Harlem Line was up 11.6% to 20,440 rides; on the Hudson Line up by 13.8% to 13,779 rides; and on the New Haven Line up by 11.8% to 32,074 rides

West-of-Hudson ridership was up approximately by 71 rides, 7.0% above the previous year.

Combined ridership on Metro-North's three connecting services- Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry increased in 2024 approximately 17% to 329.

System-wide on-time performance for 2024 totaled 98.3%, an increase of 1.1% compared to 2023 and above the railroad's goal of 94.0%. The Hudson, Harlem, and New Haven Lines performed at 98.7%, 98.3%, and 98.2% respectively.

West-of-Hudson on-time performance totaled 93.0%, an decrease of 0.2 percentage point from 93.2% in the previous year and below goal.

Rolling Stock Mean Distance Between Failures (MDBF) which is the average number of miles a locomotive travel before causing a failure or delay, increased in 2024 to 332,059 miles from 331,964 miles in 2023.

Consist Compliance Rate, which is the percentage of cars required for service and providing seats for customer each day, was consistently at 99.9%.

2023

As a result of the COVID-19 pandemic and related safety restrictions, systemwide Metro-North ridership was still significantly lower than pre-pandemic ridership but did increase slightly in 2023 to about 60,141 rides from about 48,900 the previous year.

East-of-Hudson ridership was up 23.6% to about 59,127. Ridership on the Harlem Line was up 22.6% to 18,320 rides; on the Hudson Line up by 21.2% to 12,106 rides; and on the New Haven Line up by 25.4% to 28,700 rides.

West-of-Hudson ridership was up approximately by 116 rides, 12.9% above the previous year.

Combined ridership on Metro-North's three connecting services- Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry increased in 2023 approximately 26.7% to 279.

System-wide on-time performance for 2023 totaled 97.4%, remained flat to 2022 and above the railroad's goal of 94.0%. The Hudson, Harlem, and New Haven Lines performed at 97.2%, 97.2%, and 97.4% respectively.

West-of-Hudson on-time performance totaled 93.2%, an increase of 0.2 percentage point from 93.0% in the previous year and below goal.

Rolling Stock Mean Distance Between Failures (MDBF) which is the average number of miles a locomotive travel before causing a failure or delay, increased in 2023 to 331,964 miles from 233,617 miles in 2022.

Consist Compliance Rate, which is the percentage of cars required for service and providing seats for customer each day, was consistently at 100%.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—MTA Metro-North Railroad's portion of the MTA 2020-2024 Core Capital Plan as approved by the MTA Board via plan amendment in June 2023, totals $3,407,900. With these updates, this program provides for fleet modernization of $725,700, Grand Central Terminal, stations and parking improvements of $899,100, track and structures repairs and improvements of $1,392,400, and communications, signals and power improvements of $263,700.

MTA Metro-North Railroad's portion of the MTA 2015-2019 Core Capital Program as approved by the MTA Board via plan amendment in September 2019, totals $2,461,700, subsequently revised to $2,464,500.

With these updates, this program provides for fleet modernization of $379,400, shop and yard improvements of $473,300, GCT, stations and parking improvements of $510,900, track and structures repairs and improvements of $440,600, communications and signals upgrade of $348,000 and power rehabilitation and improvements of $99,100.

MTA Metro-North Railroad's portion of the MTA 2010-2014 Core Capital Program as approved by the MTA Board via plan amendment in September 2019, was $1,533,500, subsequently revised to $1,564,300, including $242,400 for fleet modernization, shop and yard improvements of $322,500, track and structures repair and rehabilitation work at $306,300, $303,800 for communications and signals work primarily focused on positive train control implementation, $188,900 of GCT, stations and parking improvements, and $117,500 for power investments. These investments focus on safety and maintaining the core infrastructure. The majority of the projects in this program are either completed or nearing completion.

In the past, the capital program has addressed infrastructure state of good repair needs, including track, bridges, passenger stations, communications and maintenance shops. The achievements of the investments made during prior capital programs yielded dramatic improvements in trip times, reliability, on-time performance, passenger comfort, safety and convenience. See Capital Assets Note 5 for further details.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There were no fare changes in 2024.

On August 20, 2023, fare changes took effect following unanimous approval by the MTA Board in July 2023. The changes mark the resumption of modest, biennial fare adjustments and include:

- Monthly and weekly ticket rates increase by up to 4.5% with monthly tickets not exceeding $500.
- Maintaining the 10% monthly ticket discount introduced in 2022.
- Off-peak discounts by 26%
- CityTicket remaining at $5, one-way option on all off-peak trains within city limits and a new $7 peak CityTicket offered.
- Discontinuance of the 20-trip ticket pilot.

- No fare increases for the West-of-Hudson Port Jervis and Pascack Valley lines.

Passenger Rail Investment and Improvement Act

Pursuant to a 1991 trackage rights agreement with Amtrak, Metro-North is reimbursed for incremental operating costs associated with Amtrak's use of the New Haven Line, which is shared with CDOT at 65%.

Under Section 212 of the Passenger Rail Investment and Improvement Act ("PRIIA") of 2008, the Northeast Corridor Infrastructure and Operations Advisory Commission (the "Commission") was established to develop and implement a cost-sharing arrangement (the "cost allocation policy") for the Northeast Corridor ("NEC") infrastructure used for commuter and intercity rail services. The cost allocation policy creates a standardized formula to ensure each intercity and commuter service is assigned the costs associated with its sole-benefit use of the NEC and a proportional share of costs resulting from joint- benefit use.

On April 26, 2018, an amendment to the 1991 agreement was executed which incorporates the applicable terms of the NEC cost allocation policy retroactively from October 1, 2015. The Amtrak expense recoveries (shared with CDOT at 65%) were approximately $35,373 in 2024 and $33,636 in 2023.

The 2024 MTA November Plan

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

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

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

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

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

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

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

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

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

Risks to MTA's Financial Future

Additional risks to the November Plan include:

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

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

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

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

receipts received by MTA. Real estate related tax receipts continue to decline related to fewer real estate transactions both in the residential and commercial markets.

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

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

More detailed information on the November Plan can be found in the MTA 2025 Final Proposed Budget - November Financial Plan 2025-2028 Volumes 1 and 2 at www.MTA.info

Contacting MTA Controller's Office

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

	Business Type Activities	
	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		(Restated)
CURRENT ASSETS:		
Cash (Note 3)	$ 26,261	$ 21,026
Fare cards	5,039	4,940
Invested funds at MTA (Note 2)	107,717	96,285
Receivables:		
Due from MTA and affiliated agencies (Note 14)	153,000	452,351
Due from NYSDOT	862	653
Due from AMTRAK	921	1,666
Rents	6,569	5,588
Other	165,661	31,725
Less: allowance for doubtful accounts	(2,603)	(3,108)
Receivables—net	324,410	488,875
Materials and supplies—net of allowance of $82,751 and $76,687 in 2024 and 2023, respectively	194,172	172,590
Prepaid expenses and other current assets	183,156	171,748
Total current assets	840,755	955,464
NONCURRENT ASSETS:		
Capital assets (Notes 2 and 5):		
Land and construction work in progress	2,793,355	2,753,197
Other capital assets—net of accumulated depreciation	5,049,922	4,570,400
Other noncurrent receivables	56,643	67,808
Total noncurrent assets	7,899,920	7,391,405
Total assets	8,740,675	8,346,869
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pension (Note 7)	244,655	533,067
Deferred outflows for postemployment benefits other than pensions (Note 8)	373,010	331,112
Total deferred outflows of resources	617,665	864,179
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$9,358,340	$9,211,048

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

	Business Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2024**	**2023 (Restated)**
CURRENT LIABILITIES:		
Accounts payable	$ 70,504	$ 87,134
Due to MTA and affiliated agencies (Note 14)	140,598	169,253
Due to CDOT	35,931	54,632
Accrued expenses:		
Salaries, wages and payroll taxes	145,498	114,401
Current portion-Compensated absences (Note 11)	70,716	67,525
Other	40,959	40,391
Total accrued expenses	257,173	222,317
Current portion of estimated liability arising from injuries to persons (Note 12)	9,016	10,935
Current portion—loans payable (Note 6)	2,339	2,231
Current portion—lease payable (Note 9)	15,485	14,253
Current portion subscription-based IT arrangements payable (Note 10)	2,876	1,028
Environmental remediation (Note 13)	699	710
Unearned revenues	3,220	3,619
Total current liabilities	537,841	566,112
NONCURRENT LIABILITIES:		
Net liability for other postemployment benefits (Note 8)	1,541,872	1,698,580
Net pension liability (Note 7)	572,591	840,920
Estimated liability arising from injuries to persons (Note 12)	188,622	41,516
Loans payable (Note 6)	1,649	3,988
Environmental remediation (Note 13)	6,004	5,693
Lease payable (Note 9)	198,719	213,429
Subscription-based IT arrangements payable (Note 10)	21,291	4,724
Compensated absences (Note 11)	41,567	40,489
Other long-term liabilities (Note 15)	-	2,755
Total noncurrent liabilities	2,572,315	2,852,094
Total liabilities	3,110,156	3,418,206
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension (Note 7)	7,330	2,354
Deferred inflows from post employment benefits other than pensions (Note 8)	683,816	482,662
Deferred inflows from leases (Note 9)	56,745	64,868
Total deferred inflows of resources	747,891	549,884
NET POSITION:		
Net investment in capital assets	7,600,917	7,083,944
Unrestricted deficit	(2,100,624)	(1,840,986)
Total net position	5,500,293	5,242,958
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 9,358,340	$ 9,211,048

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

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

	Business-Type Activities	
	2024	2023 (Restated)
OPERATING REVENUES:		
Passenger	$ 625,670	$ 558,352
Rents and utilities	16,435	36,028
Advertising	15,452	11,211
Other	4,623	198
Total operating revenues	662,180	605,789
OPERATING EXPENSES:		
Salaries and wages	739,682	710,563
Retirement and other employee benefits	342,707	335,424
Postemployment benefits other than pensions	78,229	103,745
Electric power	81,532	85,571
Fuel	23,506	27,402
Insurance	21,293	19,084
Claims	6,008	4,403
Maintenance and other operating contracts	119,193	112,520
Environmental remediation	2,496	4,635
Profess ional service contracts	49,134	42,819
Materials and supplies	117,692	115,069
Depreciation and amortizati on	357,059	362,671
Other	43,968	31,575
Total operating expenses	1,982,499	1,955,481
OPERATING LOSS	(1,320,319)	(1,349,692)
NONOPERATING REVENUES:		
Operating subsidies from MTA	467,666	625,950
Federal Transit Authority (“FTA”) Reimbursement	969	28,273
CDOT subsidies	260,351	264,603
Other nonoperating revenues/(expenses)—net	1,210	(2,885)
Total nonoperating revenuesnet	730,196	915,941
LOSS BEFORE CAPITAL CONTRIBUTIONS	(590,123)	(433,751)
CAPITAL CONTRIBUTIONS-MTA contributions for capital projects	847,458	715,442
CHANGE IN NET POSITION	257,335	281,691
NET POSITION—Beginning of year	5,242,958	4,961,267
NET POSITION—End of year	$ 5,500,293	$ 5,242,958

See notes to financial statements.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

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

	Business-Type Activities	
	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 625,270	$ 557,746
Rents, advertising, and other receipts	19,286	21,866
Payroll and related fringe payments	(1,182,009)	(1,527,119)
Other operating expenses	(161,252)	(227,886)
Net cash used in operating activities	(698,705)	(1,175,393)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies from MTA	467,666	625,950
Operating subsidies from CDOT	267,618	263,908
Other non-operating revenues—net	7,155	3,579
FTA reimbursement	969	278,250
Net cash provided by noncapital financing activities	743,408	1,171,687
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from leases	19,596	20,630
Payments of leases and subscription-based IT arrangements	(30,766)	(27,101)
Capital contributions from MTA	124,937	137,625
Capital expenditures incurred for capital program	(153,235)	(125,577)
Net cash provided by/(used in) capital related financing activities	(39,468)	5,577
NET INCREASE IN CASH	5,235	1,871
CASH—Beginning of year	21,026	19,155
CASH—End of year	$ 26,261	$ 21,026
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$(1,320,319)	$(1,349,692)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	357,059	362,671
Net increase in accounts payable, accrued expenses, other liabilities, unearned revenues	159,708	70,702
Net decrease in receivables	137,837	(110,807)
Net increase in materials and supplies, prepaid expenses and other current assets, other assets	(32,990)	(148,267)
NET CASH USED IN OPERATING ACTIVITIES	(698,705)	(1,175,393)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	669,125	626,027
Capital assets related liabilities	22,672	(10,059)
Interest expenses for leases and subscription-based IT arrangements	7,881	7,425
Interest income from leases	2,199	1,347
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 701,877	$ 624,740

See notes to financial statements.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Dollars in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The Metro-North Commuter Railroad Company (the “MTA Metro-North Railroad”) is a component unit of the Metropolitan Transportation Authority, established in September 1982 pursuant to the New York State Public Authorities Law and is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

The MTA Metro-North Railroad performs a public service by providing essential commuter passenger transportation between New York City and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland Counties in New York State, and New Haven and Fairfield Counties in Connecticut. The Company has direct operating responsibility for the entire New Haven commuter railroad line under a service agreement among MTA, MTA Metro- North Railroad and the Connecticut Department of Transportation (“CDOT”). It also has direct operating responsibility for the Harlem/Hudson Lines in New York State. In addition, pursuant to a service agreement between the MTA Metro-North Railroad and New Jersey Transit Rail Operations, Inc. (“New Jersey Transit”) the Company funds certain net operating costs of the Port Jervis and Pascack Valley Lines operated by New Jersey Transit.

MTA Metro-North Railroad is operationally and legally independent of the MTA. MTA Metro-North Railroad enjoys certain rights typically associated with separate legal status. However, MTA Metro-North Railroad is included in the MTA’s consolidated financial statements as a blended component unit because of the MTA’s financial accountability and MTA Metro-North Railroad is under the direction of the MTA Board (a reference to “MTA Board” means the board of MTA and/or the boards of the MTA Metro-North Railroad and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include MTA Metro-North Railroad in its consolidated financial statements.

Substantial deficits result from providing these services and the MTA Metro-North Railroad expects that such deficits will continue in the foreseeable future. Funding for the MTA Metro-North Railroad’s operations and capital needs is provided by MTA and CDOT. MTA obtains the required funds from state and federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the MTA Metro-North Railroad on a discretionary basis. The continuance of the MTA Metro-North Railroad’s operations has been, and will continue to be, dependent upon the receipt of adequate funds from the MTA, as well as subsidies provided by CDOT.

The MTA Metro-North Railroad is not liable for real estate or personal property taxes on its properties, or sales taxes on substantially all of its purchases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with GAAP.

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

New Accounting Standards-Restatement—The MTA Metro-North Railroad adopted the following GASB Statements for the year ended December 31, 2024:

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

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

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

The MTA Metro North evaluated the requirements under GASB Statement No. 101, Compensated Absences, and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and increased by $6,631.

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The following schedule summarizes the net effect of adopting GASB Statement No. 101, in the Consolidated Statement of Net Position as of December 31, 2023 (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Current liabilities—accrued expenses			
Current portion-Compensated absences	114,645	(47,120)	67,525
Total accrued expenses	269,437	(47,120)	222,317
Total current liabilities	613,232	(47,120)	566,112
Noncurrent liabilities			
Compensated absences	-	40,489	40,489
Total noncurrent liabilities	2,811,605	40,489	2,852,094
Total liabilities	3,424,837	(6,631)	3,418,206
Net position:			
Net investment in capital assets	7,083,944	-	7,083,944
Unrestricted deficit	(1,847,617)	6,631	(1,840,986)
Total net position	5,236,327	6,631	5,242,958
Total liabilities, deferred inflows of resources and net position	9,211,048	-	9,211,048

In addition, revenues, expenses and net position as of December 31, 2023 were required to be restated by GASB 101 as follows (in millions):

	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Operating expenses:			
Salaries & wages	$ 698,203	$ 12,360	$ 710,563
Retirement & other employee	355,014	(19,590)	335,424
Other expense	30,976	599	31,575
Total operating expenses	1,962,112	(6,631)	1,955,481
Operating loss	(1,356,323)	6,631	(1,349,692)
Loss before capital contributions	(440,382)	6,631	(433,751)
Change in net position	275,060	6,631	281,691
Net position—beginning of year	4,961,267	-	4,961,267
Net position—end of year	5,236,327	6,631	5,242,958

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 in the statement of cash flows (in thousands) for the year ended December 31, 2023:

Year-Ended December 31, 2023	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Reconciliation of cash flows from operating activities:			
Operating loss	(1,356,323)	6,631	(1,349,692)
Net increase in payables	77,333	(6,631)	70,702
Net cash used in operating activities	(1,175,393)	-	(1,175,393)

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 Metro-North Railroad upon implementation. Management has not yet evaluated the effect of implementation of these standards.

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

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 amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Invested Funds at MTA—The MTA, on behalf of the MTA Metro-North Railroad, invests funds which are not immediately required for the MTA Metro-North Railroad's operations in securities permitted by the MTA's All-Agency Investment Guidelines in accordance with the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The MTA has no financial instruments with significant individual or group concentration of credit risk. The Authority categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

MTA Metro-North earnings from short-term investments were $5,675 and $2,970 for the years ended December 31, 2024 and 2023, respectively, included in "Other Nonoperating revenues" in the Statement of Revenues, Expenses and changes in Net Position. At December 31, 2024 and 2023, MTA Metro-North had intercompany investment fund balances of $107.7 million and $96.3 million, respectively, reported in the Statement of Net Position.

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

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transactions. Receivables are recorded as amounts due to Metro-North Railroad, reduced by an allowance for doubtful accounts, to report the receivables at their net realizable value.

Materials and Supplies—Materials and supplies, except for repaired and repairable items, are recorded at average cost. Reserve for obsolete and excess materials was $82,751 and $76,687 in 2024 and 2023, respectively. Repaired items, such as engines and motors, are valued at 50% of their current purchase price.

Fare Cards—MTA Metro-North Railroad sells joint prevalued MetroCard ("fare cards") on consignment on behalf of an affiliated agency. Such fare cards are recorded at cost and reimbursed to the affiliated agency upon sale.

Capital Assets—Capital assets and improvements include all land, buildings, leasehold improvements, and equipment of the MTA Metro-North Railroad having a useful life of greater than two years and having a cost of at least $25.

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 Statement No. 87, *Leases* are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives, 25 to 30 years for road and structures, 50 years for rail and buildings, and 3 to 20 years for other equipment. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment loss on assets to be sold, if any, is based on the estimated proceeds to be received, less estimated costs to sell.

Expenditures for maintenance and repairs that do not extend the useful life of the asset are charged to operations as incurred. Funding for substantially all capital projects of the MTA Metro-North Railroad is provided by MTA. Asset acquisitions funded by MTA on capital projects are transferred to the MTA Metro-North Railroad monthly.

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

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

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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.

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 13). 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 Metro-North Railroad is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA Metro-North Railroad is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA Metro-North Railroad voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA Metro-North Railroad 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 revenues from the sale of tickets are recognized as income as they are sold; unearned revenue is recorded for tickets sold in advance of the period for which the ticket is valid. Revenues from rents, advertising and other related income are recorded when earned.

Nonoperating Revenues—The MTA Metro-North Railroad receives both Capital Contributions and Operating Subsidies from the MTA, and subsidies relating to New Haven Line operations from the Connecticut Department of Transportation.

Nonexchange Transactions with MTA—In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, funds contributed by MTA for the MTA Metro-North Railroad's capital project expenditures are reported as nonoperating revenue when such expenditures are accrued. MTA contributions for capital projects are included as nonoperating capital projects subsidy in the accompanying statements of revenues, expenses and changes in net position.

The cost of certain services provided by MTA for the benefit of the MTA Metro-North Railroad are accrued as incurred, including the cost of police services relating to the New Haven Line. MTA does not charge the MTA Metro-North Railroad (or other related groups) for the cost of police services relating to the other lines.

CDOT Subsidies—The portion of the deficit from operations relating to the New Haven line recoverable from CDOT is recorded as nonoperating revenue based on billings reflecting the monthly deficit. The CDOT Service Agreement (the "Service Agreement"), dated June 21, 1985, governs the operations of the New Haven Line. The Service Agreement provides for automatic five-year renewals. The present renewal term commenced January 1, 2025 and expires December 31, 2029.

Under the terms of the Service Agreement, CDOT pays 100% of the net operating deficit of the branch lines (New Canaan, Danbury and Waterbury) and 65% of the New Haven main line operating deficit. The New Haven Line's share of the net operating deficit of Grand Central Terminal (GCT) is funded by a fixed fee for the use of GCT, calculated using several years as a base, with annual increases for inflation and the actual cost of operating GCT North End Access beginning in 1999. The Service Agreement also provides that CDOT shall pay 100% of the cost of nonmovable 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 MTA. Capital assets completely funded by CDOT are not reflected in the MTA Metro- North Railroad's 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 2023 and 2024 billing are still open.

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 Metro North (e.g., salaries, compensated absences, insurance, depreciation, lease and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, interest on leases and SBITAs, subsidies paid to counties, etc.) are reported as non-operating expenses.

Compensated Absences – Per GASB 101, the Authority has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means (if any).

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

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

On March 1, 2024, the "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 million per occurrence on a combined single limit with a $1 million self-insured retention for each accident. Primary limits of $1 million were procured through the commercial marketplace. Excess limits of $9 million were procured through FMTAC.

On December 15, 2024, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11 million per occurrence loss for MTA Metro-North Railroad.

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

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

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

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

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

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

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million

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per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025

All Agency Protective Liability—FMTAC All-Agency Protective Liability Program. Under the All-Agency Protective Liability Program ("AAPL"), FMTAC directly insures the Related Entities against claims arising out of work performed by independent contractors on capital projects. The policy provides coverage of $2 million per occurrence.

FMTAC All-Agency Protective Excess Liability Program. FMTAC directly insures the Related Entities to provide excess coverage on top of the AAPL. The policy provides coverage of $9 million in excess of $2 million per occurrence, with an $18 million annual aggregate. Any excess is covered by the ELF program.

Self-Insurance and Risk Retention—The MTA Metro-North Railroad is self-insured for liabilities arising from injuries to passengers, employees and others with the exception of injuries to non-employees and off-duty employees arising from occurrences at NYS stations ("Station Liability"), and employees and non- employees, arising from reimbursable project work ("Force Account"). The MTA Metro-North Railroad accrues the estimated total cost for the self-insured liability arising out of these claims. For incidents occurring on or before October 31, 2012, claims arising from Station Liability and Force Account are fully insured up to $9 million per occurrence. That amount was increased to $10 million per occurrence for incidents occurring on or after November 1, 2012 and increased to $11 million on October 31, 2015.

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

Retirement Benefits—The MTA Metro-North Railroad'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).

MTA Metro-North Railroad adopted the standards of GASB Statement No. 68, *Accounting and Financial Reporting for Pension, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*, for its pension plans.

MTA Metro-North Railroad 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 MTA Metro-North Railroad's proportionate share thereof in the case of a cost-sharing multiple-employer plan, determined as of MTA Metro-North Railroad's measurement date. Changes in the net pension liability during the period 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 period 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 period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense.

Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—MTA Metro-North adopted the standards 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 Metro-North recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

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

Contributed Capital—Capital assets contributed by the MTA and funds due from the MTA for the purchase of capital assets are recorded as capital contributions on the statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA.

3. CASH

The bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. The bank balances in 2024 and 2023 that were not insured were maintained in major financial institutions.

At December 31, 2024 and 2023, cash consisted of (in thousands):

	December 31, 2024		December 31, 2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits (FDIC)	$ 250	$ 250	$ 250	$ 250
Collateralized deposits	16,793	16,793	14,384	14,445
Uninsured deposits-noncollateralized	5,347	5,096	-	-
Uninsured amounts held by ticket agents and deposits in transit	3,871		6,392	-
	$ 26,261	$ 22,139	$ 21,026	$ 14,695

Certain of these cash accounts are held in the name of a trustee; the carrying amount of the trustee accounts at December 31, 2024 and 2023 were $4,407 and $6,216, respectively. These accounts include revenue pledged by the MTA Metro-North Railroad as collateral for the MTA Transportation Revenue Bonds, as discussed more fully in Note 4.

4. TRANSPORTATION REVENUE BONDS

The MTA Metro-North Railroad's capital programs are partially funded from the proceeds of bonds, including the MTA's Transportation Revenue Bonds. The MTA's Transportation Revenue Bonds are special obligations of MTA, payable from, and secured by a pledge of:

- the gross operating revenues of the MTA Metro-North Railroad, MTA Long Island Rail Road and the New York City Transit Authority ("MTA New York City Transit") and its component, the Manhattan and Bronx Surface Transit Operating Authority, until monthly deposits of principal and interest are satisfied under the Transportation Revenue Bond Resolution,
- Triborough Bridge and Tunnel Authority's operating surplus,
- general operating subsidies from the State and local governments,
- special tax-supported operating subsidies, and
- station maintenance and service reimbursements.

5. CAPITAL ASSETS

Capital Assets—Capital assets acquired prior to April 1982 were funded primarily by The City, with capital grants made available to the Authority. The City has title to a substantial portion of such assets and, accordingly, these assets are not recorded on the books of the Authority. Subsequent acquisitions, which are part of the capital program, are recorded at cost by the Authority. Funding sources for the acquisition of these capital assets include Federal, State, and City capital grants, grants from the Port Authority of New York and New Jersey, the proceeds from the issuance of Transportation Revenue Bonds, and various TBTA bonding and other sources.

Capital assets 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 fixed assets 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. Capital

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and right-to-use assets consist of the following at January 1, 2023, December 31, 2023 and December 31, 2024 (in thousands):

	As of January 1, 2023 (Restated)	Addition	Deletions	As of December 31, 2023	Addition	Deletions	As of December 31, 2024
Capital assets, not being depreciated:							
Land	$ 118,580	$ 3	$ -	$ 118,583	$ 2	$	$ 118,585
Construction work-in-progress	2,203,333	754,920	323,639	2,634,614	878,049	837,893	2,674,770
Total capital assets, not being depreciated	2,321,913	754,923	323,639	2,753,197	878,051	837,893	2,793,355
Capital assets, being depreciated:							
Roads	2,324,496	195,122	-	2,519,618	235,730		2,755,348
Buildings and structures	4,374,529	77,804	-	4,452,333	536,204		4,988,537
Buildings and structures under capital leases	23,613	-	-	23,613	(2,798)		20,815
West of Hudson improvements	324,841	4,573	-	329,414	6,005		335,419
Passenger cars	1,787,191	24,367	-	1,811,558	5,618		1,817,176
Locomotives	206,601	452	-	207,053	150		207,203
Other	706,592	18,418	4,528	720,482	30,979	8,031	743,430
Total capital assets, being depreciated	9,747,863	320,736	4,528	10,064,071	811,888	8,031	10,867,928
Less accumulated depreciation:							
Roads	1,394,156	77,823	-	1,471,979	78,756		1,550,735
Buildings and structures	2,190,303	132,645	-	2,322,948	132,103		2,455,051
Buildings and structures under capital leases	639	381	-	1,020	377		1,397
West of Hudson improvements	127,046	12,027	-	139,073	12,141		151,214
Passenger cars	1,101,318	65,751	(27)	1,167,096	65,012		1,232,108
Locomotives	149,860	6,744	-	156,604	6,050		162,654
Other	392,428	49,220	4,238	437,410	43,636	7,655	473,391
Total accumulated depreciation	5,355,750	344,591	4,211	5,696,130	338,075	7,655	6,026,550
Total capital assets, being depreciated/amortized—net	4,392,113	(23,855)	317	4,367,941	473,813	376	4,841,378
Capital assets—net	6,714,026	731,068	323,956	7,121,138	1,351,864	838,269	7,634,733
Right-of-use assets being amortized:							
Leased buildings and structures	225,481	9,436	-	234,917	195		235,112
Leased equipment and vehicles	12,574	1,041	6	13,609	704		14,313
Leased other	491	3,720	-	4,211			4,211
Subscription-based IT arrangements	7,612	-	-	7,612	20,581		28,193
Total right-of-use assets being amortized	246,158	14,197	6	260,349	21,480		281,829
Less accumulated amortization:							
Leased buildings and structures	26,980	14,052	-	41,032	14,691		55,723
Leased equipment and vehicles	11,024	1,527	-	12,551	920		13,471
Leased other	62	757	-	819	1,270		2,089
Subscription-based IT arrangements	1,744	1,744	-	3,488	2,103	3,589	2,002
Total accumulated amortization	39,810	18,080	-	57,890	18,984	3,589	73,285
Right of use assets being amortized—net	206,348	(3,883)	6	202,459	2,496	(3,589)	208,544
Total capital assets, including right-of-use asset—net of depreciation and amortization	$6,920,374	$727,185	$323,962	$ 7,323,597	$ 1,354,360	$ 834,680	$ 7,843,277

On December 22, 2021, MTA and MTA Metro-North Railroad entered into a Design, Build and Cost sharing agreement for the Penn Station Access Project. The Penn Station Access Project will provide a direct ride into Penn Station for MTA Metro-North Railroad New Haven Line Riders. The total cost of the project is estimated to be $2,900,000 whereby MTA Metro-North Railroad and Amtrak will contribute approximately $2,400,000 and $500,000, respectively. On April 13, 2023, the Federal Railroad Administration (FRA) awarded to MTA a grant for the “Penn Station Access – Hell Gate Line Catenary System Replacement” in the amount of $30,000,000 under the FY19 Federal-State Partnership for State of Good Repair Program (the “Catenary Grant”). As result, in 2024 Amendment #1 was executed, reducing Amtrak’s estimated share from $500,000 to $135,000. The project is expected to be completed in 2027. As of December 31, 2024, the MTA Metro-North Railroad recorded for this project in the Statement of Net Position as of December 31, 2024, $104,326,535 as Construction work in progress under Capital Assets, Land and construction work-in-progress.

As of December 31, 2024, $53,048,513 is unexpended from the MTA's Capital Program (2005-2024) and $22,387,340 has been committed.

As of December 31, 2023, $60,192,118 is unexpended from the MTA's Capital Program (2005-2024) and $25,084,948 has been committed.

6. 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 with no penalty.

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

Year	Principal	Interest	Total
2025	$ 2,339	$ 148	$ 2,487
2026	544	63	607
2027	179	52	231
2028	188	42	230
2029	198	33	231
2030–2033	541	36	577
Total	$ 3,989	$ 374	$ 4,363

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 of 3.62% as of December 31, 2024 and is reset semi- annually.

7. EMPLOYEE BENEFITS

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 MTA, its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the MTA, 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, pay for the administrative cost of running 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 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 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.

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In 1985, the MTA Board adopted the 401(k) Plan, a tax-qualified plan under section 401(k) of the Code, which applies to MNR. 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 in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the accompanying 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, which applies to MNR. 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:

1. ***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 automatically diversified among a range of investment options designed to provide an asset allocation strategy appropriate for an individual's risk and return based on their target retirement date. The mix of investments becomes more conservative as the target date approaches by lessening stock exposure and increasing exposure in fixed-income type investments.

2. ***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.

3. ***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.

4. ***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.

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

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the IRS maximum of $22,500 in 2023 and $23,000 in 2024. For those over age 50, the maximums are $30,000 for 2023 and $30,500 for 2024.

Employer Contributions—Metro-North Railroad employees represented by certain unions 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 Metro-North Railroad member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member's compensation. Eligible Metro-North Railroad members vest in these employer contributions as set forth below:

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

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 accepts rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

Forfeitures—Nonvested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the years ended December 31, 2024 and 2023, no forfeitures reduced the Plan's expense.

The following is a summary of activity for the 401k and 457 deferred compensation programs ($ in thousands):

	2024	2023
Contributions:		
Employee contributions—net of loans	$ 55,350	$ 51,663
Participant rollovers	3,734	4,654
Employer contributions	2,424	2,465
Total contributions	$ 61,508	$ 58,782

Pensions—MTA Metro-North Railroad sponsors and participates in two defined benefit pension plans for their employees, the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan") and the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of each of the pension plans follows:

Plan Descriptions

1. *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 Pension 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.

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.

2. *MTA Defined Benefit Plan*— The MTA Defined Benefit Pension Plan is a cost sharing, multiple-employer defined benefit pension plan. The MTA Defined Benefit Pension 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 Pension Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

   The MTA Defined Benefit Pension Plan is administered by the Board of Managers of Pensions. The MTA Defined Benefit Pension Plan, including benefits and contributions, may be amended by action of the MTA Board. The MTA Defined Benefit Pension 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.

Benefits Provided

1. *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.

2. *MTA Defined Benefit Pension Plan*

Pension Benefits— Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad 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 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 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 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 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.

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 credited service for covered MTA Metro-North Railroad.

The disability retirement allowance for covered MTA Metro-North Railroad management employees is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Metro-North Railroad 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.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad 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.

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.

Membership—Membership in the MNR Cash Balance Plan as of the date of the actuarial valuation consisted of the following:

	January 1, 2024	January 1, 2023
Retirees and beneficiaries receiving benefits	20	20
Vested formerly active members not yet receiving benefits	5	5
	25	25

Contributions and Funding Policy

1. *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, 2022, valuation, there is no unfunded accrued liability, and the actuarially determined contribution is $0. Per the January 1, 2023 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0.

   Actual employer contributions for the years ended December 31, 2024, and 2023 were $22 and $13 respectively.

2. *MTA Defined Benefit Pension Plan*

   MTA Metro-North Railroad's 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.

   The following summarizes the types of employee contributions made to the Plan:

   Effective January 1, 1994, MTA Metro-North Railroad non-represented employees are required to contribute to the Plan to the extent that 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 contributing to the Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 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.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions (‘ADCs”) for MTA-Sponsored Plans. The MTA’s Metro-North railroad proportionate share of the prepayments for the MTA Defined Benefit Plan was $276,190 of which $138,374 has been amortized in 2023, and $137,917 was amortized in 2024. In 2024, MTA prepaid 2025 ADCs for MTA-Sponsored Plans. The MTA MNR’s proportionate share of payments for the MTA Defined Benefit Plan was $142,680.

Covered MTA Metro-North Railroad represented employees who first became eligible to be Plan participants prior to January 30, 2008, contribute 3% of salary. 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.

Contributions as a percent of covered payroll were 18.13% and 19.16% for the years ended December 31, 2024 and 2023, respectively. The actual contributions for the years ended December 31, 2024 and 2023, were $137,917 and $138,374, respectively.

Net Pension Liability

MTA Metro-North Railroad’s net pension liabilities for each of the pension plans reported at December 31, 2024 and 2023, were measured as of December 31, 2023 and 2022, respectively. The total pension liability at December 31, 2024 and 2023, for the MTA Defined Benefit Plan was determined by actuarial valuations as of the valuation date of December 31, 2023 and 2022, respectively. The total pension liability at December 31, 2024 and 2023, for the MNR Cash Balance plan was determined by an actuarial valuation as of the valuation date of December 31, 2023 and 2022, respectively. Each of the pension plans total pension liabilities was calculated based on the discount rate and actuarial assumptions below and then projected forward to the measurement date. Information about the fiduciary net position of each qualified pension plan 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.

Actuarial Assumptions

The total pension liability in the January 1, 2023, actuarial valuations was determined using the following actuarial assumptions, which were based on the 2023 actuarial experience study, for each of the pension plans as follows:

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	January 1, 2023		January 1, 2022	
	MNR Cash Balance Plan	MTA Defined Benefit Plan	MNR Cash Balance Plan	MTA Defined Benefit Plan
Investment Rate of Return	4.00%, net of investment expenses	6.50%, net of investment expenses	4.00%, net of investment expenses	6.50%, net of investment expenses
Salary Increases	Not applicable	Varies by years of employment, and employee group.	Not applicable	Varies by years of employment, and employee group
Inflation	2.40 %	2.25%, 3.25% for Railroad Retirement Wage Base.	2.40 %	2.25%, 3.25% for Railroad Retirement Wage Base.
Cost-of Living Adjustments	Not applicable	60% of inflation assumption or 1.35%, if applicable	Not applicable	60% of inflation assumption or 1.5%, if applicable
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 sponsored pension plan members from January 1, 2015-December 31, 2020 reflecting mortality improvement on a generational basis using Scale AA
Pre-retirement	RP-200 Employee mortality table for Males and Females with blue collar adjustments.	PRI-2012 Employee mortality table for Males and Females with blue collar adjustments.	RP-200 Employee mortality table for Males and Females with blue collar adjustments.	RP-200 Employee mortality table for Males and Females with blue-collar adjustments.
Post-retirement	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 female	Assumption utilized 95% of PRI-2012 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the PRI-2012 Healthy Annuitant mortality table	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 female	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
Post-retirement Disabled Lives	Not applicable Annuitant mortality table for males and females.	RP-2012 Disabled	Not applicable Annuitant mortality table for males and females.	RP-2014 Disabled

Expected Rate of Return on Investments

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

Asset Class	**Index**	**Target Allocation**	**Long-Term Expected Arithmetic Real Rate of Return**
Core Fixed Income	Bloomberg Barclays Aggregate	100.00 %	2.14 %
Assumed Inflation—Mean			2.32
Assumed Inflation—Standard Deviation			1.44
Portfolio Nominal Mean Return			4.45
Portfolio Standard Deviation			4.30
Long Term Expected Rate of Return selected by MTA			4.00

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The target allocation and best estimates of arithmetic real rates of return ("RROR") for each major asset class included in each of the pension funds are as follows:

December 31, 2022	MNR Cash Balance Plan		MTA Defined Benefit Plan	
Asset Class	Target Asset Allocation	Real Rate of Return	Target Asset Allocation	Real Rate of Return
US core fixed income	100.00 %	2.14 %	10.50 %	2.21 %
US long bonds			2.00	2.65
US inflation-indexed bonds			2.00	1.82
US high yield bonds			3.00	4.02
US bank/leveraged loans			1.50	3.55
Private credit			7.00	6.64
Emerging market bonds			2.00	4.81
US large caps			18.00	5.38
US small caps			7.00	6.94
Foreign developed equity			12.00	6.92
Emerging markets equity			4.50	9.59
Emerging markets small cap equity			1.50	9.78
US REITS			1.00	6.63
Private real estate property			4.00	5.14
Private equity			7.00	10.46
Commodities			4.00	3.11
Hedge funds—multistrategy			13.00	5.39
Assumed inflation—mean		2.32 %		2.31 %
Assumed inflation—standard deviation		1.44		1.44
Portfolio nominal mean return as per actuary		4.45		7.92
Portfolio standard deviation		4.22		12.47
Long term expected ra te of return selected by MTA		4.00		6.50

Discount Rate

As of December 31, 2023 and December 31, 2022, the discount rates used to measure the total pension liability of the MNR Cash Balance Plan were 4.00%.

As of December 31, 2023 and December 31, 2022, the discount rates used to measure the total pension liability of the MTA Defined Benefit Plan was 6.50%.

The projection of cash flows used to determine the discount rate assumed that plan contributions would 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.

Changes in Net Pension Liability—MNR Cash Balance Plan

Changes in Metro-North Railroad's net pension liability for the Metro-North Cash Balance Plan for the year ended December 31, 2024, based on the December 31, 2023 measurement date and for the year

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ended December 31, 2023, based on the December 31, 2022 measurement date, are as follows (in thousands):

	Metro-North Cash Balance Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance as of December 31, 2022	$ 310	$ 279	$ 31
Changes for calendar year:			
Interest on total pension liability	12		12
Effect of plan changes			
Effect of economic/demographic (gains) or losses	(19)		(19)
Effect of assumption changes or inputs			
Benefit payments	(41)	(41)	$
Administrative expense			
Net investment income		2	(2)
Employer contributions		13	(13)
Balance as of December 31, 2023	$ 262	$ 253	$ 9

	Metro-North Cash Balance Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance as of December 31, 2021	$ 355	$ 351	$ 4
Changes for calendar year:			
Interest on total pension liability	10	-	10
Effect of plan changes			
Effect of economic/demographic (gains) or losses	(6)	-	(6)
Effect of assumption changes or inputs	(16)	-	(16)
Benefit payments	(33)	(33)	-
Administrative expense			
Net investment income	-	(43)	43
Employer contributions	-	4	(4)
Balance as of December 31, 2022	$ 310	$ 279	$ 31

MTA Metro-North Railroad's—Cash Balance Plan

The following presents MTA Metro-North Railroad's net pension liability/(asset) as of December 31, 2024 calculated using the current discount rate at January 1, 2024 of 4.0% for the Plan, as well as what the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.0%) or 1-percentage point higher (5.0%) than the current rate:

	1% Decrease %	Current Discount Rate %	1% Increase %
		(in thousands)	
Net pension liability/(asset)	$ 25	$ 9	$ (4)

The following presents MTA Metro-North Railroad's net pension liability/(asset) as of December 31, 2023 calculated using the current discount rate at January 1, 2023 of 4.0% for the Plan, as well as what the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.0%) or 1-percentage point higher (5.0%) than the current rate:

	1% Decrease 3.0 %	Current Discount Rate 4.0 %	1% Increase 5.0 %
		(in thousands)	
Net pension liability/(asset)	$ 49	$ 31	$ 14

MTA Metro-North Railroad's Proportionate Share of the Net Pension Liability—MTA Defined Benefit Plan

The following table presents MTA Metro-North Railroad's proportionate share of the net pension liability of the MTA Defined Benefit Plan at (in thousands):

	December 31, 2023	December 31, 2022
MTA Metro-North Railroad's proportion of the net pension liability	33.22 %	33.51 %
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 572,582	$ 840,889

MTA Metro-North Railroad's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the calendar year.

The following table presents MTA MNR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2023	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 915,385	$ 572,582	$ 283,069

The following table presents MTA MNR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

	MTA Defined Benefit Plan		
2022	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 1,172,546	$ 840,889	$ 562,335

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

MTA Metro-North Railroad recognized pension expense related to each pension plans as follows (in thousands):

	December 31, 2024	December 31, 2023
Pension plans		
MNR cash balance plan	$ (10)	$ (12)
MTA defined benefit plan	147,774	182,554
Total	$ 147,764	$ 182,542

The pension expenses are presented net of reimbursable expenses of $15,454 and $15,040 and 401k employer contributions of $2.5 and $2.5 in 2024 and 2023, respectively.

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At December 31, 2024, MTA Metro-North Railroad reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

($ in thousands)	MNR Cash Balance Plan		MTA Defined Benefit Plan		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	$	$	$ 63,639	$ 1,222	$ 63,639	$ 1,222
Changes in assumptions			122,284		122,284	
Net difference between projected and actual earnings on pension plan investments	41		58,568		58,609	
Changes in proportion and differences between contributions and proportionate share of contributions				6,108		6,108
Employer contribution to plan subsequent to the measurement date of net pension liability	22		101		123	
Total	$ 63	$	$ 244,592	$ 7,330	$ 244,655	$ 7,330

At December 31, 2023, MTA Metro-North Railroad reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

($ in thousands)	MNR Cash Balance Plan		MTA Defined Benefit Plan		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	$ -	$ -	$ 73,584	$ 2,354	$ 73,584	$ 2,354
Changes in assumptions	-	-	153,690	-	153,690	-
Net difference between projected and actual earnings on pension plan investments	40	-	167,117	-	167,157	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	249	-	249	-
Employer contribution to plan subsequent to the measurement date of net pension liability	13	-	138,374	-	138,387	-
Total	$ 53	$ -	$533,014	$ 2,354	$533,067	$ 2,354

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 annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over closed periods ranging from 8.1 to 8.6 years for the MTA Defined Benefit Plan, beginning in the year in which the deferred amount occurs.

The amounts of $137,940 and $138,386 reported as deferred outflows of resources related to pensions resulting from the Company's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years-ended December 31, 2025 and December 31, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2024 will be recognized as pension expense (income) as follows:

($ in thousands) **Years Ending December 31:**	**MNR Cash Balance Plan**	**MTA Defined Benefit Pension Plan**	**Total**
2025	$ 16	$ 75,690	$ 75,706
2026	12	58,392	58,404
2027	2	77,683	77,685
2028		9,301	9,301
2029		10,098	10,098
Thereafter		5,784	5,784
Total	$ 30	$ 236,948	$ 236,978

8. OTHER POSTEMPLOYMENT BENEFITS

The MTA Metro-North participates in a defined benefit 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 and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA Metro-North's various collective bargaining agreements.

Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB 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 separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by 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 Metro-North Railroad are members of the following pension plans: the MTA Defined Benefit Plan and the MNR Cash Balance Plan. Certain 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 Metro-North Railroad 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.

The MTA Metro-North Railroad 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 Metro-North Railroad must:

(a) have retired;

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

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

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

Surviving Spouse and Other Dependents—

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

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

Contributions—The MTA Metro-North Railroad is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, the MTA Metro-North paid $75,681 and $67,494 of PAYGO to the OPEB Plan, respectively. In addition, the OPEB Plan paid $64,075 in OPEB benefits in 2022. The PAYGO amounts include an implicit rate subsidy adjustment of $22,155 and $19,241 for the years ended December 31, 2024, and 2023, respectively. There were no additional prior year implicit rate subsidy adjustments for the years ended December 31, 2024 and December 31, 2023, respectively.

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 market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2023 and December 31, 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premium's structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and December 31, 2022, the employer made a cash payment for retiree healthcare of $19,241 and $18,457 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)	**2023 Retirees**	**2022 Retirees**
Total blended premiums	$ 48,253	$ 45,618
Employment payment for retiree healthcare	19,241	18,457
Net payments	67,494	64,075
Payments from liquidation of trust	-	-
Net contributions	$ 67,494	$ 64,075

(2) Net OPEB Liability

At December 31, 2024 and December 31, 2023, the MTA Metro-North reported net OPEB liability of $1,541,872 and $1,698,580, respectively, for its proportionate share of the Plan. The net OPEB liability was measured as of the OPEB's Plan's fiscal year-ends of December 31, 2023 and December 31, 2022, respectively. The total OPEB liability as of December 31, 2024 and December 31, 2023 was determined by an actuarial valuation date of July 1, 2023 and rolled forward to December 31, 2024 and December 31, 2023. The MTA Metro-North's proportion of the net OPEB liability was based on a projection of the MTA Metro-North's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2024 and December 31, 2023, the MTA Metro-North's proportion was 7.65% and 7.57%, 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

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

(3) Actuarial Assumptions

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

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including any 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 Metro-North 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 actuarial valuations performed on July 1, 2023. Update procedures were used to roll forward the total OPEB liability to December 31, 2023 and December 31, 2024, the measurement dates. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	December 31, 2024	**December 31, 2023**
Valuation date	July 1, 2023	July 1, 2022
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%, net of expenses	3.72%, net of expenses
Inflation	2.31%	2.33%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.37%	4.25%
Investment rate of return	4.25%	3.72%

Salary Scale—salaries are assumed to increase by years of service.

Rates are shown below:

Managers

Years of Service	**Rate of Increase**	**Rate of Increase**
0–1	8.00 %	8.00 %
2	7.00	7.00
3	6.50	6.50
4	5.50	5.50
5	5.00	5.00
6	4.90	4.90
7	4.80	4.80
8	4.70	4.70
9	4.60	4.60
10+	3.25–4.50	3.25–4.50

Represented Employees

Years of Service	**Rate of Increase**	**Rate of Increase**
0–1	12.50 %	12.50 %
2	11.50	11.50
3–4	10.00	10.00
5	6.00	6.00
6	4.25	4.25
7	4.00	4.00
8	3.75	3.75
9	3.50	3.50
10+	3.25	3.25

Healthcare Cost Trend—The Society of Actuaries (SOA) developed and regularly updates a long- term medical trend model based on detailed research performed by a committee of economists and actuaries, which included a representative from MTA's actuary. This model is used as the foundation for the trend that the actuary recommends for postretirement health care valuations, with certain adjustments designed to produce trends that are appropriate for employer plans.

These adjustments include incorporating assumed administrative costs 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.

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Healthcare Cost Trend Rates—The following lists illustrative rates for NYSHIP trend assumptions (all amounts are in percentages).

	NYSHIP	
Trend from Year Ending	**Pre-65 Trend**	**Post-65 Trend**
2023	6.70	5.90
2024	7.00	6.60
2025	6.40	6.40
2026	5.80	5.80
2027	5.10	5.10
2028	4.90	4.90
2029	4.70	4.70
2030	4.50	4.50
2040	4.10	4.10
2050	4.10	4.10
2060	4.20	4.20
2070	3.90	3.90
2080	3.70	3.70
2090	3.70	3.70
2100	3.70	3.70

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rates.

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:

Rail Member (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%.

Expected Rate of Return on Investments—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 as of December 31, 2023.

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
US cash	100.00 %	3.07 %
Long term expected rate of return selected by MTA		4.25

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

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

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

December 31, 2023	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Proportionate share of the net OPEB liability	$ 1,771,228	$ 1,541,872	$ 1,362,521

December 31, 2022	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Proportionate share of the net OPEB liability	$ 1,932,660	$ 1,698,580	$ 1,505,116

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

December 31, 2023	1% Decrease	Cost Current Trend Rate *	1% Increase
		(in thousands)	
Proportionate share of the net OPEB liability	$ 1,324,236	$ 1,547,530	$ 1,827,848

December 31, 2022	1% Decrease	Healthcare Cost Current Trend Rate *	1% Increase
		(in thousands)	
Proportionate share of the net OPEB liability	$ 1,456,412	$ 1,698,529	$ 2,003,405

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

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

For the years ended December 31, 2024 and December 31, 2023, the MTA Metro-North Railroad recognized OPEB expense of $78,229 and $103,745, respectively, which represents its proportionate share of the Plan's OPEB expense.

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

The MTA Metro-North Railroad reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	December 31, 2024		December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 21,647	$ 204,481	$ 26,933	$ 2,569
Changes in assumptions	164,974	254,705	117,444	312,222
Changes in proportion	110,275	224,630	117,807	167,871
Net difference between projected and actual earnings on OPEB plan investments	433		1,434	-
Employer contributions to the plan subsequent to the measurement of net OPEB liability	75,681		67,494	-
Total	$ 373,010	$ 683,816	$ 331,112	$ 482,662

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Year Ending December 31:	
2025	$ (65,407)
2026	(62,399)
2027	(56,911)
2028	(57,280)
2029	(74,383)
2030	(46,984)
Thereafter	(23,123)
	$ (386,487)

9. LEASES

MTA Metro-North 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 made during the lease term, using MNR's incremental borrowing rate at the time of valuation ranging from 0.72% to 5.38% 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 were recognized on a straight-line basis over the term of the lease.

As Lessor

MNR leases its land, building, station space, equipment, and right of way to other entities. These leases have terms between 1 year to 89 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 87 years. In addition, MNR 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 years ended December 31, 2024 and 2023 is presented below (in thousands):

	2024	**2023**
Lease revenue	$ 15,269	$ 13,001
Interest revenue	2,199	1,347
Other variable revenue	9,003	9,291

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

	2024	**2023**
Balance—beginning of year	$ 85,542	$ 132,168
Additions/(remeasurements)	7,293	(27,344)
Receipts	(16,179)	(19,282)
Balance—end of year	76,656	85,542
Less current portion	(20,013)	(17,734)
Lease receivable noncurrent	$ 56,643	$ 67,808

MTA recognized $1,369 and $7,531 revenue associated with residual value guarantees and termination penalties for years ended December 31, 2024 and 2023, respectively

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

Year Ended December 31	Principal	Interest	Total
2025	$ 20,013	1,956	$ 21,968
2026	18,776	1,321	20,097
2027	11,708	861	12,569
2028	9,331	595	9,926
2029	7,493	365	7,858
2030-2034	8,184	409	8,593
2035-2039	381	86	467
2040-2044	430	99	529
2045-2049	72	37	109
2050-2054	107	38	145
2055-2059	3	30	32
2060-2064	3	29	32
2065-2069	4	28	32
2070-2074	4	28	32
2075-2079	5	27	32
2080-2084	6	26	32
2085-2089	8	24	32
2090-2094	9	23	32
2095-2099	11	21	32
2100-2104	14	18	32
2105-2109	16	16	32
2110-2114	76	3	80
Total	$ 76,656	$ 6,038	$ 82,694

As Lessee

Metro-North leases building, office space, storage space, equipment, vehicle, and cell tower space from other entities. These leases have terms between 1 year to 29 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 25 years.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was $1,454 for the year ended December 31, 2024, and $756 for the year ended December 31, 2023. MTA Metro-North recognized $0 expense attributable to residual value guarantees and termination penalties for years ended December 31, 2024, and 2023.

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

	2024	2023
Balance—beginning of year	$ 227,682	$ 227,545
Additions/(remeasurements)	899	14,191
Payments	(14,377)	(14,054)
Balance—end of year	214,204	227,682
Less current portion	(15,485)	(14,253)
Lease liability noncurrent	$ 198,719	$ 213,429

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

Year Ended December 31	Principal	Interest	Total
2025	$ 15,485	$ 6,728	$ 22,213
2026	14,738	6,237	20,975
2027	15,152	5,763	20,915
2028	15,233	5,272	20,505
2029	15,040	4,804	19,844
2030–2034	87,939	14,372	102,311
2035–2039	12,330	8,056	20,386
2040–2044	14,773	5,525	20,298
2045–2049	17,824	2,474	20,298
2050–2054	5,690	76	5,766
Total	$ 214,204	$ 59,307	$ 273,511

Significant Lease Transaction—On August 29, 2013, MTA Metro-North Railroad entered into a Fourth Lease Modification, Extension and Expansion Space Agreement with SLG Graybar Mesne Lease, LLC for space at 420 Lexington Ave, New York, NY 10170 also known as the Graybar Building ("Graybar"). This agreement extends the lease term originally expiring in 2016, for an additional term of approximately 18 years. In addition, the agreement grants the Company expanded square footage.

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA Metro North entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using MTA's incremental borrowing rate at the time of valuation ranging from 1.58% to 5.25% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Metro North'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 Metro North'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 12 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining subscription terms are between 1 year to 11 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $3,861 and $4,139 for the years ended December 31, 2024 and December 31, 2023, respectively. MTA Metro North recognized $1,979 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and December 31, 2023, respectively.

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

	2024	**2023**
Balance—beginning of year	$ 5,752	$ 6,854
Additions/(remeasurements)	20,581	-
Payments	(2,166)	(1,102)
Balance—end of year	24,167	5,752
Less current portion	(2,876)	(1,028)
SBITA liability noncurrent	$ 21,291	$ 4,724

The principal and interest requirements to maturity for the SBITA liability subsequent to December 31, 2024, are as follows:

December 31	**Principal**	**Interest**	**Total**
2025	$ 2,876	$1,182	$ 4,058
2026	1,596	1,068	2,664
2027	1,676	986	2,662
2028	1,784	897	2,681
2029	1,883	802	2,685
2030-2034	11,415	2,052	13,467
2035-2039	2,937	91	3,028
Total	$ 24,167	$7,078	$ 31,245

11. COMPENSATED ABSENCES

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

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

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

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

	2024	**2023**
Balance—beginning of year	$ 108,015	$ 105,749
Net adjustment	4,268	2,266
Balance—end of year	112,283	108,015
Less current portion	(70,716)	(67,525)
Compensated absences liability noncurrent	$ 41,567	$ 40,489

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12. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability arising from claims related to injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2024 and 2023, is presented below:

($ in thousands)	**2024**	**2023**
Balance—beginning of year	$ 52,451	$ 55,881
Activity during the year:		
Current year claims and changes in estimates	157,019	10,735
Claims paid—settlements only	(11,832)	(14,165)
Balance—end of year	197,638	52,451
Less current portion	(9,016)	(10,935)
Long-term liability	$ 188,622	$ 41,516

13. ESTIMATED LIABILITY FOR POLLUTION REMEDIATION OBLIGATIONS

MTA Metro-North Railroad has implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. An operating expense and corresponding liability, measured at its current value using the expected cash flow method, have been recognized for certain pollution remediation obligations that are no longer able to be capitalized as a component of a capital project.

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists
- MTA Metro-North Railroad is in violation of a pollution prevention-related permit or license
- MTA Metro-North Railroad is named by a regulator as a responsible or potentially responsible party to participate in remediation
- MTA Metro-North Railroad is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- MTA Metro-North Railroad voluntarily commences or legally obligates itself to commence remediation efforts

MTA Metro-North Railroad does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In addition, MTA Metro-North Railroad does not expect any recoveries of cost that would have a material effect on the recorded obligations.

In accordance with GASB Statement No. 49, pollution remediation expense provisions totaling $2,496 and $4,635 were recorded on the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2024 and 2023, respectively. The expense provision was measured at its current value utilizing the prescribed expected cash flow method.

As of December 31, pollution remediation liabilities of $699 (short-term) and $6,004 (long-term) for 2024 and $710 (short-term) and $5,693 (long-term) for 2023 were recorded. These consist primarily of future remediation activities associated with lead and asbestos abatement.

14. DUE FROM/ (TO) MTA AND AFFILIATED AGENCIES

The MTA Metro-North Railroad and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. The MTA Metro-North Railroad's subsidies from MTA for use in operations are recorded as credits to operations when received. Funds for the MTA Metro-North Railroad's capital project expenditures are also provided by MTA. The MTA Metro-North Railroad recognizes funds contributed by MTA for the MTA Metro-North Railroad's capital project expenditures as nonoperating revenue.

The MTA Metro-North Railroad also sells joint prevalued fare cards on consignment on behalf of an affiliated agency. These amounts are reflected in the accompanying statements of net position.

The resulting receivables and payables from the above transactions are recorded in the due from/to MTA and affiliated agencies account included in the accompanying statements of net position.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2024 and 2023

($ in thousands)	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 152,918	$ (134,690)	$ 452,277	$ (163,488)
Affiliated agencies	82	(5,908)	74	(5,765)
Total MTA and affiliated agencies	$ 153,000	$ (140,598)	$ 452,351	$ (169,253)

On July 29, 1998, the MTA, the MTA New York City Transit and Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") entered into a lease and related agreements whereby each agency, as sublessees, will rent an office building at Two Broadway in lower Manhattan, for an initial lease term through June 30, 2048, renewable for two additional 15-year terms. Through separate triple-net sublease agreements, the lease was appointed 21% to MTA, on behalf of the MTA Long Island Railroad and the MTA Metro-North Railroad, 68.7% to the MTA New York City Transit, and 10.3% to the MTA Bridges and Tunnels. Total annual rental payments over the initial lease term are $1,600,000. Base building and tenant improvements at Two Broadway were financed through the issuance by MTA of Two Broadway Certificates of Participation. The MTA Long Island Railroad and the MTA Metro-North Railroad are obligated to pay 21% of the ground lease payments and payments relating to the Two Broadway Certificates of Participation, since they currently don't occupy the space there are no payments in 2024.

Pursuant to an agreement by and among the MTA, the MTA Long Island Railroad, the MTA Metro-North Railroad, the MTA New York City Transit and the MTA Bridges and Tunnels; the MTA New York City Transit and the MTA Bridges and Tunnels have agreed to reimburse the MTA Long Island Rail Road

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and the MTA Metro-North Railroad for the space occupied by the MTA New York City Transit and the MTA Bridges and Tunnels. Presently, the MTA, the MTA New York City Transit and the MTA Bridges and Tunnels occupy substantially all of the space at Two Broadway and rent is paid directly to the landlord.

15. OTHER LONG-TERM LIABILITIES

A summary of activity in other long-term liabilities for the years ended December 31, 2023 and 2022, is presented below:

($ in thousands)	2024	2023
Balance—beginning of year	$2,755	$2,846
Activity during the year:		
Deferred payroll taxes		-
Other	(2,755)	(91)
Balance—end of year	$ -	$2,755

16. COMMITMENTS AND CONTINGENCIES

From time to time, the MTA Metro-North Railroad becomes aware of the existence of pollutants and/or hazardous waste at MTA Metro-North Railroad facilities. When estimates can be made of the cost to remediate pollutants and/or hazardous waste at MTA Metro-North Railroad facilities, amounts are recorded in the financial statements.

Management has reviewed with counsel all actions and proceedings against or involving the MTA Metro-North Railroad, including personal injury claims. While 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 such actions will not be material to the financial position, results of operations or cash flows of the MTA Metro- North Railroad.

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

17. SUBSEQUENT EVENTS

MTA Metro-North Railroad has no subsequent events as of May xx, 2025.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE METRO-NORTH COMMUTER RAILROAD COMPANY CASH BALANCE PLAN AT DECEMBER 31:
(In thousands, except %)

	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY:								
Service cost	$ 12	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest		10	11	14	18	20	21	24
Effect of liability gains and losses			-	-	-	(11)	12	(15)
Effect of assumption changes or inputs		(16)	15	11	4	-	-	-
Effect of economic/demographic (gains) or losses	(19)	(6)	(11)	10	-	-	-	-
Benefit payments and withdrawals	(41)	(33)	(38)	(105)	(53)	(58)	(71)	(77)
Net change in total pension liability	(48)	(45)	(23)	(70)	(31)	(49)	(38)	(68)
TOTAL PENSION LIABILITY—Beginning	310	355	378	448	479	528	566	634
TOTAL PENSION LIABILITY—Ending(a)	262	310	355	378	448	479	528	566
FIDUCIARY NET POSITION:								
Employer contributions	13	4	-	9	-	5	-	23
Net investment income	2	(43)	(5)	32	40	-	20	16
Benefit payments and withdrawals	(41)	(33)	(38)	(105)	(53)	(58)	(71)	(77)
Administrative expenses			-	3	(3)	-	-	-
Net change in plan fiduciary net position	(26)	(72)	(43)	(61)	(16)	(53)	(51)	(38)
PLAN FIDUCIARY NET POSITION—Beginning	279	351	394	455	471	523	574	612
PLAN FIDUCIARY NET POSITION—Ending(b)	253	279	351	394	455	471	523	574
EMPLOYER'S NET PENSION LIABILITY—Ending(a)-(b)	$ 9	$ 31	$ 4	$ (16)	$ (7)	$ 8	$ 5	$ (8)
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	96.48 %	90.09 %	98.91 %	104.20 %	101.45 %	98.28 %	99.01 %	101.39 %
COVERED-EMPLOYEE PAYROLL	$	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 648
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	%	- %	- %	- %	(2.35)%	2.97 %	1.95 %	(1.22)%

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31:
(In thousands, except %)

	2023	2022	2021	2020	2019	2018	2017	2016
PROPORTION OF THE NET PENSION LIABILITY	33.22 %	33.51 %	34.21 %	34.72 %	35.10 %	35.24 %	36.10 %	36.33 %
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 572,582	$ 840,889	$ 572,890	$ 672,605	$ 605,988	$ 494,107	$ 370,698	$ 460,804
ACTUAL COVERED-EMPLOYEE PAYROLL	$ 760,883	$ 772,184	$ 676,909	$ 672,888	$ 653,851	$ 627,407	$ 589,000	$ 598,291
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF THE AUTHORITY'S COVERED-EMPLOYEE PAYROLL	132.89 %	85.88 %	84.63 %	100.04 %	92.68 %	78.75 %	62.94 %	77.02 %
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	79.17 %	71.57 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO ALL PENSION PLANS FOR THE YEARS ENDED DECEMBER 31:
(Amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
MNR CASH BALANCE PLAN:									
Actuarially determined contribution	$ 22	$ 13	$ 4	$ -	$ -	$ 9	$ 5	$ -	$ 23
Actual employer contribution	22	13	4	-	-	9	5	-	23
Contribution deficiency (excess)	$	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846
Contributions as a % of covered payroll	%	- %	- %	- %	- %	3.09 %	2.03 %	- %	2.68 %
MTA DEFINED BENEFIT PENSION PLAN:									
Actuarially determined contribution	$137,917	$ 138,374	$135,463	$133,645	$136,422	$122,819	$116,000	$114,407	$105,508
Actual employer contribution	142,781	276,190	135,463	137,242	137,690	122,819	116,005	120,515	99,083
Contribution deficiency (excess)	$ (4,864)	$ (137,816)	$ -	$ (3,597)	$ (1,268)	$ -	$ (5)	$ (6,108)	$ 6,425
Covered payroll	$760,883	$ 722,184	$676,909	$672,888	$697,241	$723,599	$698,639	$616,231	$596,129
Contributions as a % of covered payroll	18.77 %	38.24 %	20.01 %	20.40 %	19.75 %	16.97 %	16.60 %	19.56 %	16.62 %

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO ALL PENSION PLANS

Except for the investment return and benefit escalator assumptions, all other assumptions used are consistent with the assumptions used in the January 1, 2023 Actuarial Valuation Report dated January 1, 2023. The following actuarial methods and assumptions were used in the January 1, 2023 funding valuation for the Metro-North Commuter Railroad Company Cash Balance Plan:

	MNR Cash Balance Plan
Valuation dates	January 1, 2023
Measurement date	December 31, 2023
Actuarial cost method	Unit Credit
Amortization method	One year amortization of the unfunded liability, if any.
Asset valuation method	Actuarial value equals market value
Inflation	2.32%
Actuarial assumptions:	
Discount rate	2.25%
Investment rate of return	4.00%—net of investment expenses
Mortality	Based on experience of all MTA members reflecting mortality improvement generational basis using scale MP-2021
Salary increases	N/A
Cost-of-living adjustments	N/A

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

Changes of Benefit Terms

There were no changes of benefit terms noted for the January 1, 2023 funding valuation.

Changes of Assumptions

. The report reflects updates to the mortality assumptions in accordance with a mortality experience study for the period January 1, 2015 – December 31, 2020 for all the MTA plans combined.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN
(In thousands, except %)

AT DECEMBER 31	2023	2022	2021	2020	2019
PROPORTION OF THE NET OPEB LIABILITY	7.65 %	7.57 %	7.43 %	8.31 %	7.75 %
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	$ 1,541,872	$ 1,698,580	$ 1,854,464	$ 2,028,743	$ 1,635,681
ACTUAL COVERED-EMPLOYEE PAYROLL	$ 760,883	$ 722,184	$ 676,909	$ 682,336	$ 562,643
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AS A PERCENTAGE OF THE AUTHORITY'S COVERED-EMPLOYEE PAYROLL	202.64 %	235.20 %	273.96 %	297.32 %	290.71 %
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	6.36 %	0.05 %	- %	- %	1.93 %

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

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO THE MTA OPEB PLAN AND NOTES TO SCHEDULE OF CONTRIBUTIONS TO THE MTA OPEB PLAN FOR THE YEARS ENDED DECEMBER 31:
(In thousands, except %)

	2024	2023	2022	2021	2020	2019
ACTUARIALLY DETERMINED CONTRIBUTION		N/A	N/A	N/A	N/A	N/A
ACTUAL EMPLOYER CONTRIBUTION [1]	$ 75,681	$ 67,494	$ 64,075	$ 58,925	$ 38,580	$ 57,345
CONTRIBUTION DEFICIENCY (EXCESS)	N/A	N/A	N/A	N/A	N/A	N/A
COVERED PAYROLL	$ 760,883	$ 722,184	$ 676,909	$ 682,336	$ 562,643	$ 723,599
ACTUAL CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	9.95 %	9.35 %	9.46 %	8.64 %	6.86 %	7.92 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $22,155, $19,241, $18,457, $10,767, $19,322, and $19,213 for the years ended December 31, 2024, 2023, 2022, 2021, 2020 and 2019, respectively.

Notes to Schedule of the MTA Metro-North Commuter Railroad Companies Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	July 1, 2023
Measurement date	December 31, 2023
Discount rate	3.26%—net of expenses
Inflation	2.31 %
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.37%
Investment rate of return	4.25%

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

Changes of Assumptions: In the July 1, 2023 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

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

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Metropolitan Transportation Authority ("MTA")
MTA Bus Company

(Component Unit of the MTA)

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

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MTA BUS COMPANY
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of MTA Bus Company (the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Company'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 financial position of the Company as of December 31, 2024 and 2023, and the changes in its financial position and its cash flows for the years 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 Company 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.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Company is a component unit of the MTA. The MTA is a component unit of the State of New York. The Company requires significant subsidies from, and has material transactions with, the MTA, the City of New York and the State of New York. Our opinion is 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 Company'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 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 Company'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 Company'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 audits.

Required Supplementary Information

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

___________, 2025

MTA BUS COMPANY
(Component Unit of the MTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—The following is a narrative overview and analysis of the financial activities of MTA Bus Company ("MTA Bus" or the "Company")—Component Unit of the Metropolitan Transportation Authority for the years ended December 31, 2024 and 2023. It is intended to serve as an introduction to MTA Bus's financial statements, which have the following Components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements, (3) Notes to Financial Statements, and (4) Required Supplementary Information.

Management's Discussion and Analysis—The MD&A provides an assessment of how MTA Bus's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA Bus's overall financial position. It may contain opinions, assumptions or conclusions by MTA Bus's management that should not be considered a replacement for and must be read in conjunction with the financial statements described below.

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

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

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

Notes to Financial Statements—The Notes to Financial Statements provide information that is essential to understanding the basic financial statements, such as MTA Bus's accounting methods and policies, details of cash and investments, capital assets, employee benefits, lease transactions and future commitments and contingencies of MTA Bus. Any other events or developing situations that could materially affect MTA Bus's financial position, results of operations and cash flows.

Required Supplementary Information (Unaudited)—The Required Supplementary Information provides information concerning MTA Bus's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

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FINANCIAL REPORTING ENTITY

MTA Bus is a public benefit corporation established pursuant to the New York State Public Authorities Law, to operate local and express bus service within The City of New York ("The City"). MTA Bus is a Component Unit of the Metropolitan Transportation Authority, which is a Component Unit of the State of New York and whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York Metropolitan area.

The Authority requires, and will likely continue to require, substantial subsidies from various governmental sources in order to maintain its operations in the future. The Authority estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to the Authority are not sufficient to meet its needs, the Authority must raise fares, curtail its service and operations, or defer certain other expenditures (not including maintenance) in order to continue operating within the limits of the funds.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the changes in MTA Bus's financial position for the years ended December 31, 2024 and 2023. The changes from year to year are due to, among other things, the continuing purchase of new buses. It should be noted that for purposes of MD&A, summaries of the financial statements and tables presented conform to MTA Bus's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

(in thousands)	2024	2023 (Restated)	2022	Increase (Decrease) 2024–2023	Increase (Decrease) 2023–2022 (Restated)*
Capital assets, at cost	$ 1,298,869	$ 1,092,642	$ 1,047,033	$ 206,227	$ 45,609
Accumulated depreciation & amortization	(572,876)	(580,446)	(583,275)	7,570	2,829
Capital assets, net	725,993	512,196	463,758	213,797	48,438
Total other assets	668,835	789,605	838,495	(120,770)	(48,890)
Total assets	1,394,828	1,301,801	1,302,253	93,027	(452)
Deferred outflows of resources	350,324	460,027	383,834	(109,703)	76,193
Total assets and deferred outflows of resources	$ 1,745,152	$ 1,761,828	$ 1,686,087	$ (16,676)	$ 75,741

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

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Significant Changes in Assets and Deferred Outflows of Resources Include:

December 31, 2024 versus 2023

Capital assets include, but are not limited to: structures, construction of buildings, acquisition of buses, equipment and service vehicles, and right-of-use assets for leases on buildings and structures. As a result of change in Accounting policy regarding timing on recognition of projects in progress and capital accruals, MTA Bus will be recording the projects in progress asset and increase in net position upon recognition of MTA HQ's capital invoice liability.

MTA Bus's Capital assets, at cost, amounted to $1,298,869 and $1,092,642 as of December 31, 2024 and 2023, respectively. The December 31, 2024 balance consisted of $872,212 for buses, $300,075 for depots and yards, $62,907 for facilities, data processing equipment and other, $61,111 for assets under construction of buses and facility upgrades, and $2,564 for service vehicles.

Capital assets, net, increased from December 31, 2023 by $213,797 or 41.7%. The net increase is comprised of additions to fixed assets of $281,045, offset by depreciation of $67,248. The additions included $249,967 for buses placed in service, $23,925 to assets under construction for the Spring Creek, JFK, College Point, Eastchester and LaGuardia depot renovations and upgrades, and $7,152 for a new bus radio system. Disposals of fully depreciated capital assets were $74,818.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables from New York City.

Total other assets decreased by $120,770 or 15.3% compared with the prior year. This is due to decreases in due from affiliates of $99,650, prepaid expenses of $55,201, other subsidy of $4,392, and materials and supplies of $939. These decreases were offset by increases in MTA investment pool of $34,096, subsidy receivable from New York City of $3,611, other receivables of $1,627, and cash of $78.

Deferred outflows of resources decreased by $109,703 or 23.8%. This was due to a decrease of $129,554 related to pension, primarily due to actuarial loss on investments as reflected in net difference between projected and actual earnings on investments and a decrease in contributions to the plan subsequent to the measurement date. This decrease was offset by an increase of $19,851 related to OPEB, primarily due to changes in assumptions. See Note 7 and 8 to the financial statements for more information regarding MTA Bus's pension and other postemployment benefits, respectively.

December 31, 2023 versus 2022

Capital assets include, but are not limited to: structures, construction of buildings, acquisition of buses, equipment and service vehicles, and right-of-use assets for leases on buildings and structures.

MTA Bus's Capital assets, at cost, amounted to $1,092,642 and $1,047,033 as of December 31, 2023 and 2022, respectively. The December 31, 2023 balance consisted of $676,445 for buses, $280,938 for depots and yards, $74,134 for assets under construction of buses and facility upgrades, $58,561 for facilities, data processing equipment and other, and $2,564 for service vehicles.

Capital assets, net, increased from December 31, 2022 by $48,438 or 10.4%. The net increase is comprised of additions to fixed assets of $102,292, offset by depreciation of $53,854. The additions included $56,785 for buses placed in service, $36,234 to assets under construction, of which $17,964 was due to a restatement of capital accruals recorded at MTA Bus, for the Spring Creek, JFK, College Point, Eastchester and LaGuardia depot renovations and upgrades, and $8,589 for a new bus radio system.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables from New York City. This also includes the receivables from leases of MTA Bus's land, buildings, equipment, and right of way to third parties as a result of implementation of GASB No. 87, *Leases*. Refer to Note 6 for additional information.

Total other assets decreased by $48,890 or 5.8% compared with the prior year. This is due to decreases in due from affiliates of $98,501, MTA investment pool of $19,512, subsidy receivable from New York City of $2,480, other receivable of $806, and cash of $168. These decreases were offset by increases in prepaid expenses of $62,527 of which $60,571 pertained to MTA Bus's portion of the 2024 projected Actuarially Determined Contributions for the MTA Defined Benefit Pension Plan, other subsidy of $8,714, and materials and supplies of $1,336.

Deferred outflows of resources increased by $76,193 or 19.9%. This was due to an increase of $65,639 related to pension, primarily due to changes in difference between projected and actual experience in plan investment earnings. In addition, there was an increase of $10,554 related to OPEB, primarily due to changes in the proportionate share and difference in employer contributions. See Note 7 and 8 to the financial statements for more information regarding MTA Bus's pension and other postemployment benefits, respectively.

Total Liabilities, Distinguishing Between Current Liabilities, Noncurrent Liabilities and Deferred Inflows of Resources

				Increase (Decrease)	
(in thousands)	**2024**	**2023 (Restated)**	**2022**	**2024–2023**	**2023–2022 (Restated)***
Total current liabilities	$ 230,014	$ 230,626	$ 199,811	$ (612)	$ 30,815
Total noncurrent liabilities	1,567,612	1,705,061	1,589,879	(137,449)	115,182
Total liabilities	1,797,626	1,935,687	1,789,690	(138,061)	145,997
Total deferred inflows of resources	360,417	266,577	218,016	93,840	48,561
Total liabilities and deferred inflows of resources	$ 2,158,043	$ 2,202,264	$ 2,007,706	$ (44,221)	$ 194,558

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

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Significant Changes in Liabilities and Deferred Inflows of Resources Include:

December 31, 2024 versus 2023

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

At the end of 2024, MTA Bus's total liabilities consisted primarily of postemployment benefits of $789,461, injuries to persons (workers compensation and public liability) of $565,248, and net pension liability of $257,683.

Total current liabilities decreased from December 31, 2023 to December 31, 2024 by $612 or 0.3%. The decrease was primarily due to a decrease in due to MTA and affiliated agencies of $8,552. This decrease was offset by an increase in accrued expenses of $7,502, an increase in accounts payable of $241, and an increase in loans payable of $197.

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

Total noncurrent liabilities decreased by $137,449 or 8.1%. The decrease was attributable to a decrease in net pension liability of $120,228 and a decrease in postemployment benefits other than pensions of $60,247. The decrease in net pension liability was due to employer contributions of $124,360, amortization of net deferred inflows/outflows of $41,658, and changes in proportionate share of pension liability of $3,019, offset by an increase in components of pension expense of $48,809. The decrease in postemployment benefits other than pension was due to employer contributions of $85,703 and amortization of net deferred inflows/outflows of $73,531, offset by an increase in components of OPEB expense of $75,347 and changes in proportionate share of OPEB liability of $23,640.

The decrease in noncurrent liabilities was offset by an increase in liabilities from injuries to person of $39,310, due to significant increases in reserves for certain cases per actuarial estimates, an increase in compensated absences of $2,077, an increase in loans payable of $1,344, due to a NYPA loan for an NYCTA capital project, and an increase in pollution remediation of $295.

Deferred inflows of resources increased by $93,840 or 35.2%. This was due to an increase of $107,804 related to OPEB, primarily due to differences in expected and actual experience. This increase was offset by a decrease in pension of $13,964, primarily due to changes in proportion and differences between contributions and proportionate share of contributions. See Note 8 and 7 to the financial statements for more information regarding MTA Bus's other postemployment benefits and pension, respectively.

December 31, 2023 versus 2022

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

At the end of 2023, MTA Bus's total liabilities consisted primarily of postemployment benefits of $849,708, injuries to persons (workers compensation and public liability) of $521,160, and net pension liability of $377,911.

Total current liabilities increased from December 31, 2022 to December 31, 2023 by $30,815 or 15.4%. The increase was primarily due to an increase in due to MTA and affiliated agencies of $31,994, and an increase in accounts payable of $808. These increases were offset by a decrease in accrued expenses of $1,987.

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

Total noncurrent liabilities increased by $115,182 or 7.2%. The increase was attributable to an increase in net pension liability of $122,359, an increase in compensated absences of $20,747, an increase in liabilities from injuries to persons of $19,760 and an increase in pollution remediation of $624. These increases were offset by a decrease in postemployment benefits other than pensions of $48,308.

Deferred inflows of resources increased by $48,561 or 22.3%. This was due to an increase of $89,955 related to OPEB, primarily due to changes in assumptions. This increase was offset by a decrease in pension of $41,394, primarily due to changes in the difference between projected and actual investment earnings. See Note 8 and 7 to the financial statements for more information regarding MTA Bus's other postemployment benefits and pension, respectively.

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

(in thousands)	2024	2023 (Restated)	2022	Increase (Decrease) 2024–2023	Increase (Decrease) 2023–2022 (Restated)*
Net investment in capital assets	$ 725,993	$ 512,196	$ 463,758	$ 213,797	$ 48,438
Unrestricted (deficit)	(1,138,884)	(952,632)	(785,377)	(186,252)	(167,255)
Total net position	$ (412,891)	$ (440,436)	$ (321,619)	$ 27,545	$ (118,817)

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

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

Significant Changes in Net Position Include:

December 31, 2024 versus 2023

Total net position was ($412,891) at the end of 2024, a net increase of $27,545 from the end of 2023. The net increase was due to operating losses of $815,605, offset by capital contributions of $275,663, and net non-operating income of $567,487.

December 31, 2023 versus 2022

Total net position was ($440,436) at the end of 2023, a net decrease of $118,817 from the end of 2022. The net decrease was due to operating losses of $777,541, offset by capital contributions of $101,035, and net non-operating income of $557,689.

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Condensed Statements of Revenues, Expenses and Changes in Net Position

(in thousands)	Year Ended December 31, 2024	2023 (Restated)	2022
Total operating revenues	$ 197,404	$ 193,045	$ 186,802
Total operating expenses	(1,013,009)	(970,586)	(917,387)
Operating loss	(815,605)	(777,541)	(730,585)
Nonoperating revenues/(expenses)			
Operating subsidies from NYC	531,185	522,443	525,054
Other nonoperating revenue	36,302	35,246	601,172
Total nonoperating revenues/(expenses)	567,487	557,689	1,126,226
Gain (loss) before capital contributions	(248,118)	(219,852)	395,641
Capital contributions	275,663	101,035	101,818
Changes in net position	27,545	(118,817)	497,459
Net position, beginning of year	(440,436)	(321,619)	(819,078)
Net position, end of year	$ (412,891)	$ (440,436)	$ (321,619)

Revenues from Fares/Ridership:

December 31, 2024 versus 2023

Bus revenues from fares totaled $183,645 in 2024 versus $178,571 in 2023, an increase of $5,074, resulting from higher average fares.

Total passenger ridership was 85,129 in 2024 versus 86,217 in 2023, a decrease of 1,088, or 1.3%.

December 31, 2023 versus 2022

Bus revenues from fares totaled $178,571 in 2023 versus $163,430 in 2022, an increase of $15,141, resulting from increased ridership and bus fares.

Total passenger ridership was 86,217 in 2023 versus 82,609 in 2022, an increase of 3,608, or 4.4%. This increase is attributed to increased use of public transportation post COVID-19.

Operating Expenses, by Major Function

(in thousands)	2024	2023 (Restated)	2022	Increase (Decrease) 2024–2023	2023–2022 (Restated)*
Salaries and wages	$ 419,838	$ 405,377	$ 394,230	$ 14,461	$ 11,147
Retirement and other employee benefits	233,613	242,400	205,884	(8,787)	36,516
Postemployment benefits other than pensions	60,327	65,437	73,395	(5,110)	(7,958)
Fuel	29,156	33,217	40,677	(4,061)	(7,460)
Electric power	1,909	2,309	2,437	(400)	(128)
Insurance	6,951	5,621	5,440	1,330	181
Public liability claims	78,667	58,409	50,004	20,258	8,405
Materials and supplies	39,230	40,195	40,286	(965)	(91)
Professional services	36,743	30,032	25,613	6,711	4,419
Pollution remediation services	680	759	119	(79)	640
Maintenance and other operating expenses	31,572	24,895	25,269	6,677	(374)
Depreciation and amortization	67,248	53,854	49,206	13,394	4,648
Other business expenses	7,075	8,081	4,827	(1,006)	3,254
Total operating expenses	$ 1,013,009	$ 970,586	$ 917,387	$ 42,423	$ 53,199

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

December 31, 2024 versus 2023

Total operating expenses increased by $42,423 or 4.4% versus the prior year, as follows:

- Salaries and wages exceeded 2023 by $14,461 or 3.6%, due to increased salaries resulting from implementation of gross wage increases and retroactive wage accruals from contract settlements. The 2023 salaries were restated $2,333 lower due to the implementation of GASB 101.
- Retirement and other employee benefits decreased by $8,787 or 3.6% primarily due to lower pension expense due to the amortization of deferred outflow of resources of $24,177, which was partially offset by an increase in amortization of deferred inflow of resources of $15,452.
- Postemployment benefits other than pensions decreased by $5,110 or 7.8% primarily due to a decrease in contributions made after the measurement period of $1,694 and amortization of deferred outflow/inflows of $3,416.
- Fuel costs decreased by $4,061 or 12.2%, due to lower prices.
- Insurance expense increased by $1,330 or 23.7%, due to higher premiums. This is comprised of excess liability, property and other insurance coverage paid under the MTA All-Agency insurance programs.
- Public liability and no fault claims increased by $20,258 or 34.7%. This resulted from higher loss emergence than expected based on historical data, per actuary.
- Professional service contracts increased by $6,711 or 22.3% due to higher actual IT costs than accrued during years 2022 through 2024.
- Maintenance and other operating expenses increased $6,677 or 26.8% due to costs related with the East New York Central Maintenance Facility and higher toll expense in 2024 versus 2023.

- Other business expenses decreased by $1,006 or 12.5% primarily due to lower AFC collection fees, other non-operating purchases, and other miscellaneous expenses.

December 31, 2023 versus 2022

Total operating expenses increased by $53,199 or 5.8% versus the prior year, as follows:

- Salaries and wages exceeded 2022 by $11,147 or 2.8%, due to increased salaries resulting from implementation of gross wage increases and retroactive wage accruals from contract settlements. The 2023 salaries were restated $2,333 lower due to the implementation of GASB 101.

- Retirement and other employee benefits increased by $36,516 or 17.7% primarily due to increase in pension expense based on the current actuarial valuation under GASB 68.

- Postemployment benefits other than pensions decreased by $7,958 or 10.8% based on the current actuarial valuation under GASB 75.

- Fuel costs decreased by $7,460 or 18.3%, due to lower prices.

- Insurance expense increased by $181 or 3.3%, due to higher premiums. This is comprised of excess liability, property and other insurance coverage paid under the MTA All-Agency insurance programs.

- Public liability and no fault claims increased by $8,405 or 16.8%. This resulted from higher loss emergence than expected based on historical data.

- Professional service contracts increased by $4,419 or 17.3% due to higher management fees for services provided by other MTA agencies, particularly NYC Transit and MTA Headquarters.

- Other business expenses increased by $3,254 or 67.4% primarily due to higher debit/credit card fees from the OMNY fare payment system, other non-operating purchases, metro mobility tax, and other miscellaneous charges.

Nonoperating Revenues and Expenses

As defined by the letter of agreement between The City of New York (“The City”) and MTA, The City is to provide operating assistance subsidies to MTA Bus. These subsidies amounted to $531,185 and $522,443 in 2024 and 2023, respectively.

In 2024, pursuant to MTA Board approval, MTA Bus received $12,272 in discretionary Mortgage Recording Tax—2 (“MRT-2”) monies as a subsidy from the MTA. The funds were used to pay commercial paper debt totaling $888.

Capital contributions of $275,663 in 2024 and $101,035 in 2023 represent capital program funding from several sources including bonds, Federal, State and City funding.

Budget Highlights

Financial:

Total revenue from fares in 2024 was $183,645. Passenger revenue was up $5,074 over 2023 levels, resulting from higher average fares.

Operations:

The focus on improving service, introducing new buses and performing scheduled maintenance on the bus fleet, as well as aggressive shop programs to improve the existing fleet yielded continued notable improvements in the reliability of the bus fleet. In addition, a significant level of facility work continued during 2024 to upgrade conditions and comply with environmental regulations. Additional work needs to be done to improve facility conditions in 2025 and beyond.

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Overall Financial Position and Results of Operations

MTA Bus is responsible for both the local and express bus operations of the seven previously private bus companies, consolidating their operations, maintaining current buses, purchasing new buses to replace the aging fleet currently in service, and adjusting schedules and route paths to better match travel demand. MTA Bus operates 44 local bus routes and 3 Select Bus Service routes in the Bronx, Brooklyn, and Queens; and 43 express bus routes between Manhattan and the Bronx, Brooklyn, or Queens. It has a fleet of 1,374 buses, which makes MTA Bus the 10th largest bus fleet in the United States and Canada, serving nearly 400,000 riders daily.

Between 2005 and 2024, MTA Bus purchased 754 new high capacity, high customer amenity express buses, 389 new environmentally friendly hybrid electric local buses, 213 new compressed natural gas (CNG) buses, 128 new low-floor articulated buses, and 444 new diesel standard buses. During 2024, 323 new buses were placed in service.

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

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

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

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

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

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 million (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42.0 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—Bus revenues from fares totaled $183,645 in 2024 versus $178,571 in 2023. Total ridership was 85,129 in 2024 versus 86,217 in 2023, a decrease in passenger ridership of 1,088, or 1.3%. The increase in revenue is attributable to higher average fares. Calendar year 2024 ended with a $123,983 cash surplus, while 2023 ended with a surplus of $89,887. This was attributable to the timing of New York City subsidy payments which cover shortfalls in working capital and receipt of funds from the American Rescue Plan Act (ARPA) during 2024. The MTA expects that, over time, Federal and State economic stimulus measures and the rebuilding of downtown infrastructure will further improve the New York City economy.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—As last approved by the CPRB, the Bus Company's portion of the MTA's 2000-2004, 2005-2009, 2010-2014, 2015-2019 and 2020-2024 Capital Programs totaled $501.6 million, $152.0 million, $297.0 million, $376.0 million, and $839.3 million, respectively.

On September 25, 2019, the MTA Board approved a fully funded 2020-2024 Capital Program. This submission was approved by the CPRB on January 1, 2020.

As of December 31, 2024, $500.0 million has been committed under the 2000-2004 Program, of which $496.0 million has been expended.

Among the projects included in the 2005-2009 MTA Bus Company Capital Program are initiatives to bring bus maintenance facilities up to a state of good repair and to replace heavy duty, non-revenue vehicles. As of December 31, 2024, $143.0 million has been committed under the 2005-2009 Program, of which $139.0 million has been expended.

The MTA Board approved 2010-2014 MTA Bus Company Capital Program, as last amended in 2024, includes projects to replace the aging bus fleet, replace outdated depot equipment, improve depot facilities, and repair Superstorm Sandy damaged MTA Bus facilities. As of December 31, 2024, $291.0 million has been committed under the 2010-2014 Program, of which $281.0 million has been expended.

The MTA Board approved 2015-2019 MTA Bus Company Capital Program, as last amended in 2024, includes projects to replace the aging bus fleet, replace outdated depot equipment, and improve depot facilities. As of December 31, 2024, $337.0 million has been committed under the 2015-2019 Program, of which $303.0 million has been expended.

The MTA Board approved 2020–2024 MTA Bus Company Capital Program, as last amended in 2024, includes projects to replace the aging bus fleet, replace outdated depot equipment, and improve depot facilities. As of December 31, 2024, $657.0 million has been committed under the 2020-2024 Program, of which $287.0 million has been expended.

CAPITAL FINANCING

The MTA 2000-2004 Capital Program includes $501.6 million in capital projects for MTA Bus, a substantial portion of which is designed for bus fleet replacement. The MTA 2005-2009 Capital Program includes $152.0 million in capital projects for MTA Bus, which includes improvements to bus maintenance and storage facilities. The MTA 2010-2014 Capital Program, as last approved by the MTA Board on October 30, 2024, includes $297.0 million in capital projects for MTA Bus, which includes bus fleet replacement and depot improvements, plus an additional $11.0 million for Superstorm Sandy repairs. The MTA 2015-2019 Capital Program includes $376.0 million for MTA Bus, which includes bus fleet replacement and depot improvements. The 2020-2024 Capital Program includes $839.3 million for MTA Bus, which includes bus fleet replacement as well as depot and equipment investments.

The MTA Bus capital projects included in the MTA 2000-2004 Capital Program, the MTA 2005-2009 Capital Program, the MTA 2010-2014 Capital Program, the MTA 2015-2019 Capital Program, and the MTA 2020-2024 Capital Program are funded from a combination of Federal grants, city funds, MTA Bond proceeds, and other sources. The combined funding sources for the 2000-2004 MTA Bus Company Capital Program include $49.0 million in City funds, $327.6 million in MTA Bond proceeds, and $125.0 million from other sources. The combined funding sources for the 2005-2009 MTA Bus Company Capital Program include $107.7 million in Federal funds, $41.4 million in City funds, and $2.9 million from other sources. The combined funding sources for the 2010-2014 MTA Bus Company Capital Program include $203.6 million in Federal funds, $50.9 million in City funds and $42.5 million in MTA Bond proceeds. The MTA Bus Company will also receive

$11.0 million in federal reimbursement proceeds for Superstorm Sandy repair. The combined funding sources for the 2015-2019 MTA Bus Company Capital Program, as last approved by the MTA Board, includes $133.0 million in Federal funds, $32.0 million in City funds, and $211.0 million in MTA Bond proceeds. The 2020-2024 MTA Bus Company Capital Program will be funded by a combination of Federal, City and local capital resources.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The 2024 MTA November Financial Plan

The 2024 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2024 November Forecast, the 2025 Final Proposed Budget and a Financial Plan for the years 2025 to 2028, updates the 2024 July Financial Plan (the "July Plan"), which includes the 2024 Mid year Forecast.

The November Plan remains balanced through 2026 with deficits of $378.0 million in 2027 and $419.0 million in 2028, compared with the July Plan which was also balanced through 2026 and included deficits of $428.0 million in 2027 and $469.0 million in 2028. The February Plan was balanced through 2027.

Changes from the July Plan are $100.0 million favorable over the Plan period, and reflect Agency re-estimates – including New Needs, Operating Efficiencies, Farebox and Toll Revenue, and other changes – as well as Subsidy revenues and Debt Service expense re-forecasts. The most significant changes over the Plan period are farebox revenue, which is $250.0 million favorable including Volume 1 below-the-line items in both the July and November Plans, and toll revenue which is $139.0 million favorable. Over the Plan period, additional expenses for critical New Needs total $195.0 million, Debt Service expense is $148.0 million favorable and Subsidy revenues are $8.0 million favorable.

Information on New Needs, which cover critical cybersecurity needs, maintenance, service and customer and employee safety, can be found in Volume 2 of this Plan.

The February Plan baseline included operating efficiencies initiatives that are expected to generate $1.88 billion through 2027 directly impacting MTA. The November Plan includes an additional $312.0 million in savings, which have been incorporated into Agency baseline financial plans and meet the MTA annual $500.0 million savings target from Operating Efficiencies as of 2025.

Operating expenses, beyond New Needs and Operating Efficiencies savings, remain under control and are just $102.0 million greater over the Plan period when compared with the July Plan.

The Plan assumes collection of toll revenue from Central Business District Tolling Program (CBDTP) will commence in January 2025.

The Plan continues to reflect additional farebox and toll revenue from biennial 4 percent yield increases, which are proposed for August 2025 and March 2027.

The November Plan presents a balanced budget through 2026, with deficits of $378.0 million in 2027 and $419.0 million in 2028.

Risks to MTA's Financial Future

Additional risks to the November Plan include:

Continued paid ridership recovery. Progress in reducing fare evasion is critical to balancing the financial plan. The potential cost for 5 percent lower recovery is estimated at $325.0 million per year.

Paratransit reimbursement. The financial plan assumes the extension of legislation requiring the city of New York to fund 80% of the net paratransit operating expenses. The potential impact of reverting to 50% reimbursement is estimated at $200.0 million growing to $250.0 million per year.

MTA operating efficiencies. Agencies have been implementing initiatives that achieve savings in excess of $400.0 million annually and have identified actions that bring the total annual savings to $500.0 million annually. These actions need to be fully implemented and the savings sustained.

Dedicated tax receipts. An economic slowdown or recession could have a significant impact on the level of dedicated tax receipts received by MTA. Real estate related tax receipts continue to decline related to fewer real estate transactions both in the residential and commercial markets.

Casino license and gaming tax revenues. The approval, awarding, and commencement of operations of downstate casinos is uncertain in both outcome and timing, which risks the $500.0 million assumed to be received by MTA in 2026 and 2027, and the $600.0 million assumed for 2028.

Approval and funding for 2025-2029 Capital Program. Funding for the next five-year capital program is needed for MTA to continue its investment in critical state of good repair projects for safe and reliable service. Securing substantial new federal, state and city funding will be required. Over-reliance on MTA debt as a capital funding source could increase debt service costs beyond what is included in the financial plan and put pressure on fares and/or service levels.

More detailed information on the November Plan can be found in the MTA 2025 Final Proposed Budget - November Financial Plan 2025-2028 Volumes 1 and 2 at www.MTA.info.

Labor Update

The status of MTA Bus's collective bargaining agreements is as follows:

- TWU Local 100
  - An MOU between MTA Bus Company and the TWU covering the period from May 16, 2023 through May 15, 2026 was approved by the MTA Board on July 19, 2023.
- ATU Local 1179
  - An Impasse Award was issued covering the contract period from May 2012 through October 2019. The Parties began negotiations for a successor agreement which were paused based on notice from MTA that a reevaluation of our budget and bargaining position is necessary, considering the financial burden resulting from the pandemic. The Union subsequently filed for impasse on or about August 4, 2020. The impasse award was issued on or about December 19, 2021 covering the term from November 1, 2019 to October 31, 2023. The Parties are in the process of bargaining for a successor agreement.
- ATU Local 1181
  - An MOU covering the contract period from November 1, 2019 through October 31, 2023 was ratified by the MTA Board on October 26, 2022. The Parties are in the process of bargaining for a successor agreement.
- TWU Local 106, TSO (Transit Supervisors Organization)
  - An MOU covering the contract period January 1, 2021 through December 31, 2024 was ratified by the MTA Board on October 25, 2023.

- United Transit Leadership Organization (UTLO)
  - An MOU between the UTLO and MTA Bus Company covering the period from July 1, 2019 through December 31, 2021 was ratified by the MTA Board on December 15, 2021. An MOU covering the period from January 1, 2022 to December 31, 2024 was approved by the MTA Board on June 26, 2024.
- TWU Local 100 (Administrative Personnel)
  - The TWU was certified as the bargaining representative for certain administrative, professional and technical titles on or about December 18, 2017. The Parties entered a limited MOU covering the period through July 13, 2019. Subsequently, the Parties entered into an MOU covering the period from July 14, 2019 through September 30, 2023, which was ratified by the MTA Board on September 21, 2022. An MOU covering the period from October 1, 2023 through November 23, 2026 was approved by the MTA Board on June 26, 2024.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of MTA Bus's finances and to demonstrate accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	Business - Type Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2024**	**2023** (Restated)
CURRENT ASSETS:		
Cash (Note 3)	$ 284	$ 206
Invested funds at MTA (Note 4)	123,983	89,887
	124,267	90,093
Receivables:		
Due from MTA and other affiliated agencies (Note 13)	488,783	588,433
Subsidy due from New York City	9,920	6,309
Other subsidy	14,888	19,280
Other	2,200	573
Total receivables	515,791	614,595
Materials and supplies inventory—net of allowances of $3,018 and $2,749 in 2024 and 2023, respectively	16,236	17,175
Prepaid expenses and other current assets	12,541	67,742
Total current assets	668,835	789,605
CAPITAL ASSETS:		
Construction work in progress (Note 5)	61,111	74,134
Capital assets—net of accumulated depreciation and amortization (Note 5)	664,882	438,062
Capital assets—net (Note 5)	725,993	512,196
Total assets	1,394,828	1,301,801
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pensions (Note 7)	109,881	239,435
Deferred outflows for OPEB (Note 8)	240,443	220,592
Total deferred outflows of resources	350,324	460,027
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	$1,745,152	$1,761,828

(Continued)

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	Business - Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2024**	**2023** (Restated)
CURRENT LIABILITIES:		
Accounts payable	$ 8,727	$ 8,486
Accrued expenses:		
Salaries, wages and payroll taxes	17,315	16,722
Compensated absences (Note 12)	28,102	29,104
Current portion—estimated liability from injuries to persons (Note 9)	74,378	69,600
Current portion—pollution remediation projects (Note 11)	7,705	7,678
Other	29,064	25,958
Total accrued expenses	156,564	149,062
Due to MTA and other affiliated agencies (Note 13)	64,526	73,078
Loans payable (Note 10)	197	-
Total current liabilities	230,014	230,626
Postemployment benefits other than pensions (Note 8)	789,461	849,708
Compensated absences (Note 12)	22,824	20,747
Estimated liability arising from injuries to persons (Note 9)	490,870	451,560
Net pension liability (Note 7)	257,683	377,911
Pollution remediation projects (Note 11)	5,430	5,135
Loans payable (Note 10)	1,344	-
Total noncurrent liabilities	1,567,612	1,705,061
Total liabilities	1,797,626	1,935,687
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows for pensions (Note 7)	41,285	55,249
Deferred inflows for OPEB (Note 8)	319,132	211,328
Total deferred inflows of resources	360,417	266,577
NET POSITION:		
Net investment in capital assets	725,993	512,196
Unrestricted (deficit)	(1,138,884)	(952,632)
Total net position	(412,891)	(440,436)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$1,745,152	$1,761,828

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business - Type Activities	
	2024	**2023** (Restated)
OPERATING REVENUES:		
Fare revenue	$ 183,645	$ 178,571
Rents, freight, and other revenue	13,759	14,474
Total operating revenues	197,404	193,045
OPERATING EXPENSES:		
Salaries and wages	419,838	405,377
Retirement and other employee benefits	233,613	242,400
Postemployment benefits other than pensions	60,327	65,437
Fuel	29,156	33,217
Electric power	1,909	2,309
Insurance	6,951	5,621
Public liability claims	78,667	58,409
Materials and supplies	39,230	40,195
Professional services	36,743	30,032
Pollution remediation services	680	759
Maintenance and other operating expenses	31,572	24,895
Depreciation and amortization	67,248	53,854
Other business expenses	7,075	8,081
Total operating expenses	1,013,009	970,586
OPERATING LOSS	(815,605)	(777,541)
NONOPERATING REVENUES/(EXPENSES):		
NYC operating subsidies	531,185	522,443
Other nonoperating revenues	23,779	23,783
Investment income	12,609	11,472
Interest expense	(86)	(9)
Total nonoperating revenues/(expenses)	567,487	557,689
LOSS BEFORE CAPITAL CONTRIBUTIONS	(248,118)	(219,852)
CAPITAL CONTRIBUTIONS	275,663	101,035
CHANGE IN NET POSITION	27,545	(118,817)
NET POSITION—Beginning of year	(440,436)	(321,619)
NET POSITION—End of year	$ (412,891)	$ (440,436)

See notes to financial statements.

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	Business - Type Activities	
	2024	**2023** (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from passenger, tenants, advertisers, and others	$ 200,522	$ 182,752
Cash payments for payroll and related employee costs	(633,842)	(729,549)
Cash payments to suppliers for goods and services	(230,674)	(173,334)
Net cash used in operating activities	(663,994)	(720,131)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Subsidies received from NYC—operations	527,574	524,923
Subsidies received from Federal—ARPA	141,840	142,067
Receipt of mortgage recording tax revenue and TA reimbursements	23,779	23,783
Net cash provided by noncapital financing activities	693,193	690,773
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments of leases	(2,252)	(536)
Capital contributed	275,663	101,035
Capital project costs incurred for capital program	(281,045)	(102,292)
Net cash used in capital and related financing activities	(7,634)	(1,793)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) / Decrease in invested funds at MTA	(34,096)	19,512
Earnings on investments	12,609	11,471
Net cash (used in)/provided by investing activities	(21,487)	30,983
NET INCREASE/(DECREASE) IN CASH	78	(168)
CASH—Beginning of year	206	374
CASH—End of year	$ 284	$ 206

(Continued)

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	Business - Type Activities	
	2024	**2023** (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (815,605)	$(777,541)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	67,248	53,854
Changes in operating assets and liabilities:		
Increase in receivables	(39,424)	(51,474)
Decrease/(Increase) in material and supplies, and prepaid expenses	55,499	(63,862)
Increase in payables, accrued expenses and other liabilities	68,288	118,892
NET CASH USED IN OPERATING ACTIVITIES	$ (663,994)	$(720,131)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA contributed capital assets	$ 1,172,286	$ 957,382
Interest expense for leases	86	1
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 1,172,372	$ 957,383

See notes to financial statements. (Concluded)

MTA BUS COMPANY
(Component Unit of the MTA)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The accompanying financial statements present the accounts of MTA Bus Company ("MTA Bus"), which is a public benefit corporation created pursuant to the Public Authorities Law (the "Act") of the State of New York (the "State") to operate public bus service within The City of New York ("The City"). MTA Bus, which is a Component Unit of the Metropolitan Transportation Authority (MTA), was created to take over the operations of seven private bus lines that operated under franchises from The City of New York.

MTA Bus is operationally and legally independent of the MTA. MTA Bus enjoys certain rights typically associated with separate legal status. However, MTA Bus is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability, and MTA Bus is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the MTA Bus and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under GAAP, the MTA is required to include MTA Bus in its consolidated financial statements.

MTA Bus has material transactions with affiliated agencies included in the MTA financial reporting group. Such agencies include the MTA, the New York City Transit Authority ("NYCTA"), and the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"). All material transactions between MTA Bus and affiliated agencies have been recorded as of December 31, 2024 and 2023.

MTA Bus is part of the financial reporting group of the MTA and is included in the consolidated financial statements of the MTA in accordance with GASB Statement No. 14. The MTA is a Component Unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the State Comptroller as a public benefit corporation.

Operations—Operations are conducted per the letter agreement dated December 8, 2004, between The City and the MTA, which includes provisions for the lease of City bus assets including real property and related facilities, buses and related materials and supplies, and any other assets acquired by The City and made available to MTA Bus for the operations of the former private bus lines.

The City has the option to terminate the letter agreement at any time upon one year's written notice to the MTA. In the event of termination, The City is required to assume the assets and liabilities, including OPEB and pension liabilities, of MTA Bus and must pay or make provisions for the payment of any outstanding debt incurred by the MTA on behalf of MTA Bus. Any liabilities incurred by the franchised bus companies prior to the date of acquisition are liabilities of The City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

MTA Bus applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards—MTA Bus adopted the following GASB Statements for the period ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62,* was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of MTA Bus.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

MTA Bus evaluated the requirements under GASB Statement No. 101, *Compensated Absences,* and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and increased by $2,236.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 and the change in accounting policy regarding recognition of projects in progress and capital accruals in the Consolidated Statement of Net Position as of December 31, 2023 (in thousands):

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	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
NONCURRENT ASSETS:				
Construction work in progress	$ 56,170	$ -	$ 17,964	$ 74,134
Capital assets — net	494,232	-	17,964	512,196
TOTAL ASSETS	1,283,837	-	17,964	1,301,801
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,743,864	-	17,964	1,761,828
CURRENT LIABILITIES:				
Compensated absences	52,087	(22,983)	-	29,104
Total current liabilities	253,609	(22,983)	-	230,626
NON-CURRENT LIABILITIES:				
Compensated absences	-	20,747	-	20,747
Total non-current liabilities	1,684,314	20,747	-	1,705,061
TOTAL LIABILITIES	1,937,923	(2,236)	-	1,935,687
Net position:				
Net investment in capital assets	494,232	-	17,964	512,196
Unrestricted	(954,868)	2,236	-	(952,632)
Total net position	(460,636)	2,236	17,964	(440,436)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,743,864	$ -	$ 17,964	$ 1,761,828

In addition, revenues, expenses and net position as of December 31, 2023 were required to be restated as follows (in thousands):

	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
OPERATING EXPENSES:				
Salaries and wages	$ 407,710	$ (2,333)	$ -	$ 405,377
Retirement and other employee benefits	242,579	(179)	-	242,400
Other business expenses	7,805	276	-	8,081
OPERATING LOSS	(779,777)	2,236	-	(777,541)
CAPITAL CONTRIBUTION	83,071	-	17,964	101,035
Change in net position	(139,017)	2,236	17,964	(118,817)
Net position - End of period	$ (460,636)	$ 2,236	$ 17,964	$ (440,436)

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 and the change in the accounting policy regarding recognition of projects in progress and capital accruals in the consolidated statement of cash flows (in thousands) for the year ended December 31, 2023:

	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash payments for payroll and related employee costs	$ (729,825)	$ 276	$ -	$ (729,549)
Cash payments to suppliers for good and services	(173,058)	(276)	-	(173,334)
Net cash used in operating activities	(720,131)	-	-	(720,131)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributed	$ 83,071	$ -	$ 17,964	$ 101,035
Capital project costs incurred for capital program	(84,328)	-	(17,964)	(102,292)
Net cash used in capital and related financing activities	(1,793)	-	-	(1,793)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:				
Operating loss	$ (779,777)	$ 2,236	$ -	$ (777,541)
Net increase/(decrease) in payable	121,128	(2,236)	-	118,892
NET CASH USED IN OPERATING ACTIVITIES	(720,131)	-	-	(720,131)

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	MTA Required Year of Adoption
102	*Certain Risk Disclosures*	2025
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026

Capital Assets—The City owns or leases the real property, including buildings and improvements, used as bus depots and yards. Accordingly, these assets are not recorded on the books of MTA Bus.

However, MTA Bus records certain other capital assets, which are primarily buses and related equipment (see Note 5). Capital assets have minimum useful life of 2 years and cost of more than $25.

Capital assets are recorded at cost and are depreciated on a straight-line basis over 12 years for buses, with lives generally ranging from 5 to 15 years for other capital assets.

Long lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment loss on assets to be sold, if any, is based on the estimated proceeds to be received, less estimated cost to sell.

Expenditures for maintenance and repairs which do not extend the useful life of assets are charged to operations as incurred.

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—As a result of the adoption of 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.

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 MTA Bus (e.g., salaries, compensated absences, insurance, depreciation, lease amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases, subsidies paid to counties, etc.) are reported as non-operating expenses.

Compensated Absences – Per GASB 101, MTA Bus has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means (if any).

Capital Contribution—Capital funds contributed by the MTA are recorded as capital contributions on the statement of revenues, expenses and changes in net position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributed for the years ended December 31, 2024 and 2023, amounted to $275,663 and $101,035, respectively.

Fare Revenue—Revenues from the sale of farecards are recognized as income as the farecards are used and are reported as operating income.

Materials and Supplies inventory—Materials and supplies are recorded at weighted average cost, net of a reserve for obsolete/excess inventory.

Invested Funds at MTA—The MTA, on behalf of MTA Bus, invests funds which are not immediately required for MTA Bus's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA.

MTA Bus records its position in the investment pool based upon a net asset value derived on assets invested in the pool plus all realized income and losses earned. Unrealized appreciation, which is not significant to MTA Bus, is retained on the MTA's books and not included in MTA Bus's financial statement.

Investments maturing and expected to be liquidated within a year have been classified as current assets in the financial statements of MTA Bus. Investments are recorded on the Statements of Net Position at fair value which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in the fair value of investments, is reported as investment income.

Receivables—Receivables are recorded as amounts due to MTA Bus.

Use of Management Estimates—The preparation of financial statements in conformity with GAAP 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

The City Operating Subsidy—Pursuant to the letter agreement between The City and the MTA, The City has agreed to pay MTA Bus the difference between the actual costs of operation of the formerly franchised private bus lines and all revenues and other reimbursement subsidies. For calendar years 2024 and 2023, MTA Bus received cash payments of $527,574 and $524,923, respectively, in operating assistance from The City. At years ended December 31, 2024 and 2023, MTA Bus recorded a subsidy receivable due from The City of approximately $9,920 and $6,309, respectively, pursuant to the agreement between MTA Bus and The City's Office of Management and Budget.

Advances from The City—Environmental Remediation—In accordance with the supplemental agreement between The City and the MTA, on behalf of MTA Bus, The City agreed to fund an Environmental Remediation Reserve Fund for $6,293. With the assistance of the NYCT (CPM Environmental Engineering) and independent consultants working on behalf of the New York City Department of Design and Construction, six Bus Company depots were designated for environmental soil and groundwater remediation work totaling $6,293. The City funded this reserve in June 2007 for the initial $6,293 project, as well as future projects. In July 2011 and December 2021, The City funded the Environmental Remediation Reserve Fund with an additional $11,096 and $2,210, respectively. During 2024, MTA Bus reduced the Environmental Remediation Reserve Fund by $385, based on actual cash expenditures, leaving a balance of $7,705 and $7,678 as of December 31, 2024 and 2023, respectively. The Environmental Remediation Reserve Fund is held by the MTA on behalf of MTA Bus and is reported as Due from Affiliates—operating. Refer to Note 13 for more information.

Mortgage Recording Tax-2—In 2007, the MTA Board approved the allocation of Mortgage Recording Tax ("MRT-2") receipts to MTA Bus. These funds are to be administered by the MTA Treasurer and used solely for funding the 2005-2009 Capital Program debt service requirements. Amounts budgeted from MRT-2 funds for such purposes were $12,272 for 2024. The $12,272 received in 2024 was used to repay $888 for debt service on Transportation Revenue Bonds.

Pension Plans—MTA Bus adopted the standards of GASB Statement No. 68, *Accounting & Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and subsequent effective amendments to these standards, for its pension plans.

MTA Bus recognizes a net pension liability for the 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 MTA's fiscal year-end. Changes in the net pension liability during the period 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 period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from

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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 period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a Component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a Component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—MTA Bus adopted the standards 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.

GASB has issued Statements No. 74 and 75, which replaced GASB Statements No. 43 and 45. The effective date of GASB Statement No. 74 (which applies to financial reporting on a plan basis) is the year ended December 31, 2017. The effective date of GASB Statement No. 75 (which applies to financial reporting by contributing employers) is the year ended December 31, 2018.

MTA Bus recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date.

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.

NYCT Reimbursement—In accordance with the MTA's 2008 Adopted Budget Staff Summary, the NYCT will reimburse MTA Bus approximately $11.5 million per year for debt service, which reflects the fact that the Federal grants and matching City moneys originally intended for use by the City franchise buses taken over by MTA Bus could not be used by MTA Bus, so they were assigned to NYCT for use in its capital projects.

Risk Management—Prior to January 1, 2006, Liberty Lines Express, Queens Surface, New York Bus Service and Command Bus were covered for the cost of injury liability and property damage under the New York City Department of Transportation insurance pool program. This insurance program covered the administration and payment of claims without the need for self-insurance coverage on the part of the former private lines.

Subsequent to January 1, 2006, the former private bus lines are now self-insured up to certain per occurrence limits for liability claims arising from injuries to persons, excluding employees, under the MTA's various insurance programs. Claims arising between January 1, 2006, and October 31, 2006, are subject to a $7.0 million per occurrence limit; claims arising between October 31, 2006, and

October 31, 2009, are subject to an $8.0 million per occurrence limit; and claims arising after October 31, 2009, are subject to a $9.0 million per occurrence limit. Effective November 1, 2012, claims are subject to a $10.0 million per occurrence limit. Effective October 31, 2015, claims are subject to an $11.0 million per occurrence limit. The annual cost associated with injuries to persons, other than employees, and damage to third-party property, is reflected in expenses as public liability claims in the accompanying statements of revenues, expenses and changes in net position.

Liability Insurance—First Mutual Transportation Assurance Company (FMTAC), an insurance captive subsidiary of MTA, provides a liability insurance program (aka “ELF”) that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than $50.0 million for all agencies and an additional $10.0 million for NYCT. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was $195.04 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy (ELP), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of $325.0 million for a total limit of $375.0 million ($325.0 million excess of $50.0 million).

On March 1, 2024, the “nonrevenue fleet” automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for the MTA and its subsidiaries and affiliates with the exception of NYCT, MTA Bus and TBTA. The program limit is $11.0 million per occurrence on a combined single limit with a $1.0 million self-insured retention for each accident. Primary limits of $1.0 million was procured through the commercial marketplace. Excess limits of $9.0 million was procured through FMTAC.

On March 1, 2024, the “Access-A-Ride” automobile liability policy program was renewed. This program provides third-party auto liability insurance coverage to vendors under the Access-A-Ride contract, to perform services on behalf of MTA New York City Transit. This policy provides a $3.0 million per occurrence to fund self-insured losses.

Property Insurance—Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a $25.0 million per occurrence deductible, subject to an annual $75.0 million aggregate deductible. The total All Risk program annual limit is $500.0 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. 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 $500.0 million per occurrence noted above, FMTAC’s property insurance program has been expanded to include a further layer of $100.0 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An additional $25.0 million of fully collateralized storm surge coverage was added for the period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200.0 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215.0 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5.0 million and less than the $200.0 million TRIPRA trigger up to a maximum recovery of $200.0 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215.0 million. Recovery under the terrorism policy is subject to a deductible of $25.0 million per occurrence and $75.0 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75.0 million, future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2028.

*Related entities are Triborough Bridge & Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

Injuries to Employees—MTA Bus's predecessor's workers' compensation program was insured through American International Group (AIG). This policy was continued through January 2, 2006. When New York Bus and Command Bus became members of MTA Bus, their workers' compensation exposures were rolled into the AIG program. At the time of its merger with MTA Bus, coverage for Queens Surface was underwritten by Zurich American Insurance Company, which was also retained through January 2, 2006.

Effective January 3, 2006, and on a prospective basis, the MTA, on behalf of MTA Bus, established a master workers' compensation program with AIG. This insurance coverage provides both claims management and risk financing up to the statutory limits set by the State of New York, including acts of terrorism. When the other private bus lines (Green Bus, Jamaica Buses, and Triboro Coach) were merged into MTA Bus in the first quarter of 2006, they were rolled into the AIG program.

As risk of loss from worker's compensation claims was borne by AIG, MTA Bus did not record a liability reserve in the financial statements at December 31, 2008. Premium payments for worker's compensation coverage amounted to approximately $12.0 million and $13.8 million for the calendar years 2008 and 2007, respectively.

Effective January 2, 2009, MTA Bus established a self-insured workers' compensation program, and has recorded a $220,467 and $207,159 liability reserve in the financial statements at December 31, 2024 and 2023, respectively. During calendar year 2024 and 2023, $29,691 and $28,598 was paid to beneficiaries, respectively.

Pollution Remediation Projects—Effective January 1, 2008, pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 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. Pollution remediation obligations occur when any one of the following obligating events takes place: MTA Bus is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; MTA Bus is named by a regulator as a responsible or potentially responsible party to participate in remediation; MTA Bus voluntarily commences or legally obligates itself to commence remediation efforts; or MTA Bus is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

3. CASH

Cash in bank accounts are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

Cash in bank account balances in 2024 and 2023 that were not insured were maintained in major financial institutions. Management periodically reassesses the credit worthiness of such financial institutions.

Cash at December 31, 2024 and 2023, consists of the following (in thousands):

	2024		2023	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Insured (FDIC) and collateralized deposits	$ 170	$ 311	$ 107	$ 290
Commercially insured funds on-hand and in transit	114	322	99	472
Total cash	$ 284	$ 633	$ 206	$ 762

The on-hand and in-transit funds consist primarily of passenger revenue funds collected but not yet deposited and petty cash.

4. INVESTED FUNDS AT MTA

The MTA, on behalf of MTA Bus, invests funds which are not immediately required in MTA Bus's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by MTA's agent, in custody accounts, in the name of the MTA. MTA categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA's investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs).

MTA Bus's earnings from short term investments were $12,609 and $11,472 for the years ended December 31, 2024 and 2023, respectively, included in "Other Nonoperating revenues" in the Statement of Revenues, Expenses and changes in Net Position. At December 31, 2024 and 2023, MTA Bus had intercompany investment pool balances of $123,983 and $89,887, respectively, reported in the Statements of Net Position, which were attributable to the timing of subsidy payments from The City for working capital expenditures and receipt of funds from the American Rescue Plan Act (ARPA) during 2024.

5. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of MTA Bus having a minimum useful life of two years and having a cost of more than $25. 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. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of capital and right-of-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 12 years for buses, with lives generally ranging from 5 to 15 years for other capital assets. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

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Capital and right-of-use assets consist of the following at January 1, 2023, December 31, 2023 and December 31, 2024:

(in thousands)	January 1, 2023 (Restated)	Additions/ Reclassifications (Restated)	Deletions/ Reclassifications (Restated)	December 2023 (Restated)	Additions/ Reclassifications	Deletions/ Reclassifications	December 2024
Capital assets not being depreciated—construction work-in-progress*	$ 45,613	$ 102,264	$ (73,743)	$ 74,134	$ 278,991	$(292,014)	$ 61,111
Total capital assets not being depreciated	45,613	102,264	(73,743)	74,134	278,991	(292,014)	61,111
Capital assets being depreciated:							
Buses	666,889	65,525	(55,969)	676,445	270,437	(74,670)	872,212
Equipment	40,191	-	-	40,191	699	(148)	40,742
Depots and yards	16,802	-	-	16,802	1,741	-	18,543
Service vehicles	3,060	-	(496)	2,564	-	-	2,564
Other	272,938	8,218	(218)	280,938	19,137	-	300,075
Total capital assets being depreciated	999,880	73,743	(56,683)	1,016,940	292,014	(74,818)	1,234,136
Less accumulated depreciation:							
Buses	(446,098)	(32,897)	55,969	(423,026)	(45,257)	74,670	(393,613)
Equipment	(26,883)	(2,143)	-	(29,026)	(1,478)	148	(30,356)
Depots and yards	(14,943)	(356)	-	(15,299)	(352)	-	(15,651)
Service vehicles	(2,819)	(126)	496	(2,449)	(87)	-	(2,536)
Other	(91,462)	(17,834)	218	(109,078)	(18,020)	-	(127,098)
Total accumulated depreciation	(582,205)	(53,356)	56,683	(578,878)	(65,194)	74,818	(569,254)
Total capital assets being depreciated—net	417,675	20,387	-	438,062	226,820	-	664,882
Capital assets—net	463,288	122,651	(73,743)	512,196	505,811	(292,014)	725,993
Right of use assets being amortized—leased buildings and structures	1,540	28	-	1,568	2,054	-	3,622
Total right of use assets being amortized	1,540	28	-	1,568	2,054	-	3,622
Less accumulated amortization—leased buildings and structures	(1,070)	(498)	-	(1,568)	(2,054)	-	(3,622)
Total accumulated amortization	(1,070)	(498)	-	(1,568)	(2,054)	-	(3,622)
Right of use assets being amortized—net	470	(470)	-	-	-	-	-
Total capital assets, including right of use asset—net of depreciation and amortization	$ 463,758	$ 122,181	$ (73,743)	$ 512,196	$ 505,811	$(292,014)	$ 725,993

** Restated due to change in Accounting policy regarding timing on recognition of projects in progress and capital accruals.*

As of December 31, 2024, $1.9 billion has been committed to MTA Bus's 2000-2004, 2005-2009, 2010-2014, 2015-2019 and 2020-2024 Capital Programs.

As of December 31, 2024, $53.0 billion is unexpended from the MTA's Capital Programs (2005-2024) and $22.4 billion has been committed.

As of December 31, 2023, $60.2 billion is unexpended from the MTA's Capital Programs (2005-2024) and $25.1 billion has been committed.

6. LEASES

MTA Bus entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA's incremental borrowing rate at the time of valuation ranging from 0.72% to 5.64% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Bus's leased asset and lease liability for those agreements was as of January 1, 2021. 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.

As Lessee—MTA Bus leases bus terminal space and cell tower space from other entities. These leases have terms between 1 year to 3 years, with payments required monthly or annually.

There is no lease liability subsequent to December 31, 2024 as all leases expired during the year.

7. EMPLOYEE BENEFITS

Pensions—MTA Bus participates in a defined benefit pension plan for their employees, the Metropolitan Transportation Authority (the "MTA" or "Authority") Defined Benefit Pension Plan (the "MTA Defined Benefit Pension Plan" or the "Plan").

The following brief description of the MTA Defined Benefit Pension Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

Plan Description

General—The Plan represents a cost-sharing employer defined benefit pension plan sponsored by the Authority and administered by the Board of Managers of Pension (the "Board of Managers"), covering as relevant to the MTA Bus Company ("MTA Bus") certain represented and management employees of 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.

The Plan contains 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.

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 Pension Plan is administered by the Board of Managers which is comprised of 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.

(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 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.

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.

A stand-alone financial report may be obtained by writing to the MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004. Pension plan financials can also be found at www.mta.info.

Benefits Provided

MTA Defined Benefit Pension Plan

Pension Benefits—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

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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.

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 ten years of covered MTA Bus service. Pursuant to the MTA Bus programs, the disability benefit is the same as the service retirement benefit.

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.

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Contributions and Funding Policy

MTA Defined Benefit Pension Plan—MTA Bus's 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. The following summarizes the types of employee contributions made to the Plan.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by Depot. Non-represented 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.

Contributions for years ended December 31, 2024 and 2023 were $59,930 and $62,189, respectively. These costs represent the required actual contributions for the year stated.

Contributions as a percent of covered payroll are 0% and 31.2%, for the years ended December 31, 2024 and 2023, respectively.

Net Pension Liability—MTA Bus's net pension liability reported at December 31, 2024 was measured as of December 31, 2023. The total pension liability for the Plan was determined as of the actuarial valuation date of January 1, 2023 and rolled forward to the measurement date of December 31, 2023. MTA Bus's net pension liability reported at December 31, 2023 was measured as of December 31, 2022. The total pension liability for the Plan was determined as of the actuarial valuation date of January 1, 2023 and rolled forward to the measurement date of December 31, 2023. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions—The total pension 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:

	MTA Defined Benefit Plan	
Valuation Date	**January 1, 2023**	**January 1, 2022**
Investment rate of return	6.5% per annum—net of investment expenses.	6.5% per annum—net of investment expenses.
Salary increases	Varies by years of employment, and employee group; 2.75% general wage increases for MTA Bus hourly employees.	Varies by years of employment, and employee group; 2.75% general wage increases for MTA Bus hourly employees.
Inflation	2.25%	2.25%
Cost-of living adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.

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.

Transit Members ("MTA Bus"): *Pre.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%.

Expected Rate of Return on Investments—The long-term expected rate of return on pension plan investments was 6.50% for the MTA Defined Benefit Pension Plan. 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.

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The target allocation and best estimates of arithmetic real rates of return (RROR) for each major asset class included in each of the pension funds are as follows:

	MTA Defined Benefit Plan	
Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
US core fixed income	10.50 %	2.21 %
US long bonds	2.00	2.65
US inflation-indexed bonds	2.00	1.82
US high yield bonds	3.00	4.02
US bank/leveraged loans	1.50	3.55
Private credit	7.00	6.64
Emerging markets bonds	2.00	4.81
US large caps	18.00	5.38
US small caps	7.00	6.94
Foreign developed equity	12.00	6.92
Emerging markets equity	4.50	9.59
Emerging markets small cap equity	1.50	9.78
US REITs	1.00	6.63
Private real estate property	4.00	5.14
Private equity	7.00	10.46
Commodities	4.00	3.11
Hedge funds—multistrategy	13.00	4.39
	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 %

Discount Rate—As of December 31, 2024 and 2023, the discount rate used to measure the total pension liability of the MTA Defined Benefit Pension Plan was 6.50% and 6.50%, respectively.

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.

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MTA Bus's Proportion of Net Pension Liability—MTA Defined Benefit Pension Plan—The following table presents MTA Bus's proportionate share of the net pension liability of the MTA Defined Benefit Pension Plan at December 31, 2024 and 2023, and the proportion percentage of the net pension liability of the MTA Defined Benefit Pension Plan allocated to MTA Bus:

	2024	2023
	(in thousands, except for %)	
MTA Bus's proportionate share of the net pension liability	$ 257,683	$ 377,911
MTA Bus's proportion of the net pension liability	14.93 %	15.06 %

MTA Bus's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the fiscal year.

The following table presents MTA Bus's proportionate share of the net pension liability calculated using the discount rate of 6.50% for the MTA Defined Benefit Pension Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate (in thousands):

MTA Bus's Proportionate Share of the Net Pension Liability	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
2024	$ 411,836	$ 257,683	$ 127,656
2023	526,963	377,911	252,724

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2024 and 2023, MTA Bus recognized pension expense of $55,933 and $77,515, respectively.

At December 31, 2024 and 2023, MTA Bus reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in thousands):

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 28,601	$ (549)	$ 33,070	$ (1,058)
Changes in assumptions	54,958	-	69,071	-
Net difference between projected and actual earnings on pension plan investments	26,322	-	75,105	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	(40,736)	-	(54,191)
Employer contribution to plan subsequent to the measurement date of net pension liability	-	-	62,189	-
Total	$ 109,881	$ (41,285)	$ 239,435	$ (55,249)

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 annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over the weighted average remaining service life of all members, beginning the year in which the deferred amount occurs.

For the year ended December 31, 2024 and 2023, $0 and $62,189, respectively, were reported as deferred outflows of resources related to pension resulting from MTA Bus's contributions subsequent to the measurement dates. Other amounts reported as deferred outflows of resources related to pensions at December 31, 2024 will be recognized as pension expense as follows:

Year Ending December 31	(in thousands)
2025	$ 18,633
2026	18,390
2027	26,506
2028	(1,732)
2029	3,668
Thereafter	3,131
	$ 68,596

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.

The Deferred Compensation Program is administered and may be amended by the Deferred Compensation Committee.

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 fund 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.

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 $23 or $31 for those over age 50 for the year ending December 31, 2024.

The two Plans offer the same array of investment options to participants. Eligible participants for 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 Capital Construction
- MTA Bus

Matching Contributions—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 made a basic contribution equal to 2% of the member’s compensation. There have been no matching contributions since 2018 as all formerly eligible employees are either retired or are now in the MTA Bus pension plan.

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—Nonvested contributions are forfeited upon termination of employment. For the years ended December 31, 2024 and 2023, no forfeiture money was used to offset the employer contributions or for plan expenses.

The Trustee for the MTA Deferred Compensation Program is Prudential Bank & Trust FSB. Recordkeeper and/or Administrative Services are provided by Prudential Retirement Insurance & Annuity Company (“PRIAC”). Investment management services are provided by Prudential Retirement Insurance & Annuity Company and Galliard Capital Management: separate accounts are managed by

Denver Investment Advisors Conestoga Capital Advisors and TCW-Metropolitan West Asset Management. Financial Advisor Mercer reviews the investment policies as stipulated by the Investment Committee, the Plans' portfolios and the Investment Managers' performance.

8. OTHER POSTEMPLOYMENT BENEFITS

MTA Bus 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 and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with MTA Bus's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, composed of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Pension benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of MTA Bus are members of the MTA Defined Benefit Pension Plan.

The MTA Bus Company 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. 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 Bus Company 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 MTA Bus must:

(a) have retired;

(b) be receiving a pension (except in the case of the 401(k) Plan and the VDC);

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Pension Plan; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—MTA Bus is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents.

Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, MTA Bus paid $32,621 and $34,345 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $533 and $563 for the years ended December 31, 2024 and 2023, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2024.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2020 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2023 and December 31, 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and 2022, the employer made a cash payment for retiree healthcare of $533 and $563, 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

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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	2024 Retirees	2023 Retirees
	(in thousands)	
Total blended premiums	$ 32,088	$ 33,782
Employment payment for retiree healthcare	533	563
Net payments	$ 32,621	$ 34,345

(2) Net OPEB Liability

At December 31, 2024 and 2023, MTA Bus reported a net OPEB liability of $789,461 and $849,708, respectively, for its proportionate share of the Plan's net OPEB liability. The net OPEB liability was measured as of the OPEB Plan's fiscal year-end of December 31, 2023 and 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023 and July 1, 2021, and rolled forward to December 31, 2023 and 2022, respectively. MTA Bus's proportion of the net OPEB liability was based on a projection of MTA Bus's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2024 and 2023, MTA Bus's proportion was 3.90% and 3.79%, 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.

(3) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. MTA Bus 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, 2023 and July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2023 and 2022, the measurement dates. The actuarial valuations were performed using the

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following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%—net of expenses	3.72%—net of expenses
Inflation	2.31 %	2.33 %
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25 %	4.25 %
Salary Increases	3.00 %	3.00 %
Investment rate of return	4.25 %	3.72 %

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 it recommends to our clients 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 for MTA Bus (all amounts are in percentages).

Trend from	**NYSHIP**		**MTA Bus**	
Year Ending	**< 65**	**>=65**	**< 65**	**>=65**
2023	6.7	5.9	7.0	4.9
2024	7.0	6.6	7.2	6.1
2025	6.4	6.4	6.4	6.4
2026	5.8	5.8	5.8	5.8
2027	5.1	5.1	5.1	5.1
2028	4.9	4.9	4.9	4.9
2029	4.7	4.7	4.7	4.7
2030	4.5	4.5	4.5	4.5
2031	4.3	4.3	4.3	4.3
2032-2039	4.1	4.1	4.1	4.1
2040-2049	4.1	4.1	4.1	4.1
2050	4.1	4.1	4.1	4.1
2051-2064	4.2	4.2	4.2	4.2
2065-2066	4.1	4.1	4.1	4.1
2067-2068	4.0	4.0	4.0	4.0
2069-2070	3.9	3.9	3.9	3.9
2071-2073	3.8	3.8	3.8	3.8
2074-2089	3.7	3.7	3.7	3.7
2090+	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 are 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.

Transit Members (MTA Bus): *Pre.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%.

Expected Rate of Return on Investments—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 as of December 31, 2023 are as follows:

Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
US cash	1.5 %	3.07 %
US short	98.5 %	4.39 %
Assumed inflation—mean		2.31 %
Assumed inflation—standard deviation		1.44 %
Portfolio nominal mean return		4.37 %
Portfolio standard deviation		0.49 %
Long term expected rate of return selected by MTA		4.25 %

Discount Rate—The discount rate used in this valuation to measure the total OPEB liability was updated to incorporate GASB Statement No. 75 guidance.

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2023 and 2022 of 3.26% and 3.72%, respectively.

Sensitivity of MTA Bus's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents MTA Bus's proportionate share of the net OPEB liability, as well as what MTA Bus's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement:

Proportionate Share of the Net OPEB Liability	1% Decrease (2.26%)	Current Discount Rate (3.26%) (in thousands)	1% Increase (4.26%)
2024	$ 902,979	$ 789,461	$ 694,618
2023	966,835	849,708	752,951

Sensitivity of MTA Bus's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents MTA Bus's proportionate share of the net OPEB liability, as well as what MTA Bus's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

Proportionate Share of the Net OPEB Liability	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
2024	$ 675,101	$ 789,461	$ 931,844
2023	728,587	849,708	1,002,226

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and 2023, MTA Bus recognized OPEB expense of $60,327 and $65,437, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over an 8.1 year closed period, beginning the year in which the deferred amount occurs.

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At December 31, 2024 and 2023, MTA Bus reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience	$ 11,015	$ (104,053)	$ 13,473	$ (1,285)
Changes in assumptions	83,949	(129,610)	58,751	(156,188)
Net difference between projected and actual earnings on OPEB plan investments	220	-	717	-
Changes in proportion and differences between contributions and proportionate share of contributions	112,638	(85,469)	113,306	(53,855)
Employer contribution to plan subsequent to the measurement date of net OPEB liability	32,621	-	34,345	-
Total	$ 240,443	$ (319,132)	$ 220,592	$ (211,328)

For the years ended December 31, 2024 and 2023, $32,621 and $34,345 was reported as deferred outflows of resources related to OPEB resulting from both MTA Bus's contributions subsequent to the measurement date and an implicit rate subsidy adjustment. These amounts will be recognized as a reduction of the net OPEB liability in the years ended December 31, 2025 and December 31, 2024, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Year Ending December 31	(in thousands)
2025	$ (17,622)
2026	(11,591)
2027	(5,798)
2028	(22,112)
2029	(24,461)
Thereafter	(29,726)
	$ (111,310)

9. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

MTA Bus establishes its liability for injuries to persons on the basis of independent actuarial estimates of future liability. A summary of activity in estimated liability arising from claims related to injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2024 and 2023, is as follows:

($ in thousands)	2024	2023 (Restated)*
Balance—beginning of year	$ 521,160	$ 479,799
Activity during the year:		
Current year claims and changes in estimates	121,629	104,490
Claims paid—settlements only	(77,541)	(63,129)
Balance—end of year	565,248	521,160
Less—current liability	(74,378)	(69,600)
Noncurrent liability	$ 490,870	$ 451,560

** Restated to include employee claims previously presented as a footnote.*

10. LOANS PAYABLE

Loans Payable—The MTA and the New York Power Authority ("NYPA") entered into an updated Energy Services Program Agreement ("ESP Agreement"). The ESP Agreement authorized the Authority, as an affiliate of the MTA, to enter into a Customer Installation Commitment ("CIC") with NYPA for turn-key, energy efficiency projects, which would usually be long-term funded and constructed by NYPA. The repayment period for the NYPA loan can be up to 20 years but can be repaid at any time without penalty.

The outstanding loan payable balance represents NYCTA's portion of a joint loan with MTA Bus for compressor upgrades at various bus depots. NYCTA reimburses MTA Bus for the debt service on the NYPA loan.

The debt service requirements at December 31, 2024 are as follows (in thousands):

Year	Principal	Interest	Total
2025	$ 197	$ 79	$ 276
2026	207	66	273
2027	218	54	272
2028	230	43	273
2029	243	30	273
2030-2034	446	21	467
2035-2039	-	-	-
Total	$ 1,541	$ 293	$ 1,834
Less: current portion	(197)		
Long-term loans payable	$ 1,344		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) rate and is reset annually. The SIFMA rate as of December 31, 2024 was 3.62%.

11. ENVIRONMENTAL POLLUTION REMEDIATION

In accordance with GASB Statement No. 49, a pollution remediation expense provision totaling $680, and a corresponding liability were recorded on the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. As of December 31, 2024 and 2023, the pollution remediation liability totaled $13,135 and $12,813, respectively, primarily consisting of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, soil contamination, and arsenic contamination at MTA Bus. MTA Bus does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increase or reduction, technology, or changes in applicable laws or regulations. In addition, MTA Bus does not expect any recoveries of cost that would have a material effect on the recorded obligations.

During 2005, environmental consultants, on behalf of the New York City Department of Design performed on site investigation at the former Green, Jamaica and Triboro Coach Bus lines prior to their merger into MTA Bus. As a result of the site investigations, these depots were found to require extensive soil and groundwater remediation. The Transit Authority’s Capital Programs Management Environmental Engineering Division estimated that the cost to remediate the contaminated sites would total approximately $4,293. During 2006, the New York State Department of Environmental Conservation issued stipulation and consent decrees requiring MTA Bus to commence soil and ground water remediation at the College Point and Eastchester depots. The estimated cost for cleanup efforts at these sites was approximately $2,000. Pursuant to the letter agreement between The City and the MTA, remediation costs will be reimbursable by The City and, as such, a reserve for environmental remediation was not recorded in MTA Bus’s financial statements. As stated in Note 2, The City funded the $6,293 in estimated costs for potential environmental remediation. In July 2011 and December 2021, The City funded the Environmental Remediation Reserve Fund with an additional $11,096 and $2,210, respectively. At December 31, 2024, the Environmental Remediation Reserve fund had a balance of $7,705 remaining for future environmental projects.

	2024	2023
	(in thousands)	
Balance beginning of year	$ 12,813	$ 11,985
Activity during the year:		
Current year changes in estimates	707	962
Payments	(385)	(134)
Balance end of year	13,135	12,813
Less—current liability	(7,705)	(7,678)
Non current liability	$ 5,430	$ 5,135

12. COMPENSATED ABSENCES

MTA provides employee benefits for vacation, compensatory time, sick, and other leave days. Certain leave that has not been used are recorded as compensated absences liabilities if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Short-term liability is recorded based on average usage or applicable leave expiration, while long-term liability is recorded for leave that accumulates and is carried forward to a future reporting period during which it may be used for time off or otherwise paid or settled at separation of service, or according to timing as provided for in the policy or collective bargaining agreement.

The initial measurement of MTA's compensated absences liability under GASB 101, *Compensated Absences* was as of January 1, 2023. The liability including certain salary-related payments were recalculated and adjusted based on the estimated outstanding leave balances as of the years ended December 31, 2024 and 2023.

A summary of activity indicated as net increase or decrease in compensated absences liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	2024	2023
Balance - beginning of year	$ 49,851	$ 48,846
Net adjustment	1,075	1,005
Balance - end of year	50,926	49,851
Less current portion	(28,102)	(29,104)
Compensated absences liability non-current	$ 22,824	$ 20,747

13. DUE FROM/(TO) MTA AND OTHER AFFILIATED AGENCIES

MTA Bus receives support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. Funds for MTA Bus's capital project expenditures are also provided by MTA. MTA Bus recognizes funds contributed by MTA for MTA Bus's capital project expenditures as contributed capital.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Receivable	(Payable)	Receivable (Restated)*	(Payable)
MTA	$ 452,972	$ (20,197)	$ 557,962	$ (28,640)
Affiliated agencies	35,811	(44,329)	30,471	(44,438)
Total MTA and affiliated agencies	$ 488,783	$ (64,526)	$ 588,433	$ (73,078)

** Restated to include interest receivable from MTAHQ, previously included in other receivable.*

14. CONTINGENCIES

Neither the MTA nor its Component Unit, MTA Bus, assumed any liability for claims, suits, and any other pending litigation matters arising from or in connection with the operation of the former seven privately franchised bus companies prior to their merger dates into MTA Bus. Beginning January 3, 2006, and on each of the three merger dates occurring thereafter (Green Bus on January 9, 2006, Jamaica Bus on January 30, 2006, and Triboro Coach on February 2006), MTA Bus assumed responsibility for all liability claims arising from operating the former City bus routes. Legal counsel to MTA Bus believes that there is no litigation or claims that could have a material effect on the financial position of MTA Bus.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of MTA Bus have been infrequent in prior years.

15. SUBSEQUENT EVENTS

As of ___________, 2025, there were no materially significant subsequent events.

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S PROPORTIONATE SHARE OF NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PLAN
FOR THE YEARS ENDED DECEMBER 31

	MTA Defined Benefit Plan								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
	(in thousands, except %)								
MTA Bus's proportion of the net pension liability	14.93 %	15.06 %	15.26 %	15.41 %	17.08 %	17.11 %	16.45 %	20.10 %	15.94 %
MTA Bus's proportionate share of the net pension liability	$257,683	$377,911	$255,553	$298,534	$294,880	$301,790	$166,590	$269,740	$205,690
MTA Bus's actual covered-employee payroll	$393,942	$386,168	$370,580	$380,786	$367,056	$367,802	$323,411	$325,651	$289,491
MTA Bus's proportionate share of the net pension liability as a percentage of its covered-employee payroll	65.41 %	97.86 %	68.96 %	78.40 %	80.34 %	82.05 %	51.51 %	82.83 %	71.05 %
Plan fiduciary net position as a percentage of the total pension liability	79.17 %	68.14 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %	70.44 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S CONTRIBUTIONS FOR ALL PENSION PLANS FOR THE YEARS ENDED DECEMBER 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(in thousands, except %)					
MTA Defined Benefit Plan										
Actuarially determined contribution	$ 59,931	$ 62,189	$ 60,879	$ 59,629	$ 60,549	$ 59,768	$ 56,731	$ 52,133	$ 44,927	$ 43,852
Actual employer contribution	-	122,760	60,879	59,629	61,100	59,768	57,264	50,479	44,300	45,928
Contribution deficiency (excess)	$ 59,931	$ (60,571)	$ -	$ -	$ (551)	$ 0	$ (533)	$ 1,654	$ 627	$ (2,076)
Covered payroll	$407,268	$393,942	$386,168	$370,580	$380,786	$367,056	$367,802	$323,411	$325,651	$289,491
Contributions as a % of covered payroll	0.00 %	31.16 %	15.76 %	16.09 %	16.05 %	16.28 %	15.57 %	15.61 %	13.60 %	15.87 %

Notes to Schedule of MTA Bus's Contributions to Pension Plan:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Pension Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors: covered employees.

Changes of Benefit Terms

The January 1, 2018 funding valuation reflects Arbitration and Impasse Awards and an MOU between MTA Bus and ATU Local 1179/1181 and TSO Local 106 TWU Local 100 that provide enhanced benefits to covered employees. The January 1, 2016 funding valuation reflects an Arbitration Award between MTA Bus and TWU Local 100 that provides enhanced benefits to covered employees.

There were no changes of benefit terms in the January 1, 2017 and 2015 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the January 1, 2016 and January 1, 2015 funding valuation.

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S PROPORTIONATE SHARE OF NET OPEB LIABILITY IN THE MTA OPEB PLAN AT

Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
			(in thousands, except %)			
MTA Bus's proportion of the net OPEB liability	3.90 %	3.79 %	3.60 %	3.54 %	3.85 %	3.24 %
MTA Bus's proportionate share of the net OPEB liability	$789,461	$849,708	$898,016	$863,774	$813,117	$633,567
MTA Bus's covered payroll	$393,942	$386,168	$370,580	$380,786	$367,056	$367,802
MTA Bus's proportionate share of the net OPEB liability as a percentage of covered payroll	200.40 %	220.04 %	242.33 %	226.84 %	221.52 %	172.26 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.36 %	0.05 %	0.00 %	0.00 %	1.93 %	1.76 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become a
In accordance with GASB No. 75, information was not readily available for periods prior to 2017.

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31

	2024	2023	2022	2021	2020	2019	2018
			(in thousands, except %)				
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution[1]	$ 32,621	$ 34,345	$ 32,053	$ 28,880	$ 25,646	$ 28,339	$ 23,214
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 407,268	$ 393,942	$ 386,168	$ 370,580	$ 380,786	$ 367,056	$ 367,802
Actual contribution as a percentage of covered payroll	8.01 %	8.72 %	8.30 %	7.79 %	6.74 %	7.72 %	6.31 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $533, $563, $681, $595, $791, $975, and $770 for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Notes to Schedule of MTA Bus's Contribution to the OPEB Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2023
Measurement date	December 31, 2023
Discount rate	3.26%—net of expenses
Inflation	2.31 %
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Salary increases	3.00 %
Investment rate of return	4.25 %

Changes of benefit terms: In the July 1, 2023 actuarial valuation, there were no changes to the benefit terms.

Changes of assumptions: In the July 1, 2023 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Changes in Actuarial Assumptions since Prior Valuation: The retirement rates for other non-represented members were revised to reflect changes in retirement eligibility conditions, as they are now eligible for MABSTOA style pension benefits. The impact of this change is considered a plan change.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 75, information was not readily available for periods prior to 2017.

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Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2024 and 2023, Required Supplementary Information, and Independent Auditor's Report

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Triborough Bridge and Tunnel Authority (the "Authority"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of Net Pension Liability in the New York City Employees' Retirement System, Schedule of the Authority's Contributions to the New York City Employees' Retirement System, Schedule of the Authority's Proportionate Share of Net OPEB Liability in the MTA OPEB Plan, and Schedule of the Authority's Contributions to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

___________, 2025

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels" or "Authority") for the years ended December 31, 2024 and 2023. This discussion and analysis is intended to serve as an introduction to MTA Bridges and Tunnels' financial statements which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements (3) Notes to the Financial Statements, and (4) Required Supplementary Information.

Management's Discussion and Analysis

This MD&A provides an assessment of how MTA Bridges and Tunnels' position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA Bridges and Tunnels' overall financial position. It may contain opinions, assumptions, or conclusions by MTA Bridges and Tunnels' management that should not be considered a replacement for and must be read in conjunction with the financial statements.

The Financial Statements Include

The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that MTA Bridges and Tunnels presently controls (assets), consumption of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that MTA Bridges and Tunnels has little or no discretion to avoid (liabilities), and acquisition of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how MTA Bridges and Tunnels' net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of MTA Bridges and Tunnels' operations over the twelve months and can be used to determine how MTA Bridges and Tunnels has funded its costs.

The Statements of Cash Flows provide information about MTA Bridges and Tunnels' cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements Provide

Information that is essential to understanding the financial statements, such as MTA Bridges and Tunnels' basis of presentation, and significant accounting policies, details of cash and investments, capital assets, employee benefits, long-term debt, lease transactions, future commitments and contingencies, and subsequent events of MTA Bridges and Tunnels.

The notes to the financial statements also describe any other events or developing situations that could materially affect MTA Bridges and Tunnels' 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, related ratios and actuarial assumptions used to calculate the net pension liability and net OPEB liability.

FINANCIAL REPORTING ENTITY

Triborough Bridge and Tunnel Authority is a public benefit corporation, separate and apart from the State of New York, without any power of taxation. Triborough Bridge and Tunnel Authority is empowered to operate and maintain nine toll bridges and tunnels and the Battery-Parking Garage, all located in New York City. The board members of the Metropolitan Transportation Authority ("MTA") also serve as the Board of Triborough Bridge and Tunnel Authority. Triborough Bridge and Tunnel Authority operates under the name of MTA Bridges and Tunnels and is a component unit of the MTA. The MTA is a component unit of the State of New York.

MTA Bridges and Tunnels' operations and capital costs (debt obligations) for its bridges and tunnels are paid by the revenues it generates from its facilities. MTA Bridges and Tunnels' surplus amounts are used to fund transit and commuter operations and finance capital projects for the transit and commuter systems operated by other affiliates and subsidiaries of the MTA.

On April 1, 2019 the MTA Reform and Traffic Mobility Act ("the Act") was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-J, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling capital lock-box fund which is kept separate and apart from TBTA operating monies. The fund shall consist of monies received through the Central Business District Tolling Program (CBDTP), as well as real estate transfer tax ("Mansion Tax") and Portions of City and State wide sales taxes ("Internet Tax").

Monies in the fund are be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the Authority, or to the City of New York subject to the memorandum of understanding including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling Collection System and the Central Business District tolling Customer Service Center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19.

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CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA Bridges and Tunnels' financial position for the years ended December 31, 2024 and 2023. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with MTA Bridges and Tunnels' financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

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-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs).

Other assets include, but are not limited to: cash, restricted and unrestricted investments, receivables and prepaid expenses. This also includes the receivable from applicable leases of MTA Bridges and Tunnels garage spaces and bridges and tunnels easement rights to third parties.

Deferred outflows of resources reflect: deferred outflows from pension, derivatives, losses on refunding and OPEB.

(In thousands)

Assets and Deferred Outflows of Resources	**As of December 31, 2024**	**2023**	**2022**	**Increase/(Decrease) 2024–2023**	**2023-2022**
Current Assets	$ 3,213,958	$ 3,591,230	$ 3,266,605	$ (377,272)	$ 324,625
Capital Assets—Net	8,311,139	7,966,767	7,794,878	344,372	171,889
Other Assets	11,400,973	10,233,151	7,877,044	1,167,822	2,356,107
Deferred Outflows of Resources	476,661	413,508	463,696	63,153	(50,188)
Total Assets and Deferred Outflows of Resources	$23,402,731	$22,204,656	$19,402,223	$ 1,198,075	$2,802,433

Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2024 versus 2023:

Total assets and deferred outflows of resources increased by $1,198,075 for the year ended December 31, 2024.

Current assets decreased by $377,272 primarily due to a decrease in the loan receivable from MTA of $1,299,460, an increase in the allowance of doubtful accounts of $42,996, a decrease in Due from MTA Bus of $5,785, a decrease in Due from MTA of $2,034, a decrease in Due from Transit of $ 1,925 and a decrease in prepaid expenses of $464. The decrease was offset by the increase in restricted investments of $624,976, cash increased by $190,703, interest receivable also increased by $44,355, increase in unrestricted investments of $44,091, accounts receivable of $33,923, restricted invested funds at MTA of $31,269, and invested funds at MTA—unrestricted of $6,012.

Capital assets, net, increased $344,372 for the year ended December 31, 2024. This was primarily due to increases in primary structures of $122,482, roadway of $172,243, PIP of $117,247, CBDTP cameras of $141,521, CBDTP structures of $212,281, MTA 5yr capital program accrual of $27,743 and buildings of $14,579, property road and equipment of $3,347. These increases in assets were offset by accumulated depreciation and amortization of $467,914. Refer to Note 6 for further details.

Other assets increased by $1,167,822 for the year ended December 31, 2024. This was primarily due to an increase in the loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of $1,145,734 and MTA premium of $100,889; offset by a decrease in noncurrent portion of unrestricted investments of $77,545, lease receivable of $1,237, and derivative instruments of $19.

Deferred outflows of resources increased by $63,153. This was due to decreases in deferred financing costs of $11,416, change in fair market value of derivative instruments of $15,779 and decrease in the deferred outflows related to pension of $9,181 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System ("NYCERS"). These decreases were offset by increases in the deferred outflows of resources related to OPEB of $99,529.

<u>December 31, 2023 versus 2022:</u>

Total assets and deferred outflows of resources increased by $2,802,433 for the year ended December 31, 2023.

Current assets increased by $324,625 primarily due to an increase in the loan receivable from MTA of $1,359,100 and unrestricted investments of $117,549, accounts receivable of $115,183, restricted invested funds at MTA of $59,422; invested funds at MTA – unrestricted of $16,524; offset by a decrease in restricted investments of $1,224,034 and an increase in the allowance of doubtful accounts of $126,961.

Capital assets, net, increased $171,889 for the year ended December 31, 2023. This was primarily due to increases in primary structures of $227,620, roadway of $83,747, buildings of $26,688, property road and equipment of $6,721, open road tolling systems and equipment of $1,896 and offset by a decrease in other of $334. These increases in assets were offset by accumulated depreciation and amortization of $204,221. Refer to Capital Asset footnote for further details.

Other assets increased by $2,356,107 for the year ended December 31, 2023. This was primarily due to an increase in the loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of $2,199,450, and noncurrent portion of unrestricted investments of $158,092; offset by a decrease in lease receivable of $1,243, and a decrease in derivative instruments of $192.

Deferred outflows of resources decreased by $50,188. This was due to decreases in deferred financing costs of $81,659 and in the deferred outflows related to pension of $6,382 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System ("NYCERS"). These decreases were offset by increases in the deferred outflows of resources related to OPEB of $37,428 and the change in fair market value of derivative instruments of $425.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non- Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, current portion of long-term lease liabilities and other current liabilities. This also includes the current portion of compensated absences as a result of the implementation of GASB Statement No. 101, *Compensated Absences.*

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liabilities and other non-current liabilities. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Deferred inflows of resources reflect unamortized gains on debt refunding, deferred inflows related to leases, pension and OPEB.

Total Liabilities and Deferred Inflows of Resources	As of December 31, 2024	2023 (Restated)	2022	Increase/(Decrease) 2024–2023	2023–2022 (Restated)*
Current Liabilities	$ 2,052,051	$ 2,908,349	$ 1,252,423	$ (856,298)	$1,655,926
Noncurrent Liabilities	25,703,483	22,947,917	20,687,389	2,755,566	2,260,528
Deferred Inflow of Resources	416,884	320,083	234,942	96,801	85,141
Total Liabilities and Deferred Inflows of Resources	$28,172,418	$26,176,349	$22,174,754	$ 1,996,069	$4,001,595

* GASB 101 restatement is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2024 versus 2023:

Total liabilities and deferred inflows of resources increased by $1,996,069 for the year ended December 31, 2024.

Current liabilities decreased by $856,298 for the year ended December 31, 2024. This was primarily due to a decrease in due to long-term debt currently due of $834,385 for net PMT bonds, CBDTP Ban of $378,835, Senior and Subordinate bonds of $84,225, unearned toll revenues decreased by $44,307, decrease in surplus paid to NYCTA of $9,738, decrease in surplus paid to MTA of $8,868, a decrease in due from MTA Bus of $6,758, accounts payable decreased by $6,523, payable to MTA decreased by $5,577, Sales Tax bonds of $2,015 and a decrease of short-term compensated absences of $482. These decreases were primarily offset by the following increases: capital accruals of $31,074, other unearned revenue of $23,767 due to fund being set aside by MTA to pay future interest payable on selected PMT bonds; interest payable of $3,637, the current portion of claims payable of $1,157 and accrued salaries of $675.

Non-current liabilities increased by $2,755,566 for the year ended December 31, 2024. This was mainly due to the increase in long-term debt obligations of $2,782,236 for issuance of net Sales Tax and PMT bonds. Net pension liability increased by $2,247 and the change in fair value of derivative increased by $1,409. These increases were offset by the following: a decrease in derivative instruments by $17,207 for senior and subordinate bond; and decrease of OPEB liability of $12,760 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71.

Deferred inflows of resources increased by $96,801. This was mainly attributable to an increase of $124,975 related to OPEB as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions; offset by a decrease of $26,970 related to pensions primarily on changes in the projected versus actual plan investment earnings and a decrease of $1,204 in the amortization of deferred inflows of resources for leases.

December 31, 2023 versus 2022:

Total liabilities and deferred inflows of resources increased by $4,001,595 for the year ended December 31, 2023.

Current liabilities increased by $1,655,926 for the year ended December 31, 2023. This was primarily due to an increase in reclassification of long-term debt obligations from noncurrent to current of $1,310,020; an increase in other unearned revenue of $190,396 this increase in unearned revenue was due to fund being set aside by MTA to pay future interest payable on selected PMT bonds which $158,092 is classified as long term unrestricted; unearned toll revenues increased by $50,125; increase in surplus paid to NYCTA of $18,560, increase in surplus paid to MTA of $22,973 and an increase in due from MTA Bus of $7,075. In addition, accounts payable increased by $26,365; interest payable increased by $44,025 and capital accruals increased by $29,305. These increases were primarily offset by the following decreases: accrued salaries of $34,020, payable to MTA of $4,532, compensated absences decreased by $3,910 and the current portion of claims payable of $459.

Non-current liabilities increased by $2,260,528 for the year ended December 31, 2023. This was mainly due to the increase in long-term debt obligations of $2,289,075 for issuance of net Sales Tax bonds of $1,239,076 and PMT bonds of $1,233,269. Compensated absences increased by $25,687 in accordance with GASB Statement No. 101. These increases were offset by the following: a decrease in senior and subordinate bonds of $183,271; OPEB liability of $35,999 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71; and decrease in net pension liability of $23,534.

Deferred inflows of resources increased by $85,141. This was mainly attributable to an increase of $88,292 related to OPEB as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions; offset by a decrease of $1,778 in the amortization of deferred inflows of resources for leases and a decrease of $1,373 related to pensions primarily on changes in the projected versus actual plan investment earnings.

Total Net Position, Distinguishing Among Net Investment in Capital Assets and Unrestricted Amounts

(In thousands)

	As of December 31,			Increase/(Decrease)	
Net Position	**2024**	**2023 (Restated)**	**2022**	**2024–2023**	**2023–2022 (Restated)***
Net investment in capital assets	$ 2,205,971	$ 2,014,666	$ 2,105,369	$ 191,305	$ (90,703)
Restricted	1,901,460	1,245,040	2,409,990	656,420	(1,164,950)
Unrestricted	(8,877,118)	(7,231,399)	(7,287,890)	(1,645,719)	56,491
Total net position	$(4,769,687)	$(3,971,693)	$(2,772,531)	$ (797,994)	$(1,199,162)

* GASB 101 restatement is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.

The negative net position resulted from assets transferred to MTA and NYCTA for prior years' debt financing incurred on their behalf. Net position represents the residual interest in the MTA Bridges and Tunnels assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets include capital assets and right-of-use lease and subscription assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted. In 2023, the total net position was restated and decreased by $21,439 due to the implementation of GASB Statement No. 101, *Compensated Absences*. Refer to Note 2 for additional information.

Significant Changes in Net Position

December 31, 2024 versus 2023:

In 2024, the total net position decreased by $797,994. This was due to operating income of $1,827,004, non-operating income of $184,063, relief of MTA transfers in of $146,277 and offset by transfers out to MTA and NYCTA for operating surplus of 1,423,408, Sales Tax bond proceeds transfer of $1,389,564 and internet and mansion tax transfers of $142,366.

December 31, 2023 versus 2022:

In 2023, the total net position decreased by $1,199,162. This was due to operating income of $1,732,845, non-operating income of $265,836, relief of MTA transfers in of $202,935 and offset by transfers out to MTA and NYCTA for operating surplus of $1,289,102, Sales Tax bond proceeds transfer of $1,517,688 and internet and mansion tax transfers of $593,988.

Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	Years Ended December 31,			Increase/(Decrease)	
	2024	2023 (Restated)	2022	2024–2023	2023–2022 (Restated)*
Operating revenues	$ 2,598,458	$ 2,446,842	$ 2,356,751	$ 151,616	$ 90,091
Operating expenses	(771,454)	(713,997)	(670,174)	(57,457)	(43,823)
Operating income	1,827,004	1,732,845	1,686,577	94,159	46,268
Nonoperating revenue, net excluding transfers	184,063	265,836	497,117	(81,773)	(231,281)
Income before transfers	2,011,067	1,998,681	2,183,694	12,386	(185,013)
Transfers in—MTA	146,277	202,935	372,656	(56,658)	(169,721)
Transfers out	(2,955,338)	(3,400,778)	(2,691,576)	445,440	(709,202)
Changes in net position	(797,994)	(1,199,162)	(135,226)	401,168	(1,063,936)
Net position—Beginning of year	(3,971,693)	(2,772,531)	(2,637,305)	(1,199,162)	(135,226)
Net position—End of year	$(4,769,687)	$(3,971,693)	$(2,772,531)	$ (797,994)	$(1,199,162)

*GASB Statement No. 101 restatement is as of 01/01/2023, therefore 2023 balances are not comparative with 2022.

Operating Revenues

For the year ended December 31, 2024, the operating revenues increased by $151,616 as compared to December 31, 2023. Total crossings in 2024 were 337.3 million versus 335.1 million in 2023, an increase of 0.7%. See “Overall Financial Position and Results of Operations and Important Economic Conditions” below.

For the year ended December 31, 2023, the operating revenues increased by $90,091 as compared to December 31, 2022. The year 2023 only reflects 4.9 months of the toll increase effective August 6, 2023 while 2022 reflected a full year effect of the toll increase effective April 11, 2021. Total crossings in 2023 were 335.1 million versus 326.3 million in 2022, an increase of 2.7%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

Revenue by Major Source

MTA Bridges and Tunnels tolls accounted for 98.9% and 98.9% of operating revenues in 2024 and 2023, respectively. The remaining revenue primarily represented income from parking fees (net of operating expenses) collected at the Battery Parking Garage and fees collected from E-ZPass customers.

Toll revenues (net of bad debt expense relating to toll collections) were $2,572,261 and $2,418,755 for the years ended December 31, 2024 and December 31, 2023, respectively.

Operating Expenses

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2024, as compared to the prior year by $57,457. This was primarily due to the increases in maintenance and other operating contracts of $31,288 mainly due to major maintenance and painting projects; depreciation and amortization expense of $12,806; retirement and other benefits of $9,701, credit card fees of $4,959, other expenses of $4,347, professional service contracts by $2,874 and materials and supplies of $2,049. These increases were offset by a decrease in insurance of $5,396 and salaries and wages of $6,642.

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2023, as compared to the prior year by $43,823. This was primarily due to the increases in maintenance and other operating contracts of $5,033 mainly due to major maintenance and painting projects; depreciation and amortization expense of $19,855; insurance of $4,428, and retirement and other benefits of $6,826, salaries and wages of $17,838 and other expenses of $1,809. These increases were offset by a decrease in OPEB expense of $5,530 and a decrease in professional service contracts by $2,861, and credit card fees of $1,243.

Non-Operating Revenues (Expenses)

Net non-operating revenues decreased by $81,773 for the year ended December 31, 2024. This was mainly due to decreases in the following: interest expense of $274,190 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA and mansion tax of $18,082. This was offset by an increase in interest income on PMT of $197,228, investment income of $9,842 and internet revenue of $3,627.

Net non-operating revenues decreased by $231,281 for the year ended December 31, 2023. This was mainly due to decreases in the following: interest expense of $226,566 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA; mansion tax of $167,825; and investment income of $9,727. This was offset by an increase in interest income on PMT of $172,949.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions/Results of Operations

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 fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The fourth quarter 2024 rose above paid ridership during the fourth quarter of 2023 by 32 million (7.4%). Paid vehicle traffic at Triborough Bridge and Tunnel Authority ("TBTA") d/b/a MTA Bridges and Tunnels ("B&T") facilities for the fourth quarter of 2024 was above 2019 levels by 2.8 million crossings (3.3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2023, was up 257 thousand crossings (0.3%).

MTA Central Business District Tolling Program ("CBDTP") was established by New York State legislation in 2019 to both manage traffic congestion in Manhattan and be implemented in a manner that achieves a minimum $15 billion of funding for the projects identified in MTA's 2020-2024 Capital Program, and any additional revenues above that amount to be available for any successor program. On June 5, 2024, several weeks before CBDTP's scheduled start, Governor Hochul announced a pause of its implementation. Then on November 14, 2024, Governor Hochul announced a proposal to proceed with CBDTP, but with the toll rates that had been adopted by the TBTA Board in March 2024 phased-in over several years (the "Phase-In Approach"). Under this approach, CBDTP tolls will be implemented in three steps, culminating with the rates set in the March 2024 adopted toll structure. The interim steps will have tolls for each vehicle class and time of day, as well as tunnel crossing credits, proportionally reduced from the corresponding values in the March 2024 adopted toll structure. The proportional reductions will result in values for Phase 1 (2025, 2026, and 2027) equaling 60% of the corresponding values for the March 2024 adopted toll structure. For Phase 2 (2028, 2029, and 2030), the tolls and credits would equal 80% of the March 2024 adopted toll structure values. The March 2024 adopted toll structure values would come into full effect in 2031. On November 18, 2024, the TBTA Board formally adopted the Phase-In Approach. Following the execution of an agreement under the Value Pricing Pilot Program by FHWA and the Project Sponsors, TBTA began collecting CBDTP tolls on January 5, 2025. Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 86.7 thousand jobs (1.8%). On a quarter-to-quarter basis, New York City employment gained 16.5 thousand jobs (0.3%), the eighteenth consecutive quarterly increase. These increases were preceded by the steep decline of 880.5 thousand jobs (18.8%) during the second quarter of 2020.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 260.0 thousand jobs (1.85%). On a quarter-to-quarter basis, New York City employment gained 592.3 thousand jobs (4.2%)

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 3. [DK1] 1 percent. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending. Real GDP increased 2.8 percent in 2024 (from the 2023 annual level to the 2024 annual level), compared with an increase of 2.9 percent in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports; conversely, increases in imports had a dampening impact on real GDP.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the fourth quarter of 2024, with the metropolitan area index increasing 3.8% while the national index increased 1.6% when compared with the fourth quarter of 2023. Regional prices for energy products increased 0.6% while national prices for energy products fell 2.9%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.4%, while nationally, inflation exclusive of energy products increased 3.2%. The New York Harbor spot price for conventional gasoline decreased by 10.6% from an average price of $2.35 per gallon to an average price of $2.10 per gallon between the fourth quarters of 2023 and 2024.

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.50% 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, decreased the range to 4.75% to 5% on September 18, 2024, decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 million (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42 million (-57.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Two key economic factors that have statistically significant relationships to changes in traffic volumes are regional non-farm employment and inflation (CPI-U). Based on data from the U.S. Bureau of Labor Statistics, regional employment 2024 and 2023 increased by 1.6% and 2.5%, respectively. Inflation was 3.82% in 2023 and decreased slightly to 3.79% in 2024.

2024 was the highest traffic year for B&T, with 337.2 million paid crossings. This was an increase of 0.6% for the 335.1 million paid crossings in 2023. In addition to the rebounded traffic volumes, the 2024 toll increase resulted in toll revenue for 2024 to total $2,583.8 million, which was $165.0 million, or 6.8% higher than 2023.

E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E-ZPass market share decreased slightly overall, with a slight decrease in Passenger Vehicles market share and a slight increase in Commercial vehicles market share from 2023 to 2024.

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	2024	2023	2022
Total	93.1 %	93.6 %	95.1 %
Average weekday	93.5	93.9	95.6
Passenger vehicles	93.2	93.8	95.4
Commercial vehicles	96.1	95.8	97.1
Average weekend	92.3	92.8	94.2

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

MTA Bridges and Tunnels' facilities are all in a state of good repair. MTA Bridges and Tunnels' portion of the MTA's Capital Program for 2020-2024 totals $2,821,227 (this excludes $503,000 for CBDTP discussed below) for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2024 were $3,504,296 bringing the total commitment under the five-year plan to $1,650,546. The MTA conducted two relocations from B&T 2020-24 capital program worth a combined $1,514,223 to fund the consultant for the MTA's Agency-wide Small Business Mentoring Program.

MTA Bridge and Tunnels' portion of the MTA's Capital Program for 2015-2019 totals $2,670,149 for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2024 were $565 leaving the total commitments under the five-year plan at $2,467,812. All originally planned major projects in the 2015-2019 program have been committed. A $42M project, funded from unused reserves was added to the program during October 2024 plan amendment to support a major service life extension project at the VNB. In addition, a $40 million program reduction was implemented via program amendment in October 2024 as a result of favorable bid savings and unused project contingencies, allowing these budget reserves to be returned to MTA.

MTA Bridges and Tunnels' portion of the Capital Program for 2010-2014 totals $1,971,892 for normal replacement and system improvement projects (Excluding Sandy Capital Program). There were no commitments made during the fourth quarter of 2024 and the total commitments under the five-year plan currently stand at $1,939,789. All major projects in this program have now been fully committed. In addition, a $50 million program reduction was implemented via program amendment in October 2024 as a result of favorable bid savings and unused project contingencies, allowing these budget reserves to be returned to the MTA.

MTA Bridges and Tunnels' portion of the Capital Program for 2005-2009 totals $1,126,736 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter of 2024. The total commitments under the five-year plan are $1,114,595 and this program is now fully committed.

Approximately 76% of the projected expenditures in the 2020-2024 Capital Program will be incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. Other major projects in the 2020-2024 Capital Program include the Dyckman Street substation upgrade at the Henry Hudson Bridge, lighting and power redundancy and resiliency improvements at the Bronx-Whitestone Bridge, tower elevator replacement at the Marine Parkway Bridge, rehabilitation of the substructure of the Cross Bay Bridge, and the rehabilitation/replacement of the facility monitoring and safety systems at the Queens Midtown Tunnel and Hugh Carey Tunnel.

Approximately 63% of the projected expenditures in the 2015-2019 Capital Program have been incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. All major projects in the 2015-19 program have been completed.

Approximately 64% of the 2010-2014 Capital Program expenditures have been incurred at three facilities: the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Verrazano-Narrows Bridge. All major projects from the 2010-2014 program have been completed.

Approximately 63% of the expenditures in the 2005-2009 Capital Program have been incurred at three facilities: the Verrazano-Narrows Bridge, the Robert F. Kennedy Bridge, and the Bronx-Whitestone Bridge. All major projects from the 2005-2009 program have been completed.

MTA Bridges and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals $680,334 of which $526,911 is for facility restoration and $153,423 is for facility mitigation projects. A program reduction to remove nearly $65 million in unused program reserves was conducted at the end of the first quarter of 2023. A further $20 million in unused program reserves was released to MTA through an amendment in October 2024.

Approximately 92% of the Sandy Capital Program expenditures have been incurred at the Hugh L. Carey and Queens Midtown Tunnels.

On April 11, 2019, as part of the Fiscal Year 2020 New York State Budget, legislation was signed into law authorizing the Triborough Bridge and Tunnel Authority (TBTA) to implement the nation's first-ever Central Business District Tolling Program (CBDTP). The planning, design, construction, operations, and maintenance of the CBDTP has primarily been the responsibility of TBTA though it has also required the involvement of various other regional and federal agencies and stakeholders. The CBDTP will reduce congestion and enhance mobility in Manhattan's Central Business District (south of and inclusive of 60th Street).

MTA Bridge and Tunnels' Central Business District Tolling Program (CBDTP) totals $503,000 representing the total capital budget established to support the design, development, and implementation of the CBDTP. Key components include program and construction management; design, construction, and integration of the toll technology system and infrastructure; development of Customer Service Center Software and build-out: the Environmental Assessment; and outreach and education. A contract with TransCore was executed on October 31, 2019, one month ahead of schedule. TransCore designed, built, and will operate and maintain the tolling system and related infrastructure. On November 14, 2024, after a brief pause, TBTA began working towards a January 5, 2025, go-live date. Subsequently, work progressed with $0 in additional commitments made during the fourth quarter of 2024. The total commitments are $409,692 to date, which is unchanged from the third quarter of 2024 commitment. On January 5, 2025, at just past midnight, the Central Business District Tolling Program began revenue operations.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

MTA Bridges and Tunnels Infrastructure Losses from Sandy

Based on preliminary assessments by MTA Bridges and Tunnels staff and independent engineers, the estimated capital cost of repairs, mostly for damage to the tunnels, was $778 million. The estimated cost of repairs was revised by ($157 million) from $778 million to $621 million during the 2017 second quarter. All resiliency work committed before 2019 has been completed and contracts are in place to operate and maintain protection features, such as the flood prevention doors at the tunnels. There were four additional Sandy Resiliency Projects that were added to the Sandy Capital Program in 2019. The first was initiated in

2019 (total value of $35.1M) and two additional projects were initiated in 2021 (total value $3.3M) and were both completed in May 2023. Finally, one small project (total value approximately $8.3M) to address additional identified resiliency needs at the Bronx-Whitestone Bridge was awarded in late 2022 and is planned for completion in 2026.

On April 16, 2014, FEMA entered into an agreement with MTA, under the Public Assistance Alternative Procedures Pilot Program, to provide approximately $329 million in FEMA funding for repairs and $74.5 million in FEMA funding for hazard mitigation of the damaged elements of the Hugh L. Carey Tunnel and the Queens Midtown Tunnel. To date, MTA Bridges and Tunnels has received $368,241 million from FEMA for restoration and hazard mitigation funding at all of its facilities, of which $338 million was for the two tunnels for which reimbursement is now complete.

MTA has received all its FEMA reimbursements, FEMA has approved grants for operating budget expenses for emergency measures, debris removal, repair, and resiliency for the MTA Bridges and Tunnels' bridge facilities and the MTA has received $10,444 million to date which is included in the amount described above. Accounting for reimbursement from FEMA and insurance proceeds, the net out-of-pocket cost to the MTA for the entire Superstorm Sandy Program will be less than $300M.

Ridership and Traffic Update

2024 was the highest traffic year ever for TBTA, 0.6% greater than 2023 traffic crossings, and 3.3% greater than 2022.

Verrazzano-Narrows Bridge Rebate Programs

The cost of the 2023-2024 (covering the period April 2023 through March 2024) Verrazzano-Narrows Bridge Rebate Programs totaled $33 million. The rebates for Staten Island Residents were $26.1 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program were $7.2 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was $26 million ($23.2 million Resident Program and $2.8 million Commercial Program) and the MTA contribution was $7.0 million ($3.5 million Resident Program and $3.5 million Commercial Program).

The projected annualized cost of the 2024-2025 (covering the period April 2024 through March 2025) Verrazzano-Narrows Bridge Rebate Programs is expected to total $35.9 million. The rebates for Staten Island Residents are estimated to be $28.3 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be $7.6 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was $26 million ($23.0 million Resident Program and $3.0 million Commercial Program) and the MTA contribution was $7 million ($3.5 million Resident Program and $3.5 million Commercial Program). An additional$6.4 million was deposited from the Outer Borough Transportation Account to fund the State Island Resident Program to help offset the August 2023 toll increase.

The projected annualized cost of the 2025-2026 (covering the period April 2025 through March 2026) Verrazzano-Narrows Bridge Rebate Programs is expected to total $45.5 million. The rebates for Staten Island Residents are estimated to be $37.5 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be $8 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution is projected to be $26 million ($22 million Resident Program and $4 million Commercial Program) and the MTA contribution was $7 million ($3.5 million Resident Program and $3.5 million Commercial Program). Additional funding from the OBTA can be made available depending on need and funding from the State.

If, as a result of unexpected toll transaction activity, MTA Bridges and Tunnels estimates that such MTA and State funds allocated to the MTA for the 2025-2026 Verrazzano-Narrows Bridge Rebate Programs, net of offsets, will be insufficient to fund the 2025-2026 Verrazzano-Narrows Bridge Commercial Rebate Program for the full Program year, MTA Bridges and Tunnels may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds.

However, in the event that such MTA and State funds allocated to MTA for the 2025-2025 Verrazzano-Narrows Bridge Rebate Programs are fully depleted at any time during the 2024-2025 Verrazzano-Narrows Bridge Rebate Programs annual period, the 2025-2026 Verrazzano-Narrows Bridge Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable New York Customer Service Center E-ZPass toll for the Verrazzano-Narrows Bridge.

The Verrazzano-Narrows Bridge Rebate Programs will continue into future years provided that (a) MTA's annual period contribution does not exceed $7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

TBTA reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions ($103 million). The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. One re-estimate reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by $55 million. TBTA continues to ramp up its toll collection efforts.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact MTA Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
($ In thousands)

	2024	2023 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash—unrestricted (Note 3)	$ 200,021	$ 9,318
Unrestricted investments (Notes 4 and 5)	385,809	341,718
Restricted investments (Notes 4 and 5)	1,402,959	777,983
Invested funds at MTA—unrestricted (Note 5)	399,741	393,729
Invested funds at MTA—restricted (Note 5)	498,664	467,395
Accrued interest receivable	86,348	41,993
Accounts receivable	667,683	633,760
Less allowance for doubtful accounts	(527,708)	(484,712)
Lease receivable as lessor (Note 14)	1,237	1,174
Due from MTA BUS (Note 19)	-	5,785
Due from NYCTA (Note 19)	-	1,925
Due from MTA (Note 19)	183	2,217
Loan receivable from MTA (Note 19)	91,265	1,390,725
Prepaid expenses	7,756	8,220
Total current assets	3,213,958	3,591,230
NON-CURRENT ASSETS:		
Capital assets (Note 6)		
Land and construction work-in-progress	479,464	568,404
Other capital assets (net of accumulated depreciation)	7,831,675	7,398,363
Total capital assets—(net of accumulated depreciation and amortization)	8,311,139	7,966,767
Unrestricted investments (Notes 4 and 5)	80,547	158,092
Lease receivable as lessor (noncurrent) (Note 14)	10,365	11,602
Due From MTA (Note 19)	11,306,826	10,060,203
Derivative instruments assets (Note 13)	3,235	3,254
Total non-current assets	19,712,112	18,199,918
TOTAL ASSETS	22,926,070	21,791,148
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	64,343	73,524
Related to other post-employment benefits (Note 8)	292,757	193,228
Accumulated decreases in fair value of derivative instruments (Note 13)	55,579	71,358
Loss on refunding debt	63,982	75,398
TOTAL DEFERRED OUTFLOWS OF RESOURCES	476,661	413,508
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 23,402,731	$ 22,204,656

(Continued)

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
($ in thousands)

	2024	2023 (Restated)
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and Accrued Expenses	$ 128,421	$ 134,944
Accrued expenses:		
Interest	149,556	145,919
Capital Accrual	92,049	60,975
Payable to MTA (Note 19)	33,379	38,956
Payable to NYCTA (Note 19)	58	38
Accrued salaries	2,735	2,060
Current Portion - Compensated Absences	13,886	14,368
Total accrued expenses	291,663	262,316
Current portion—long-term debt (Notes 9 to 12)	855,715	1,690,100
Current portion—Subscription-based IT Arrangements	154	144
Current portion—estimated liability from injuries to persons (Note 16)	5,572	4,415
Due to NYCTA—operating surplus (Note 1 and 19)	91,317	101,055
Due to MTA (Note 1 and 19)	117,397	126,265
Due to MTA Bus (Note 19)	317	7,075
Other unearned revenue	266,670	242,903
Unearned tolls revenue (includes $74,979 and $105,881 in 2024 and 2023, respectively, due to other toll agencies)	294,825	339,132
Total current liabilities	2,052,051	2,908,349
NON-CURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 16)	56,060	55,741
Postemployment benefits other than pensions (Note 8)	859,352	872,112
Compensated Absences (Note 20)	24,734	25,687
Long-term debt (Notes 9 to 12)	24,471,890	21,689,654
Net Pension Liability (Note 7)	146,120	143,873
Derivative instrument liabilities (Note 13)	16,805	34,012
Due to MTA—change in fair value of derivative (Note 13 and 18)	42,009	40,600
Lease Payable, as lessee (Note 14)	86,323	85,894
Subscription-based IT arrangements payable (Note 15)	190	344
Total non-current liabilities	25,703,483	22,947,917
TOTAL LIABILITIES	27,755,534	25,856,266
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 7)	26,113	53,083
Related to OPEB	380,280	255,305
Related to Leases	10,491	11,695
Total Deferred Inflows of Resources	416,884	320,083
NET POSITION:		
Net investment in capital assets	2,205,971	2,014,666
Restricted	1,901,460	1,245,040
Unrestricted	(8,877,118)	(7,231,399)
Total net position	(4,769,687)	(3,971,693)
TOTAL LIABILITIES AND NET POSITION	$ 23,402,731	$ 22,204,656

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
($ In thousands)

	2024	2023 (Restated)
OPERATING REVENUES:		
Bridges and tunnels	$ 2,572,261	$ 2,418,755
Building rentals and fees	25,193	24,664
Other income	1,004	3,423
Total operating revenues	2,598,458	2,446,842
OPERATING EXPENSES:		
Salaries and wages	129,694	136,336
Retirement and other employee benefits	68,363	58,662
Post employment benefits other than pensions	49,811	49,208
Electric power	4,504	3,673
Fuel	2,196	2,159
Insurance	12,806	18,202
Maintenance and other operating contracts	181,492	150,204
Professional service contracts	14,749	11,875
Materials and supplies	4,974	2,925
Depreciation and amortization	239,106	226,300
Credit Card Fees	41,789	36,830
Other	21,970	17,623
Total operating expenses	771,454	713,997
Asset impairment and related expenses—(Note 10) net of estimated and probable insurance recoveries		
OPERATING INCOME	1,827,004	1,732,845
NON-OPERATING REVENUES (EXPENSES):		
Build America Bonds subsidy	6,917	7,690
Interest expense	(1,028,410)	(754,220)
Interest expense—SBITA	(14)	(20)
Interest expense—leases	(7,843)	(7,775)
Interest income on PMT	534,728	337,500
Change in fair value of derivative financial instruments (Note 13)	1,409	829
Change in fair value of derivative due to MTA	(1,409)	(829)
Internet revenue tax	332,514	328,887
Mansion revenue tax	327,171	345,253
Investment Income	13,630	3,788
Other non-operating revenue	5,370	4,733
Total non-operating revenue—net	184,063	265,836
INCOME BEFORE TRANSFERS	2,011,067	1,998,681
TRANSFERS IN—MTA	146,277	202,935

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION AS OF DECEMBER 31, 2024 AND 2023
($ In thousands)

	2024	2023 (Restated)
TRANSFERS OUT (Note 1):		
New York City Transit Authority	$ (679,095)	$ (604,535)
Metropolitan Transportation Authority	(744,313)	(684,567)
Contribution for labor settlements to MTA	-	-
Sales Tax bond proceeds transfers	(1,389,564)	(1,517,688)
Internet and mansion transfers	(142,366)	(593,988)
	(2,955,338)	(3,400,778)
CHANGE IN NET POSITION	(797,994)	(1,199,162)
NET POSITION—Beginning of year	(3,971,693)	(2,772,531)
NET POSITION—End of year	$ (4,769,687)	$ (3,971,693)

See notes to financial statements. (Concluded)

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands)

	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tolls collected	$ 2,536,893	$ 2,482,787
Building rentals and fees received	24,564	26,218
Payroll and related fringe benefits	(230,352)	(255,762)
Other operating expenses	(331,059)	(184,826)
Net cash provided by operating activities	2,000,046	2,068,417
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer internet & mansion revenue to MTA	(142,366)	(593,988)
Internet & mansion tax revenue	656,025	673,950
Proceeds from PMT bonds	1,287,028	2,723,900
PMT loan interest paid on debt	(615,617)	(367,270)
PMT loan principal paid on debt	(650,845)	(31,625)
Proceeds from Sales Tax Bonds	1,788,316	1,235,185
Transfers of proceeds of sales tax bond to MTAHQ	(1,389,564)	(1,522,588)
Sales Tax Bonds interest paid on debt	(153,328)	(62,757)
PMT prepaid interest payable on debt		267,716
Subsidies paid to affiliated agencies	(1,453,263)	(1,259,941)
Net cash provided in noncapital financing activities	(673,614)	1,062,582
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for capital assets	(399,224)	(341,085)
Principal payments on Senior, Subordinate, and BAN	(299,375)	(282,000)
Bond proceeds	967,494	1,337,498
Bond refunded	(439,361)	(1,065,947)
Receipts from leases	1,605	1,863
Payments of leases & SBIT arrangements	(2,504)	(2,204)
Interest payments	(402,050)	(369,513)
Net cash used in capital and related financing activities	(573,415)	(721,388)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross sales of short-term securities	18,797,000	11,688,757
Gross purchases of short-term securities	(17,856,624)	(11,233,969)
PMT bonds interest received on debt	267,690	348,332
PMT bonds principal received on debt	(650,845)	49,118
Transfer of PMT bond proceeds to MTAHQ	(1,119,535)	(3,261,569)
Net cash used in investing activities	(562,314)	(2,409,331)
NET (DECREASE)/INCREASE IN CASH	190,703	280
CASH—Beginning of year	9,318	9,038
CASH—End of year	$ 200,021	$ 9,318

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands)

	2024	2023 (Restated)
RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:		
Operating income	$ 1,827,004	$ 1,732,845
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	239,106	226,300
On-behalf payments related to rent (Note 14)	(7,474)	(7,383)
GASB 68 pension expense adjustment	(11,646)	(17,709)
GASB 75 OPEB expense adjustment	12,686	14,865
Net (increase) decrease in receivables	(19,408)	(566)
Net increase in operating payables	(14,232)	78,726
Net (decrease) in prepaid expenses	3,432	(296)
Net (decrease) in accrued salary costs, vacation and insurance	14,885	(8,490)
Net increase in unearned revenue	(44,307)	50,125
NET CASH FROM OPERATING ACTIVITIES	$ 2,000,046	$ 2,068,417
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets related liabilities	$ 156,838	$ 147,120
Contributed capital assets	45,655	489,949
Interest expense for leases	7,857	7,795
Interest income from leases	368	392
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 210,718	$ 645,256
INTEREST EXPENSE INCLUDES AMORTIZATION OF NET (PREMIUM)	$ 65,246	$ 65,153

See notes to financial statements.

(Concluded)

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
($in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The Triborough Bridge and Tunnel Authority (the "Authority" or "MTA Bridges and Tunnels") is a public benefit corporation created pursuant to the Public Authorities Law (the "Act") of the State of New York (the "State"). MTA Bridges and Tunnels is a component unit of the Metropolitan Transportation Authority ("MTA"). The MTA is a component unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation. MTA Bridges and Tunnels is operationally and legally independent of the MTA. MTA Bridges and Tunnels enjoy certain rights typically associated with separate legal status including the ability to issue debt. However, MTA Bridges and Tunnels is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability and MTA Bridges and Tunnels is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the MTA Bridges and Tunnels and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include MTA Bridges and Tunnels in its consolidated financial statements.

MTA Bridges and Tunnels operates seven toll bridges, two toll tunnels, and the Battery Parking Garage.

All Authority toll facilities operate E-ZPass in conjunction with a regional electronic toll collection system. MTA Bridges and Tunnels' annual net earnings before depreciation and amortization and other adjustments ("operating transfer") are transferred to the New York City Transit Authority ("TA") and the MTA pursuant to provisions of the Act. In addition, MTA Bridges and Tunnels annually transfers its unrestricted investment income to the MTA. The operating transfer and the investment income transfer can be used to fund operating expenses or capital projects. The TA receives $24,000 plus 50% of MTA Bridges and Tunnels' remaining annual operating transfer, as adjusted, to reflect certain debt service transactions and the MTA receives the balance of the operating transfer, as adjusted, to reflect certain debt service transactions, plus the annual unrestricted investment income. Transfers are made during the year. The remaining amount due at December 31, 2024 and 2023, of $208,715 and $227,320, respectively, is recorded as a liability in MTA Bridges and Tunnels' financial statements. MTA Bridges and Tunnels certified to the City of New York (the "City") and the MTA that its operating transfer and its unrestricted investment income at December 31, 2024 and 2023, were as follows:

	2024	2023
Operating transfer	$ 1,423,408	$ 1,289,101
Investment income (excludes unrealized gain or loss)	11,250	12,369
	$ 1,434,658	$ 1,301,470

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2. SIGNIFICANT ACCOUNTING POLICIES

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 Bridges and Tunnels applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards Adopted—The MTA Bridges and Tunnels adopted the following GASB Statements for the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The MTA Bridges and Tunnels evaluated the requirements of GASB 100 and concluded that that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA Bridges and Tunnels.

GASB Statement No. 101, Compensated Absences, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The MTA Bridges and Tunnels evaluated the requirements under GASB Statement No. 101, Compensated Absences, and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and decreased by $21,439.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 in the Consolidated Statement of Net Position as of December 31, 2023 (in thousands):

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Balance as of	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
CURRENT LIABILITIES:			
Current portion - compensated absences	18,616	(4,248)	14,368
Total accrued expenses	266,564	(4,248)	262,316
Total current liabilities	2,912,597	(4,248)	2,908,349
NONCURRENT LIABILITIES:			
Compensated absences	-	25,687	25,687
Total noncurrent liabilities	22,922,230	25,687	22,947,917
Total liabilities	25,834,827	21,439	25,856,266
NET POSITION:			
Net Investment in capital assets	2,014,666		2,014,666
Restricted	1,245,040		1,245,040
Unrestricted	(7,209,960)	(21,439)	(7,231,399)
Total net position	(3,950,254)	(21,439)	(3,971,693)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	22,204,656	-	22,204,656

In addition, revenues, expenses and changes in net position for the year ended December 31, 2023 were required to be restated by GASB Statement No. 101 as follows (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	Restatement Reported
Operating Expenses:			
Salaries and wages	117,949	18,387	136,336
Retirement and other employee benefits	55,832	2,830	58,662
Other	17,401	222	17,623
Total operating expenses	692,558	21,439	713,997
Income before contributions and transfers	2,020,120	(21,439)	1,998,681
CHANGE IN NET POSITION	(1,177,723)	(21,439)	(1,199,162)
NET POSITION—Beginning of Year	(2,772,531)	-	(2,772,531)
NET POSITION—End of Year	(3,950,254)	(21,439)	(3,971,693)

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The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 in the Consolidated Statement of Cash Flows (in thousands) for the year ended December 31, 2023:

Year-ended December 31, 2023	**As Previously Stated**	**GASB Statement No. 101 Impact**	**Restatement Reported**
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income	1,754,284	(21,439)	1,732,845
Adjustments to reconcile operating income to net cash used in operating activities:			
Net Increase in accrued salary costs, vacation and insurance	(29,929)	21,439	(8,490)
Net Cash from Operating Activities	2,068,417	-	2,068,417

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 Bridges and Tunnels upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	**GASB Accounting Standard**	**MTA Required Year of Adoption**
102	*Certain Risk Disclosures*	2025
103	*Financial Reporting Model Improvements*	2026
104	*Disclosure of Certain Capital Assets*	2026

Use of Management's Estimates—The preparation of the 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 interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include fair value of investments and derivative instruments, allowances for doubtful accounts, 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.

Operating Revenues—bridges and tunnels—Revenue is recognized through the fully cashless toll collection system, comprising of toll collection activity and the Tolls-By-Mail video billing. Revenues are

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earned when the vehicles use the TBTA facilities, however, the cash is either on a prepaid or post-paid basis.

MTA Bridges and Tunnels has two toll rebate programs at the Verrazzano-Narrows Bridge: the Staten Island Resident ("SIR") Rebate Program, available for residents of Staten Island participating in the Staten Island Resident E-ZPass toll discount plan, and the Verrazzano-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 Verrazzano-Narrows Bridge Commercial Rebate Program and Staten Island Resident Rebate Program are funded by the State and the MTA. There is no impact to revenue due to this program.

Non-Operating Revenues—Build America Bonds subsidy—MTA Bridges and Tunnels is receiving cash subsidy payments from the U.S. 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 Bridges and Tunnels 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.

Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") had interest income on the PMT senior bonds that were received from MTA. The funding for PMT was received by MTA from PMT receipts. This income transferred to MTA Bridges and Tunnels from MTA to covered interest payment on the PMT senior bonds.

On April 1, 2019 the MTA Reform and Traffic Mobility Act ("the Act") was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-j, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling (CBDTP) capital lockbox fund which is kept separate and apart from any other TBTA monies. The fund shall consist of all monies received by MTA Bridges and Tunnels under the Central Business District Tolling Program (CBDTP), as well as revenues of the real estate transfer tax ("Mansion Tax") and Portions of New York City and State sales taxed revenue.

Monies in the fund are to be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the MTA Bridges and Tunnels, or to New York City subject to the memorandum of understanding between the City and MTA Bridges and Tunnels properly allocable to the CBDTP, including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling collection system and the Central Business District tolling customer service center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19. For the years ended December 31, 2024 and 2023 MTA Bridges and Tunnels had internet and mansion tax revenue earned of $660 million and $674 million, respectively.

During 2022, Triborough Bridge and Tunnel Authority issued bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital

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costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These Bonds are issued by MTA Bridges and Tunnels under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The 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 that flow into the Central Business District Tolling Capital Lockbox Fund.

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 Bridges and Tunnels (e.g., salaries, compensated absences, insurance, depreciation, lease and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, etc.) are reported as non-operating expenses.

Investments—MTA Bridges and Tunnels adopted GASB Statement No. 72, Fair Value Measurement and Application, which addresses accounting and financial reporting issues related to fair value measurements. Under the Statement, investment assets and liabilities are to be measured at fair value, which is described as the "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants." Fair Value assumes that the transaction will occur in the MTA's Bridges and Tunnels principal (or most advantageous) market. GASB Statement No. 72 requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The MTA Bridges and Tunnels 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.

Investments are recorded on the MTA Bridges and Tunnels statement of net position at fair value, except for repurchase agreements, which are recorded at amortized cost. All investment income, including changes in the fair value of investments, is reported as revenue on the MTA Bridges and Tunnels statement of revenues, expenses, and changes in net position. Fair values have been determined using quoted market values at December 31, 2024 and December 31, 2023.

Investment derivative instrument contracts are reported at fair value using the income approach.

MTA Investment Pool—The MTA, on behalf of the MTA Bridges and Tunnels, invests funds which are not immediately required for the MTA Bridges and Tunnels' 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. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The Company has no financial instruments with significant individual or group concentration of credit risk.

Capital Assets—Properties and equipment are carried at cost and are depreciated on a straight-line basis over 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 Statement No. 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 Statement No. 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, 25 to 100 years for infrastructure, 10 years for open road tolling systems and equipment, and 25 years for open road tolling 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.

Leases—Per GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

Subscription-Based Information Technology Arrangements— Per GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (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.

Compensated Absences— Per GASB Statement No. 101, MTA Bridges and Tunnels has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has been used but not yet paid in cash or settled through noncash means (if any).

Net Position—MTA Bridges and Tunnels follows the "business type" activity requirements of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments which requires that resources be classified for accounting and reporting purposes into the following three net position categories:

Net investment in Capital Assets—Capital assets, inclusive of right-of-use assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted

Nonexpendable—Net position subject to externally imposed stipulations such that the Authority maintains them permanently. For the years ended December 31, 2024 and 2023, the Authority did not have nonexpendable net position.

Expendable—Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire with the passage of time. For the years ended December 31, 2024 and 2023, the Authority had expendable restricted net position related to (1) Debt Service of $288,557 and $257,450, (2) the Necessary Reconstruction Reserve of $933,443 and $773,128 and (3) PMT Bond $188,007 and $159,963, (4) Sale Tax Revenue Bond $491,587 and $54,501, respectively.

Unrestricted

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors.

Subsidies—Subsidies provided by MTA Bridges and Tunnels represent its operating transfer and investment income computed on an accrual basis, these transfers are made to NYTCA and MTA. In addition, for the years ended December 31, 2024, and 2023 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of $142,366 and $593,988, respectively.

Pension Plans—The Authority follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, for its pension plans.

The MTA Bridges and Tunnels recognizes a net pension liability for the 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 Bridges and Tunnels' proportionate share thereof in the case of a cost-sharing multiple-employer plan. The net pension liability is calculated using the qualified pension plan's measurement date. 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—MTA Bridges and Tunnels follows 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 Bridges and Tunnels recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan. The change in portion is based on actual contributions from the participating employers.

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

The bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

Cash at December 31, 2024 and 2023 consists of the following (in thousands):

	2024		2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	$ 250	$ 250	$ 250	$ 250
Collateralized deposits	199,771	199,575	9,068	8,882
	$200,021	$199,825	$ 9,318	$ 9,132

All collateralized deposits are held by the Authority or its agent in the Authority'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.

4. INVESTMENTS

MTA Bridges and Tunnels' investment policies comply with the New York State Comptroller's guidelines for investment policies. MTA's All-Agency Investment Guidelines restrict MTA Bridges and Tunnels' investments to obligations of the U.S. Treasury, its agencies and instrumentalities and repurchase agreements backed by U.S. Treasury securities. All investments were managed by the MTA, as MTA Bridges and Tunnels' agent, in custody accounts kept in the name of MTA Bridges and Tunnels for restricted investments and in the name of the MTA Bridges and Tunnels for unrestricted investments. MTA's All-Agency Investment Guidelines state that securities underlying repurchase agreements must have a market value at least equal to the cost of the investment.

MTA Bridges and Tunnels holds its investments at a custodian bank. The custodian must meet certain banking institution criteria enumerated in MTA's Bridges and Tunnels 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 MTA Bridges and

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Tunnels main custodian cannot execute transactions due to an emergency outside of the custodian's control, MTA Bridges and Tunnels has an immediate alternate source of liquidity.

MTA Bridges and Tunnels 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.

MTA Bridges and Tunnels had the following recurring fair value measurements as of December 31, 2024 and 2023 (in thousands):

	December 31,	Fair Value Measurements		December 31,	Fair Value Measurements	
	2024	Level 1	Level 2	2023	Level 1	Level 2
Investments by fair value level—						
Debt securities:						
U.S. treasury securities	$ 1,852,443	$ 1,563,160	$ 289,283	$ 1,249,292	$ 1,016,867	$ 232,425
Repurchase agreements	16,872	16,872		28,501	28,501	-
Total debt securities	1,869,315	1,580,032	289,283	1,277,793	1,045,368	232,425
Total investments by fair value level	1,869,315	$ 1,580,032	$ 289,283	1,277,793	$ 1,045,368	$ 232,425
Total investments	$ 1,869,315			$ 1,277,793		

Investments classified as Level 1 and Level 2 of the fair value hierarchy, totaling $1,869,315 and $1,277,793 as of December 31, 2024 and 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 statements of net position.

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Investments available to pay operating and maintenance expenses, debt service and operating surplus transfers, at December 31, 2024 and 2023, are as follows (in thousands):

Investments	**2024**	**2023**
Current—		
Restricted:		
Bond proceeds fund	$ 1,074,714	$ 481,707
Primarily necessary reconstruction fund	39,687	38,672
Debt service fund	285,447	253,910
Cost of issuance fund	3,110	3,694
Total current—restricted	1,402,959	777,983
Total current—unrestricted	385,809	341,718
Total—current	$ 1,788,768	$ 1,119,701
Long term—unrestricted—senior PMT bond	$ 80,547	$ 158,092
Total long term—unrestricted	80,547	158,092
Total long term	$ 80,547	$ 158,092

The unexpended bond proceeds of the General Purpose Revenue Bonds 1980 Resolution, not including proceeds held for the Transportation Project, were restricted for payment of capital improvements of MTA Bridges and Tunnels' present facilities. The Debt Service Funds are restricted for the payment of debt service as provided by the bond resolutions.

The fair value of the above investments consists of $385,809 and $341,718 in 2024 and 2023 in unrestricted investments respectively, and $1,402,959 and $777,982 in 2024 and 2023 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 3.886% to 5.166% for the year ended December 31, 2024 and 2.925% to 5.079% for the year ended December 31, 2023. The net unrealized loss and gain on investments was $(2,011) and $8,973 for the years ended December 31, 2024 and 2023, respectively.

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 (in thousands).

	December 31, 2024		December 31, 2023	
	Fair Value	Duration (in Years)	Fair Value	Duration (in Years)
U.S. Treasuries	$ 1,852,443	0.36	$ 1,249,292	0.35
Repurchase agreements	16,872		28,501	*
Total fair value	1,869,315		1,277,793	
Modified duration		0.36	-	0.35
Total investments	$ 1,869,315		$ 1,277,793	

* Duration is less than a month

Credit Risk—At December 31, 2024 and 2023, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in thousands):

Quality Rating from Standard & Poor's	December 31, 2024	Percent of Portfolio	December 31, 2023	Percent of Portfolio
Not Rated	$ 16,872	1 %	$ 28,501	2 %
U.S. Government	1,852,443	99	1,249,292	98
Total	1,869,315	100 %	1,277,793	100 %
Total investment	$ 1,869,315		$ 1,277,793	

5. MTA INVESTMENT POOL

The MTA, on behalf of MTA Bridges and Tunnels, invests funds which are not immediately required for MTA Bridges and Tunnels' operations in securities permitted by the MTA's All-Agency Investment Guidelines in accordance with 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. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The MTA has no financial instruments with significant individual or group concentration of credit risk. MTA Bridges and Tunnels categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA Bridges and Tunnels' investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs). The amounts related to investment pool funds for the year ended December 31, 2024 were $399,741 for short-term unrestricted and $498,664 for short-term restricted. The amounts related to investment pool funds for the year ended December 31, 2023 were $393,729 for short-term unrestricted and $467,395 for short-term restricted.

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6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA Bridges and Tunnels' 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 Statement No. 87, *Leases* are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB Statement No. 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-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-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

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The following is a summary of capital assets activity at January 1, 2023, December 31, 2023 and December 31, 2024:

	Balance January 1, 2023	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2023	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2024
Capital assets not being depreciated:							
Land	$ 52,940	$ -	$ -	$ 52,940	$ -	$ -	$ 52,940
Construction in progress	484,443	369,800	338,779	515,464	598,345	687,285	$ 426,524
Total capital assets not being depreciated	537,383	369,800	338,779	568,404	598,345	687,285	$ 479,464
Capital assets being depreciated:							
Leasehold improvement—2 Broadway	45,020	-	-	45,020	-	-	$ 45,020
Primary structures	4,420,600	227,620	-	4,648,220	122,482	-	$ 4,770,702
Toll equipment	574	1,065	-	1,639	369	-	$ 2,008
Buildings	703,922	26,688	-	730,610	14,578	-	$ 745,188
Roadway	2,809,267	90,545	6,798	2,893,014	179,041	6,798	$ 3,065,257
Property—road and equipment	881,864	6,721	-	888,585	3,347	-	$ 891,932
ORT systems and equipment	467,234	831	-	468,065	477	-	$ 468,542
CBDTP Cameras & Structures	-	-	-	-	353,802	-	$ 353,802
Other	275,567	12,837	13,171	275,233	4,770	5,152	$ 274,851
Total capital assets being depreciated	9,604,048	366,307	19,969	9,950,386	678,866	11,950	$ 10,617,302
Less accumulated depreciation:							
Leasehold improvement—2 Broadway	30,567	319	1,082	29,804	-	-	$ 29,804
Primary structures	783,182	47,254	-	830,436	50,044	-	$ 880,480
Toll equipment	59	46	-	105	128	-	$ 233
Buildings	273,385	17,929	-	291,314	20,272	-	$ 311,586
Roadway	849,342	97,327	551	946,118	102,048	665	$ 1,047,501
Property—road and equipment	95,568	22,365	-	117,933	22,554	-	$ 140,487
ORT systems and equipment	113,436	23,272	-	136,708	23,337	-	$ 160,045
CBDTP Cameras & Structures	-	-	-	-	8,696		$ 8,696
Other	243,894	9,864	13,073	240,685	10,552	5,152	$ 246,085
Total accumulated depreciation	2,389,433	218,376	14,076	2,593,103	237,631	5,817	$ 2,824,917
Total capital assets being depreciated—net of accumulated depreciation	7,214,615	147,931	5,263	7,357,283	441,235	6,133	$ 7,792,385
Capital assets—net	7,751,998	517,731	344,042	7,925,687	1,039,580	693,418	$ 8,271,849
Right of use assets being amortized							
Leased buildings and structures	45,604	-	-	45,604			$ 45,604
Subscription Base-IT Arrangements	663	-	-	663	274		$ 937
Total right of use assets being amortized	46,267	-	-	46,267	274		$ 46,541
Less accumulated depreciation—right of use assets							
Leased buildings and structures	3,316	1,658	-	4,974	1,658		$ 6,632
Subscription Base-IT Arrangements	71	142	-	213	406		$ 619
Total accumulated depreciation	3,387	1,800	-	5,187	2,064		$ 7,251
Right of use assets being amortized—net	42,880	(1,800)	-	41,080	(1,790)		$ 39,290
Total capital assets, including right of use asset—net	$ 7,794,878	$ 515,931	$ 344,042	$ 7,966,767	$ 1,037,790	$ 693,418	$ 8,311,139

In 2024 and 2023, capital asset additions included $19,581 and $21,899, respectively, of costs incurred by engineers working on capital projects.

7. EMPLOYEE BENEFITS

Plan Description

NYCERS—The New York City Employees Retirement System (NYCERS) Plan is a cost-sharing, multiple-employer retirement system for employees of The City of New York ("The City") and certain other governmental units whose employees are not otherwise members of The City's four other pension systems. NYCERS administers the New York City Employees Retirement System qualified pension plan. This plan covers employees of MTA New York City Transit and MTA Bridges and Tunnels.

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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.

Benefits Provided—NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (nonjob- 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

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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 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, 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.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the Plan on or after the effective date of such amendments, creating membership tiers.

Contributions and Funding Policy—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 Bridges and Tunnels is required to contribute at an actuarially determined rate. The contribution requirements of plans members, MTA New York City Transit and MTA Bridges and Tunnels are established and amended by law.

MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2024 and 2023 were $35,630 and $28,691, respectively.

Net Pension Liability—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2024 and December 31, 2023 was measured as of June 30, 2024 and June 30, 2023, respectively. The total pension liability at December 31, 2024 and December 31, 2023 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2023 and June 30, 2022, respectively, and updated to roll forward the total pension liability to the measurement dates, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions—The total pension liability in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for the pension plan:

	NYCERS	
Valuation Date:	**June 30, 2023**	**June 30, 2022**
Investment rate of return	7.00% per annum—net of investment expenses	7.00% per annum—net of investment expenses
Salary increases	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.
Inflation	2.50%	2.50%
Cost-of living adjustments	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees
Mortality	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.
Pre-retirement	N/A	N/A
Post-retirement—healthy lives	N/A	N/A
Post-retirement—disabled lives	N/A	N/A

Expected Rate of Return on Investments—The long-term expected rate of return on investments of 7.0% for the NYCERS plan 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 allocations of the fund and the expected real rate of return (RROR) for the asset class in NYCERS was as of the measurement dates of June 30, 2024 and 2023 and is summarized as follows:

	NYCERS 2024	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
Public markets:		
U.S. public market equities	23.5 %	6.8 %
Developed public market equities	11.6	7.2
Emerging public market equities	4.9	8.6
Fixed income	31.0	3.3
Private markets (alternative investments):		
Private equity	10.0	11.6
Private real estate	8.0	7.0
Infrastructure—	4.5	6.3
Opportunistic fixed income	6.5	8.5
	100 %	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

	NYCERS 2023	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
Public markets:		
U.S. public market equities	27.0 %	6.9 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.1
Fixed income	30.5	2.7
Private markets (alternative investments):		
Private equity	8.0	11.1
Private real estate	7.5	7.1
Infrastructure—	4.0	6.4
Opportunistic fixed income	6.0	8.6
	100 %	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

Discount Rate—The discount rate used to measure the total pension liability was 7 % for the NYCERS plan as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for the pension plan and that employer contributions will be made at the rates determined by the pension plan's actuary. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and non-active members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MTA Bridges and Tunnels Proportion of Net Pension Liability—NYCERS—The following table presents the MTA Bridges and Tunnels proportionate share of the net pension liability of NYCERS at the measurement date of June 30, 2024 and 2023, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

($ in millions)	2024	2023
Bridges and Tunnels proportion of the net pension liability	0.888 %	0.806 %
Bridges and Tunnels proportionate share of the net pension liability	$ 146.12	$ 143.88

MTA Bridges and Tunnels proportion of the net pension liability was based on the actual contributions made to NYCERS for the years ended June 30, 2024 and 2023, relative to the contributions of all employers in the plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate—The following table presents MTA Bridges and Tunnels proportionate share of the net pension liability calculated using the discount rate of 7.0% for NYCERS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate used as of each measurement date:

	June 30, 2024			June 30, 2023		
	1% Decrease (6.00%)	Discount Rate (7.00%) (in millions)	1% Increase (8.00%)	1% Decrease (6.00%)	Discount Rate (7.00%) (in millions)	1% Increase (8.00%)
Bridges and Tunnels proportionate share of the net pension liability	$ 248.12	$ 146.12	$ 59.96	$ 233.13	$ 144.88	$ 68.53

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2024 and 2023, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

Pension Plans	2024	2023
NYCERS	$ 23,983	$ 10,982

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For the years ended December 31, 2024 and 2023, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	2024	
	Deferred Outflows of Resources (in millions)	Deferred Inflows of Resources
Differences between expected and actual experience	$ 20,597	$ 456
Changes in assumptions	-	1,299
Net difference between projected and	-	-
actual earnings on pension plan investments	1,906	
Proportionate share of contributions	3,899	24,358
Employer contribution to plan subsequent to the	-	-
measurement date of net pension liability	37,941	-
Total	$ 64,343	$ 26,113

	2023	
	Deferred Outflows of Resources (in millions)	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,187	$ 641
Changes in assumptions		2,925
Net difference between projected and	-	-
actual earnings on pension plan investments	17,936	-
Proportionate share of contributions	9,251	49,517
Employer contribution to plan subsequent to the	-	-
measurement date of net pension liability	30,150	-
Total	$ 73,524	$ 53,083

The annual differences between the projected and actual earnings on investments are amortized over a five-year-closed period beginning the year in which the difference occurs.

The following table presents the recognition periods used by each pension plans to amortize the annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions, beginning the year in which the deferred amount occurs.

	(in Years)		
Pension Plan	**Difference between Expected and Actual Experience**	**Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contribution**	**Changes in Actuarial Assumptions**
NYCERS	5.5	5.5	5.5

For the years ended December 31, 2024 and 2023, $37,941 and $30,150, respectively, were reported as deferred outflows of resources related to pensions resulting from MTA Bridges and Tunnels contributions subsequent to the measurement date. The amount of $37,941 will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2024, will be recognized as pension expense as follows (in millions):

Years Ending December 31	Increase/(Decrease) in Pension Expense
2025	$ (6,666)
2026	15,627
2027	1,840
2028	3,657
2029	2,125
Total	$ 16,583

Deferred Compensation Plans—As permitted by Internal Revenue Code Section 457, MTA Bridges and Tunnels has established a trust or custodial account to hold plan assets for the exclusive use of the participants and their beneficiaries.

Certain MTA Bridges and Tunnels employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. MTA Bridges and Tunnels did not contribute to the plan in 2024 and 2023.

8. OTHER POSTEMPLOYMENT BENEFITS

MTA Bridges and Tunnels 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 and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA Bridges and Tunnels various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB 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 separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by 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 MTA Bridges and Tunnels are members of the NYCERS pension plan.

MTA Bridges and Tunnels 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.

MTA Bridges and Tunnels 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 MTA Bridges and Tunnels must:

(a) have retired;

(b) be receiving a pension (except in the case of the 401(k) Plan);

(c) have at least 10 years of credited service as a member of NYCERS, and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—MTA Bridges and Tunnels is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, MTA Bridges and Tunnels paid $40,939 and $37,617, respectively, of PAYGO to the OPEB Plan.

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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. A depletion date of Trust assets 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, 2023 and 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and 2022, the employer made a cash payment for retiree healthcare of $2,128 and $1,763, 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	2023 Retirees	2022 Retirees
	(In thousands)	
Total blended premiums	$ 35,489	$ 31,135
Employment payment for retiree healthcare	2,128	$ 1,763
Net payments	$ 37,617	$ 32,898

(2) Net OPEB Liability

At December 31, 2024 and 2023, MTA Bridges and Tunnels reported a net OPEB liability of $859,352 and $872,112, respectively, for its proportionate share of the Plan's net OPEB liability. The net OPEB liabilities were measured as of the OPEB Plan's fiscal year-end of December 31, 2023 and 2022, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023 and July 1, 2021 respectively, and rolled forward to December 31, 2023 and 2022, respectively. The MTA Bridges and Tunnels proportion of the net OPEB liability was based on a projection of the MTA Bridges and Tunnels long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2024 and 2023, the MTA Bridges and Tunnels proportion was 4.26% and 3.89%, 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 are fair value based on quoted market prices or net asset value.

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(3) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. MTA Bridges and Tunnels 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 as of July 1, 2023 and July 1, 2021 respectively and update procedures were used to roll forward the total OPEB liability to December 31, 2023 and 2022, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	2024	**2023**
Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%—net of expenses	3.72%—net of expenses
Inflation	2.31%	2.33%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Investment rate of return	4.25%	3.72%

Salary Increases

Salary Scale—salaries are assumed to increase by years of service. Rates are shown below:

Years of Employment	**2024 Rate of Increase**	**2023 Rate of Increase**
0	11.00 %	11.00 %
1	10.00	10.00
2	9.00	9.00
3	8.00	8.00
4	7.00	7.00
5	6.00	6.00
6	5.00	5.00
7	4.00	4.00
8	3.80	3.80
9	3.60	3.60
10+	3.50	3.50

Healthcare Cost Trend—The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2021 utilizing the baseline assumptions included in the model, except inflation of 2.31% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). No self-insured post-65 trend is assumed during 2023 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2024.

Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP trend assumptions for MTA Bridges and Tunnels (all amounts are in percentages).

	NYSHIP 2024		**MTA Bridges and Tunnels 2024**	
Fiscal Year	**<65**	**>=65**	**<65**	**>=65**
2024	7.00 %	6.60 %	7.20 %	6.10 %
2025	6.40	6.40	6.40	6.40
2026	5.80	5.80	5.80	5.80
2027	5.10	5.10	5.10	5.10
2028	4.90	4.90	4.90	4.90
2029	4.70	4.70	4.70	4.70
2030	4.50	4.50	4.50	4.50
2031	4.30	4.30	4.30	4.30
2039	4.10	4.10	4.10	4.10
2049	4.10	4.10	4.10	4.10
2050	4.10	4.10	4.10	4.10
2064	4.20	4.20	4.20	4.20
2066	4.10	4.10	4.10	4.10
2068	4.00	4.00	4.00	4.00
2070	3.90	3.90	3.90	3.90
2073	3.80	3.80	3.80	3.80
2074+	3.70	3.70	3.70	3.70

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	NYSHIP 2023		MTA Bridges and Tunnels 2023	
Fiscal Year	**<65**	**>=65**	**<65**	**>=65**
2023	6.70 %	5.90 %	7.10 %	4.90 %
2024	7.00	6.70	7.20	6.10
2025	6.40	6.40	6.40	6.40
2026	5.80	5.80	5.80	5.80
2027	5.10	5.10	5.10	5.10
2028	4.90	4.90	4.90	4.90
2029	4.70	4.70	4.70	4.70
2039	4.10	4.10	4.10	4.10
2049	4.10	4.10	4.10	4.10
2059	4.20	4.20	4.20	4.20
2069	3.90	3.90	3.90	3.90
2079	3.70	3.70	3.70	3.70
2089	3.70	3.70	3.70	3.70
2099	3.70	3.70	3.70	3.70
2109	3.70	3.70	3.70	3.70
2119	3.70	3.70	3.70	3.70

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rate, which is 4.2% for medical and pharmacy costs.

Mortality—Preretirement and postretirement health annuitant rates are projected on a generational basis using Scale AA. As a generational table, it reflects mortality improvements both before and after the measurement date. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2011 to December 31, 2015 for the MTA-sponsored pension plans.

Preretirement—RP-2000 Employee Mortality Table for Males and Females with blue-collar adjustments.

Postretirement 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.

Postretirement Disabled Lives—RP-2014 Disabled Annuitant mortality table for males and females.

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return was determined using by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumption as of December 31, 2023 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Short(1-3Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr Tr USD	98.50 %	4.39 %
Assumed Inflation - Mean			2.31 %
Assumed Inflation - Standard Deviation			1.44 %
Portfolio Nominal Mean return			4.37 %
Portfolio Standard Deviation			0.49 %
Long term expected rate of return selected by MTA			**4.25 %**

Discount Rate—The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2023 and 2022, of 3.26% and 3.72%, respectively.

Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement (in millions):

Decemeber 31, 2023 Measurement Date	**(2.26)%**	**(3.26)%**	**(4.26)%**
Proportionate share of the net OPEB liability	$ 987.19	$ 862.51	$ 759.40

Decemeber 31, 2022 Measurement Date	**1% Decrease (2.72)%**	**Discount Rate (3.72)%**	**1% Increase (4.72)%**
Proportionate share of the net OPEB liability	$ 992.33	$ 872.11	$ 772.80

Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using healthcare cost

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trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement (in millions):

Decemeber 31, 2023 Measurement Date	**1% Decrease**	**Healthcare Cost Current Trend Rate***	**1% Increase**
Proportionate share of the net OPEB liability	$ 672.91	$ 786.38	$ 928.82

Decemeber 31, 2022 Measurement Date	**1% Decrease**	**Healthcare Cost Current Trend Rate***	**1% Increase**
Proportionate share of the net OPEB liability	$ 747.80	$ 872.11	$ 1,028.65

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2024 and 2023, MTA Bridges and Tunnels recognized OPEB expense of $53,179 and $52,482, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

MTA Bridges and Tunnels reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows (in thousands):

	December 31, 2024	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 12,065	$ (113,966)
Changes in assumptions	91,947	(141,958)
Net difference between projected and actual earnings	-	-
on OPEB plan investments	241	-
Changes in proportion and differences between	-	
contributions and proportionate share of contributions	147,565	(124,356)
Employer contributions to the plan subsequent to the	-	-
measurement of net OPEB liability	40,939	-
Total	$ 292,757	$ (380,280)

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	December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,829	$ 1,319
Changes in assumptions	60,300	160,306
Net difference between projected and actual earnings	-	-
on OPEB plan investments	736	-
Changes in proportion and differences between	-	
contributions and proportionate share of contributions	80,746	93,680
Employer contributions to the plan subsequent to the	-	-
measurement of net OPEB liability	37,617	-
Total	$ 193,228	$ 255,305

At December 31, 2024 and 2023, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of $292,757 and $193,227, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment of $40,939 that will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024, will be recognized in OPEB expense as follows (in thousands):

December 31	
2025	$ 26,429
2026	23,730
2027	19,989
2028	17,046
2029	24,353
Thereafter	16,917
	$ 128,463

9. LONG-TERM DEBT

MTA Bridges and Tunnels issues long-term bonds to fund its own capital projects, as well as the Transportation Projects for NYCTA and Commuter Rails, through the following four credits:

- General Revenue Bonds,
- Payroll Mobility Tax Bonds,
- Sales Tax Bonds and
- Subordinate Revenue Bonds.

The MTA and MTA Bridges and Tunnels entered into a Payroll Mobility Tax Financing Agreement (the "Financing Agreement"), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes ("Mobility Tax Receipts") and certain fees, surcharges and taxes ("Aid Trust Account Receipts," and together with the Mobility Tax Receipts, "PMT Receipts") in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and

Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority PMT Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

During 2022, the Authority issued bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These bonds were issued by the Authority under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The 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 that flow into the Central Business District Tolling Capital Lockbox Fund.

The following represents MTA Bridges and Tunnels' issuance of long-term debt in 2024:

- On January 25, 2024, MTA Bridges and Tunnels issued $296,340 PMT Bond 2024A, Series 2024A will finance transit and commuter projects and certain financing, legal and miscellaneous expense.
- On February 8, 2024, MTA Bridges and Tunnels issued $1,650,295 Sales Tax Revenue Bonds, Series 2024A. Series 2024A proceeds will finance approved transit and commuter projects included in the 2020-2024 Capital Program, CBD and certain financing, legal and miscellaneous expenses.
- On March 20, 2024, MTA Bridges and Tunnels issued $300,000 of PMT Bond Anticipation Notes, Series 2024B. Series 2024B proceeds will finance transit and commuter projects included in the 2020-2024 Capital Program and pay certain financing, legal and miscellaneous expenses.
- On March 27, 2024, with TRB 2024A Proceeds MTAHQ sent $118,740 to refund TBTA PMT 2021A-2
- On May 20, 2024, MTA Bridges and Tunnels issued $591,785 of PMT Bond 2024B. Series 2024B proceeds will retire a portion of PMT 2022A and certain of MTA Transportation Revenue bonds and pay certain financing, legal and miscellaneous expenses.
- On July 10, 2024, MTA Bridges and Tunnels issued $770,105 of PMT Bond 2024C. Series 2024C proceeds will retire certain MTA Transportation Revenue bonds, Dedicated Tax Fund bond and pay certain financing, legal and miscellaneous expenses.
- On July 18, 2023, MTA Bridges and Tunnels remarked 2003B-2 of $26,850 The irrevocable direct-pay letter of credit issued by TB Bank, N.A.
- On July 23, 2024, with DTF 2024A Proceeds MTAHQ sent $425,685 to refund TBTA PMT BAN 2022A
- On August 21, 2024, MTA Bridges and Tunnels issued $699,260 General Revenue Bonds Refunding Bonds, Series 2024A to refund certain outstanding bond and finance and capital projects.
- On December 23, 2024, MTA Bridges and Tunnels issued $186,000 Second Subordinate Revenue Bond Anticipation Notes, Series 2024A. Series 2024A will pay capital cost for CBDTP projects and certain financing, legal and miscellaneous expense.

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2024 and 2023, is comprised of the following (in thousands):

	2024	2023
Senior Revenue Bonds (Notes 10)	$ 8,912,261	$ 9,022,218
PMT Bonds (Note 10)	11,583,864	10,269,642
Subordinate Revenue Bonds (Note 11)	180,014	191,309
CBD BAN (Note 12)	10,363	208,613
Sales Tax Revenue Bond (Note 13)	3,785,388	1,997,872
Total long-term debt—net of premiums and discounts	$ 24,471,890	$ 21,689,654

MTA Bridges and Tunnels has entered into several Letter of Credit Agreements and Standby Bond Purchase Agreements (together, "Credit and Liquidity Agreements") as listed on the table below.

TBTA General Revenue	2001C	Barclays Bank	June 26, 2028
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 1, 2028
TBTA General Revenue	2005A	Barclays Bank	July 19, 2028
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	Bank of America, N.A.	June 22, 2027
TBTA General Revenue	2005B-4c	U.S. Bank National Assoc.	January 1, 2028
TBTA General Revenue	TBTA 2018E Taxable	Bank of America, N.A.	December 5, 2025

According to the terms of the Credit and Liquidity Agreements, if the remarketing agent fails to remarket any of the bonds listed above that are tendered by the holders, the bank is required (subject to certain conditions) to purchase such unremarketed portion of the bonds. Bonds owned by the bank and not remarketed after a specified amount of time (generally 90 days) are payable to the bank as a term loan over five years in ten equal semiannual principal payments including interest thereon. As of December 31, 2023, there were no term loans outstanding.

Bond Refundings—From time to time, 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 statement of net position.

At December 31, 2024 and 2023, the following amounts of MTA Bridges and Tunnels bonds, which have been refunded, remain valid debt instruments and are secured solely by and payable solely from their respective irrevocable trusts.

(In thousands)	2024	2023
MTA Bridges and Tunnels:		
General purpose revenue bonds	$ 81,145	$ 121,720
Special obligation subordinate bonds	9,520	26,985
Total	$ 90,665	$ 148,705

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MTA Bridges and Tunnels had no refunding transactions that resulted in any gains/losses against aggregate debt service payments in 2024 and 2023.

Unamortized losses related to bond refundings were as follows (in millions):

	December 31, 2022	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2023	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2024
TBTA:							
General revenue bonds	$137	$ (47)	$(13)	$ 77	$ 0.4	$ (12)	$ 65
Subordinate revenue bonds	20	(21)	(1)	(2)		0.6	(1)
	157	(68)	(14)	75	$ 0.4	(11)	64
Total	$157	$ (68)	$(14)	$ 75	$ 0.4	$ (11)	$ 64

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10. DEBT—SENIOR REVENUE/PMT BONDS/SALE TAX BONDS

Senior Revenue Bonds at December 31, 2024, consists of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
Series 2001B&C, 4.10%–5.25%	$ 296,400	$ 75,560	$ -	$ 7,140	$ 68,420
Series 2002F	246,480	94,365	-	8,915	85,450
Series 2003B	250,000	118,425	-	10,020	108,405
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	555,000	-	30,900	524,100
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	1,400	-	1,400	-
Series 2009B—BAB	200,000	200,000	-	-	200,000
Series 2010A-2—BAB	280,400	253,755	-	253,755	-
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	38,075	-	24,880	13,195
Series 2012B	1,353,055	231,500	-	-	231,500
Series 2013B	257,195	-	-	-	-
Series 2013C	200,000	15,000	-	-	15,000
Series 2014A	250,000	170,060	-	170,060	-
Series 2015A	225,000	179,195	-	-	179,195
Series 2015B	65,000	54,660	-	3,880	50,780
Series 2016A	541,240	438,655	-	1,530	437,125
Series 2017A	300,000	286,585	-	51,315	235,270
Series 2017B	902,975	902,975	-	46,755	856,220
Series 2017C	720,990	703,805	-	10,940	692,865
Series 2018A	351,930	351,930	-	20,890	331,040
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	18,185	141,095
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	400,000	400,000	-		400,000
Series 2023A	828,225	828,225	-	42,030	786,195
Series 2023B	370,030	370,030	-	19,020	351,010
Series 2024A	-	-	699,260	-	699,260
	$ 12,312,375	8,552,310	699,260	721,615	8,529,955
Add net unamortized bond (discount) and premium		752,493	74,668	78,860	748,301
		$ 9,304,803	$ 773,928	$ 800,475	$ 9,278,256

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Senior Revenue Bonds at December 31, 2023, consists of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
Series 2001B&C, 4.10%–5.25%	$ 296,400	$ 82,425	$ -	$ 6,865	$ 75,560
Series 2002F	246,480	102,935	-	8,570	94,365
Series 2003B	250,000	128,055	-	9,630	118,425
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	558,300	-	3,300	555,000
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	62,255	-	60,855	1,400
Series 2009B—BAB	200,000	200,000	-	-	200,000
Series 2010A-2—BAB	280,400	263,020	-	9,265	253,755
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	151,415	-	113,340	38,075
Series 2012B	1,353,055	662,620	-	431,120	231,500
Series 2013B	257,195	129,495	-	129,495	-
Series 2013C	200,000	133,035	-	118,035	15,000
Series 2014A	250,000	175,655	-	5,595	170,060
Series 2015A	225,000	182,890	-	3,695	179,195
Series 2015B	65,000	56,120	-	1,460	54,660
Series 2016A	541,240	485,300	-	46,645	438,655
Series 2017A	300,000	286,585	-	-	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	17,185	703,805
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	400,000	400,000	-	-	400,000
Series 2023A	-	-	828,225	-	828,225
Series 2023B	-	-	370,030	-	370,030
	$ 11,114,120	8,319,110	1,198,255	965,055	8,552,310
Add net unamortized bond (discount) and premium		731,444	140,918	119,869	752,493
		$ 9,050,554	$ 1,339,173	$ 1,084,924	$ 9,304,803

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Debt Service Requirements Senior Revenue:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	$ 365,995	$ 387,638	$ 753,633
2026	398,880	369,776	768,656
2027	410,465	350,243	760,708
2028	435,875	330,545	766,420
2029	401,600	308,689	710,289
2030–2034	1,790,145	1,318,422	3,108,567
2035–2039	1,321,345	989,691	2,311,036
2040–2044	1,189,405	681,313	1,870,718
2045–2049	1,185,445	401,994	1,587,439
2050–2054	848,830	166,873	1,015,703
2055–2059	181,970	16,469	198,439
	$ 8,529,955	$ 5,321,653	$ 13,851,608

PMT Bonds at December 31, 2024, consists of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
PMT 2021A	$ 1,238,210	$ 1,238,210	$ -	$ 118,740	$ 1,119,470
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	821,495	-	1,285	820,210
PMT 2022A	592,680	592,680	-	-	592,680
PMT 2022B	1,000,015	995,120	-	5,135	989,985
PMT 2022C	927,950	927,950	-	-	927,950
PMT 2022D	765,690	765,690	-	-	765,690
PMT 2022E	700,200	700,200	-	-	700,200
PMT 2022A-BAN	951,370	951,370	-	951,370	-
PMT 2022B-BAN	766,540	766,540	-	766,540	-
2023A	764,950	764,950	-	192,080	572,870
2023B	600,000	600,000	-	-	600,000
2023C	1,130,200	1,130,200	-	-	1,130,200
2024A	-	-	296,340	-	296,340
2024B-BAN	-	-	300,000	-	300,000
2024B	-	-	591,785	-	591,785
2024C	-	-	770,105	-	770,105
	$ 10,663,585	$ 10,623,600	$ 1,958,230	$ 2,035,150	$ 10,546,680
Add net unamortized bond (discount) and premium		1,036,767	197,085	105,403	1,128,449
		$ 11,660,367	$ 2,155,315	$ 2,140,553	$ 11,675,129

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PMT Bonds at December 31, 2023, consists of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
PMT 2021A	$ 1,238,210	$ 1,238,210	$ -	$ -	$ 1,238,210
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	848,225	-	26,730	821,495
PMT 2022A	592,680	592,680	-	-	592,680
PMT 2022B	1,000,015	1,000,015	-	4,895	995,120
PMT 2022C	927,950	927,950	-	-	927,950
PMT 2022D	765,690	765,690	-	-	765,690
PMT 2022E	700,200	700,200	-	-	700,200
PMT 2022A—BAN	951,370	951,370	-	-	951,370
PMT 2022B—BAN	766,540	766,540	-	-	766,540
PMT 2023A	-	-	764,950	-	764,950
PMT 2023B	-	-	600,000	-	600,000
PMT 20233	-	-	1,130,200	-	1,130,200
	$ 8,168,435	8,160,075	2,495,150	31,625	10,623,600
Add net unamortized bond (discount) and premium		907,923	237,080	108,236	1,036,767
		$ 9,067,998	$ 2,732,230	$ 139,861	$ 11,660,367

Debt Service Requirements PMT:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	$ 91,265	$ 497,965	$ 589,230
2026	347,375	490,037	837,412
2027	811,565	468,898	1,280,463
2028	424,530	452,481	877,011
2029	285,900	440,323	726,223
2030-2034	1,996,350	2,041,728	4,038,078
2035-2039	1,546,655	1,692,943	3,239,598
2040-2044	1,605,240	1,216,242	2,821,482
2045-2049	1,706,870	807,166	2,514,036
2050-2054	1,578,450	335,023	1,913,473
2055 -2059	152,480	44,017	196,497
	$ 10,546,680	$ 8,486,823	$ 19,033,503

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Sales Tax Bonds at December 31, 2024, consist of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
SALES TAX 2022A	$ 700,000	$ 700,000	$ -	$ -	$ 700,000
SALES TAX 2023A	1,253,750	1,253,750	-	-	1,253,750
SALES TAX 2024A	-	-	1,650,295	-	1,650,295
	$ 1,953,750	1,953,750	1,650,295	-	3,604,045
Add net unamortized bond (discount) and premium		44,122	146,489	7,253	183,358
		$ 1,997,872	$ 1,796,784	$ 7,253	$ 3,787,403

Sales Tax Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
SALES TAX 2022A	$ 700,000	$ 700,000	$ -	$ -	$ 700,000
SALES TAX 2023A	-	-	1,253,750	-	1,253,750
	$ 700,000	700,000	1,253,750	-	1,953,750
Add net unamortized bond (discount) and premium		58,795	(11,915)	2,758	44,122
		$ 758,795	$ 1,241,835	$ 2,758	$ 1,997,872

Debt Service Requirements Sales Tax:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	$ 2,015	$ 172,038	$ 174,053
2026	2,455	171,926	174,381
2027	8,565	171,651	180,216
2028	10,800	171,167	181,967
2029	13,160	170,568	183,728
2030-2034	106,265	839,348	945,613
2035-2039	189,045	802,884	991,929
2040-2044	297,405	742,655	1,040,060
2045-2049	434,725	656,189	1,090,914
2050-2054	606,520	536,769	1,143,289
2055 -2059	823,040	373,558	1,196,598
2060-2064	1,110,050	141,198	1,251,248
	3,604,045	4,949,950	8,553,995

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

11. DEBT—SUBORDINATE REVENUE BONDS

Subordinate revenue bonds had no new issuances in 2024 or 2023.

Subordinate Revenue Bonds at December 31, 2024, consist of the following (in thousands):

	Original Issuance	December 31, 2023	Retirements during 2024	December 31, 2024
Series 2002E	$ 756,095	$ -	$ -	$ -
Series 2013A	761,599	225,270		225,270
Series 2013D	313,975	34,395	(16,790)	17,605
	$ 1,831,669	259,665	(16,790)	242,875
Add net unamortized bond (discount) and premium		(51,566)	6,310	(45,256)
		$ 208,099	$ (10,480)	$ 197,619

Subordinate Revenue Bonds at December 31, 2023, consists of the following (in thousands):

	Original Issuance	December 31, 2022	Retirements during 2023	December 31, 2023
Series 2002E	$ 756,095	$ -	$ -	$ -
Series 2013A	761,599	659,905	(434,635)	225,270
Series 2013D	313,975	59,290	(24,895)	34,395
	$ 1,831,669	719,195	(459,530)	259,665
Add net unamortized bond (discount) and premium		(33,040)	(18,526)	(51,566)
		$ 686,155	$ (478,056)	$ 208,099

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Debt Service Requirements:

December 31	Principal	Interest (In thousands)	Debt Service
2025	$ 17,605	$ 781	$ 18,386
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	58,760	-	58,760
2030–2034	166,510	-	166,510
	$ 242,875	$ 781	$ 243,656

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

12. BOND ANTICIPATION NOTES

On December 23, 2024, MTA Bridges and Tunnels issued $186,000 General Revenue Bond Anticipation Notes, Series 2024A. The net proceeds were issued to finance capital costs for the Central Business District Tolling Program.

(In thousands)	December 31, 2023	Issued	Retirements During 2024	December 31, 2024
Series 2021A	$ 192,835	-	-	$ 192,835
Series 2024A	-	$ 186,000	-	$ 186,000
Add net unamortized bond premium	15,777	3,251	(8,665)	10,363
	$ 208,612	$ 189,251	$ (8,665)	$ 389,198

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	$ 378,835	$ 18,374	$ 397,209
2026	-	-	-
2027	-	-	-
	$ 378,835	$ 18,374	$ 397,209

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13. GASB STATEMENT NO. 53—DERIVATIVE INSTRUMENTS

For the year ended December 31, 2024, the MTA Bridges and Tunnels is reporting a gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of $1,409, $16,805 and $55,579, respectively. The gain of $1,409 is related to swaps on MTA bonds which is offset by a loss of $1,409 reflected in other operating income. Also recognized in the same period are derivative instrument assets of $3,235.

For the year ended December 31, 2023, the MTA Bridges and Tunnels is reporting a gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of $829, $34,012 and $71,358, respectively. The gain of $829 is related to swaps on MTA bonds which is offset by a loss of $829 reflected in other operating income. Also recognized in the same period are derivative instrument assets of $3,254.

GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments Summary Information as of December 31, 2024

GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments
Summary Information as of December 31, 2024

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2024 (In millions)	Fair Values as of 12/31/2024 (In millions)
Investment Swap	MTA Transportation Revenue Bond	2002G-1	Pay-fixed Swap	N/A	N/A	4/1/2016	$ 28,645	$ (0.070)
	MTA Transportation Revenue Bond	2022E	Pay-fixed Swap	N/A	N/A	4/1/2016	86,845	(3.029)
Hedging Swaps	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed Swap	Cash flow	Dollar Offset	7/5/2005	174,700	(2.876)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	13,260	(0.202)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed Swap	Cash flow	Synthetic Instrument	7/5/2005	524,100	(8.627)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	6,000	(0.104)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2024, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2023, are as follows (in thousands):

(In Millions)	Changes In Fair Value		Fair Value at December 31, 2024		Notional
	Classification	Amount	Classification	Amount	Amount
Government Activities					
Cash flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	$ (15.779)		$ (11.809)	$ 718,060
Investment swap— pay-fixed interest rate swaps	Investment income	$ 1.409		(1.761)	$ 115,490

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The summary above reflects a total number of six (6) swaps and hedging relationships that were reviewed for GASB Statement No. 53 Hedge Accounting treatment. Of that total, four (4) were deemed effective using Synthetic Instrument Method.

For the four (4) hedging relationships, the Synthetic Instrument Method was utilized to determine effectiveness. Under the Synthetic Instrument Method, if the rate determined by dividing the historical Swap and Bond payments (Fixed Swap payments + Floating Bond payments—Floating Swap payments) by the hedge notional amount produces an “Actual Synthetic Rate” that is within 90% to 111% of the corresponding fixed swap rates then the hedging derivative instrument is deemed to be effective.

14. LEASES

MTA Bridges and Tunnels 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 made during the lease term, using MTA Bridges and Tunnels incremental borrowing rate at the time of valuation ranging from 1.19% to 9.11% if an applicable stated or implicit rate is not available.

The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is recognized. The lease asset is amortized on a straight- line basis over the shorter of the lease term or the useful life of the underlying asset.

Interest revenues are recognized on the lease 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 Bridges and Tunnels leases garage spaces and bridges and tunnels easement rights to other entities. These leases have terms between 1 year to 41.6 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 37 years. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the year ended December 31, 2024 and 2023 is presented below (in thousands):

	2024	**2023**
Lease revenue	$1,266	$1,716
Interest revenue	368	392
Other variable revenue		4

The balance of lease receivable as of December 31, 2024 and 2023 are as follows (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	$ 12,776	$ 14,308
Additions/remeasurements	63	(62)
Receipts/interest	(1,236)	(1,470)
Balance—end of year	11,602	12,776
Less current portion	(1,237)	(1,174)
Lease receivable—noncurrent	$ 10,365	$ 11,602

MTA Bridges and Tunnels did not recognize any revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows (in thousands):

December 31	Principal	Interest	Total
2025	$ 1,237	$ 340	$ 1,577
2026	1,335	309	1,644
2027	1,357	276	1,633
2028	1,001	243	1,244
2029	177	231	408
2030 - 2034	1,165	1,062	2,227
2035 - 2039	1,062	866	1,928
2040 - 2044	339	780	1,119
2045 - 2049	604	694	1,297
2050 - 2054	954	550	1,504
2055 - 2059	1,412	332	1,744
2060 - 2064	960	56	1,016
Total	$ 11,602	$ 5,738	$ 17,340

As Lessee

MTA Bridges and Tunnels is a lessee of the 2 Broadway building lease. This 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. As of December 31, 2024, the remaining lease terms is 23 years. MTA Bridges and Tunnels implicit borrowing rate at the time of valuation was 9.11%.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was $2.9 million and $2.9 million for the years ended December 31, 2024 and 2023, respectively. MTA Bridges and Tunnels did not recognize any expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023.

A summary of activity in lease liability for the years ended December 31, 2024 and 2023 is presented below (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	$ 85,894	$ 84,895
Additions/remeasurements		-
Payments/interest	429	999
Balance—end of year	86,323	85,894
Less current portion	-	-
Lease liability—noncurrent	$ 86,323	$ 85,894

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2025	$ (470)	$ 7,883	$ 7,413
2026	(515)	7,928	7,413
2027	(564)	7,977	7,413
2028	(617)	8,030	7,413
2029	707	8,032	8,739
2030–2034	5,910	38,967	44,877
2035–2039	16,361	34,048	50,410
2040–2044	30,885	23,603	54,488
2045–2049	34,626	5,943	40,569
Total	$ 86,323	$ 142,413	$ 228,736

On July 29, 1998, the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate $937 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, 2024 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 48.4%, 7.36% and 44.24%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2024 and 2023, the total of the rental payments charged to the Authority were $5.4 million and $4.9 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA Bridges and Tunnels entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using the Authority's incremental borrowing rate at the time of valuation ranging from 2.46% to 4.66% if an applicable stated or implicit rate is not available.

The initial measurement of the Authority's subscription asset and lease liability was as of January 1, 2022. The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

MTA Bridges and Tunnels subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 4 years to 7 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 1 years to 4 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $28 and $13 for the years ended December 31, 2024 and December 31, 2023, respectively. The Authority recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and December 31, 2023, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	$ 488	$ 628
Additions/remeasurements	274	-
Payments/interest	(418)	(140)
Balance—end of year	344	488
Less current portion	(154)	(144)
SBITA liability—noncurrent	$ 190	$ 344

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2024, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2025	$ 154	$ 8	$ 162
2026	154	2	156
2027	22	1	23
2028	14	-	14
2029	-	-	-
2030–2034	-	-	-
Total	$ 344	$ 11	$ 355

16. RISK MANAGEMENT

MTA Bridges and Tunnels is exposed to various risks of loss related to torts; theft of, damage to, and destruction of its assets; injuries to persons, including employees; and natural disasters.

MTA Bridges and Tunnels is self-insured up to $3.2 million per occurrence for liability arising from injuries to persons, excluding employees. MTA Bridges and Tunnels is self-insured for work related injuries to employees and for damage to third party property. MTA Bridges and Tunnels provides reserves to cover the self-insured portion of these claims, including a reserve for claims incurred but not reported. The annual cost arising from injuries to employees and damage to third-party property is included in “Retirement & other employee benefits” and “Insurance” in the accompanying statements of revenues, expenses, and changes in net position.

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, as of December 31, 2024 and 2023, is as follows (in thousands):

	2024	2023
Balance—beginning of year	$ 60,156	$ 56,404
Activity during the year:		
Current year claims and changes in estimates	6,061	6,131
Claims paid	(4,585)	(2,379)
Balance—end of year	61,632	60,156
Less current portion	(5,572)	(4,415)
Long-term liability	$ 56,060	$ 55,741

Liability Insurance—First Mutual Transportation Assurance Company (“FMTAC”), an insurance captive subsidiary of MTA, provides a liability insurance program (aka “ELF”) that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than $50 million for all agencies and an additional $10 million for NYCT. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was $195.04 million.

MTA also maintains an All Agency Excess Liability Insurance Policy (ELP), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of $325 million for a total limit of $375 million ($325 million excess of $50 million).

Property Insurance—Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $269.725 million within the overall $500 million per occurrence property program as follows: $28.543 million (or 57.09%) of the primary $50 million layer, plus $28.543 million (or 57.09%) of the $50 million excess $50 million layer, plus $19.293 million (or 38.59%) of the $50 million excess $100 million layer, plus $11.793 million (or 23.59%) of the $50 million excess $150 million layer, plus $8.643 million (or 17.29%) of the $50 million excess $200 million layer, plus $15.518 million (or 31.04%) of the $50 million excess $250 million layer, plus $26.893 million (or 53.79%) of the $50 million excess $300 million layer, plus $39.000 million (or 78.00%) of the $50 million excess $350 million layer, plus $41.500 million (or 83.00%) of the $50 million excess $400 million layer, and $50.000 million (or 100%) of the $50 million excess of $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An addition $25 million of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any “certified” act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the “certified” acts of terrorism insurance or (3) 100% of any “certified” terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities’ deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

During 2024 there were no FMTAC excess loss claim reimbursements to MTA Bridges and Tunnels. At December 31, 2024, MTA Bridges and Tunnels had $0 million in outstanding claims requiring FMTAC coverage from its Excess Loss Program.”

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

17. COMMITMENTS AND CONTINGENCIES

At December 31, 2024 and 2023, MTA Bridges and Tunnels had unused standby letters of credit, relative to insurance, amounting to $0 and $1.81 million, respectively.

MTA Bridges and Tunnels is involved in various litigations and claims involving personal liability claims and certain other matters. Although the ultimate outcome of these claims and suits cannot be predicted at this time, management does not believe that the ultimate outcome of these matters will have a material effect on the financial position, results of operations and cash flows of MTA Bridges and Tunnels.

Under the terms of federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or the Authority have been infrequent in prior years.

As of December 31, 2024, $8,258 million has been committed to MTA Bridges and Tunnels Capital Program.

18. SWAP AGREEMENTS

Swap Agreements Relating to Synthetic Fixed Rate Debt—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 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.

e 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.

Swap Agreements Relating to Synthetic Fixed Rate Debt

Board-Adopted Guidelines—The MTA adopted guidelines governing the use of swap contracts. The guidelines were amended and approved by the Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives instruments 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 Bridges and Tunnels has entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what 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 Value—The terms, fair values and counterparties of the outstanding swaps of MTA Bridges and Tunnels are reflected in the following tables (as of December 31, 2024).

MTA Bridges and Tunnels Senior Lien Revenue Bonds

Associated Bond Issue	Notional Amounts as of 12/31/2024 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2024 (In millions)	Swap Termination Date	Counterparty
Series 2018E [7]	$ 174.700	04/01/16	3.076%	67% of one-month LIBOR [1]	$ (2.876)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e [1]	524.100	07/07/05	3.076%	67% of one-month LIBOR [1]	(8.627)	01/01/32	33% each—JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	$ 698.800				$ (11.503)		

MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2024 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2024 (In millions)	Swap Termination Date	Counterparty
Series 2005A	$ 13.260	04/01/16	3.09%	Lesser of Actual Bond or 67% of one-month LIBOR	$ (0.202)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C [6]	6.000	04/01/16	3.52%	67% of one-month LIBOR [1]	(0.104)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	$ 19.260				$ (0.306)		

(1) On February 19, 2009, MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2005B-1 were refunded. Notional amounts from the Series 2005B-1 swap were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2002F, MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B-1,2,3 and from November 1, 2027 through November 1, 2030, to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-2,3.

(2) In accordance with a swaption entered on August 12, 1998, the Counterparty paid to MTA Bridges and Tunnels a premium of $22,740,000.

(3) On September 30, 2014, the TBTA Subordinate Revenue Variable Rate Refunding Bonds, Series 2000AB, together with the TBTA Subordinate Revenue Variable Rate Refunding Bonds Series 2000CD, were redesignated as the Series 2000ABCD Bonds and converted from a Weekly Mode to a Term Mode. The swap now hedges the portion of the Series 2000ABCD bonds that originally related to the Series 2000AB bonds.

(4) On December 18, 2012, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.

(5) On November 19, 2013, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.

(6) In accordance with a swaption entered on August 12, 1998, TBTA received an upfront option premium of $22.740, which is being amortized over the life of the swap agreement. 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. 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.

(7) On October 27, 2021 the TBTA 2002F VRDB bond were remarketed to a Fixed Rate Mode. Since the bonds were fixed out, the hedging relationship with the TBTA Citi swap was terminated, and a new hedging relationship was established with the TBTA 2018E taxable VRDB bonds.

LIBOR: London Interbank Offered Rate
SIFMA: Securities Industry and Financial Markets Association Index
TRB: Transportation Revenue Bonds

Counterparty Ratings—The current ratings of the counterparties are as follows as of December 31, 2024:

Counterparty	Ratings of the Counterparty or its Credit Support Provider S&P	Moody's	Fitch
U.S. Bank National Association	A+	Aa3	A+
Wells Fargo Bank, N.A.	A+	Aa2	AA-
BNP Paribas North America, Inc.	A+	Aa3	AA-
Citibank, N.A.	A+	Aa3	A+
JPMorgan Chase Bank, NA	AA-	Aa2	AA
UBS AG	A+	Aa2	A+

Swap Notional Summary—The following table sets forth the notional amount of Synthetic Fixed Rate debt and the outstanding principal amount of the underlying floating rate series as of December 31, 2024 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	$ 174,700	$ 174,700
TBTA 2005B-3	174,700	174,700
TBTA 2005B-2 (a,b,c)	174,700	174,700
TBTA 2005A	102,070	13,260
TBTA 2003B (1,2,3)	108,405	70,775
TBTA 2018E	148,470	103,925
TBTA 2001C	68,420	6,000
2002G-1	46,805	28,645
2022E-2a	99,560	86,845
Total	$ 1,097,830	$ 833,550

Except as discussed below under the heading "Rollover Risk," the swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the principal amount of the associated 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 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 Bridges and Tunnels requires its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ level), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "Collateralization/Contingencies"). As of December 31, 2024, all the valuations were in liability positions to MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The notional amount totals below include all swaps. The counterparties have the ratings set forth above.

Counterparty	Amount (In thousands)	Notional Amount
JPMorgan Chase Bank, NA	$ 174,700	20.96 %
UBS AG	174,700	20.96
Citibank, N.A.	174,700	20.96
BNP Paribas North America, Inc.	174,700	20.96
U.S. Bank National Association	67,375	8.08
Wells Fargo Bank, N.A.	67,375	8.08
Total	$ 833,550	100 %

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 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 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 Bridges and Tunnels.

Termination Risk—The risk that a swap agreement will be terminated and 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 by the parties to that ISDA Master Agreement. MTA Bridges and Tunnels have entered 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 Bridges and Tunnels is subject to termination risk if its credit ratings fall below certain specified thresholds or if MTA Bridges and Tunnels commits a specified event of default or other specified event of termination. If, at the time of termination, a swap was in a liability position to MTA Bridges and Tunnels, a termination payment would be owed by MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

The ISDA Master Agreements entered with the following counterparties provide that the payments under one transaction will be netted against other transactions entered under the same ISDA Master Agreement:

- JPMorgan Chase Bank, NA with respect to the MTA Transportation Revenue Variable Rate Refunding Bonds, Series 2002D-2 and Series 2012G.

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 transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

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Collateralization—Generally, the Credit Support Annex attached to the ISDA Master Agreement requires that if the outstanding ratings of MTA, MTA Bridges and Tunnels, MTA New York City Transit, or the counterparty falls to a certain level, the party whose rating falls is required to post collateral with a third-party custodian to secure its termination payments above certain threshold valuation amounts. Collateral must be cash or U.S. government or certain Federal agency securities.

The following tables set forth the ratings criteria and threshold amounts relating to the posting of collateral set forth for MTA, MTA Bridges and Tunnels, MTA New York City Transit, and the counterparty for each swap agreement. In most cases, the counterparty does not have a Fitch rating on its long-term unsecured debt, so that criteria would not be applicable in determining if the counterparty is required to post collateral.

The following tables set forth the Additional Termination Events for MTA Bridges and Tunnels and its counterparties.

MTA Bridges and Tunnels Senior Lien

Counterparty Name	MTA Bridges and Tunnels	Counterparty
BNP Paribas North America, Inc.; 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 Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered 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—MTA and MTA Bridges and Tunnels are exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When these swaps terminate, MTA or MTA Bridges and Tunnels may not realize the synthetic fixed rate offered by the swaps on the underlying debt issues. The following debt is exposed to rollover risk:

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, Bond series 2022E (swaps with U.S. Bank/ Wells Fargo)	November 1, 2041	January 1, 2030

Collateralization/Contingencies—Under the majority of the swap agreements, 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 Bridges and Tunnels does not post collateral, the swaps may be terminated by the counterparties.

As of December 31, 2024, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $13,571; 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 Bridges and Tunnels and its counterparties.

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 North America, Inc.;	Baa1/BBB+: $30 million	A3/A-: $10 million
Citibank, N.A.;	Baa2/BBB: $15 million	Baa1/BBB+ & below: Zero
JPMorgan Chase Bank, NA;	Baa3/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-: $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 Tunnel's 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 Bridges and Tunnels

Years Ending December 31	**Variable-Rate Bonds Principal**	**Interest**	**Net Swap Payments**	**Total**
		(In millions)		
2025	$ 30.4	$ 30.3	$ (6.4)	$ 54.3
2026	31.5	29.1	(6.3)	54.2
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029	144.5	20.1	(4.9)	159.7
2030–2034	499.7	23.6	(5.2)	518.1
2035–2039	-	2.0	-	2.0

19. RELATED PARTY TRANSACTIONS

MTA Bridges and Tunnels and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back.

The resulting receivables and payables from the above transactions are recorded in the statement of net position.

The Metropolitan Transportation Authority ("MTA") and the Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") entered into a PMT Financing Agreement (the "Financing Agreement"), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes ("Mobility Tax Receipts") and certain fees, surcharges and taxes ("Aid Trust

Account Receipts," and together with the Mobility Tax Receipts, "PMT Receipts") in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

Triborough Bridge and Tunnel Authority issued bonds backed by PMT revenues. The proceeds of these bonds are sent to MTA for the capital needs of New York City Transit and Commuter Rails. The debt service costs associated with these bonds are collected by MTA from New York state and sent to Triborough Bridge and Tunnel Authority, which are then used to pay the bond holders. The total loan receivable for PMT as of December 31, 2024 is $11,398 million.

In July 2022, the Authority issued its inaugural series of Sales Tax Revenues Bonds under the Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox- City Sales Tax) ("Sales Tax Revenue Bond Resolution"). The Sales Tax Revenue Bonds, 2022A obligations were issued to (1) finance approved transit and commuter projects included in the 2020-2024 MTA capital program and (2) to pay certain financing, legal and miscellaneous expenses. The projects funded under the 2022A issuance were not for the benefit of the Authority. The Authority transferred a portion of the proceeds of the 2022A issuance to the MTA and recorded this transaction as a transfer to the MTA in the Authority's Statement of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2022. The Authority is responsible for the payment of all debt service related to the 2022A issuance from the receipts of internet taxes revenues received as part of the City Sales Tax.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
Due from (due to) MTA	$ 183	$ (150,776)	$ 2,217	$ (165,221)
Due from (due to) MTA Bus	-	(317)	5,785	(7,075)
Loan receivable due from	-	-	-	-
(due to) MTA	11,398,091	-	11,450,928	-
Due from (due to) NYCTA		(91,375)	1,925	(101,093)
	$ 11,398,274	$ (242,468)	$ 11,460,855	$ (273,389)

20. COMPENSATED ABSENCES

MTA Bridges & Tunnels provides employee benefits for vacations, compensatory time, sick, and other leave days. Certain leave that has not been used are recorded as compensated absences liabilities if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for the time off or otherwise paid in cash or settled through noncash means.

Short-term liability is recorded based on average usage or applicable leave expiration, while long-term liability is recorded for leave that accumulates and is carried forward to a future reporting period during which it may be used for time off or otherwise paid or settled at separation of service, or according to timing as provided for in the policy or collective bargaining agreement.

The initial measurement of MTA's compensated absences liability under GASB Statement No. 101, *Compensated Absences* was as of January 1, 2023. The liability including certain salary-related payments were recalculated and adjusted based on the estimated outstanding leave balances as of the years ended December 31, 2024 and 2023.

A Summary of Activity indicated as net increase or decrease in compensated absences liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	2024	**2023**
Balance—beginning of year	$ 40,055	$ 18,278
Net adjustment	(1,435)	21,777
Balance—end of year	38,620	40,055
Less current portion	13,886	14,368
Compensated absences liability—noncurrent	$ 24,734	$ 25,687

21. SUBSEQUENT EVENTS

On January 23, 2025, MTA Bridges and Tunnels issued $1,600,000 of Triborough Bridge and Tunnel Authority Real Estate Transfer Tax Revenue Bonds, Series 2025A. Proceeds from the transaction were used (i) to finance transit and commuter projects included in MTA's approved capital programs, and (ii) pay certain financing, legal and miscellaneous expenses.

On February 6, 2025, MTA Bridges and Tunnels issued $500,000 of Triborough Bridge and Tunnel Authority Subordinate Revenue Bond Anticipation Notes Series 2025A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program. (ii) to finance a portion of the capital costs of the Central Business District Tolling Program, and (iii) to pay certain financing, legal and miscellaneous expenses.

On March 19, 2025, MTA Bridges and Tunnels issued $400,000 of Payroll Mobility Tax Bond Anticipation Notes, Series 2025A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) pay capitalized interest on the Series 2025A Notes accruing through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

On April 9, 2025, MTA Bridges and Tunnels issued $800,000 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Bond Anticipation Notes, Series 2025B. Proceeds from the transaction were used (i) finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) fund capitalized interest payments due on the Subseries 2025B-1 Notes through maturity, (iii) fund certain financing, legal and miscellaneous expenses.

Subsequent Central Business District Tolling Program ("CBDTP") Developments

On November 14, 2024, following a pause in implementation of the CBDTP, Governor Hochul announced a proposal to proceed with the CBDTP, but with the toll structure and rates that had been adopted by the MTA Bridges and Tunnels Board on March 27, 2024 being phased-in gradually over several years with proportionally lower toll rates for all vehicle classes in the first six-years of the program. In response, the MTA Bridges and Tunnels Board, at its November 18, 2024 meeting, adopted the phase-in approach to the toll rate schedule that it had approved on March 27, 2024. On November 21, 2024, the Federal Highway Administration ("FHWA") approved Re-evaluation 2 and conferred tolling authority through an agreement pursuant to its Value Pricing Pilot Program. The CBDTP went into effect and tolling commenced on January 5, 2025.

In a letter dated February 19, 2025, US Secretary of Transportation Duffy notified Governor Hochul that, among other things, he had concluded that CBDTP is not an eligible project under the Value Pricing Pilot Program, and on February 20, 2025, the Executive Director of the FHWA notified MTA Bridges and Tunnels that toll collection must cease effective March 21, 2025. On February 19, 2025, MTA and MTA Bridges and Tunnels filed a complaint in the District Court for the Southern District of New York against Sean Duffy, as Secretary of the United States Department of Transportation, Gloria Shepherd, as Executive Director of the FHWA, the United States Department of Transportation, and the FHWA ("MTA v. Duffy") seeking a declaratory judgment that Secretary Duffy's purported termination of the November 21, 2024 Value Pricing Pilot Program agreement is null and void. On March 20, 2025, a day before the original deadline to cease toll collection, the Department of Transportation sent a letter extending that date to April 20, 2025. On April 21, 2025, Secretary Duffy sent a letter to Governor Hochul "directing the New York State Department of Transportation to show cause, no later than May 21, 2025, why FHWA should not take appropriate steps under 23 CFR § 1.36 to remedy New York's noncompliance with 23 U.S.C. § 301 in connection with the CBDTP." Secretary Duffy goes on to list the measures FHWA may impose if New York's "noncompliance continues." MTA and MTA Bridges and Tunnels have no intention of halting the CBDTP absent a court order, notwithstanding the letter. Accordingly, MTA Bridges and Tunnels plans to keep collecting tolls unless a court orders MTA Bridges and Tunnels to cease collecting tolls.

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REQUIRED SUPPLEMENTARY INFORMATION

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	NYCERS									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.888 %	0.806 %	0.924 %	0.933 %	1.212 %	1.222 %	1.155 %	1.308 %	1.266 %	1.205 %
Authority's proportionate share of the net pension liability	$ 146.12	$ 143.88	$ 167.41	$ 59.82	$ 255.54	$ 226.29	$ 203.71	$ 271.61	$ 307.60	$ 243.90
Authority's actual covered-employee payroll *	$ 155.30	$ 147.54	$ 122.95	$ 114.46	$ 121.31	$ 157.46	$ 126.57	$ 130.30	$ 133.89	$ 127.48
Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	94.09 %	97.52 %	136.16 %	52.26 %	210.65 %	143.71 %	160.95 %	208.450 %	229.741 %	191.329 %
Plan fiduciary net position as a percentage of the total pension liability	84.25 %	82.22 %	81.27 %	93.14 %	76.93 %	78.83 %	78.83 %	74.80 %	69.57 %	73.12 %

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.

* MTA's actual covered payroll has been restated in 2023 to represent the plan fiscal year, amounts prior to 2023 represent MTA's calendar year.

Notes to Authority's Contributions to NYCERS:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the NYCERS Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms

There were no changes of benefit terms in the June 30, 2023 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2023 funding valuation.

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TRIBOROGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEARS ENDED DECEMBER 31,
(In thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 35,630	$ 28,691	$ 31,973	$ 34,591	$ 40,790	$ 48,538	$ 38,697	$ 41,272	$ 44,609	$ 41,812	$ 33,023
Contributions in relation to the contractually required contribution	35,630	28,691	31,973	34,591	40,790	48,538	38,697	41,272	44,609	41,812	33,023
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 152,838	$ 147,542	$ 122,952	$ 119,482	$ 126,895	$ 164,110	$ 133,494	$ 144,992	$ 137,900	$ 150,652	$ 167,988
Contributions as a percentage of covered-employee payroll	23.31 %	19.45 %	26.00 %	28.95 %	32.14 %	29.58 %	28.99 %	28.47 %	32.35 %	27.75 %	19.66 %

Notes to Authority's Contributions to NYCERS:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the NYCERS Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms

There were no changes of benefit terms in the June 30, 2023 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2023 funding valuation.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN
AT DECEMBER 31,
(In millions)

Plan Measurement Date (December 31):	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
MTA Bridges and Tunnels proportion of the net OPEB liability	4.26 %	3.89 %	3.64 %	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate share of the net OPEB liability	$ 859.352	$ 872.112	$ 908.111	$ 987.443	$ 813.359	$ 801.555	$ 823.748
MTA Bridges and Tunnels covered payroll	$ 147.542	$ 122.952	$ 119.482	$ 126.895	$ 164.110	$ 133.494	$ 112.716
MTA Bridges and Tunnels proportionate share of the net OPEB liability as a percentage of its covered payroll	582.45 %	709.31 %	760.04 %	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.36 %	0.05 %	0.00 %	0.00 %	1.93 %	1.76 %	1.79 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31:
(In thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution [1]	$ 40,939	$ 37,617	$ 32,898	$ 28,855	$ 29,318	$ 29,314	$ 28,291	$ 26,407
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 152,838	$ 147,542	$ 122,952	$ 119,482	$ 126,895	$ 164,110	$ 133,494	$ 112,716
Actual contribution as a percentage of covered payroll	26.79 %	25.50 %	26.76 %	24.15 %	23.10 %	17.86 %	21.19 %	23.43 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $2,295, $2,128, $1,763, $1,290, $2,495, $3,782, $3,650 and $3,450, for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 respectively.

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Notes to Schedule of the MTA Bridges and Tunnels Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2017
Measurement date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	3.26%—net of expenses	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	2.31%	2.33%	2.25%	2.25%	2.50%	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	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	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	3.26%	3.72%	2.06%	2.12%	5.75%	6.50%	6.50%

Changes of Benefit Terms—In the July 1, 2023 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions—In the July 1, 2023 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB Statement No. 75 guidance and changed to reflect the current municipal bond rate.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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Staten Island Rapid Transit Operating Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2024 and 2023, Required Supplementary Information, and Independent Auditor's Report

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Staten Island Rapid Transit Operating Authority ("SIRTOA" or the "Authority"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Authority is a component unit of the MTA. The MTA is a component unit of the State of New York. The Authority requires significant subsidies from, and has material transactions with, the MTA, the City of New York and the State of New York. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of SIRTOA's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, Schedule of SIRTOA's Contributions to the MTA Defined Benefit Pension Plan, Schedule of the SIRTOA's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan, and Schedule of the SIRTOA's Contributions to the OPEB Plan and Notes to Schedule of SIROTA's Contribution to the OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements.

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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

__________, 2025

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2024 AND 2023
($ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction to the Annual Report—The following is a narrative overview and analysis of the financial activities of Staten Island Rapid Transit Operating Authority ("SIRTOA" or the "Authority") for the years ended December 31, 2024 and 2023. This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Notes to the Financial Statements and Required Supplementary Information.

Management's Discussion and Analysis—This management discussion and analysis ("MD&A") is intended to serve as an introduction to the Authority's financial statements. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

The Financial Statements Include—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that the Authority presently controls (assets), consumption of net assets by the Authority that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Authority has little or no discretion to avoid (liabilities), and acquisition of net assets by the Authority that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how the Authority's net position changed during each year. They account for all of the current year's revenues and expenses, measures the financial results of the Authority over the past year and can be used to determine how the Authority has funded its costs.

The Statements of Cash Flows provide information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements—The notes provide information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies, details of cash and investments, capital assets, employee benefits, lease transactions, and future commitments and contingencies of the Authority, and information about other events or developing situations that could materially affect the Authority's financial position.

Required Supplementary Information—The Required Supplementary Information provides information concerning the Authority's net pension liability and net other postemployment benefits ("OPEB") liability, employer contribution to its pension plan and OPEB, related ratios, and actuarial assumptions used to calculate the net Pension liability and OPEB liability.

FINANCIAL REPORTING ENTITY

SIRTOA is a public benefit corporation and is a component unit of the Metropolitan Transportation Authority ("MTA") and was organized pursuant to the New York State ("State") Public Authorities Law. The Authority operates and maintains the commuter rail service in Staten Island pursuant to an interim arrangement pending renewal of its Lease and Operating Agreement ("Operating Agreement") with The City of New York ("The City"). The Operating Agreement provides that the Authority establish fares required to make operations self-sustaining (as defined in the operating agreement), and pay its operating expenses and The City pays the Authority's capital costs and operating deficits. The City has the option to terminate the Operating Agreement at any time.

The Authority requires, and will likely continue to require, substantial subsidies from various governmental sources in order to maintain its operations in the future. The Authority estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to the Authority are not sufficient to meet its needs, the Authority must raise fares, curtail its service and operations, or defer certain other expenditures (not including maintenance) in order to continue operating within the limits of the funds.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the Authority's financial position as of and for the years ended December 31, 2024 and 2023. Additionally, an examination of major economic factors and industry trends that have contributed to these changes are provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with the Authority's financial statements, which are presented in accordance with generally accepted accounting principles in the United States of America.

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-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles, and intangible right-to-use assets for subscription-based information technology arrangements (SBITAs). As a result of change in Accounting policy regarding timing on recognition of projects in progress and capital accruals, the Authority will be recording the projects in progress asset and increase in net position upon recognition of MTA HQ's capital invoice liability.

Other assets include, but are not limited to: cash, 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 the Authority's land, building, station concession, equipment, and right-of-way to third parties.

Deferred outflows of resources reflect: changes in fair market values of hedging derivative instruments that are determined to be effective, unamortized loss on debt refunding, deferred outflows from pension, and deferred outflows from OPEB.

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Total assets, distinguishing between capital and other assets, and deferred outflows of resources:

(In thousands)	December 31, 2024	December 31, 2023 (Restated)	December 31, 2022	Increase/(Decrease) 2024–2023	Increase/(Decrease) 2023–2022 (Restated)*
Capital assets—net	$ 795,775	$ 756,189	$ 695,874	$ 39,586	$ 60,315
Other assets	50,692	71,621	99,250	(20,929)	(27,629)
Deferred outflows of resources	40,817	51,380	48,873	(10,563)	2,507
Total assets and deferred outflows of resources	$ 887,284	$ 879,190	$ 843,997	$ 8,094	$ 35,193

**Change in accounting policy regarding timing on recognition of projects in progress and capital accruals is as of 1/1/2023, therefore 2023 balances are not comparative with 2022.*

Significant changes in assets and deferred outflows of resources include:

December 31, 2024 versus 2023—Net capital assets increased from December 31, 2023 to December 31, 2024 by $39,586 or 5.2%. The additions to capital assets of $65,085 includes a net increase of 25,792 in projects in progress and capitalization of $39,293 in track, shops and yards, stations, vehicles, and equipment. These increases were offset by an increase in accumulated depreciation and amortization of $25,499. Disposals of fully depreciated capital assets were $1,984. More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

Other assets decreased by $20,929 or 29.2% compared to the prior year. This decrease is attributable to the settlement of $10,051 receivables from MTA HQ for the American Rescue Plan Act of 2021 grant (ARPA) and a decrease in prepaid expenses and other current assets of $8,877.

Deferred outflows of resources decreased by $10,563 or 20.6% compared to the prior year. The net decrease was due to a decrease of $16,625 in pension primarily due to actuarial loss on investments as reflected in net difference between projected and actual earnings on investments and a decrease in contributions to the plan subsequent to the measurement date, which is based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The decrease was partially offset by an increase of $6,062 in OPEB, primarily due to changes in assumptions based upon the most recent actuarial valuation report in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Refer to Notes 6 and 7 to the financial statements for more information regarding SIRTOA's pension and postemployment benefits other than pension, respectively.

December 31, 2023 versus 2022—Net capital assets increased from December 31, 2022 to December 31, 2023 by $60,315 or 8.7%. The net additions to capital assets of $80,609 or 7.9%, which includes a reclass of capital contributions receivable of $4,371 and capital accruals of $5,063, resulted from the increase in construction in progress, structures, stations, signals, and right of use assets of $2,674, which was partially offset by an increase in accumulated depreciation and amortization of $22,968. More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

Other assets decreased by $27,629 or 27.8% compared to the prior year. This change is attributable to a decrease in receivable from MTA of $45,291 due to the partial settlement of receivable from MTA for ARPA funds. The decrease was partially offset by an increase in NYC operating recovery receivable of $10,859 due to an increase in billings to NYC to cover 2023 operating deficit, and an increase in prepaid expenses and other current assets of $8,198.

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Deferred outflows of resources increased by $2,507 or 5.1% compared to the prior year. The net increase was due to an increase of $6,917 in pension based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The increase was partially offset by a decrease of $4,411 in OPEB, primarily due to changes in assumptions based upon the most recent actuarial valuation report in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Refer to Notes 6 and 7 to the financial statements for more information regarding SIRTOA's pension and postemployment benefits other than pension, respectively.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non-Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, pollution remediation liabilities, and other current liabilities. This also includes the current portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Non-current liabilities include: net pension liabilities, pollution remediation liabilities, claims for injuries to persons, postemployment benefits and other non-current liabilities. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Deferred inflows of resources reflect the deferred inflows of leases, and actuarial measurements related to pension and OPEB.

Total liabilities, distinguishing between long-term liabilities and current liabilities, and deferred inflows of resources:

(In thousands)	December 31, 2024	2023 (Restated)	2022	Increase/(Decrease) 2024–2023	2023–2022 (Restated)*
Current liabilities	$ 56,493	$ 53,373	$ 76,148	$ 3,120	$ (22,775)
Long-term liabilities	131,139	148,816	141,871	(17,677)	6,945
Total liabilities	187,632	202,189	218,019	(14,557)	(15,830)
Deferred inflows of resources	35,062	25,075	20,176	9,987	4,899
Total liabilities and deferred inflows of resources	$ 222,694	$ 227,264	$ 238,195	$ (4,570)	$ (10,931)

**GASB 101 restatement is as of 1/1/2023, therefore, 2023 balances are not comparative with 2022.*

Significant changes in liabilities and deferred inflows of resources include:

December 31, 2024 versus 2023—Total liabilities decreased from December 31, 2023 to December 31, 2024 by $14,557 or 7.2%.

Current liabilities increased by $3,120, primarily due to an increase of $9,430 in due to New York City Transit Authority (NYCTA) related to SIRTOA capital projects, an increase of $1,036 in accrued retroactive salaries and wages due to timing of contract settlements, and an increase of $1,329 in the estimated liability arising from injuries to persons. The increase is partially offset by a decrease of $8,930 in the deficit balance in the temporary cash investments with MTA.

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The decrease in long-term liabilities of $17,677 was mainly due to a decrease in the net pension liability of $15,682 due to contributions made subsequent to the measurement period and actuarial changes in projected and actual earnings on pension plan investments, and a decrease in the net OPEB liability of $3,061 due to contributions made subsequent to the measurement period and differences in proportionate share of employer contributions. The decreases were partially offset by an increase in the estimated liability arising from injuries to persons of $1,396 based on actuarial valuation of claims.

Deferred inflows of resources increased by $9,987 or 39.8% compared to the prior year. The increase was primarily caused by a net change in the OPEB balance of $10,072 primarily due to differences in expected and actual experience. The increase was partially offset by a decrease in pension of $65 primarily due to differences in expected and actual experience based upon the most current actuarial valuation report in accordance with GASB Statements No. 68 and No. 71 and a decrease in leases of $20. Refer to Notes 6, 7 and 8 to the financial statements for more information regarding the Authority's pension, postemployment benefits other than pension and leases, respectively.

December 31, 2023 versus 2022—Total liabilities decreased from December 31, 2022 to December 31, 2023 by $15,830 or 7.3%. Current liabilities decreased by $22,775, primarily due to a decrease of $12,698 in the deficit balance in the temporary cash investments with MTA, a decrease of $10,766 in accrued retroactive salaries and wages due to contract settlements, and a decrease in accounts payable of $373. The decrease is partially offset by an increase of $1,264 in due to NYCTA and an increase of $865 in estimated liability arising from injuries to persons.

The increase in long-term liabilities of $6,945 was mainly due to an increase in net pension liability of $14,938 and an increase in lease payable of $903. The increase is partially offset by a decrease in net OPEB liability of $10,770.

Deferred inflows of resources increased by $4,899 or 24.3% compared to the prior year. The increase was primarily caused by a net change in the OPEB balance of $8,716. The increase was partially offset by a decrease in pension of $3,795 primarily due to changes in projected versus actual plan investment earnings based upon the most current actuarial valuation report in accordance with GASB Statements No. 68 and No. 71. Refer to Notes 6, 7 and 8 to the financial statements for more information regarding the Authority's pension, postemployment benefits other than pension, and leases, respectively.

Total net position, distinguishing among investment in capital assets, restricted amounts, and unrestricted amounts:

In 2024, the total net position increased by $12,664, which is primarily due to increased payments made by MTA for operating and capital subsidies. The 2023 net position includes a restatement of $5,848 as a result of the implementation of GASB Statement No. 101, *Compensated Absences*, and change in Accounting policy regarding timing on recognition of projects in progress and capital accruals. Refer to Note 2 for additional information.

(In thousands)	December 31, 2024	December 31, 2023 (Restated)	December 31, 2022	Increase/(Decrease) 2024–2023	Increase/(Decrease) 2023–2022 (Restated)*
Net investment in capital assets	$ 785,975	$ 754,539	$ 695,605	$ 31,436	$ 58,934
Unrestricted	(121,385)	(102,613)	(89,803)	(18,772)	(12,810)
Total net position	$ 664,590	$ 651,926	$ 605,802	$ 12,664	$ 46,124

*GASB 101 and change in accounting policy regarding timing on recognition of projects in progress and capital accruals restatement is as of 1/1/2023, therefore, 2023 balances are not comparative with 2022.

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Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of two sections: net investment in capital assets and unrestricted. Net investment in capital assets include capital assets and right-of-use assets, net of accumulated depreciation and amortization, reduced by outstanding debt, net of applicable debt service reserves. The Authority has no restricted net position. All other assets, deferred outflows of resources, liabilities, and deferred inflows of resources are unrestricted.

December 31, 2024 versus 2023—Total net position was $664,590 at the end of 2024, a net increase of $12,664 or 1.9% from the end of 2023. The net increase was due to net nonoperating revenues of $49,339 and MTA capital contributions of $59,098, offset by an operating loss of $95,773.

December 31, 2023 versus 2022—Total net position was $651,926 at the end of 2023, a net increase of $46,124 or 7.6% from the end of 2022. The net increase was due to net nonoperating revenues of $53,810 and MTA capital contributions of $76,242 offset by an operating loss of $83,928.

Condensed statements of revenues, expenses, and changes in net position

(in thousands)	Year Ended December 31, 2024	2023 (Restated)	2022	Increase/(Decrease) 2024–2023	2023–2022 (Restated)*
Operating revenues	$ 5,356	$ 5,447	$ 4,992	$ (91)	$ 455
Operating expenses	(101,129)	(89,375)	(89,147)	(11,754)	(228)
Operating loss	(95,773)	(83,928)	(84,155)	(11,845)	227
Nonoperating revenues (expenses):					
Grants, appropriations, and taxes	9,035	8,834	8,409	201	425
Subsidies	42,347	47,374	10,471	(5,027)	36,903
FEMA Recovery	22	43	-	(21)	43
Federal Transit Administration CARES Act reimbursement	-	-	(10)	-	10
Federal Transit Administration CRRSAA	-	-	10	-	(10)
Federal Transit Administration ARPA	-	-	55,736	-	(55,736)
Other nonoperating revenues/ (expenses)—net	(2,065)	(2,441)	(616)	376	(1,825)
Total net nonoperating revenues	49,339	53,810	74,000	(4,471)	(20,190)
Loss before capital contributions	(46,434)	(30,118)	(10,155)	(16,316)	(19,963)
Capital contributions	59,098	76,242	57,750	(17,144)	18,492
Change in net position	12,664	46,124	47,595	(33,460)	(1,471)
Net position—beginning of year	651,926	605,802	558,207	46,124	47,595
Net position—end of year	$ 664,590	$ 651,926	$ 605,802	$ 12,664	$ 46,124

**GASB101 and change in accounting policy regarding timing on recognition of projects in progress and capital accruals restatement is as of 1/1/2023, therefore, 2023 balances are not comparative with 2022.*

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Revenues, by major source:

(in thousands)	Year Ended December 31, 2024	2023	2022	Increase/(Decrease) 2024–2023	2023–2022
Fare revenue	$ 3,439	$ 3,618	$ 3,174	$ (179)	$ 444
Student and elderly fare reimbursement	948	924	860	24	64
Other	969	905	958	64	(53)
Total operating revenue	$ 5,356	$ 5,447	$ 4,992	$ (91)	$ 455

December 31, 2024 versus 2023—Revenues from fares, and student and elderly reimbursements were $4,387 in 2024, a decrease of 3.4% from the prior year. Ridership in 2024 was 2.3 million, an increase of 3.1% from 2023. The decrease in revenue was due to the revenue accrual adjustment offsetting the increase in fare revenue in 2024. Other revenues in 2024 consist mainly of advertising revenue and rental income. The increase in other revenues of $64 or 7.1% from prior year was mainly related to an increase in advertising revenues.

December 31, 2023 versus 2022—Revenues from fares and student and elderly reimbursements were $4,542 in 2023, an increase of 12.6% from the prior year. Ridership in 2023 was 2.2 million, an increase of 11.0% from 2022. The increase in revenue was due to higher ridership, fare increase and student reimbursements in 2023. Other revenues in 2023 consist mainly of advertising revenue and rental income. The decrease in other revenues of $53 or 5.5% from prior year was mainly related to decrease of advertising revenues.

Operating Expenses:

(in thousands)	Year Ended December 31, 2024	2023 (Restated)	2022	Increase/(Decrease) 2024–2023	2023–2022 (Restated)*
Salaries and wages	$ 34,770	$ 26,199	$ 33,789	$ 8,571	$ (7,590)
Health and welfare	6,451	8,256	6,423	(1,805)	1,833
Pensions	9,472	12,140	8,346	(2,668)	3,794
Other post-employment benefits	5,345	6,087	7,819	(742)	(1,732)
Other fringe benefits	1,239	(1,934)	3,705	3,173	(5,639)
Traction and propulsion power	5,316	5,436	4,804	(120)	632
Materials and supplies	3,539	2,075	3,071	1,464	(996)
Insurance	1,532	1,443	1,845	89	(402)
Public liability claims	2,731	1,391	677	1,340	714
Maintenance and other operating expenses	2,596	3,496	2,036	(900)	1,460
Professional service contracts	2,015	1,381	2,411	634	(1,030)
Environmental remediation	127	47	20	80	27
Depreciation and amortization	25,499	22,968	13,969	2,531	8,999
Other business expenses	497	390	232	107	158
Total operating expenses	$ 101,129	$ 89,375	$ 89,147	$ 11,754	$ 228

**GASB101 and change in accounting policy regarding timing on recognition of projects in progress and capital accruals restatement is as of 1/1/2023, therefore, 2023 balances are not comparative with 2022.*

December 31, 2024 versus 2023—Operating expenses increased by $11,754 or 13.2%. Salaries and wages increased by $8,571 mainly due to a decrease in reimbursable expenses recorded in 2024 vs the previous year. The decrease of $1,805 in health and welfare was primarily attributed to the initial recording of the self-insured benefits in 2023 and a reduction for claims incurred but not paid for self-insured benefits of $488 in 2024. Pensions decreased by $2,668 and other postemployment benefits decreased by $742, based on the most current actuarial valuations. Other Fringe benefits increased by $3,173 due to a decrease in billing of reimbursable expenses. Traction and propulsion power decreased by $120 mainly due to lower usage. Materials and supplies increased by $1,464 mainly due to the upgrade of the 3rd rail and an increase in the reserve for obsolescence. Public liability claims increased by $1,340 based on the most current actuarial valuation report reflecting higher claims activity. Maintenance and other operating expenses decreased by $900 due to the timing of operating services projects. Professional service contracts increased by $634 due to engineering charges to remediate damage from Hurricane Ida. Environmental remediation increased by $80 mainly due to new projects requiring environmental remediation. Depreciation and amortization increased by $2,531 mainly due to capital projects reaching substantial completion which includes track, shops and yard upgrades, and station accessibility (“ADA”) improvement assets.

December 31, 2023 versus 2022—Operating expenses increased by $228 or 0.3%. Salaries and wages decreased by $7,590 mainly due to higher vacancies partially offset by an increase in overtime. The increase of $1,833 in health and welfare was primarily attributed to the accrual of $1,262 for claims incurred but not paid for self-insured benefits and a net increase of $570 in other health and welfare related expenses. Pensions increased by $3,794 and other postemployment benefits decreased by $1,732, based on the most current actuarial valuations. Other Fringe benefits decreased by $5,639 due to billing of reimbursable expenses. Traction and propulsion power increased by $632 mainly due to non-traction power partially offset by traction power. Materials and supplies decreased by $996 mainly due to a decrease in the reserve for obsolescence. Public liability claims increased by $714 based on the most current actuarial valuation, reflecting higher claims activity. Maintenance and other operating expenses increased by $1,460 due to the timing of operating services projects. Professional service contracts decreased by $1,030 due to timing of infrastructure safety project. Environmental remediation expense increased by $27 mainly due to more projects requiring environmental remediation. Depreciation and amortization increased by $8,999 mainly due to additional capital projects reaching substantial completion which includes right-of-way equipment, “ADA” improvement assets and amortization expense for new right-of-use lease assets.

Nonoperating Revenues and Expenses:

Nonoperating revenues include various forms of New York State, New York City, MTA subsidies and operating assistance. These subsidies are subject to annual appropriations by governmental units and periodic approval of tax subsidies. The City and MTA subsidies are provided primarily to fund the operating deficit of SIRTOA.

December 31, 2024 versus 2023—New York State and New York City grants, appropriations and taxes increased by $201 while NYC operating recovery subsidy, which is based on current year estimated loss and prior year estimate less adjustment to actual, decreased by $5,027 compared to prior year. Capital contributions from the MTA of $59,098 in 2024 decreased from $76,242 in 2023 due to timing of capital program funding from several sources including bonds, Federal, State, and City funding.

December 31, 2023 versus 2022—New York State and New York City grants, appropriations and taxes increased by $425 while NYC operating recovery subsidy increased by $36,903 compared to prior year. The COVID-related federal subsidies granted in 2022 reduced the New York State and New York City grants, appropriation, taxes, and subsidy. There were no COVID-related federal subsidies in 2023. Capital contributions from the MTA of $76,242 in 2023 increased from $57,750 in 2022 due to timing of capital program funding from several sources including bonds, Federal, State, and City funding.

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Change in Net Position:

The change in net position represents the net total of capital contributions, operating losses and nonoperating revenue. Net position increased by $12,664 and $46,124 in 2024 and 2023, respectively. The change in net position for both years were due to capital contributions from the MTA and nonoperating income less operating losses.

Budget Highlights (in thousands)—Operating revenue in 2024 of $5,356 was below budget by $1,086, or 16.8%. Fare revenue of $3,439, underran the budget by $1,363, or 28.4%, due to lower than projected ridership. Other operating revenues of $1,917, were above budget by $272, or 16.8%, due to increase in other operating revenue and advertising revenue, partially offset by lower student fare reimbursement.

Operating expenses of $101,129 were below budget by $4,422, or 4.2%. Labor expenses (including GASB 68 & GASB 75 adjustments to pension and OPEB, respectively) of $57,277 were lower by a net $15,189, or 21.0%. Labor expense favorability of $15,189 was primarily a result of underruns in payroll, health & welfare, pension, and other fringe benefits expenses of $5,720 or 22.5%. Favorable actuarial valuations of GASB 75 and GASB 68 contributed to lower labor expenses, resulting in underruns of $8,196 or 73.4%. Overtime expenses were above budget by $542, or 15.6%, due to lower vacancies and maintenance activities. Reimbursable overhead credits were unfavorable by $15 vs budget.

Non-labor expenses were over budget by a net $10,767, or 32.5%. Maintenance contract expenses underran by $636, or 15.9% due to timing of facility maintenance including roof repairs program. Electric power underran the budget by $228 or 4.3%, due to the timing of traction power consumption. Claims expense of $2,731, overran the budget by $1,846 due to timing of payments. Materials and supplies were over budget by $2,291, or over 100%, due to rail replacement impacted by the R-211 fleet and new substation. Professional service contracts were over budget by $892, or 79.5%, due to timing of the Cyber security and retaining wall inspection program. Other Business Expenses underran the budget by $472 or 48.7%, due to the timing of the Security CCTV project.

OVERALL FINANCIAL POSITION, 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 fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The fourth quarter 2024 rose above paid ridership during the fourth quarter of 2023 by 32 million (7.4%). For the fourth quarter of 2024 compared with the fourth quarter of 2023, MTA Staten Island Railway paid ridership increased by 4 thousand trips (0.8%).

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 1.0 percent. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP, decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending. Real GDP increased 2.8 percent in 2024 (from the 2023 annual level to the 2024 annual level), compared with an increase of 2.9 percent in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports; conversely, increases in imports had a dampening impact on real GDP.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the fourth quarter of 2024, with the metropolitan area index increasing 4.2% while the national index increased 2.7% when compared with the fourth quarter of 2023. Regional prices for energy products increased 0.6% while national prices for energy products fell 2.9%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.4%, while nationally, inflation exclusive of energy products increased 3.2%. The New York Harbor spot price for conventional gasoline decreased by 10.6% from an average price of $2.35 per gallon to an average price of $2.10 per gallon between the fourth quarters of 2023 and 2024.

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.5% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5% on September 18, 2024, decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC's goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by $11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were $31.0 million (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were $24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were $42 million (-57.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations and Overall Financial Position—Total revenues from fares and student and elderly reimbursements were $4,387 in 2024, a decrease of 3.4% from the prior year. Ridership in 2024 was 2.3 million, an increase of 3.1% from 2023. The decrease in revenue was due to the revenue accrual adjustment offsetting the increase in fare revenue in 2024. Total non-reimbursable expenses, including depreciation and amortization, pension costs, other post-employment benefits and environmental remediation, were $101,129 in 2024, an increase of 13.2%.

Going forward, the stability of the Authority's financial position is subject to certain risks, requiring the efficient management of costs, including the establishment of new cost reduction programs, in order to counteract any adverse impacts to revenue streams or cost incrAceases.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—The MTA has ongoing programs on behalf of its affiliated agencies, subject to approval by the New York State Metropolitan Transportation Authority Capital Program Review Board (the State Review Board), which are intended to improve public transportation in the New York Metropolitan area.

The Transit Authority's portion of the current MTA Capital Program for 2020–2024, which includes SIRTOA, totals $34.0 billion. As of December 31, 2024, $18.5 billion has been encumbered under the five-year plan, of which approximately $6.7 billion has been expended. Funding for the Capital Program comes from new money bonds, federal grants, bonds supported by the payroll mobility tax applied within the MTA regional district, The City capital funding and other sources.

In 2021, SIRTOA committed one project to replace 15,747 feet of mainline track ($35.2 million). In 2021, SIRTOA completed four projects: the construction of a new power substation at Tottenville to improve reliability of train service ($25.0 million), modification of the SIRTOA train tracking system to include a non-reporting block alarm ($2.2 million), stations component repairs at St. George, Clifton, Eltingville, Annadale, Huguenot, and Tottenville stations ($17.1 million), and flood resiliency improvements at St. George Terminal ($51.8 million) to protect the terminal and yard from future storm events.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2024 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2024 November Forecast, the 2025 Final Proposed Budget and a Financial Plan for the years 2025 to 2028, updates the 2024 July Financial Plan (the "July Plan"), which includes the 2024 Mid-year Forecast.

The November Plan remains balanced through 2026 with deficits of $378 million in 2027 and $419 million in 2028, compared with the July Plan which was also balanced through 2026 and included deficits of $428 million in 2027 and $469 million in 2028. The February Plan was balanced through 2027.

Changes from the July Plan are $100 million favorable over the Plan period, and reflect Agency re-estimates – including New Needs, Operating Efficiencies, Farebox and Toll Revenue, and other changes – as well as Subsidy revenues and Debt Service expense re-forecasts. The most significant changes over the Plan period are farebox revenue, which is $250 million favorable including Volume 1 below-the-line items in both the July and November Plans, and toll revenue which is $139 million favorable. Over the Plan period, additional expenses for critical New Needs total $195 million, Debt Service expense is $148 million favorable and Subsidy revenues are $8million favorable.

Information on New Needs, which cover critical cybersecurity needs, maintenance, service and customer and employee safety, can be found in Volume 2 of this Plan.

The February Plan baseline included operating efficiencies initiatives that are expected to generate $1.88 billion through 2027 directly impacting MTA. The November Plan includes an additional $312 million in savings, which have been incorporated into Agency baseline financial plans and meet the MTA annual $500 million savings target from Operating Efficiencies as of 2025.

Operating expenses, beyond New Needs and Operating Efficiencies savings, remain under control and are just $102 million greater over the Plan period when compared with the July Plan.

The Plan assumes collection of toll revenue from Central Business District Tolling Program (CBDTP) will commence in January 2025.

The Plan continues to reflect additional farebox and toll revenue from biennial 4 percent yield increases, which are proposed for August 2025 and March 2027.

The November Plan presents a balanced budget through 2026, with deficits of $378 million in 2027 and $419 million in 2028.

Risks to MTA's Financial Future

Additional risks to the November Plan include:

Continued paid ridership recovery. Progress in reducing fare evasion is critical to balancing the financial plan. The potential cost for 5 percent lower recovery is estimated at $325 million per year.

Paratransit reimbursement. The financial plan assumes the extension of legislation requiring the city of New York to fund 80% of the net paratransit operating expenses. The potential impact of reverting to 50% reimbursement is estimated at $200 million growing to $250 million per year.

MTA operating efficiencies. Agencies have been implementing initiatives that achieve savings in excess of $400 million annually and have identified actions that bring the total annual savings to $500 million annually. These actions need to be fully implemented and the savings sustained.

Dedicated tax receipts. An economic slowdown or recession could have a significant impact on the level of dedicated tax receipts received by MTA. Real estate related tax receipts continue to decline related to fewer real estate transactions both in the residential and commercial markets.

Casino license and gaming tax revenues. The approval, awarding, and commencement of operations of downstate casinos is uncertain in both outcome and timing, which risks the $500 million assumed to be received by MTA in 2026 and 2027, and the $600 million assumed for 2028.

Approval and funding for 2025-2029 Capital Program. Funding for the next five-year capital program is needed for MTA to continue its investment in critical state of good repair projects for safe and reliable service. Securing substantial new federal, state and city funding will be required. Over-reliance on MTA debt as a capital funding source could increase debt service costs beyond what is included in the financial plan and put pressure on fares and/or service levels.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of SIRTOA's finances and to demonstrate accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	Business-Type Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2024**	**2023 (Restated)**
CURRENT ASSETS:		
Cash (Note 3)	$ 179	$ 138
Receivables:		
New York City Department of Education	622	799
NYC operating recovery (Note 2)	42,347	44,585
Due from New York City Transit Authority (Note 11)	2,873	1,802
Due from MTA (Note 11)	455	10,506
MTA capital program funds receivable (Note 11)	598	-
Other	370	672
Less allowance for doubtful accounts	-	(14)
Net receivables	47,265	58,350
Materials and supplies—at average cost—net	2,640	3,631
Prepaid expense, and other current assets	540	9,417
Total current assets	50,624	71,536
NONCURRENT ASSETS:		
Capital assets (Note 5):		
Construction work-in progress	180,628	154,836
Other capital assets—net of accumulated depreciation and amortization	615,147	601,353
Total capital assets—net of accumulated depreciation and amortization	795,775	756,189
Other non-current receivables (Note 8)	69	85
Total assets	846,468	827,810
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pension (Note 6)	14,269	30,894
Related to OPEB (Note 7)	26,547	20,486
Total deferred outflows of resources	40,816	51,380
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 887,284	$ 879,190

See notes to financial statements.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	Business-Type Activities 2024	2023 (Restated)
CURRENT LIABILITIES:		
Accounts payable	$ 1,691	$ 1,644
Accrued retroactive salaries and wages	1,918	882
Compensated absences (Note 12)	2,809	2,716
Accrued payroll taxes and related liabilities	1,873	1,304
Due to New York City Transit Authority (Note 11)	12,797	3,367
Due to MTA (Note 4 and 11)	28,638	37,568
Estimated liability arising from injuries to persons (Note 9)	4,958	3,629
Pollution remediation projects (Note 10)	300	275
Lease payable (Note 8)	735	726
Other	774	1,262
Total current liabilities	56,493	53,373
NONCURRENT LIABILITIES:		
Compensated absences (Note 12)	2,323	2,016
Net pension liability (Note 6)	32,749	48,431
Net OPEB liability (Note 7)	76,443	79,504
Estimated liability arising from injuries to persons (Note 9)	18,075	16,679
Pollution remediation projects (Note 10)	1,360	1,262
Lease payable (Note 8)	189	924
Total noncurrent liabilities	131,139	148,816
Total liabilities	187,632	202,189
DEFERRED INFLOWS OF RESOURCES:		
Related to pension (Note 6)	70	135
Related to OPEB (Note 7)	34,906	24,834
Related to leases (Note 8)	86	106
Total deferred inflows of resources	35,062	25,075
NET POSITION:		
Net investment in capital assets	785,975	754,539
Unrestricted	(121,385)	(102,613)
Total net position	664,590	651,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 887,284	$ 879,190

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	Business-Type Activities 2024	Business-Type Activities 2023 (Restated)
OPERATING REVENUES:		
Fare revenue	$ 3,439	$ 3,618
Student fare reimbursement	915	890
Elderly fare reimbursement	33	34
Other	969	905
Total operating revenues	5,356	5,447
OPERATING EXPENSES:		
Salaries and wages	34,770	26,199
Health and welfare	6,451	8,256
Pensions	9,472	12,140
Other post-employment benefits	5,345	6,087
Other fringe benefits	1,239	(1,934)
Traction and propulsion power	5,316	5,436
Materials and supplies	3,539	2,075
Insurance	1,532	1,443
Public liability claims	2,731	1,391
Maintenance and other operating expenses	2,596	3,496
Professional service contracts	2,015	1,381
Environmental remediation	127	47
Depreciation and amortization	25,499	22,968
Other business expenses	497	390
Total operating expenses	101,129	89,375
OPERATING LOSS	(95,773)	(83,928)
NONOPERATING REVENUES—Operating assistance subsidies:		
New York State tax supported subsidy	7,829	7,596
New York State—18B Assistance	603	619
New York City—18B Assistance	603	619
NYC operating recovery subsidy (Note 2)	42,347	47,374
FEMA recovery	22	43
Total nonoperating revenues	51,404	56,251
Other nonoperating revenues/(expenses)—net	(2,065)	(2,441)
Total nonoperating revenues	49,339	53,810
LOSS BEFORE CAPITAL CONTRIBUTIONS	(46,434)	(30,118)
CAPITAL CONTRIBUTIONS—MTA contributions for capital projects	59,098	76,242
INCREASE IN NET POSITION	12,664	46,124
NET POSITION—Beginning of year	651,926	605,802
NET POSITION—End of year	$ 664,590	$ 651,926

See notes to financial statements.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	Business-Type Activities	
	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 3,494	$ 4,860
Rent and other receipts	994	883
Payroll and related fringe benefits	(39,274)	(53,295)
Other operating expenses	(14,829)	(23,724)
Net cash used in operating activities	(49,615)	(71,276)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES—Subsidies received	57,727	90,523
Net cash provided by noncapital financing activities	57,727	90,523
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from leases	37	25
Payments for leases	(814)	(270)
Capital project costs incurred for capital program	(4,834)	(10,514)
Interest paid	(2,328)	(2,972)
Payments on MTA Transportation bonds issued to fund capital assets	(268)	(285)
Reimbursement of capital project costs from MTA	8,497	7,070
Net cash provided by/(used in) capital and related financing activities	290	(6,946)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in MTA investment pool	(8,432)	(12,986)
Interest and dividends on investment	71	667
Net cash used in investing activities	(8,361)	(12,319)
NET INCREASE/(DECREASE) IN CASH	41	(18)
CASH—Beginning of year	138	156
CASH—End of year	$ 179	$ 138

See notes to financial statements. (Continued)

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands)

	Business-Type Activities	
	2024	2023 (Restated)
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss before non-operating revenues and contributions	$ (95,773)	$ (83,928)
Adjustments to reconcile operating loss to net cash used in operating activities—depreciation and amortization	25,499	22,968
Changes in operating assets and liabilities:		
Decrease in receivable from New York City Department of Education	178	293
Decrease in receivable from MTA	5,153	33
(Increase) decrease in due from New York City Transit Authority	(1,071)	485
Decrease in other receivables	284	96
Decrease (increase) in materials and supplies inventory	991	(1,402)
Decrease (increase) in prepaid expenses and other assets	8,877	(8,198)
Decrease (increase) in deferred outflows of resources related to pension	16,625	(6,918)
(Increase) decrease in deferred outflows of resources related to OPEB	(6,062)	4,411
Increase (decrease) in accounts payable and other accrued liabilities	71	(396)
Increase (decrease) in accrued retroactive salaries and wages	1,036	(10,767)
Increase (decrease) in compesated absences	399	(719)
Decrease (increase) in accrued payroll taxes and related liabilities	569	(22)
(Decrease) increase in net pension liability	(15,682)	14,938
(Decrease) increase in due to MTA	(569)	211
Increase in due to New York City Transit Authority	554	1,264
(Decrease) increase in other liability	(488)	1,262
Decrease in net OPEB liability	(3,061)	(10,771)
Increase in estimated liabilities arising from injuries to persons	2,725	916
Increase in liability for pollution remediation payments	123	47
Decrease in deferred inflows of resources related to pension	(65)	(3,795)
Increase in deferred inflows of resources related to OPEB	10,072	8,716
NET CASH USED IN OPERATING ACTIVITIES	$ (49,615)	$ (71,276)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ 59,098	$ 76,242
Capital assets related liabilities	189	21
Interest expense for leases	-	2
Interest income from leases	2	3
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 59,289	$ 76,268

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Amounts in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The Staten Island Rapid Transit Operating Authority ("SIRTOA" or "Authority") is a public benefit corporation, and a component unit of the Metropolitan Transportation Authority ("MTA") organized pursuant to the New York State ("State") Public Authorities Law. SIRTOA is part of the financial reporting group of the MTA and is included in the MTA consolidated financial statements. The MTA is a component unit of the State and is included in the State of New York's Comprehensive Annual Financial Report as a public benefit corporation.

SIRTOA is operationally and legally independent of the MTA. SIRTOA enjoys certain rights typically associated with separate legal status. However, SIRTOA is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability and SIRTOA is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the Authority and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include SIRTOA in its consolidated financial statements.

SIRTOA operates and maintains the commuter rail service in Staten Island pursuant to an arrangement pending renewal of its Lease and Operating Agreement (Operating Agreement) with New York City ("The City"). The Operating Agreement provides that SIRTOA establishes fares required to make operations self-sustaining (as defined in the Operating Agreement), and pays its operating expenses and The City pays SIRTOA's capital costs and operating deficits. The City has the option to terminate the Operating Agreement at any time.

SIRTOA requires and will continue to require substantial subsidies from various governmental sources in order to maintain its operations in the future. SIRTOA estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to SIRTOA are not sufficient to meet its needs, SIRTOA must raise fares, curtail its services and operations or defer certain other expenditures (but not maintenance) in order to continue operating within the limits of the funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

SIRTOA applies GASB Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, *Proprietary Accounting and Financial Reporting*.

New Accounting Standards—The Authority adopted the following GASB Statements for the year ended December 31, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62,* was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The MTA evaluated the requirements of GASB 100 and concluded that that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The MTA evaluated the requirements under GASB Statement No. 101, *Compensated Absences,* and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and increased by $785.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 and the change in the accounting policy regarding recognition of projects in progress and capital accruals in the Statement of Net Position as of December 31, 2023:

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(in thousands)	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
NONCURRENT ASSETS:				
Construction work in progress	$ 149,773	$ -	$ 5,063	$ 154,836
Total capital assets—net of accumulated depreciation and amortization	751,126	-	5,063	756,189
TOTAL ASSETS	822,747	-	5,063	827,810
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	874,127	-	5,063	879,190
CURRENT LIABILITIES:				
Accrued sick and vaction pay*	6,779	(6,779)	-	-
Compensated absences	-	2,716	-	2,716
Other*	-	1,262	-	1,262
Total current liabilities	56,174	(2,801)	-	53,373
NON-CURRENT LIABILITIES:				
Compensated absences	-	2,016	-	2,016
Total non-current liabilities	146,800	2,016	-	148,816
TOTAL LIABILITIES	202,974	(785)	-	202,189
Net position:				
Net investment in capital assets	749,476	-	5,063	754,539
Unrestricted	(103,398)	785	-	(102,613)
Total net position	646,078	785	5,063	651,926
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 874,127	$ -	$ 5,063	$ 879,190

* Reclass IBNR reserve from Accrued sick and vacation pay to Other

In addition, the Statement of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2023 was required to be restated as follows:

(in thousands)	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
OPERATING EXPENSES:				
Salaries and wages	$ 26,953	$ (754)	$ -	$ 26,199
Other fringe benefits	(1,876)	(58)	-	(1,934)
Other business expenses	363	27	-	390
OPERATING LOSS	(84,713)	785	-	(83,928)
CAPITAL CONTRIBUTIONS:	71,179	-	5,063	76,242
Change in net position	40,276	785	5,063	46,124
Net position - End of period	$ 646,078	$ 785	$ 5,063	$ 651,926

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The following schedule summarizes the cash flow impact of capital accrual in the Statement of Cash Flows:

(in thousands)	As Previously Stated	GASB 101 Impact	Capital Accrual Impact	Restated
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss before non-operating revenues and contributions	$ (84,713)	$ 785	$ -	$ (83,928)
Increase (decrease) in compensated absences	1,328	(2,047)	-	(719)
Increase (decrease) in other liability	-	1,262	-	1,262
NET CASH USED IN OPERATING ACTIVITIES	(71,276)	-	-	(71,276)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:				
Contributed capital assets	71,179	-	5,063	76,242
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 71,205	$ -	$ 5,063	$ 76,268

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
102	Certain Risk Disclosures	2025
103	Financial Reporting Model Improvements	2026
104	Disclosure of Certain Capital Assets	2026

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. 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.

Net Position—SIRTOA follows the "business type" activity requirements of GASB Statement No. 34, which requires that resources be classified for accounting and reporting purposes into the following two net position categories:

- ***Net Investment in Capital Assets***—Capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- ***Unrestricted***—Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors or may be otherwise limited by contractual agreements with outside parties.

Subsidies—SIRTOA receives operating assistance subsidies under various New York State (the "State") and City programs and from the proceeds of certain taxes instituted by the State for the benefit of the New York City Transit Authority and SIRTOA. These subsidies are subject to annual appropriations by the governmental units and periodic approval of the tax subsidies.

SIRTOA's policy is to record one year's operating assistance subsidy in each fiscal year. Such subsidy is recorded as revenue as the funds are made available. The New York City Transit Authority administers all tax-supported subsidies for SIRTOA on a formula amount determined by passenger ridership and vehicle revenue miles. The tax-based subsidies are recognized as revenue based on the amount of tax collections reported by the State, which are allocable to SIRTOA pursuant to this formula. In 2024 and 2023, the MTA provided SIRTOA with budgeted amounts of operating assistance subsidies as required. The MTA did not make the funds available to SIRTOA before they were required to finance its operations.

Pursuant to a letter agreement between The City and MTA, The City has agreed to pay SIRTOA's annual operating deficit, the difference between the actual operating costs and all revenues, including reimbursements, as an annual subsidy to SIRTOA. At December 31, 2024, SIRTOA recorded a NYC operating recovery receivable and subsidy revenue of $42,347 and $42,347, respectively, for the calendar year 2024. In 2024, SIRTOA received $44,585 from The City for calendar year 2023 operating deficit. At December 31, 2023, SIRTOA recorded a NYC operating recovery receivable and subsidy revenue of $44,585 and $47,374 respectively for the calendar year 2023. In 2023, SIRTOA received $36,515 from The City for calendar year 2022 operating deficit.

In addition to operating and tax supported subsidies, SIRTOA receives expense reimbursement subsidies from The City and the MTA for the costs associated with various capital programs.

MTA Investment Pool—The MTA, on behalf of SIRTOA, invests funds which are not immediately required for SIRTOA's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The Authority categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. SIRTOA's investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs).

Due from/to MTA and Constituent Authorities—Due from/to MTA and constituent Authorities consists of reimbursements due from the MTA Capital Program for billed and unbilled charges relating to capital projects, farecards and intercompany operating receivables, payables, and inter-agency loan transactions.

Prepaid Expenses and Other Current Assets—SIRTOA prepaid $0.5 million and $0.8 million in risk management related insurance coverage in 2024 and 2023, respectively.

Contributed Capital—Capital assets contributed by the MTA are recorded as capital contributions on the Statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributions for the years ended December 31, 2024 and 2023, consisted of the following:

(in thousands)	**2024**	**2023 (Restated)**
Capital assets contributed by MTA from:		
Federal grants	$19,267	$43,527
Other than federal grants	40,099	33,000
Principal and interest payments on MTA Transportation bonds issued to fund capital assets	(268)	(285)
Total capital contributions	$59,098	$76,242

Receivables—Receivables are recorded as amounts due to SIRTOA, reduced by an allowance for doubtful accounts, to report the receivables at net realizable value.

Pollution Remediation Projects—Pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 10). 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: SIRTOA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; SIRTOA is named by a regulator as a responsible or potentially responsible party to participate in remediation; SIRTOA voluntarily commences or legally obligates itself to commence remediation efforts; or SIRTOA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Public Liability Claims—SIRTOA establishes its liability to employees and to the general public on the basis of independent actuarial estimates of future liability.

Materials and Supplies—Materials and supplies consist of new maintenance parts and supplies, and are recorded at weighted average cost, net of a reserve for obsolescence at December 31, 2024 and 2023 of $439 and $342, respectively.

Revenue Recognition—Revenues from the sales of farecards are recognized as income as the farecards are used and are reported as operating income.

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 SIRTOA (e.g., salaries, compensated absences, insurance, depreciation, lease amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases, subsidies paid to counties, etc.) are reported as non-operating expenses.

Compensated Absences – Per GASB 101, SIRTOA has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means (if any).

Pension Plans—SIRTOA adopted the standards of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for its pension plan.

SIRTOA recognizes a proportionate share of the net pension liability for the qualified cost-sharing, multiple-employer pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the pension plan, as of the plan's measurement date. 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 qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—SIRTOA adopted the standards 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.

SIRTOA recognizes a proportionate share of the net OPEB liability for MTA's cost-sharing multiple employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

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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. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, they affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

3. CASH

Bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. The difference between the carrying amount and the bank balance for the years ended December 31, 2024 and 2023, is due to deposits in transit offset by any outstanding checks.

At December 31, 2024 and 2023, cash consisted of:

	2024		2023	
(in thousands)	**Carrying Amount**	**Bank Balance**	**Carrying Amount**	**Bank Balance**
Insured deposits ("FDIC")	$179	$180	$138	$150

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, SIRTOA will not be able to recover the value of its deposits. While SIRTOA does not have a formal deposit policy for custodial credit risk, New York State statues govern SIRTOA's investment policies. SIRTOA's uninsured deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

4. MTA INVESTMENT POOL

The MTA, on behalf of SIRTOA, invests funds which are not immediately required for SIRTOA's operations, in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by the MTA's agent, in custody accounts, in the name of the MTA. SIRTOA records its position in the Pool based upon a net asset value derived on assets invested in the Pool plus all realized income and losses earned. SIRTOA's earnings from short-term investments were $71 and $575 for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, SIRTOA had a negative investment pool balance of $27,805 and $36,237, respectively, as funds were used for working capital purposes to offset the timing of the NYC operating recovery subsidy. The $27,805 and $36,237 were included in the Due to MTA on the Statements of Net Position.

5. 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-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.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 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

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whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-to-use assets at January 1, 2023, December 31, 2023 and December 31, 2024 consisted of the following (in thousands):

(in thousands)	January 1, 2023 (Restated)	Additions/ Reclassifications (Restated)	Deletions/ Reclassifications (Restated)	December 31, 2023 (Restated)	Additions/ Reclassifications	Deletions/ Reclassifications	December 31, 2024
Capital assets not being depreciated—construction work-in-progress*	$ 193,105	$ 80,609	$ (118,878)	$ 154,836	$ 56,853	$ (31,061)	$ 180,628
Total capital assets not being depreciated	193,105	80,609	(118,878)	154,836	56,853	(31,061)	180,628
Capital assets being depreciated:							
Track	35,254	109,339	-	144,593	6,023	-	150,616
Structures	79,339	12	-	79,351	-	-	79,351
Cars	28,773	-	-	28,773	-	(1,984)	26,789
Shops and yard	208,470	8,527	-	216,997	4,873	-	221,870
Stations	365,131	1,000	-	366,131	28,306	-	394,437
Signals	11,131	-	-	11,131	-	-	11,131
Vehicles	3,514	-	-	3,514	90	-	3,604
Equipment and other	14,808	-	-	14,808	1	-	14,809
Total capital asset being depreciated	746,420	118,878	-	865,298	39,293	(1,984)	902,607
Less accumulated depreciation:							
Track	(22,334)	(2,529)	-	(24,863)	(3,779)	-	(28,642)
Structures	(49,441)	(1,524)	-	(50,965)	(1,523)	-	(52,488)
Cars	(25,114)	(311)	-	(25,425)	(311)	1,984	(23,752)
Shops and yard	(21,885)	(7,902)	-	(29,787)	(8,337)	-	(38,124)
Stations	(101,897)	(9,329)	-	(111,226)	(10,075)	-	(121,301)
Signals	(7,251)	(237)	-	(7,488)	(237)	-	(7,725)
Vehicles	(3,023)	(174)	-	(3,197)	(197)	-	(3,394)
Equipment and other	(12,965)	(129)	-	(13,094)	(129)	-	(13,223)
Total accumulated depreciation	(243,910)	(22,135)	-	(266,045)	(24,588)	1,984	(288,649)
Total capital assets being depreciated—net	502,510	96,743	-	599,253	14,705		613,958
Capital assets—net	695,615	177,352	(118,878)	754,089	71,558	(31,061)	794,586
Right of use assets being amortized—leased buildings and structures	739	2,674	-	3,413	-	-	3,413
Total right of use assets being amortized	739	2,674	-	3,413	-	-	3,413
Less accumulated amortization—leased buildings and structures	(480)	(833)	-	(1,313)	(911)	-	(2,224)
Total accumulated amortization	(480)	(833)	-	(1,313)	(911)	-	(2,224)
Right of use assets being amortized—net	259	1,841	-	2,100	(911)	-	1,189
Total capital assets, including right of use assets—net of depreciation and amortization	$ 695,874	$ 179,193	$ (118,878)	$ 756,189	$ 70,647	$ (31,061)	$ 795,775

* Restated due to change in Accounting policy regarding timing on recognition of projects in progress and capital accruals.

6. EMPLOYEE BENEFITS

Pension Plan—SIRTOA participates in a defined benefit pension plan for their employees, the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of the pension plan follows:

Plan Description—The MTA Defined Benefit Pension Plan (the "MTA Plan" or the "Plan") is a cost sharing, multiple-employer pension plan. The Plan covers certain MTA Long Island Rail Road nonrepresented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA Long Island Rail Road represented employees hired after December 31, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and nonrepresented employees and certain employees of the MTA Bus Company ("MTA Bus"). MTA Long Island Rail Road, MTA Metro-North Railroad, MTA, MTA Staten Island Railway and MTA Bus contribute to the MTA 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 which 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. The MTA Plan may be amended by the action of the MTA Board.

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, New York, NY 10004.

Benefits Provided

Pension Benefits—Retirement benefits are paid from the Plan to covered MTA Staten Island Railway 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 fifty-five and completed at least ten years of credited service. Terminated participants with five 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. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the Final Average Salary ("FAS"), defined as the highest average compensation over any three consecutive years.

Death 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 ten years of credited service for covered MTA Staten Island Railway employees. The disability retirement allowance for represented covered MTA Staten Island Railway employees is calculated based on the participant's credited service and FAS but not less than ⅓ of FAS. Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Staten Island Railway employee after completion of one year of credited service. Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Staten Island Railway employee and dies as the result of an on-the-job accidental injury.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered 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, whichever is greater, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years.

Retirement benefits establishment and changes for representative employees are collectively bargained and must be ratified by the respective union and the MTA Board. For nonrepresented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

Contributions and Funding Policy—SIRTOA's 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. The following summarizes the types of employee contributions made to the Plan. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. For the MTA Staten Island Railway employees, contributions are not required after the completion of ten years of credited service.

The actual employer contributions for the year ended December 31, 2023 and 2022, were $7,447 and $7,915, respectively.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-sponsored plans. The SIRTOA proportionate share of the prepayments for the MTA Defined Benefit Plan Additional Plan was $16,510 of which $7,261 and $8,100 were amortized in 2024 and 2023, respectively.

Net Pension Liability—SIRTOA's net pension liability reported at December 31, 2024 and 2023 were measured as of December 31, 2023 and December 31, 2022, respectively. The total pension liability for the Plan was determined as of the actuarial valuation dates of January 1, 2023 and 2022, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by the Plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions—The total pension liabilities in actuarial valuation dates were determined using the following actuarial assumptions:

Valuation Date	January 1, 2023	January 1, 2022
Investment rate of return	6.5% per annum—net of investment expenses	6.50% per annum—net of investment expenses
Salary increases	Varies by years of employment, and employee group	Varies by years of employment, and employee group
Inflation	2.25%	2.25%
Cost-of living adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.

Mortality—The actuarial assumptions used in the January 1, 2023 and January 1, 2022 valuations for the MTA plans are based on experience of all MTA members reflecting mortality improvements on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee.

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Pre-retirement: 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.

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: RP-2014 Disabled Annuitant mortality table for males and females.

Expected Rate of Return on Investments—The long-term expected rate of return on pension plan investments was 6.50% for both 2023 and 2022. The rate was determined using a building-block method in which best-estimate ranges of expected future real rates of return ("RROR") (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 table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
US core fixed income	10.50 %	2.21 %
US long treasury bonds	2.00	2.65
US inflation-indexed bonds	2.00	1.82
US high yield bonds	3.00	4.02
US bank/leveraged loans	1.50	3.55
Private credit	7.00	6.64
Emerging markets bonds	2.00	4.81
US large cap equity	18.00	5.38
US small cap equity	7.00	6.94
Foreign developed equity	12.00	6.92
Emerging markets equity	4.50	9.59
Emerging markets small cap equity	1.50	9.78
US REITs	1.00	6.63
Private real estate property - core	4.00	5.14
Private equity	7.00	10.46
Commodities	4.00	3.11
Hedge funds—multistrategy	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

Discount Rate—The discount rate used to measure the total pension liability of the MTA Plan was 6.50% for both 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable and that the employer contributions will be made at the rate determined 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

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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.

SIRTOA's Proportion of Net Pension Liability—The following table presents SIRTOA's proportionate share of the net pension liability of the MTA Plan at the measurement date of December 31, 2023 and 2022 and the proportion percentage of the net pension liability of the Plan allocated to SIRTOA:

	December 31, 2023	December 31, 2022
	(amount in thousands)	
SIRTOA's proportion of the net pension liability	1.90 %	1.93 %
SIRTOA's proportionate share of the net pension liability	$32,749	$48,431

SIRTOA's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the fiscal year-end.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following table presents SIRTOA's proportionate share of the net pension liability calculated using the discount rate for the MTA Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for each measurement date (in thousands):

(in thousands)	December 31, 2023			December 31, 2022		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net Pension Liability	$ 52,411	$ 32,749	$ 16,246	$ 67,533	$ 48,431	$ 32,388

Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pension—For the years ended December 31, 2024 and 2023, SIRTOA recognized pension expenses of $9,472 and $12,140, respectively, related to the Plan.

For the years ended December 31, 2024 and 2023, SIRTOA reported deferred outflows of resources and deferred inflows of resources for the Plan as follows:

(in thousands)	December 31, 2024 Deferred Outflows of Resources	December 31, 2024 Deferred Inflows of Resources	December 31, 2023 Deferred Outflows of Resources	December 31, 2023 Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,640	$ 70	$ 4,238	$ 135
Net difference between projected and actual earnings on pension plan investments	3,350	-	9,625	-
Changes in proportion and differences between contributions and proportionate share of contributions	285	-	264	-
Changes in actuarial assumptions	6,994	-	8,852	-
Employer contribution to plan subsequent to the measurement date of net pension liability	-	-	7,915	-
Total	$ 14,269	$ 70	$ 30,894	$ 135

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The annual differences between the projected and actual earnings on investments are amortized over a 5 year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in proportion and differences between employer contributions and proportionate share of contributions, and annual difference due to changes in actuarial assumptions are amortized over an 8.3-year close period beginning the year in which the deferred amount occurs.

For the year ended December 31, 202, $7,915 was reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement dates. Other amounts reported as deferred outflows of resources related to pension at December 31, 2024 will be recognized as pension expense as follows:

Year Ending December 31	**(in thousands)**
2025	$ 4,487
2026	3,660
2027	4,496
2028	520
2029	577
Thereafter	459
Total	$ 14,199

Section 401(k) Plan—SIRTOA's employees may participate in the MTA's deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). The plan was established in 1988 and is currently available to all employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants. Accordingly, no amounts are reflected in the accompanying financial statements for the 401(k) Plan. SIRTOA is not required to, and did not, make any contributions to the Plan in 2024 or 2023.

7. OTHER POSTEMPLOYMENT BENEFITS

SIROTA participates in a defined benefit other postemployment benefits ("OPEB") plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan ("OPEB Plan"). A description of the Plan follows:

Plan Description—The MTA Retiree Welfare Benefits Plan ("OPEB Plan") and the related Trust Fund ("Trust") was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with SIRTOA's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB 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 separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. The Authority provides benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of SIRTOA are members of the MTA Defined Benefit Plan.

SIRTOA 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 employees who retired as of March 1, 2010, June 1, 2010 or January 1, 2013, depending on the union, do not participate in NYSHIP. These benefits are provided either through a self-insured health plan, a fully insured health plan or an HMO.

SIRTOA 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 SIRTOA must:

(a) have retired;

(b) be receiving a pension;

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

- Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. The surviving spouse coverage continues until spouse is eligible for Medicare for represented employees of MTA Staten Island Railway, retiring on or after:

  - March 2015 for Transportation Communication Union ("TCU"); and

  - December 16, 2015 for United Transportation Union ("UTU") and American Train Dispatchers Association ("ATDA").

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.

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Contributions—SIRTOA 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 year-ended December 31, 2024 and 2023, SIRTOA paid $4,457 and $3,346 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts included an implicit rate subsidy adjustment of $0 for both the years ended December 31, 2024 and 2023.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2023 and 2022 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer 20-Bond General Obligation Index. As a result, the discount rates as of December 31, 2023 and 2022, the measurement dates, are 3.26% and 3.72%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2023 and 2022, the employer made a cash payment for retiree healthcare of $0 for both years, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

(in thousands) **Blended and Age-adjusted Premium**	**2023** **Retirees**	**2022** **Retirees**
Total blended premiums	$ 3,346	$ 2,999
Employment payment for retiree healthcare	-	-
Net payments	$ 3,346	$ 2,999

Net OPEB Liability—SIRTOA's proportionate share of the Plan's net OPEB liability reported at December 31, 2024 and 2023 was measured as of the OPEB Plan's fiscal year-end of December 31, 2023 and 2022, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023, and rolled forward to December 31, 2023. The total OPEB liability used to calculate the net OPEB liability as of December 31, 2022 was determined by an actuarial valuation date of July 1, 2021, and rolled forward to December 31, 2022. SIRTOA's proportion of the net OPEB liability was based on a projection of SIRTOA's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. The following table presents the SIRTOA's proportionate share of the net OPEB liability and corresponding proportion percentage at the measurement date:

(in thousands)	**December 31, 2023**	**December 31, 2022**
SIRTOA's proportion of the net OPEB liability	0.379 %	0.354 %
SIRTOA's proportionate share of the net OPEB liability	76,443	$ 79,504

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OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or net asset value.

Actuarial Assumptions—Actuarial valuation 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. SIRTOA 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 actuarial valuations performed on July 1, 2023 and July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2023 and 2022, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%	3.72%
Inflation	2.31%	2.33%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Salary increases	Varies by years of service and differs for members of the various Pension Plans	Varies by years of service and differs for members of the various Pension Plans
Investment rate of return	4.25%	3.72%

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Salary Scale—Non-represented employee salaries are assumed to increase in accordance with the following schedule for the measurement date December 31, 2023:

Years of Service	Rate of Increase
0–1	8.00 %
2	7.00
3	6.50
4	5.50
5	5.00
6	4.90
7	4.80
8	4.70
9	4.60
10	4.50
11	4.25
12	4.00
13	3.75
14	3.50
15+	3.25

Represented employee salaries are assumed to increase in accordance with the following schedule for the measurement date December 31, 2023:

Years of Service	Rate of Increase
0–1	12.50 %
2	11.50
3–4	10.00
5	6.00
6	4.25
7	4.00
8	3.75
9	3.50
10+	3.25

Healthcare Cost Trend—The Society of Actuaries ("SOA") developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries, which included a representative from MTA's actuary. This model is used as the foundation for the trend that the actuary it recommends to our clients 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.

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Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP and self-insured trend assumptions for the measurement date December 31, 2023:

Trend from Year Ending	NYSHIP < 65	NYSHIP >=65	Self-Insured < 65	Self-Insured >=65
2023	6.7	5.9	7.0	4.9
2024	7.0	6.6	7.2	6.1
2025	6.4	6.4	6.4	6.4
2026	5.8	5.8	5.8	5.8
2027	5.1	5.1	5.1	5.1
2028	4.9	4.9	4.9	4.9
2029	4.7	4.7	4.7	4.7
2030	4.5	4.5	4.5	4.5
2031	4.3	4.3	4.3	4.3
2032-2039	4.1	4.1	4.1	4.1
2040-2049	4.1	4.1	4.1	4.1
2050	4.1	4.1	4.1	4.1
2051-2064	4.2	4.2	4.2	4.2
2065-2066	4.1	4.1	4.1	4.1
2067-2068	4.0	4.0	4.0	4.0
2069-2070	3.9	3.9	3.9	3.9
2071-2073	3.8	3.8	3.8	3.8
2074-2089	3.7	3.7	3.7	3.7
2090+	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, which are 3.7% for NYSHIP costs, 3.7% for self-insured medical and pharmacy costs, and 3.6% for Medicare Part B costs.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type.

For the Authority, the mortality rates are based on the Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.

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

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expected volatility and correlation. The capital market assumptions as of December 31, 2023 are as follows:

Asset Class	Index	Target Allocation	Expected Real Rate of Return
US cash	BAML 3-Mon Tbill	1.50 %	3.07 %
US short	Bloomberg US Govt/Credit	98.50	4.39
Assumed inflation-mean			2.31
Assumed inflation-standard deviation			1.44
Portfolio norminal mean return			4.37
Portfolio standard deviation			0.49
Long-term expected rate of return selected by MTA			4.25

Discount Rate—The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2023 and 2022 of 3.26% and 3.72%, respectively.

Sensitivity of SIRTOA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents SIRTOA's proportionate share of the net OPEB liability, as well as what SIRTOA's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement.

(in thousands)	December 31, 2023			December 31, 2022		
	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)	1% Decrease (1.72%)	Discount Rate (3.72%)	1% Increase (2.72%)
Proportionate share of the net OPEB liability	$ 87,751	$ 76,443	$ 67,503	$ 90,463	$ 79,504	$ 70,451

Sensitivity of SIROTA's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents SIROTA's proportionate share of the net OPEB liability, as well as what SIROTA's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

(in thousands)	December 31, 2023			December 31, 2022		
	1% Decrease	Healthcare Cost Current Trend Rate *	1% Increase	1% Decrease	Healthcare Cost Current Trend Rate *	1% Increase
Proportionate share of the net OPEB liability	$ 65,606	$ 76,443	$ 90,556	$ 68,171	$ 79,504	$ 93,774

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—For the years ended December 31, 2024 and 2023, SIRTOA recognized OPEB expense of $5,407 and $5,702, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5 year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

At December 31, 2024 and 2023, SIRTOA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

(in thousands)	December 31, 2024		December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,073	$ 10,138	$ 1,260	$ 120
Differences in actuarial assumptions	8,179	12,628	5,497	14,614
Net difference between projected and actual earnings	22	-	69	-
Changes in proportion and differences in employer contributions	12,816	12,140	10,314	10,100
Employer contributions to the plan subsequent to the measurement	4,457	-	3,346	-
Total	$ 26,547	$ 34,906	$ 20,486	$ 24,834

For the years ended December 31, 2024 and 2023, $4,457 and $3,346, respectively, were reported as deferred outflows of resources related to OPEB resulting from both SIRTOA's contributions subsequent to the measurement date and an implicit rate subsidy adjustment. The amount of $4,457 will be recognized as a reduction of the net OPEB liability in the year-ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024 will be recognized in OPEB expense as follows:

Year Ending December 31	(in thousands)
2025	$ (1,714)
2026	(2,470)
2027	(2,802)
2028	(1,149)
2029	(2,128)
Thereafter	(2,553)
Total	$ (12,816)

8. LEASES

SIRTOA 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 SIRTOA's incremental borrowing rate at the time of valuation ranging from 1.9% to 4.17% 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—SIRTOA leases its right of way to other entities. These leases have terms between 1 year to 9 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 and 6 years.

In addition, SIRTOA 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 years ended December 31, 2024 and 2023 is presented below:

(in thousands)	2024	2023
Lease revenue	$ 24	$ 22
Interest revenue	2	3
Other variable revenue	-	-

The balance of lease receivables as of December 31, 2024 and December 31, 2023 are as follows:

(in thousands)	2024	2023
Lease receivables—current	$ 19	$ 23
Lease receivables—noncurrent	69	85
Total lease receivables	$ 88	$ 108

A summary of activity in lease receivable for the years ended December 31, 2024 and December 31, 2023 is presented below:

(in thousands)	2024	2023
Balance—beginning of year	$ 108	$ 129
Additions/remeasurements	3	-
Receipts/interest	(23)	(21)
Balance—end of year	88	108
Less current portion	(19)	(23)
Lease receivable noncurrent	$ 69	$ 85

SIRTOA recognized $0 revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023.

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The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows:

(in thousands) Year Ending December 31	Principal	Interest	Total
2025	$ 19	$ 2	$ 21
2026	19	2	21
2027	20	1	21
2028	15	1	16
2029	15	-	15
Total	$ 88	$ 6	$ 94

As Lessee—SIRTOA leases include building, office space, and snow removal equipment from other entities. These leases have terms of 3 years, with payments required monthly, quarterly or annually. As of December 31, 2024 the remaining lease terms are between 1 year to 2 years.

The amount of lease expenses recognized for variable payment not included in the measurement of lease liability were $33 and $19 for the years ended December 31, 2024 and 2023, respectively. SIRTOA recognized $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023.

A summary of activity in lease liability for the years ended December 31, 2024 and December 31, 2023 is presented below:

(in thousands)	2024	2023
Balance—beginning of year	$1,650	$ 269
Additions/remeasurements	-	2,155
Payments/interest	(726)	(774)
Balance—end of year	924	1,650
Less current portion	(735)	(726)
Lease liability noncurrent	$ 189	$ 924

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2024, are as follows:

(in thousands) Year Ending December 31	Principal	Interest (In thousands)	Total
2025	$735	$25	$760
2026	189	1	190
Total	$924	$26	$950

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9. RISK MANAGEMENT

SIRTOA is exposed to various risks of loss related to torts; theft of damage to and destruction of its assets; injuries to persons, including employees; and natural disasters.

There are a number of claims and suits against SIRTOA for injuries to persons. The amounts claimed are significantly higher than the amount which management estimates will ultimately be paid. Although simple claims for minor amounts are frequently settled shortly after they arise, the settlement of more complex and large claims may take years after the claim is asserted.

It is not possible to determine with any certainty the amount for which each claim will ultimately be settled because there are many subjective factors in such determinations and all of the issues may not be known for months or even years after the incident at issue.

SIRTOA is self-insured up to certain per occurrence limits for liability claims arising from injuries to persons, excluding employees. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limit was $2.3 million per occurrence. Claims arising on or after November 1, 2009, but before November 1, 2012 were subject to a $2.6 million limit. Effective November 1, 2012, the retention limit was increased to $3.0 million. Effective October 31, 2015, the retention limit was increased to $3.2 million. Lower limits applied for claims arising prior to November 1, 2006. SIRTOA is self-insured for work-related injuries to employees. The annual cost associated with injuries to persons, other than employees, and damage to third-party property, is reflected in expenses as public liability claims in the accompanying consolidated statements of revenues, expenses and change in net position.

SIRTOA establishes its liabilities to employees and to the general public on the basis of independent actuarial estimates of future liability.

A summary of activity in the estimated liability arising from injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2024 and 2023, is as follows:

(in thousands)	**2024**	**2023**
Balance—beginning of year	$20,308	$19,392
Activity during the year:		
Current year claims and changes in estimates	3,160	1,215
Claims paid	(435)	(299)
Balance—end of year	23,033	20,308
Less current portion	(4,958)	(3,629)
Long-term liability	$18,075	$16,679

Liability Insurance— First Mutual Transportation Assurance Company ("FMTAC"), an insurance captive subsidiary of MTA, provides a liability insurance program (aka "ELF") that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than $50 million for all agencies and an additional $10 million for NYCT. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was $195.04 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy (“ELP”), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of $325 million for a total limit of $375 million ($325 million excess of $50 million).

On March 1, 2024, the “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 million per occurrence on a combined single limit with a $1 million self-insured retention for each accident. Primary limits of $1 million was procured through the commercial marketplace. Excess limits of $9 million was procured through FMTAC.

Property Insurance—Effective May 1, 2024, 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 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $269.725 million within the overall $500 million per occurrence property program as follows: $28.543 million (or 57.09%) of the primary $50 million layer, plus $28.543 million (or 57.09%) of the $50 million excess $50 million layer, plus $19.293 million (or 38.59%) of the $50 million excess $100 million layer, plus $11.793 million (or 23.59%) of the $50 million excess $150 million layer, plus $8.643 million (or 17.29%) of the $50 million excess $200 million layer, plus $15.518 million (or 31.04%) of the $50 million excess $250 million layer, plus $26.893 million (or 53.79%) of the $50 million excess $300 million layer, plus $39.000 million (or 78.00%) of the $50 million excess $350 million layer, plus $41.500 million (or 83.00%) of the $50 million excess $400 million layer, and $50.000 million (or 100%) of the $50 million excess of $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC’s property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An addition $25 million of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

During 2024 there were no FMTAC excess loss claim reimbursements to SIRTOA. At December 31, 2024, SIRTOA had $0 million in outstanding claims requiring FMTAC coverage from its Excess Loss Program.

10. CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or SIRTOA have been infrequent in prior years.

Pollution Remediation—In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in 2024 and 2023, SIRTOA incurred $127 and $47, respectively, in pollution remediation expenses. The expense provision was measured at its current value utilizing the prescribed expected cash flow method (see Note 2). Pollution remediation obligations are estimates subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. SIRTOA does not expect any recoveries of cost that would have a material effect on the recorded obligations.

A summary of the activity in pollution remediation liability at December 31, 2024 and 2023, were as follows:

(in thousands)	2024	2023
Balance—beginning of year	$1,537	$1,779
Activity during the year:		
Change in estimates	127	47
Payments	(4)	(289)
Balance—end of year	1,660	1,537
Less current portion	(300)	(275)
Long-term liability	$1,360	$1,262

SIRTOA's pollution remediation liability primarily consists of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, and soil remediation.

11. RELATED PARTY TRANSACTIONS

SIRTOA receives support services from the MTA in the areas of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, most of which are charged back to SIRTOA through intercompany billings. The MTA also provides funding for SIRTOA's capital investments via MTA debt issuance and federal capital grant pass-throughs. SIRTOA recognizes funds contributed for the purchase of capital assets as contributed capital in the statements of revenues, expenses, and changes in net position. The MTA also provides short-term loans, as required, to supplement SIRTOA's working capital needs.

SIRTOA has intercompany transactions with New York City Transit Authority related to farecard settlements, service agreements, shared operating contracts and other operating receivables and payables. State and City tax—supported subsidies received by SIRTOA from New York City Transit Authority to support operations are recorded as nonoperating revenues.

The resulting receivables and payables from the above transactions are recorded in Due to/from MTA, MTA capital program funds receivable, and Due to/from New York City Transit Authority, included in the accompanying consolidated statements of net position. Related party transactions consisted of the following at December 31, 2024 and 2023:

(In thousands)	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 455	$(28,638)	$10,506	$(37,568)
MTA capital program funds receivable	598	-	-	-
New York City Transit Authority	2,873	(12,797)	1,802	(3,367)
Total MTA and New York City Transit Authority	$ 3,926	$(41,435)	$12,308	$(40,935)

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12. COMPENSATED ABSENCES

MTA provides employee benefits for vacation, compensatory time, sick, and other leave days. Certain leave that has not been used are recorded as compensated absences liabilities if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Short-term liability is recorded based on average usage or applicable leave expiration, while long-term liability is recorded for leave that accumulates and is carried forward to a future reporting period during which it may be used for time off or otherwise paid or settled at separation of service, or according to timing as provided for in the policy or collective bargaining agreement.

The initial measurement of MTA's compensated absences liability under GASB Statement No. 101, *Compensated Absences,* was as of January 1, 2023. The liability including certain salary-related payments were recalculated and adjusted based on the estimated outstanding leave balances as of the years ended December 31, 2024 and 2023.

A summary of activity indicated as net increase or decrease in compensated absences liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

(in thousands)	**2024**	**2023**
Balance—beginning of year	$4,732	$5,452
Net adjustment	400	(720)
Balance—end of year	5,132	4,732
Less current portion	(2,809)	(2,716)
Compensated absences liability noncurrent	$2,323	$2,016

13. SUBSEQUENT EVENTS

As of __________, 2025, there were no materially significant subsequent events.

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REQUIRED SUPPLEMENTARY INFORMATION

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31
(Amounts in thousands)

Plan Measurement Date (December 31)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
SIRTOA's proportion of the net pension liability	1.90 %	1.93 %	2.00 %	2.05 %	2.07 %	2.09 %	2.12 %	2.19 %	2.15 %	2.16 %
SIRTOA's proportionate share of the net pension liability	$ 32,749	$ 48,431	$ 33,493	$ 39,714	$ 35,738	$ 29,304	$ 20,029	$ 22,778	$ 27,605	$ 22,346
SIRTOA's actual covered-employee payroll	$ 37,665	$ 26,539	$ 24,609	$ 25,210	$ 24,730	$ 24,343	$ 23,461	$ 28,235	$ 19,779	$ 18,770
SIRTOA's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	86.95 %	182.49 %	136.10 %	157.53 %	144.51 %	120.38 %	85.37 %	80.67 %	139.57 %	119.05 %
Plan fiduciary net position as a percentage of the total pension liability	79.17 %	68.14 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %	70.44 %	74.77 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S CONTRIBUTIONS TO THE MTA DEFINED BENEFIT PENSION PLAN FOR THE YEARS ENDED DECEMBER 31
(Amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 7,447	$ 7,915	$ 7,802	$ 7,887	$ 8,055	$ 7,244	$ 6,930	$ 6,719	$ 6,360	$ 5,885
Actual employer contribution	-	16,510	7,802	7,887	8,055	7,244	7,876	6,132	5,885	6,165
Contribution deficiency (excess)	$ 7,447	$ (8,595)	$ -	$ -	$ -	$ -	$ (946)	$ 587	$ 475	$ (280)
Covered payroll	$31,456	$37,665	$26,539	$24,609	$25,210	$24,730	$24,343	$23,461	$28,235	$19,779
Contribution as a % of covered payroll	0.00 %	43.83 %	29.40 %	32.05 %	31.95 %	29.29 %	32.36 %	26.14 %	20.84 %	31.17 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

Notes to Schedule of SIRTOA's Contributions to Pension Plan:
Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Plan, are presented as notes to the schedule.

Changes of Benefit Terms
There were no changes of benefit terms in the January 1, 2023 funding valuation.

Changes of Assumptions
There were no changes of benefit assumptions in the January 1, 2023 funding valuation.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN AT DECEMBER 31
(In thousands)

Plan Measurement Date (December 31)	2023	2022	2021	2020	2019	2018	2017
SIRTOA's proportion of the net OPEB liability	0.38 %	0.35 %	0.36 %	0.33 %	0.33 %	0.41 %	0.34 %
SIRTOA's proportionate share of the net OPEB liability	$ 76,443	$ 79,504	$ 90,274	$ 79,821	$ 68,705	$ 79,906	$ 69,429
SIRTOA's covered payroll	$ 37,665	$ 26,539	$ 24,609	$ 25,210	$ 24,730	$ 24,343	$ 20,061
SIRTOA's proportionate share of the net OPEB liability as a percentage of its covered payroll	202.95 %	299.57 %	366.83 %	316.62 %	277.82 %	328.25 %	346.09 %
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	- %	1.93 %	1.76 %	1.79 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S CONTRIBUTIONS TO THE OPEB PLAN AND NOTES TO SCHEDULE OF SIRTOA'S CONTRIBUTION TO THE OPEB PLAN FOR THE YEARS ENDED DECEMBER 31
(Amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Actual employer contribution [1]	$ 4,457	$ 3,346	$ 2,999	$ 2,868	$ 1,720	$ 2,492	$ 2,820
Contribution deficiency (excess)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Covered payroll	$ 31,456	$ 37,665	$ 26,539	$ 24,610	$ 25,210	$ 24,730	$ 24,343
Actual contribution as a percentage of covered payroll	14.17 %	8.88 %	11.30 %	11.65 %	6.82 %	10.08 %	11.58 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $0, $0, $0, $0, $146, $250, and $283 for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Notes to Schedule of SIRTOA's Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%	3.72%
Inflation	2.31%	2.33%
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	4.25%	3.72%

Changes of Benefit Terms: In the July 1, 2023 valuation, there were no changes to the benefit terms.

Changes of Assumptions: In the July 1, 2023 actuarial valuation, there were updates in healthcare trend assumptions, demographics, and economic assumptions.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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First Mutual Transportation Assurance Company

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2024 and 2023, and Independent Auditor's Report

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

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OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—The following is a narrative overview and analysis of the financial activities of the First Mutual Transportation Assurance Company (the "Company" or "FMTAC") as of and for the years ended December 31, 2024 and 2023. This discussion and analysis are intended to serve as an introduction to the Company's financial statements which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements and (3) Notes to the Financial Statements.

Management's Discussion and Analysis—This MD&A provides an assessment of how the Company's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Company's overall financial position. It may contain opinions, assumptions or conclusions by the Company's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements.

The Financial Statements Include—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that FMTAC presently controls (assets), consumption of net assets by FMTAC that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that FMTAC has little or no discretion to avoid (liabilities), and acquisition of net assets by FMTAC that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how the Company's net position changed during each year and accounts for all of the revenues and expenses, measures the success of the Company's operations from an accounting perspective over the past year, and can be used to determine how the Company has funded its costs.

The Statements of Cash Flows provide information about the Company's cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements—The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

FINANCIAL REPORTING ENTITY

On December 5, 1997, the Metropolitan Transportation Authority ("MTA") began its operation of its newly incorporated captive insurance company, FMTAC. FMTAC was created by the MTA to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 Subdivision 5 of the Public Authorities Law of the State of New York.

FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. The MTA is a component unit of the State of New York.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the Company's financial position as of December 31, 2024 and 2023. Additionally, examinations of major economic factors that have contributed to these changes are 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 Company's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

	As of December 31,			Increase/(Decrease)	
(In thousands)	**2024**	**2023 (Restated)**	**2022**	**2024–2023**	**2023–2022 (Restated)***
ASSETS:					
Current assets	$ 398,694	$ 360,091	$ 368,566	$ 38,603	$ (8,475)
Noncurrent assets	822,655	783,704	744,222	38,951	39,482
Total assets	$1,221,349	$1,143,795	$1,112,788	$ 77,554	$ 31,007

*The reinsurance recoverable is presented as a reduction to the loss and loss adjustment expense liability as of 12/31/2023, therefore 2023 balances are not comparative with 2022.

Significant Changes in Assets

December 31, 2024 versus December 31, 2023

Total assets increased by $77,554 or 6.8%, from December 31, 2023 to December 31, 2024. The fluctuation in the total assets of FMTAC was the result of increases in cash and cash equivalents and investments, which was partially offset by decreases in premium receivables. Cash and cash equivalents increased due to timing of receipts. The increase in investments was due to market fluctuations. Premium receivable decreased due to timing of the excess loss fund ("ELF") premiums receipts.

December 31, 2023 versus December 31, 2022

Total assets increased by $31,007 or 2.8%, from December 31, 2022 to December 31, 2023. The fluctuation in the total assets of FMTAC was the result of increases in premiums receivable and investments, which was partially offset by decreases in Cash and Cash Equivalents. Premium receivable increased due to additional Owner Controlled Insurance Programs ("OCIP") and excess loss fund ("ELF") premiums written in 2023. The increase in investments was due to market fluctuations. Cash and Cash Equivalents decreased due to the timing of payments.

(In thousands)	As of December 31, 2024	2023 (Restated)	2022	Increase/(Decrease) 2024–2023	2023–2022 (Restated)*
Liabilities and restricted net position:					
Current liabilities	$ 338,102	$ 226,405	$ 294,576	$ 111,697	$ (68,171)
Noncurrent liabilities	691,244	642,626	625,583	48,618	17,043
Total liabilities	1,029,346	869,031	920,159	160,315	(51,128)
Restricted net position	192,003	274,764	192,629	(82,761)	82,135
Total liabilities and net position	$1,221,349	$1,143,795	$1,112,788	$ 77,554	$ 31,007

*The reinsurance recoverable is presented as a reduction to the loss and loss adjustment expense liability as of 12/31/2023, and the unearned premiums previously presented as current liabilities are now being allocated between current and noncurrent liabilities as of 12/31/2023, therefore 2023 balances are not comparative with 2022.

Significant Changes in Liabilities

December 31, 2024 versus December 31, 2023

Total liabilities from December 31, 2023 to December 31, 2024 increased by $160,315 or 18.4%. The increase in liabilities is due to an increase in unearned premiums and loss and loss adjustment expense reserves net of reinsurance recoverable, which was partially offset by a decrease in ceded premiums payable. The increase in unearned premiums was due to additional premium written for OCIP and to the increase in loss and loss adjustment expense reserves was due to increase in reserves on the ELF program and a decrease to the reinsurance recoverable. The decrease in ceded premiums payable was due to installment payments in relation to the multi-year property program.

December 31, 2023 versus December 31, 2022

Total liabilities from December 31, 2022 to December 31, 2023 decreased by $51,128 or 5.6%. The decrease in liabilities is due to a decrease in loss and loss adjustment expense reserves, which was partially offset by an increase in unearned premiums and ceded premium payable. The decrease in loss and loss adjustment expense reserves was due to decrease in reserves on OCIP. The increase in unearned premiums was due to additional premium written for OCIP and to the increase in ceded premiums payable due to ceded premiums in relation to the ELF program.

Significant Changes in Net Position

December 31, 2024 versus December 31, 2023

In 2024, the restricted net position decrease of $82,761 is comprised of operating revenues of $141,208 plus non-operating revenue of $29,871 less operating expenses of $253,840.

December 31, 2023 versus December 31, 2022

In 2023, the restricted net position increase of $82,135 is comprised of operating revenues of $112,996 plus non-operating revenue of $47,962 less operating expenses of $78,823.

Condensed Statements of Revenues, Expenses and Changes in Net Position

(In thousands)	2024	2023	2022	Increase/(Decrease) 2024–2023	Increase/(Decrease) 2023–2022
Operating revenues	$141,208	$112,996	$128,790	$ 28,212	$ (15,794)
Operating expenses	253,840	78,823	82,339	175,017	(3,516)
Operating (loss) income	(112,632)	34,173	46,451	(146,805)	(12,278)
Non-operating income (loss)	29,871	47,962	(78,432)	(18,091)	126,394
Change in net position	(82,761)	82,135	(31,981)	(164,896)	114,116
Restricted net position—Beginning of year	274,764	192,629	224,610	82,135	(31,981)
Restricted net position—End of year	$192,003	$274,764	$192,629	$ (82,761)	$ 82,135

Operating Revenues—Operating revenues between 2023 and 2024 increased by $28,212 or 25.0%. The increase is primarily due to an increase in earned premium for the ELF and OCIP casualty programs. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating revenues between 2022 and 2023 decreased by $15,794 or 12.3%. The decrease is primarily due to a decrease in earned premium for the OCIP casualty program. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating Expenses—Operating expenses between 2023 and 2024 increased by 222.0%, or $175,017. The increase was primarily due to an increase in losses incurred related to the ELF program.

Operating expenses between 2022 and 2023 decreased by 4.3%, or $3,516. The decrease was primarily due to a decrease in chargeback-related expenses from the MTA.

Non-Operating Income—Non-operating income between 2023 and 2024 decreased by 37.7%, or $18,091. This is a result of an increase in interest and realized gain income, which was partially offset by unrealized losses on investments held by FMTAC.

Non-operating income between 2022 and 2023 increased by 161.2%, or $126,394. This is a result of an increase in net unrealized gains, interest and realized gain income on investments held by FMTAC.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations—Operating as a pure captive insurance company domiciled in the State of New York requires that all business plans and changes to said plans be reviewed and approved by the New York Insurance Department. As of December 31, 2024 and 2023, all programs administered by FMTAC have been reviewed and approved.

As of December 31, 2024 and 2023, FMTAC received its annual loss reserve certification. The actuary determined that reserves recorded by FMTAC were adequate and no adjustments were deemed necessary.

U.S. Insurance Market—The United States Property/Casualty industry recorded a $22.9 billion net underwriting gain in 2024, marking a substantial swing from the $21.3 billion loss recorded in the prior year, according to a new AM Best report, as 9.8% growth in net earned premiums was countered by a 2.1% increase in incurred losses and loss adjustment expenses, as well as a 9.8% rise in other underwriting expenses. The turnaround in the personal lines segment was primarily responsible for the improvement in underwriting results. Based on data from companies whose 2024 annual statutory statements were received as of March 11, 2025, the industry's combined ratio improved by 5.0 percentage points to 96.6%, with an estimated catastrophe loss impact of 8.7 points on the 2024 combined ratio, remaining even with 2023. With earned net investment income increasing 21.3% from the prior-year period, drove pre-tax operating income 123.5% to $109.3 billion.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

MTA Long Island Rail Road—New Hyde Park Collision. On October 8, 2016, while the MTA Long Island Railroad was conducting track work east of the New Hyde Park Station on track placed out of service, a piece of track equipment derailed fouling live track and was struck by a train carrying passengers, causing the passenger train to derail. Numerous passengers and several employees were injured. There has been a total of 72 claims related to this accident; 57 passenger injuries, 8 employee injuries and the remaining are property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. At this time, 33 lawsuits have been filed against LIRR. LIRR has paid out the entire $11 million FMTAC Force Account retention limit in expenses and settlements and $10 million has impacted the ELF program. The current outstanding reserves are $4.7 million and there are 7 open lawsuits.

MTA Long Island Rail Road—Atlantic Terminal Bumper Block Strike. An incident occurred on January 4, 2017, when an MTA Long Island Railroad Far Rockaway Line train struck a bumper block in the Atlantic Terminal-Brooklyn Station. To date, 122 claims have been put into suit. LIRR has paid out the entire $11 million FMTAC Station Maintenance retention limit in expenses and settlements and $21.2 million has impacted and there are 2 open lawsuits.

NYCTA Bicycle Case— On April 10, 2016, at about 3pm, then 23-years old Robert Liciaga, rode his bicycle through a cordoned-off construction site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated "drop zone." Plaintiff sustained severe and permanent injuries and is confined to a long-term care facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff $110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly $69 million. The Authority's appealed. The appellate court declined to further reduce the award except to the extent of granting a collateral source hearing on the issue of future medical expenses. Settlement was reached for $65 million. FMTAC has contributed $31M toward the settlement.

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Terrorism Risk Insurance Act—Effective November 26, 2002, the Terrorism Risk Insurance Act ("TRIA") was signed in to law. Effective December 22, 2006, TRIA was extended through December 31, 2007. On December 31, 2007, the U.S. Treasury Department issued Interim Guidance Concerning the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("TRIPRA") which has been extended through December 31, 2014. On January 12, 2015, TRIA was extended through December 31, 2021. In December 2020, TRIA was extended through to December 31, 2027. For additional information, please refer to the property section under Note 5.

Brooklyn NYCT Shooting— On April 12, 2022, at about 8:25 am, a man reported to be Frank Robert James, committed a mass shooting, which led to an explosion and smoke condition on a Manhattan-bound N train as it traveled between 59th Street and 36th Street subway stations in Brooklyn. Six of the 8 personal injury claims filed have resulted in lawsuits, 4 of which have been consolidated. NYCT's motion to dismiss based on NYCT's entitlement to governmental immunity have been granted in the four consolidated cases. NYCT moved to dismiss in the remaining 2 cases. One plaintiff voluntarily discontinued in response, while a decision is pending in the remaining case. It is anticipated that plaintiffs will appeal once final orders have been entered. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

This financial report is designed to provide our customers and other interested parties with a general overview of FMTAC's finances and to demonstrate FMTAC's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023 (Restated)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 3)	$ 168,369	$ 99,717
Investments (Note 4)	71,069	76,986
Funds held by reinsurer (Note 5)	8,418	8,181
Premiums receivable due from affiliates (Note 7)	145,036	170,300
Interest income receivable (Note 4)	5,802	4,902
Other assets	-	5
Total current assets	398,694	360,091
NONCURRENT ASSETS:		
Investments (Note 4)	822,025	776,978
Premiums receivable due from affiliates (Note 7)	-	6,257
Owner Controlled Insurance Programs asset	630	469
Total noncurrent assets	822,655	783,704
TOTAL ASSETS	$1,221,349	$1,143,795
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Unearned premiums	$ 163,111	$ 103,525
Ceded premium payable	5,989	12,427
Loss and loss adjustment expense liability (Note 6)	115,753	66,294
Losses payable	50,481	37,185
Due to affiliates	2,126	5,795
Accrued expenses	642	1,179
Total current liabilities	338,102	226,405
NONCURRENT LIABILITIES:		
Unearned premiums	87,587	114,055
Loss and loss adjustment expense liability (Note 6)	601,937	522,879
Ceded premium payable	1,720	5,692
Total noncurrent liabilities	691,244	642,626
Total liabilities	1,029,346	869,031
RESTRICTED NET POSITION	192,003	274,764
TOTAL LIABILITIES AND NET POSITION	$1,221,349	$1,143,795

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023
OPERATING REVENUES:		
Gross premiums written	$ 231,792	$ 209,657
Premiums ceded	(57,034)	(90,533)
Change in unearned premiums	(33,550)	(6,128)
Total operating revenues	141,208	112,996
OPERATING EXPENSES:		
Loss and loss adjustment	246,367	70,472
Underwriting	1,550	2,083
General and administrative	5,923	6,268
Total operating expenses	253,840	78,823
OPERATING (LOSS) / INCOME	(112,632)	34,173
NON-OPERATING INCOME—Net investment income	29,871	47,962
Total non-operating income	29,871	47,962
CHANGE IN NET POSITION	(82,761)	82,135
RESTRICTED NET POSITION—Beginning of year	274,764	192,629
RESTRICTED NET POSITION—End of year	$ 192,003	$ 274,764

See notes to financial statements.

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In thousands)

	2024	2023 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums and other receipts	$ 199,408	$ 74,330
Payments for claims and other operating expenses	(120,597)	(56,346)
Net cash provided by operating activities	78,811	17,984
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(682,750)	(588,446)
Sales and maturities of investments	637,556	505,774
Earnings on investments	35,035	27,780
Net cash used in investing activities	(10,159)	(54,892)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	68,652	(36,908)
CASH AND CASH EQUIVALENTS—Beginning of year	99,717	136,625
CASH AND CASH EQUIVALENTS—End of year	$ 168,369	$ 99,717
RECONCILIATION OF OPERATING INCOME TO NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$(112,632)	$ 34,173
Adjustments to reconcile to net cash provided by operating activities:		
Net increase in accounts payable, accrued expenses and other liabilities	160,315	40,296
Net decrease / (increase) in receivables	31,128	(56,485)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 78,811	$ 17,984

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1. BASIS OF PRESENTATION

Reporting Entity—First Mutual Transportation Assurance Company (the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), was incorporated under the laws of the State of New York (the "State") as a pure captive insurance company on December 5, 1997, and commenced operations on that date. The Company was established to maximize the flexibility and effectiveness of the MTA's insurance program and is governed by a Board of Directors consisting of members of the MTA. The Company's financial position and results of operations are included in the MTA's Annual Comprehensive Financial Report. The MTA is a component unit of the State of New York and is included in the State of New York's Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation.

FMTAC is operationally and legally independent of the MTA. FMTAC enjoys certain rights typically associated with separate legal status. However, FMTAC is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability, and FMTAC is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the FMTAC and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include FMTAC in its consolidated financial statements.

The New York captive insurance statute requires a $250 minimum unimpaired paid-in-capital and surplus be maintained by a pure captive insurance company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

FMTAC applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, *Proprietary Accounting and Financial Reporting*.

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 amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

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Restatement—Effective January 1, 2024, FMTAC changed its presentation of reinsurance recoverable. Previously, estimated amounts recoverable from reinsurers relating to liabilities for unpaid claims and claim adjustment expenses were reported as a separate asset. Under the revised presentation, these amounts are now presented as a deduction from the loss and loss adjustment expense liability. As a result, the 2023 estimated reinsurance recoverable of $73,766, which was previously reported as an asset, has been restated and is now presented as a reduction to the loss and loss adjustment expense liability in the accompanying financial statements.

Effective January 1, 2024, FMTAC changed its presentation of unearned premium amounts. Previously, unearned premiums were reported as current liabilities. Under the revised presentation, these amounts are now allocated between current and noncurrent liabilities. The 2023 unearned premiums of $217,580, which was previously reported as current liability, has been restated and is now presented as $103,525 as a current liability and $114,055 as a noncurrent liability in the accompanying financial statements. As a result of these restatements, the 2023 net decrease in accounts payable, accrued expenses and other liabilities of $25,010 and the net increase in receivables of $(41,199) under the reconciliation of operating income to net cash (used in) / provided by operating activities in the statements of cash flow has been restated and is now $40,296 and $(56,485), respectively.

Management has determined that no other aspects of the financial statements were affected by this change in presentation.

Cash and Cash Equivalents—Includes highly liquid investments with a maturity of three months or less when purchased such as money market funds. Money market funds are stated at amortized cost, which approximates fair value.

Investments—Investments are recorded on the statement of net position at fair value, which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in the fair value of investments, is reported as revenue (as either net investment income or unrealized gain (loss) on investments) on the statement of revenues, expenses, and changes in net position.

Restricted Net Position—Net position is restricted for activities related to the payment of insurance claims.

Operating Revenues

Premiums—Earned premiums are determined over the term of their related policies, which approximates one year, or for certain Owner Controlled Insurance Programs ("OCIP"), as a percent of completed construction costs. Accordingly, an unearned premium liability is established for the portion of premiums written applicable to the unexpired period of policies in force or uncompleted construction projects. The Company does not directly pay premium taxes in accordance with its relationship with New York State.

Premiums Ceded—Premiums ceded is where the Company is the named insured, and the insurer is an unrelated third-party re-insurance company. The ceded premiums are expensed over the term of the related policies. This arrangement is explained further in Note 5.

Operating Expenses

Loss and Loss Adjustment Expenses—Loss and loss adjustment expenses are established for amounts estimated to settle incurred losses on individual cases and estimates for losses incurred but not reported.

Loss and loss adjustment expenses are based on loss estimates for individual claims and actuarial estimates and, therefore, the ultimate liabilities may vary from such estimates. Any adjustments to these estimates, which could be significant, will be reflected in income in the period in which the estimates are changed or payments are made.

Non-Operating Revenues and Expenses—Investment income and unrealized gain (loss) on investments account for FMTAC's non-operating revenues and expenses.

Income Taxes—The Company is not subject to income taxes arising on profits since it is a component unit of the MTA. The MTA and its subsidiaries are exempt from income taxes.

3. CASH AND CASH EQUIVALENTS

On December 31, 2024, and 2023, cash and cash equivalents consisted of (in thousands):

	2024		2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	$ 250	$ 250	$ 250	$ 250
Loss escrows	21,720	21,720	26,415	26,415
Uninsured deposits	146,399	146,399	73,052	73,052
	$ 168,369	$ 168,369	$ 99,717	$ 99,717

The Company is required to set aside funds in escrow accounts that are used to settle claims on behalf of the Company. The account balances of the loss escrow are $21,720 and $26,415 as of December 31, 2024, and 2023, respectively.

The Company invested additional funds as described in Note 4.

4. INVESTMENTS

The fair value and cost basis of investments consist of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Funds for claim payments	$ 542,352	$ 575,574	$ 526,409	$ 557,003
Security trust funds	350,742	361,584	327,555	338,725
	$ 893,094	$ 937,158	$ 853,964	$ 895,728

All investments are registered and held by the Company or its agent in the Company's name.

The Company makes funds available to claims processors to allow for adequate funding for submitted claims. The funds, in the above table, are invested primarily in fixed income investments such as U.S. Government Bonds. All investments outlined above are to be used to pay claims or pay administration expenses of the Company or as collateral for letter of credit obligations.

All funds not held as cash and cash equivalents are invested by the Company in accordance with the Company's investment guidelines. Investments may be further limited by individual security trust agreements. The Company's investment policies comply with the New York State Comptroller's guidelines for such policies. Those policies permit investments in fixed income securities that are

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investment grade or higher and the policy also allows for the investment in equities.

All investments are recorded on the Statements of Net Position at fair value and all investment income, including changes in the fair value of investments, is reported as revenue/(expense) on the Statements of Revenues, Expenses and Changes in Net Position. Fair values have been determined using quoted market values as of December 31, 2024 and 2023.

The yield to maturity rate was 4.78% for the year ended December 31, 2024, and 4.44% for the year ended December 31, 2023. For the year ended December 31, 2024, the Company had realized gains of $28,237 and had unrealized losses of $2,282. For the year ended December 31, 2023, the Company had realized gains of $13,545 and had unrealized gains of $31,638. Additional investment income was earned from the RCAMP investments and the money market fund. Income from these sources were $3,916 and $2,779 for the years ended December 31, 2024, and 2023, respectively.

Interest Rate Risk and Investments at Fair Value—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 a bond price's sensitivity to one hundred basis point change in interest rates. Duration is expressed as number of years.

The Company 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 Company's investments. 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. Listed below are the recurring fair value measurements as of December 31, 2024, and 2023. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for those securities.

(In thousands)	**2024**		**2024**			
		Duration	**Fair Value Measurements**			
Investment Type	**Fair Value**	**(Years)**	**Total**	**Level 1**	**Level 2**	**Level 3**
Treasury [1]	$ 400,911	4.34	$ 400,911	$ -	$ 400,911	$ -
Agency [2]	126,220	5.57	126,220	-	126,220	-
Asset backed securities	61,094	2.77	61,094	-	61,094	-
Commercial mortgage backed Securities	183,954	4.70	183,954	-	183,954	-
Foreign bonds	10,183	6.51	10,183	10,183	-	-
Corporate bonds	116,534	5.49	116,534	116,534	-	-
Total	898,896		898,896	$ 126,717	$ 772,179	$ -
Less accrued interest	(5,802)		(5,802)			
Total investments	$ 893,094		$ 893,094			

Including but not limited to:

[1] U.S. Treasury Notes

[2] Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

(In thousands)	2023		2023			
		Duration	Fair Value Measurements			
Investment Type	Fair Value	(Years)	Total	Level 1	Level 2	Level 3
Treasury [1]	$ 374,518	4.32	$ 374,518	$ -	$ 374,518	$ -
Agency [2]	114,461	6.22	114,461	-	114,461	-
Asset backed securities	71,510	3.26	71,510	-	71,510	-
Commercial mortgage backed securities	173,298	5.25	173,298	-	173,298	-
Foreign bonds	9,925	5.66	9,925	9,925	-	-
Corporate bonds	115,154	5.89	115,154	115,154	-	-
Total	858,866		858,866	$ 125,079	$ 733,787	$ -
Less accrued interest	(4,902)		(4,902)			
Total investments	$ 853,964		$ 853,964			

Including but not limited to:

[1] U.S. Treasury Notes
[2] Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

Credit Risk—At December 31, 2024, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 315,262	35.1 %
AA	19,920	2.2
A	74,718	8.3
BBB	45,096	5.0
Not rated	46,832	5.2
Credit risk debt securities	501,828	55.8
U.S. Government Notes	397,068	44.2
Total fixed income securities	898,896	100.0 %
Less accrued interest	(5,802)	
Total investments	$ 893,094	

Credit Risk—At December 31, 2023, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 318,862	37.1 %
AA	14,190	1.7
A	77,785	9.1
BBB	41,558	4.8
Not rated	32,545	3.8
Credit risk debt securities	484,940	56.5
U.S. Government Notes	373,926	43.5
Total fixed income securities	858,866	100.0 %
Less accrued interest	(4,902)	
Total investments	$ 853,964	

5. INSURANCE PROGRAMS

Property Program—Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, FMTAC directly insures property damage claims of the other MTA Group entities in excess of a $25,000 per occurrence deductible, subject to an annual $75,000 aggregate as well as certain exceptions summarized below. The total program is $500,000 per occurrence covering property of the related entities collectively through self-insured and reinsured in the domestic and offshore marketplaces. Losses occurring after the annual aggregate is exceeded are subject to a deductible of $7,500 per occurrence. 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. FMTAC's property insurance program has been expanded to include a further layer of $100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An additional $25,000 of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The program is a Catastrophic Bond 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 storm surge 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.

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Terrorism Program—Effective May 1, 2023, FMTAC renewed the terrorism program. Commencing May 1, FMTAC directly insures certified terrorism claims of the other MTA Group entities in excess of a $25,000 per occurrence self-insured retention, subject to an annual $75,000 aggregate as well as certain exceptions summarized below. The total program is $1,075,000 per occurrence covering property of the related entities collectively. FMTAC is reinsured in the domestic, London, and European marketplaces for this coverage. Losses occurring after the retention aggregate is exceeded are subject to a deductible of $7,500 per occurrence. The direct and reinsurance policies are effective from May 1, 2023 to May 1, 2025.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of “certified” losses in 2023, as covered by the Terrorism Risk Insurance Act (“TRIA”) of 2019 (originally introduced in 2002). Under the 2020 extension, terrorism acts sponsored by both foreign and domestic organizations are covered. The remaining 20% of MTA Group losses arising from an act of terrorism would be covered under the additional terrorism policy described below. Additionally, no federal compensation will be paid unless the aggregate industry insured losses exceed $200,000 (“trigger”) for 2023. There were no certified losses by the United States Government in 2023 that exceeded the trigger. In December 2020, the United States government’s reinsurance of TRIA was extended until December 31, 2027.

To supplement the reinsurance to FMTAC through the 2019 Terrorism Risk Insurance Program Reauthorization Act (“TRIPRA”) program, FMTAC 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 in 2023 and 2024—up to a maximum recovery of $215,000 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 20% “certified” acts of terrorism insurance in 2023 and 2024 or (3) 100% of any “certified” terrorism loss which exceeds $5,000 and less than the $200,000 TRIPRA trigger—up to a maximum recovery of $200,000 for any occurrence and in the annual aggregate.

Excess Loss Fund (“ELF”)—On October 31, 2003, the Company assumed the existing ELF program on both a retrospective and prospective basis. 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. The coverage limit will remain $50,000 per occurrence or the proceeds of the program whichever is less. On a prospective basis, effective October 31, 2003, the Company issued insurance policies indemnifying the MTA, its subsidiaries and affiliates above their specifically assigned Self-Insured Retention with a limit of $50,000 per occurrence with $50,000 annual aggregate. The balance of the ELF, $77,000 was transferred to and invested by the Company in order to secure any claims assumed from the ELF, as well as to capitalize the prospective programs and insure current and future claims. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. Effective October 31, 2024, FMTAC directly provides an All-Agency Excess Liability Policy to the MTA and its subsidiaries and affiliates. With the exception of one carrier, the limits are fully reinsured in the domestic, London, European and Bermuda marketplaces. The limits include claims arising from acts of terrorism.

Stations and Force Liability—Effective December 15, 2024, the Company renewed its direct insurance for the first $11,000 per occurrence losses for Long Island Rail Road Company (“LIRR”) and Metro-North Commuter Railroad Company (“MNCR”) with no aggregate stop loss protection.

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All Agency Protective Liability—The Company issued a policy to cover MTA's All Agency Protective Liability Program ("AAPL"), which is designed to protect the MTA and its agencies against the potential liability arising from independent contractors working on capital and noncapital projects. Effective June 1, 2024, the net retention to the Company is $2,000 per occurrence. The Company also issued a policy for $9,000 excess of $2,000 per occurrence with an $18,000 annual aggregate.

Paratransit—Effective March 1, 2024, the Company renewed with the MTA, a self-insured retention reimbursement policy for the auto liability on the New York City Transit ("NYCT") Paratransit operations. The Company is responsible for the first $3,000 per occurrence. Effective March 1, 2025, the Company renewed with the MTA, a self-insured retention reimbursement policy for the New York City Transit ("NYCT") Paratransit operations. The Company is responsible for $3,000 per occurrence.

Non-Revenue—Effective March 1, 2024, the Company restructured its non-revenue auto liability policy with the MTA's non-revenue fleet program. The Company is responsible for $9,000 per occurrence of every claim excess of the $1,000 per occurrence of the commercial insurance program. The commercial insurance program is excess of the MTA's $1,000 self-insured funding program. Effective March 1, 2025, the Company renewed with the MTA, the non-revenue auto liability policy with the MTA's non-revenue fleet program. The Company is responsible for $9,000 per occurrence of every claim excess of the $1,000 per occurrence of the commercial insurance program. The commercial insurance program is excess of the MTA's $1,000 self-insured funding program.

Owner-Controlled Insurance Programs (OCIP)—The MTA purchases Owner Controlled Insurance Programs under which coverage is provided on a group basis for certain agency projects. The Company provides the collateral required by the OCIP insurers to cover deductible amounts. The Company records in the OCIP liability account the amount of principal paid by the MTA to the program. The interest earned is not recognized in the Statements of Revenues, Expenses, and Changes in Net Position. Rather, the amounts are recorded as owner-controlled insurance program asset as the Company may have to make payments to contractors with favorable loss experience.

OCIP (asset)/liability consists of the following on December 31, 2024 and 2023 (in thousands):

	2024	**2023**
NYCT structures lines	$ 532	$ 532
LIRR/MNCR 2000–2004 Capital Improvement Program	(2,461)	(2,461)
NYCT 2000–2004 line structures/shops, yards and depots Capital Improvements Program	(2,082)	(2,016)
NYCT 2000–2004 stations and escalators/elevators Capital Improvements Program	(782)	(761)
LIRR/MNR 2005–2009 Capital Improvement Program	(21)	(21)
CCC Second Ave. Subway	4,184	4,258
OCIP (asset)	$ (630)	$ (469)

The activity of all funds held by the OCIP reinsurer consists of the following for 2024 and 2023 (in thousands):

	2024	2023
Funds held by OCIP insurers—beginning of year	$ 8,181	$ 7,817
Interest income	398	349
Claims payments	161	15
Funds held by OCIP reinsurer	$ 8,418	$ 8,181

OCIPs Covering 2000–2004 Capital Program—The Company entered into three agreements with AIG covering portions of the 2000–2004 MTA Capital Program effective October 1, 2000: (1) LIRR/MNCR 2000–2004 capital improvement program; (2) NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program; and (3) NYCT 2000–2004 stations and escalators/elevators capital improvement program. The combined collateral requirements are $86,094, which consists of $10,385 for the LIRR/MNCR OCIP, $52,709 for the NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program and $23,000 for the NYCT 2000–2004 stations and escalators/elevators capital improvement program. The collateral posted by the Company to secure its reimbursement of the insurer's payments is invested by the insurer with interest returning to the Company at a guaranteed annual rate of return. The Company earned $72 and $63 during the years ended December 31, 2024 and 2023, respectively. The interest earned will be used to make the Contractor Safety Incentive program payments to contractors with favorable loss experience. Any monies not used to pay losses or utilized for the Contractor Safety Incentive Program will be returned to the agencies at the end of the OCIPs. There were withdrawals from the Company of $0 and $123 and claim payments of $87 and $48 during the years ended December 31, 2024 and 2023, respectively.

OCIP-LIRR/MNCR 2005–2009 Capital Improvement Projects—Effective June 1, 2006, the Company entered into a new OCIP insurance program for LIRR/MNCR for capital projects in the 2005–2009 MTA Capital Program. Like the other programs, the interest income generated from the funds being held will be used to pay Contractor Safety Incentive program payments. The Company has earned $18 and $14 in interest income during the years ended December 31, 2024 and 2023, respectively. There were no withdrawals from the Company during the years ended December 31, 2024 and 2023, respectively.

Second Avenue Subway Project—Effective January 31, 2007, the Company entered into an OCIP program for the $2,500,000 Second Avenue Subway Project. This is a multi-year agreement with AIG covering Workers' Compensation and General Liability for the Third-Party contractors, MTA and all its subsidiaries up to $500,000. This OCIP, like the others, requires the Company to post collateral for all losses related to workers' injuries. In 2024 and 2023, $6,629 and $6,396 has been set aside to cover this exposure, respectively. During 2024 and 2023, the Company earned $308 and $272 in interest, respectively, with receipts (withdrawals) of $75 and ($123) in 2024 and 2023, respectively.

East Side Access Project ("ESA")—Effective April 1, 1999, the Company entered into an OCIP program for the East Side Access Project. It was a multi-year agreement with Liberty Mutual, the insurer, to insure third party contractors and the MTA and all its subsidiaries up to $300,000 for Workers' Compensation and General Liability. The insurer required the Company to hold the collateral and loss funding for the first $500 per occurrence. On April 1, 2016, this coverage was renewed to April 1, 2021 and then in 2021 further extended to April 1, 2023. The program ended as of April 1, 2023. The Company will now hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,900 from General Liability.

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East Side Access Project—Excess General Liability—Effective August 1, 2018, the company entered into program to insure $10,000 per occurrence and aggregate of General Liability coverage in excess of $2,000 for claims related to the East Side Access Project. In 2021, this coverage was extended to April 1, 2023. The program ended as of April 1, 2023.

NYCT 2005–2009 Capital Improvements Projects—Effective August 1, 2006, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first $500 per occurrence resulting from Workers' Compensation and General Liability losses during the NYCT's 2005–2009 Capital Improvement Projects.

MTA 2012–2014 Combined Capital Construction Program—Effective October 1, 2012, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2012–2014 Combined Capital Construction Program.

MTA 2015–2019 Combined Capital Construction Program—Effective June 30, 2017, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2015–2019 Combined Capital Construction Program.

MTA 2021–2025 Combined Capital Construction Program Bridge Program—Effective June 30, 2021, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2021–2025 Combined Capital Construction Bridge Program. On February 9, 2022, this coverage was extended to June 30, 2027.

MTA LIRR 3rd Track Program—Effective January 1, 2018, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses until January 1, 2024.

MTA 2022–2024 Mini RFP Program—Effective June 30, 2022, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $2,500 from General Liability losses until June 30, 2028.

MTA 2022–2024 Mini RFP Program #2 —Effective September 30, 2023, the Company entered into a multi-year agreement with Liberty Mutual Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $3,000 from General Liability losses until September 30, 2029.

Builder's Risk—Effective October 1, 2001, the Company renegotiated the terms and conditions of the reinsurance coverage it purchased from Zurich for the Builder's Risk Insurance Program ("BR") provided to cover the following 2000–2004 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program
2. NYCT's Lines Structures/Shops, Yards & Depots Capital Improvement Program, and
3. NYCT's Stations & Elevators Capital Improvement Program

The Company's policy and reinsurance agreements provide the capital projects listed above with limits of $50,000 in the aggregate. In consideration of $950 in net retained premium, the Company issues a deductible reimbursement policy with limits of $75 excess of $25 contractor deductible.

Similar to the above BR program, effective July 31, 2006, the Company entered into a new BR program for the following 2005–2009 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program and
2. NYCT's 2005–2009 Capital Improvement Program

The Company's policy and reinsurance agreements from Zurich provide the capital projects listed above with limits of $50,000 in the aggregate. In consideration of $7,500 in net retained premium, the Company issues a deductible reimbursement policy with limits of $475 excess of $25 contractor deductible.

In 2005, the Company received approval to expand its Builder's Risk Insurance Program to directly insure the MTA and its agencies for property claims while various capital improvement projects are under construction. The policy will cover selected capital improvement projects and was bound June 1, 2005, with limits of $300,000 per occurrence subject to the $100,000 self-insured retention. In consideration of a ceded premium of $12,750, the Company purchased reinsurance for the East Side Access Project from Zurich limiting its exposure to the $100,000 per occurrence self-insured retention. In 2007, this limit was bought down to $50,000 for an additional premium of $5,053. In 2014, this coverage was extended to May 31, 2021, for an additional ceded premium of $18,106 and then further extended to December 31, 2022, for an additional ceded premium of $7,202. The Company also purchased reinsurance for the Second Avenue Subway Project. In consideration of ceded premium of $13,362, reinsurance covering losses up to $500,000 excess of $50,000 was purchased from Zurich. The reinsurance purchased by the Company will include an aggregate stop loss provision, whereby the Company will limit its total liability to $125,000 in the aggregate.

Similar to the above BR programs, effective November 1, 2012, the Company entered into a new BR program for various MTA 2012–2014 combined capital program OCIPs. The Company issues a BR policy, to the MTA, with limits of $50,000 per occurrence with a $25 contractor deductible. The Company also purchased reinsurance from ACE with limits of $50,000 per occurrence with at $250 deductible.

Effective June 30, 2017, the Company wrote a builders risk deductible reimbursement policy with the MTA for the 2015-2019 Combined Capital Construction Program with limits of $250 per occurrence, $1,000 per occurrence for peril of Flood with a $25 contractor deductible per claim. The policy expired on June 30, 2023. Effective June 1, 2021, the policy was extended from June 30, 2023 to June 30, 2025 for an additional premium of $480.

On January 1, 2018, the Company wrote a builders risk deductible reimbursement policy with the MTA for the LIRR 3rd Track project with limits of $250 per occurrence with a $25 contractor deductible per claim. The policy expired on January 1, 2024.

On June 30, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini RFP #1 project with limits of $250 per occurrence with a $25 contractor deductible per claim. The policy will expire on June 30, 2028.

On September 26, 2022, the Company wrote a builders risk liability policy with the MTA for the Metro-North Penn Station Access project with limits of $1,400 per occurrence and in aggregate. The policy was written for 60 days.

On December 31, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Metro-North Penn Station Access project with limits of $500 per occurrence. The policy will expire on July 29, 2027.

On September 30, 2023, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini OCIP #2 project with limits of $250 per occurrence with a $50 contractor deductible per claim. The policy will expire on October 1, 2029.

6. LOSS AND LOSS ADJUSTMENT EXPENSES AND REINSURANCE

The following schedule presents changes in the loss and loss adjustment expense liabilities during 2024 and 2023 (in thousands):

	2024	**2023**
Liability as of January 1, net of reinsurance recoverable of $73,766 and $91,424	$ 589,173	$ 603,786
Loss and loss adjustment expenses	246,367	70,472
Payments attributable to insured events of the current year	(117,850)	(85,085)
Liability as of December 31, net of reinsurance recoverable of $53,995 and $73,766	717,690	589,173
Less current portion	115,753	66,294
Long-term liability	$ 601,937	$ 522,879

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7. RELATED PARTY TRANSACTIONS

The Company provides insurance coverage for the MTA and its component units. The premium revenue from related parties during the period and receivable for the years ended December 31, 2024 and 2023, was as follows (in thousands):

	2024		2023	
	Receivable	**Earned**	**Receivable**	**Earned**
LIRR	$ 16,651	$ 18,869	$ 17,613	$ 15,210
MNCR	2,920	2,915	2,773	2,949
MTA	125,465	119,424	156,171	94,837
	$ 145,036	$ 141,208	$ 176,557	$ 112,996

Included in General and Administrative expenses for the years ended December 31, 2024 and 2023, respectively, are amounts the MTA charged of $5,521 and $5,818, respectively, to FMTAC for risk management services provided to the Company of which $2,126 and $5,795 remain as a liability at December 31, 2024 and 2023, respectively.

8. NYCTA BICYCLE CASE

NYCTA Bicycle Case— On April 10, 2016, at about 3pm, then 23-years old Robert Liciaga, rode his bicycle through a cordoned-off construction site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated "drop zone." Plaintiff sustained severe and permanent injuries and is confined to a long-term care facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff $110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly $69 million. The Authority's appealed. The appellate court declined to further reduce the award except to the extent of granting a collateral source hearing on the issue of future medical expenses. Settlement was reached for $65 million. FMTAC has contributed $31M toward the settlement.

9. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through May xx, 2025, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2024. As of May xx, 2025, there were no subsequent events that required recognition or disclosure.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Dear Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the business-type activities of the Metropolitan Transportation Authority (the "Authority"), a component unit of the State of New York, which comprise the statement of net position as of December 31, 2024, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 30, 2025, which expresses an unmodified opinion on those financial statements and includes emphasis-of-matter paragraphs regarding (1) the Authority requiring significant subsidies from other governmental entities and (2) regarding the Authority's adoption of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Guidelines, the New York State ("NYS") Comptroller's Investment Guidelines, Section 2925 of the NYS Public Authorities Law, or Section 201.3 of the NYS Public Authorities Law (collectively, the "Investment Guidelines"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Guidelines, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of directors and management of the Authority, and the Office of the New York State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

May 30, 2025

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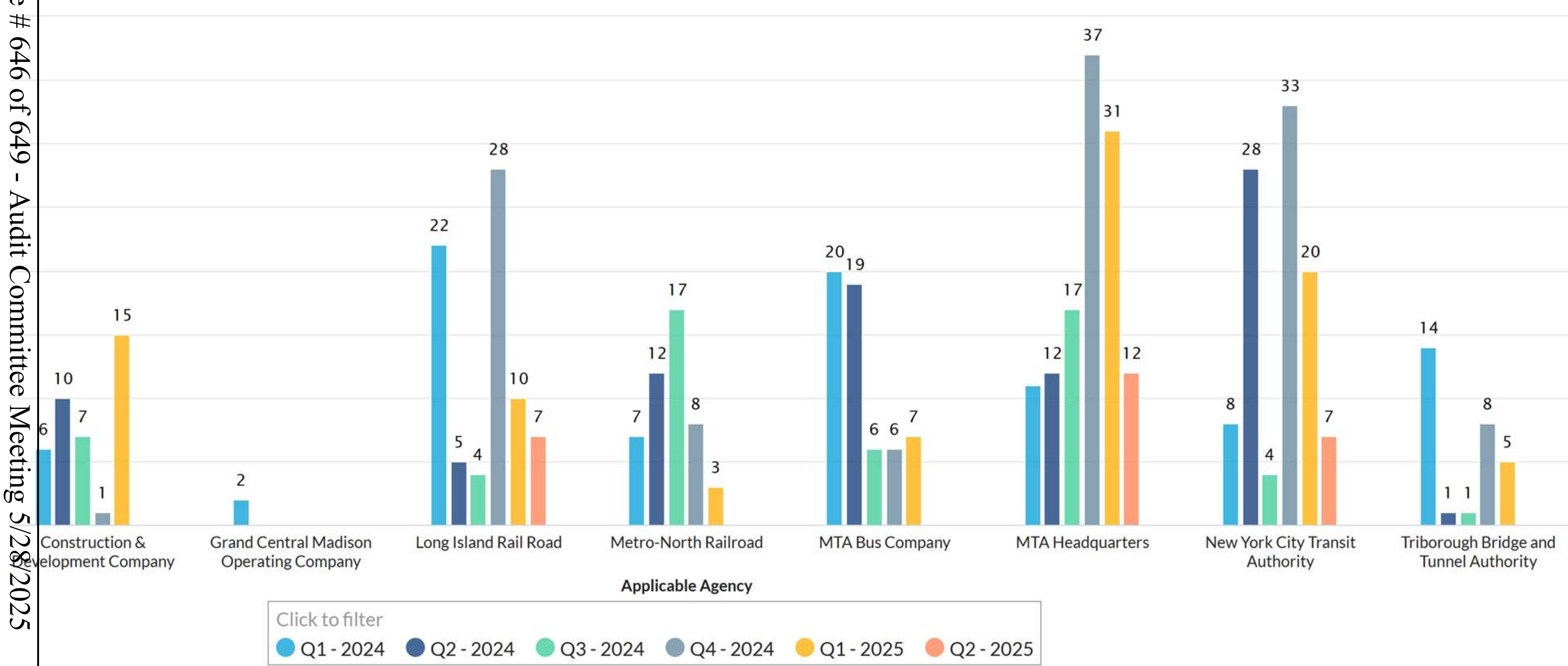
MTA
CORPORATE COMPLIANCE

Remediation Plan Monitoring and Six Months Past Due Reports

Report to the Audit Committee
May 2025

Remediation Plans: Opened By Quarter



Quarterly Totals

2024
- Q1=76
- Q2=88
- Q3=56
- Q4=121

2025
- Q1=91
- Q2=26

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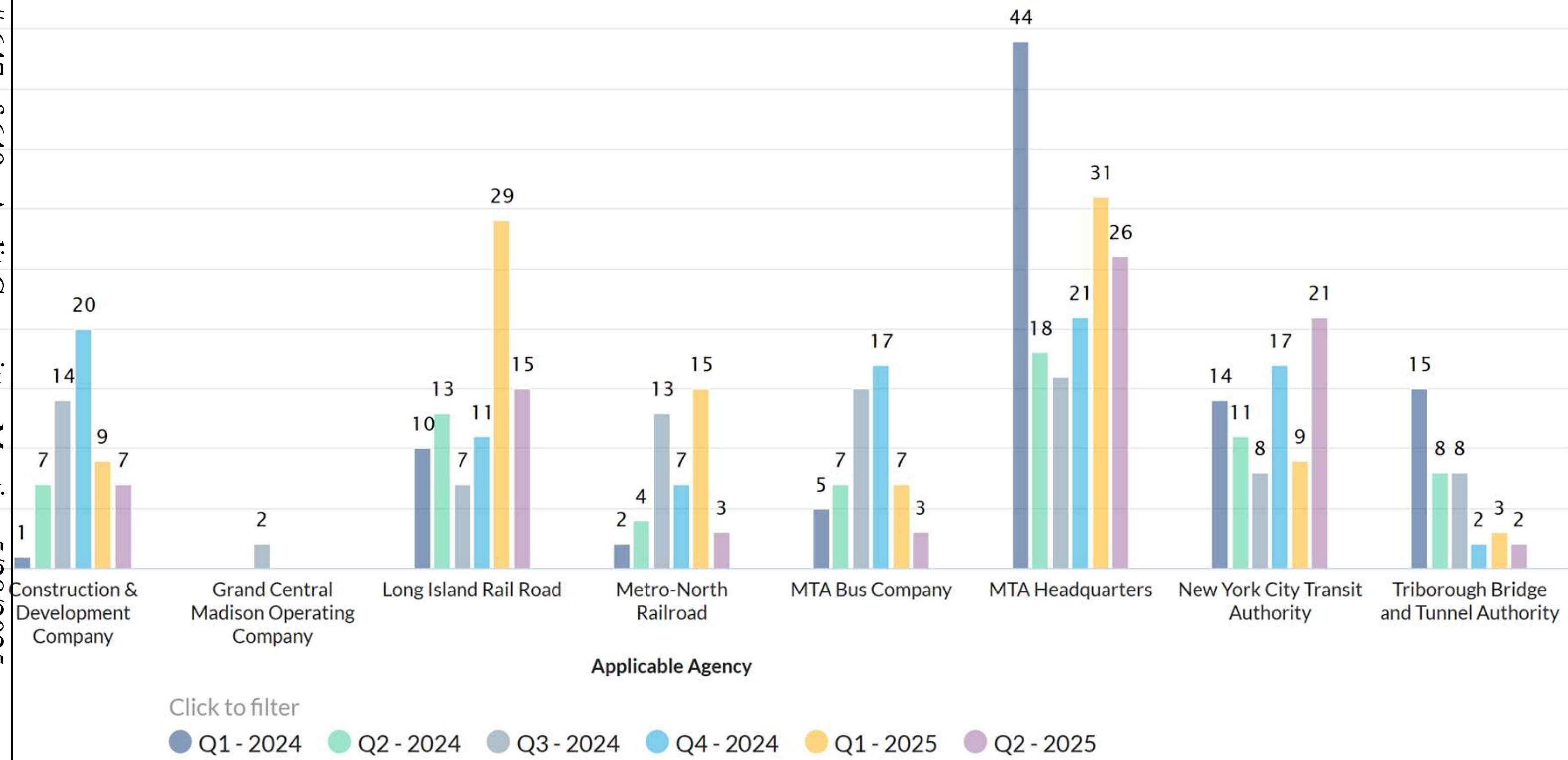
Remediation Plans: Closed By Quarter

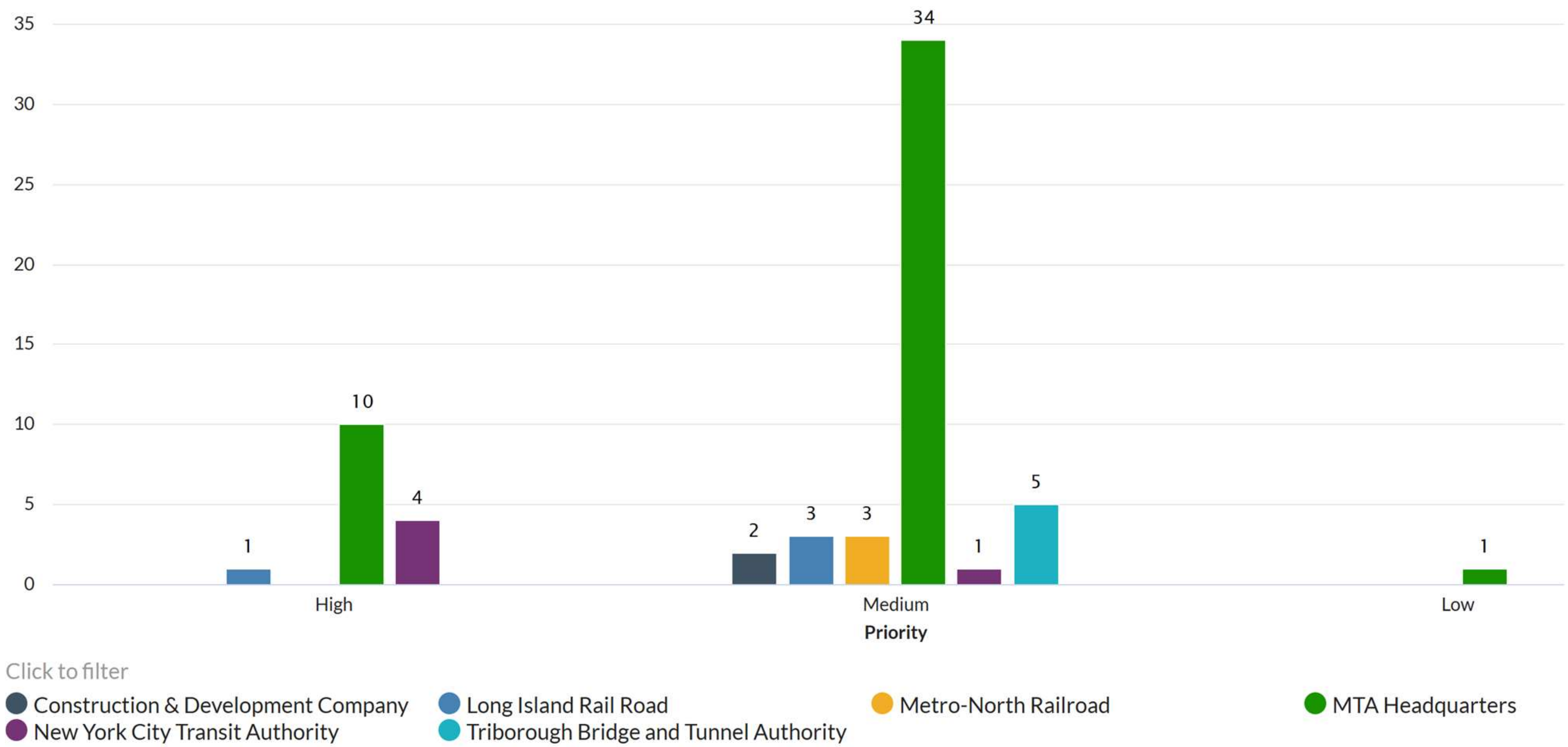


Quarterly Totals

2024
- Q1=92
- Q2=67
- Q3=69
- Q4=96

2025
- Q1=100
- Q2= 79

Remediation Plans: Implemented Awaiting Closure By Agency & Priority



Remediation Plans: Six Months Past Due by Agency & Priority