



Metropolitan Transportation Authority

Audit Committee Meeting

July 2025

Committee Members

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

Audit Committee Meeting

**MTA Board Room - 20th Floor
2 Broadway**

**Monday, 7/28/2025
2:00 - 3:00 PM ET**

1. PUBLIC COMMENTS

2. APPROVAL OF MINUTES

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3. AUDIT COMMITTEE WORK PLAN

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13. OPEN AUDIT RECOMMENDATIONS

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15. INFORMATION TECHNOLOGY REPORT

16. EXECUTIVE SESSION

**MINUTES OF MEETING
AUDIT COMMITTEE OF THE BOARD
MONDAY, MAY 28, 2025 – 8:30 A.M.
RONAN BOARD ROOM – 20TH FLOOR
2 BROADWAY**

The following were present:

Honorable:

David Jones

Lisa Sorin

John-Ross Rizzo

M. Murray – MTA

J. Patel – MTA

K. Makrakis – Deloitte

L. Kears – MTA

J. McGovern – MTA

D. Patel – Deloitte

Also in attendance were:

P. Graves – MTA

D. Farber – MTA

1. PUBLIC COMMENTS PERIOD

There were three speakers: Nzingha, Debra Greif and Matty Buckys-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/May-2025>.

2. APPROVAL OF MINUTES

The minutes of January 27, 2025 Audit Committee were approved.

3. AUDIT COMMITTEE WORK PLAN

The Auditor General (Monica Murray) noted that there was one change to the Work Plan; the executive session to brief the Audit Committee on proposed, pending or current litigation matters has been moved to the July Audit Committee meeting.

4. MANAGEMENT REVIEW OF MTA CONSOLIDATED FINANCIAL STATEMENTS

Jim McGovern, MTA Deputy Chief from the Comptroller's Office, briefed the committee on management's review of the 2024 MTA consolidated financial statements. This review includes changes in capital, net assets, other assets, and operating revenues and expenses. McGovern noted that the MTA is comprised of 10 reporting entities of which eight have their own separate audited financial statements and audit reports and hence their own separate levels of materiality and complexities. In regard to the MTA's Consolidated Financial Statements, they include the following: MD&A (Managements' Discussion & Analysis), the basic financial statements consisting of Net Position, Balance Sheet, Income Statement, Cash Flows, Fiduciary Position, and the Changes in Fiduciary Position which are the pension plans. The Notes to the Financial Statements include an additional note this year for compensated absences. McGovern then referenced and discussed a slide on new GASB Accounting Standards noting that two new standards were required to be implemented in fiscal year 2024. The first is GASB 100 on Accounting Changes and Error Correction, which enhances the accounting and financial reporting requirements. This standard did not have a material impact on the MTA this year. The second is GASB 101 on Compensated Absences which

requires that a liability be recognized for leave that has not been used if (i) the leave is attributable to services already rendered, (ii) the leave accumulates, and (iii) the leave is more than likely not to be used for time off or otherwise paid in cash or settled through cash means. McGovern noted that implementation of GASB 101 was a significant undertaking. The new GASB required the MTA to look at all compensated absence scenarios and accrue associated costs. Also, an analysis (which was a significant undertaking) had to be performed to determine how much leave will be used in the next year from the total population of employees, not those greater than 10 years of experience. They were also required to split the liabilities between short-term and long-term and the MTA was required to restate its 2023 report for comparability. To implement GASB 101, they reviewed policies and time keeping and payroll expenses for payroll charges that might be compensated absence arrangements. Multiple meetings were held with OMB, Labor Relations, Human Resources and Timekeeping to go over and understand contracts and transactions and IT helped produce reports and queries that had never been previously requested. As a result of this process, they have updated procedures and Finance now owns an enhanced process which they will continually work to update. McGovern thanked Lisa Tan for her efforts in implementing GASB 101. The impact of implementation of GASB 101 on the 2023 financials was a cumulative increase of \$368 million to liabilities. McGovern then referenced a slide showing assets and liabilities (Balance Sheet) and noted that the MTA has \$120 billion in assets versus approximately \$116 billion in 2023. Also, the MTA has \$99 million in liabilities and deferred outflows versus \$98 million in 2023. It was noted that cash and investments increased primarily due to receipt of a preventive maintenance grant reimbursement for operating expenses at the end of 2023 for about \$2.3 billion. Capital assets also increased and deferred outflows of resources decreased from 2023 primarily due to activity for prepayments of pensions. On the liability side, long-term debt increased due to issuance of payroll mobility BANS (Bond Anticipation Notes) and sales tax revenue bonds. The OPEB liability decreased primarily due to the contribution that was made in 2023 to this plan, and the net pension liability decreased due to actuarial and market value changes. In addition, total deferred inflows of resources increased primarily due to the aforementioned OPEB change and some changes in actuarial assumptions. McGovern then referenced a slide containing two pie charts showing the assets and liabilities split by agency and highlighted that the TBTA has a slightly higher issuance of debt versus the rest of the MTA and noted that it has slowly changed in recent years. McGovern then referenced a slide on the consolidated income statement noting that the MTA had operating revenues of \$8.5 billion, expenses of \$20.6 billion, and a significant increase in subsidies and tax revenues due to the preventive maintenance grant. Additionally, the change in net position was due primarily to the preventive maintenance grant received in 2023. Lastly, McGovern referenced a slide that listed the 19 footnotes that accompany the financial statements and highlighted Note #12 which is an additional footnote disclosure for compensated absences.

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

5. 2024 FINANCIAL STATEMENTS

Kostas Makrakis, Managing Director, Deloitte, briefed the Committee on the results of their review of the 2024 MTA Consolidated Year End Financial Statements. In his opening remarks, he stated that they have prepared the following comments to assist the Audit Committee in fulfilling their obligation to oversee the financial reporting and disclosure process for which management of the MTA and each of the seven agencies are responsible. It is the responsibility of Deloitte to express an opinion on whether the MTA's and each of its agency's financial statements and the supplementary information are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the U.S. Deloitte is currently in the process of finalizing the audit of the MTA's consolidated financial statements, as well as the stand alone financial statements of each of its agencies, as of, and for the year ended December 31, 2024, and they expect to issue its audit opinions within the next couple of weeks. The audits are conducted in accordance with generally accepted auditing standards in the U.S., including

those issued by the American Institute of Certified Public Accountants and the Government Accountability Office. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the U.S. The MTA applies governmental accounting and financial reporting standards as issued by the Governmental Accounting Standards Board (GASB). During the year, the MTA adopted two new accounting standards: GASB 100 and GASB 101. The MTA evaluated the requirements under GASB 101, Employee Compensated Absences, and adopted this standard for the year ended December 31, 2024. It applied the retroactive effect of this adoption by recognizing and measuring employee compensated absences as of January 1, 2023. The net position for the year ended December 31, 2023, was restated and decreased by approximately \$370 million. This new accounting standard requires that liabilities for employee compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash. The MTA also adopted GASB 100, which addresses accounting for changes and error corrections and amends GASB 62. The objective of this statement is to enhance accounting and financial reporting requirements to provide more understandable, reliable, relevant, consistent, and comparable information for decision-making or accountability purposes. The MTA evaluated the requirements of GASB 100 and concluded that the adoption did not have an impact on the financial position, results of operations, or cash flows of the MTA. There was also a change in accounting policy regarding the recognition of projects in progress and capital accruals at NYC Transit, SIRTOA, and Bus Company. This change was only at those three agencies and was made to increase consistency among all agencies. There was no change or impact at the HQ consolidated level. The change was related to the timing of recognition of projects in progress at the agency level.

With respect to significant accounting estimates, the MTA incurs certain employment-related expenses associated with pension and other post-employment benefits. To measure the expense associated with these benefits, management must apply various assumptions to both the value of its pension benefit obligation and the value of the asset pool used to fund the pension. These assumptions include the discount rate, inflation, salary increases, investment rate of return, post-retirement mortality rate, and assumed cost-of-living adjustments. The MTA uses a third-party actuary to assist management in properly measuring these expenses and liabilities. Deloitte also employs its own actuary specialist to assess the work of the MTA's actuary specialist. The MTA is also self-insured for workers' compensation, general, and auto claims. Self-insurance reserves are estimated based on loss information obtained from third-party administrators like CorVel and Aetna, with historical and industry claim development experience considered. Changes in assumptions—such as loss development triangles—directly impact the computation of the reserve and the income statement. There were no uncorrected misstatements or disclosure items passed identified during the audits either at the MTA group or agency level. There were two recorded adjustments for Other Post-Employment Benefits (OPEB) at Transit and SIRTOA that were slightly above Deloitte's minimum threshold - these decreased OPEB expense and increased deferred outflows. The pension correction for SIRTOA decreased pension expense and decreased deferred outflows slightly above Deloitte minimum threshold. Makrakis added that there were no disagreements with management; they were not aware of any consultations that management may have had with other accountants in 2024 about auditing and accounting matters; and they had unrestricted access to MTA senior management during the performance of their audits. In regard to related parties, Deloitte has evaluated the MTA's identification, accounting for, and disclosure of its related party relationships and transactions. Deloitte believes that the MTA has properly identified, accounted for, and disclosed its relationships and transactions with related parties in the financial statements. Examples of related party transactions include transactions between the MTA and its agencies, the City of New York, the State of New York, the State of Connecticut, federal government entities, and the Board of Directors. Consistent with prior years, Deloitte has included an emphasis of matter paragraph in its audit opinion. This is not a qualification—and Deloitte will still issue a clean audit opinion—but they want to draw users' attention to two items: (1) the MTA requires significant subsidies and has material transactions with New York City, New York State, and Connecticut, and

depends on economically sensitive tax revenues and (2) Adoption of GASB 101, which restated comparative figures. Deloitte's formal communication to the Audit Committee will include, as an Appendix, the management representation letters and 30 days after issuing its audit opinion, these letters will be provided to management. Also, Deloitte plans to issue the Single Audit report in the second week of July and the National Transit Database Agreed-Upon Procedures report by the end of June. Lastly, Makrakis thanked both the MTA management team and the Deloitte audit engagement team including its actuaries, IT team, internal quality review team, and subcontractors required under its contract with the MTA.

A motion was made and seconded to accept the 2024 Year End Financial Statements and to be recommended to the full board for final approval.

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

6. 2024 INVESTMENT COMPLIANCE REPORT

Kostas Makrakis, Managing Director, briefed the Committee on Deloitte's review of the MTA's compliance with the guidelines governing investment practices. During the audit, nothing came to their attention that would indicate that the MTA failed to comply with its investment guidelines, the New York State Comptroller's investment guidelines (Section 2925 of the New York State Public Authorities Law) or Section 201.3 of the New York State Public Authorities Law, insofar as they relate to accounting matters.

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

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

7. OPEN AUDIT RECOMMENDATIONS

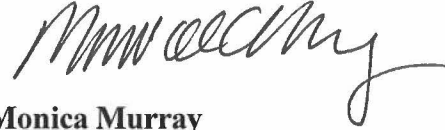
Lamond Kears, MTA Chief Compliance Officer, briefed the Committee on the quarterly report on the status of open and past due audit recommendations previously accepted by the agencies. Kears referenced the presentation in the Audit Committee Book and reminded the Committee members that this Committee had asked MTA Corporate Compliance to continually monitor the implementation of remediation plans. Kears reported that the agencies and the departments continue to implement the remediation plans at a consistent pace and that there are no concerns, at least from a compliance perspective. With respect to the approximately 36 high-priority past due remediation plans listed in the book, Kears noted that these are items that require coordination among multiple departments and multiple agencies but noted that it is a relatively small number and that they are being worked on and do not raise any significant concerns.

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

8. **MOTION TO ADJOURN**

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Monica Murray', with a stylized flourish at the end.

Monica Murray
Auditor General

2025 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

Responsibility

Each Meeting:

Approval of Minutes
Audit Work Plan

Committee Chair & Members
Committee Chair & Members

As Appropriate:

Pre-Approval of Audit and Non-
Auditing Services
Follow-Up Items
Status of Audit Activities

Committee Chair & Members

Auditor General
Auditor General/MTA IG/
CCO/CFO/
Controllers/External Auditor/
Committee Chair & Members

Executive Sessions

II. SPECIFIC AGENDA ITEMS

January 2025

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

External Auditor
Chief Compliance Officer

Chief Compliance Officer
Auditor General
Auditor General
Chief Compliance Officer

May 2025

2024 Audited Financial Statements
Management's Review of Consolidated
Financial Statements
Investment Compliance Report
Open Audit Recommendations

External Auditor/CFO
Deputy Chief, Controller's Office

External Auditor
Chief Compliance Officer

July 2025

Quarterly Financial Statements – 1st Quarter 2025
Pension Audits (2024)
Management's Review of Pension Audits
Single Audit Report
Management Letter Reports
Review of MTA/IG's Office (FY 2024)

External Auditor
External Auditor/Deputy Chief, Controller
Deputy Chief, Controller's Office
External Auditor/CFOs
External Auditor/CFOs/Controllers
External Auditor

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

Chief Compliance Officer
Chief Compliance Officer
Chief Compliance Officer
Auditor General
Chief Technology Officer
Chief Compliance Officer
General Counsels/External Auditor

October 2025

Quarterly Financial Statements – 2nd Quarter 2025
Appointment of External Auditors
Audit Approach Plans/Coordination
Review of Audit Committee Charter
Security of Sensitive Data & Systems
(Executive Session)
Open Audit Recommendations
Annual Audit Committee Report

External Auditor
Committee Chair & Members
External Auditor
CCO and Committee Chair
Chief Technology Officer

Chief Compliance Officer
Committee Chair

2025 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

Each Meeting

Approval of Minutes

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

Audit Work Plan

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

As Appropriate

Pre-Approval of Audit and Non-Auditing Services

As appropriate, all auditing services and non-audit services to be performed by external auditors will be presented to and pre-approved by the Committee.

Follow-Up Items

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

Status of Audit Activities

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

Executive Sessions

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

II. SPECIFIC AGENDA ITEMS

JANUARY 2025

Quarterly Financial Statements - 3rd Quarter 2024

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.

Enterprise Risk Management Update and Internal Control Guidelines

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

Compliance with the Internal Control Act

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

MTAAS 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.

The Metropolitan Transportation Authority
Report to Management
Year Ended December 31, 2024

July 31, 2025

The Audit Committee
Metropolitan Transportation Authority
New York, New York

And

The Management of the Metropolitan
Transportation Authority New York,
New York

Dear Members of the Audit Committee and Management:

In connection with our audits of the financial statements of the Metropolitan Transportation Authority (inclusive of Metropolitan Transportation Authority's Headquarters), First Mutual Transportation Assurance Company, Long Island Rail Road Company, Metro-North Commuter Railroad Company, MTA Bus Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, and the Triborough Bridge and Tunnel Authority (collectively the "MTA") as of and for the year ended December 31, 2024 (on which we have issued our reports dated June 17, 2025), performed in accordance with auditing standards generally accepted in the United States of America (generally accepted auditing standards), we considered internal control over financial reporting in order to design audit procedures that were appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MTA's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting. However, in connection with our audits, we have identified and included in the attached Appendix A, deficiencies related to MTA's internal control over financial reporting as of December 31, 2024, that we wish to bring to your attention.

We also plan to issue our Uniform Guidance reports in accordance with *Government Auditing Standards* and the U.S. Office of Management and Budget ("OMB") audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("OMB Uniform Guidance") and compliance with the types of compliance requirements described in the *Part 43 of the New York State Codification of Rules and Regulations* which will include (1) Independent Auditor's Report (2) Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with *Government Auditing Standards* (3) Independent Auditor's Report on Compliance for Each Major Federal Program; and Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and (4) Independent Auditor's Report on Compliance for Each Major State of New York Department of Transportation Assistance Program; and Report on Internal Controls over Compliance; and

Report on Schedule of State of New York Department of Transportation Assistance expended Required by Part 43 of the New York State Codification of Rules and Regulations.

The definition of a deficiency is also set forth in the attached Appendix B.

Although we have included management's written response to our comments in the attached Appendix A, such responses have not been subjected to the auditing procedures applied in our audits of the financial statements and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses, or the effectiveness of any corrective actions described therein.

This report is intended solely for the information and use of management, the Audit Committee, Federal and State awarding agencies or pass-through entities, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

**THE METROPOLITAN TRANSPORTATION AUTHORITY
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DRAFT

APPENDIX A

NEW YORK CITY TRANSIT AUTHORITY

NEW YORK CITY TRANSIT AUTHORITY
CURRENT YEAR COMMENTS – DEFICIENCY – 2024

We identified, and included below, a deficiency involving the NYCTA's internal control over financial reporting for the year ended December 31, 2024, that have not been previously communicated in writing or orally, by others within NYCTA, or by us that we wish to bring to your attention.

1. Deferred Outflows for OPEB Account Reconciliation

Criteria:

NYCTA performs an annual review of the schedule of other post-employment benefits (OPEB) contributions made subsequent to the measurement date to ensure these amounts are appropriately accounted for as deferred outflows in accordance with the actuary's OPEB valuation report.

Condition:

During our audit procedures, D&T identified a deficiency in NYCTA's review control through our substantive testing procedures related to OPEB deferred outflows and related OPEB expenses as of December 31, 2024.

Cause:

D&T notes that there was an oversight in the review of the NYCTA schedule of OPEB contributions made after the measurement date as of December 31, 2024 as it included the 2023 benefits paid in 2024 and excluded the 2024 benefits paid in 2025.

Effect:

As a result, there was an understatement of the OPEB deferred outflows amounting to \$28M as of December 31, 2024.

Recommendation:

We recommend that NYCTA management enhance the review process of the reconciliation between the OPEB deferred outflows per the year end Milliman OPEB valuation report and the NYCTA schedule of OPEB contributions made after the measurement date as of and by the year end to ensure that it captures the appropriate benefit payments pertaining to the current year.

Financial Statement Impact:

The net impact of this deficiency resulted in an understatement of \$28M on OPEB deferred outflows and a related overstatement of OPEB expenses for the same amount, which was corrected by management prior to December 31, 2024, in the MTA consolidated and NYCTA financial statement issuance.

Management Response:

Management will obtain the OPEB benefit payments during the year from the benefits department and perform a reconciliation and review of the NYCTA schedule of OPEB contributions against the general ledger to ensure that the appropriate expenses are captured in the schedule.

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
CURRENT YEAR COMMENTS – DEFICIENCIES – 2024

We identified, and included below, a deficiency involving SIRTOA's internal control over financial reporting for the year ended December 31, 2024, that have not been previously communicated in writing or orally, by others within SIRTOA, or by us that we wish to bring to your attention.

1. Deferred Outflows for OPEB Account Reconciliation

Criteria:

SIRTOA performs an annual review of the schedule of other post-employment benefits (OPEB) contributions made subsequent to the measurement date to ensure these amounts are appropriately accounted for as deferred outflows in accordance with the actuary's OPEB valuation report.

Condition:

During our audit procedures, D&T identified a deficiency in SIRTOA's review control through our substantive testing procedures related to OPEB deferred outflows and related OPEB expenses as of December 31, 2024.

Cause:

D&T notes that there was an oversight in the review of the SIRTOA schedule of OPEB contributions made after the measurement date as of December 31, 2024 as it included the 2023 benefits paid in 2024 and excluded the 2024 benefits paid in 2025.

Effect:

As a result, there was an understatement of the OPEB deferred outflows amounting to \$392K as of December 31, 2024.

Recommendation:

We recommend that SIRTOA management enhance the review process of the reconciliation between the OPEB deferred outflows per the year end Milliman OPEB valuation report and the SIRTOA schedule of OPEB contributions made after the measurement date as of and by the year end to ensure that it captures the appropriate benefit payments pertaining to the current year.

Financial Statement Impact:

The net impact of this deficiency resulted in an understatement of \$392K on OPEB deferred outflows and a related overstatement of OPEB expenses for the same amount, which was corrected by management prior to December 31, 2024, in the MTA consolidated and SIRTOA financial statement issuance.

Management Response:

Management will obtain the OPEB benefit payments during the year from the benefits payment department and perform a reconciliation and review of the SIRTOA schedule of OPEB contributions against the general ledger to ensure that the appropriate expenses are captured in the schedule.

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
CURRENT YEAR COMMENTS – DEFICIENCIES – 2024 (continued)

2. Deferred Outflows for Pension Account Reconciliation

Criteria:

SIRTOA performs a yearly review of the reconciliation between the pension deferred outflows for contributions made after measurement date and its related prepaid pension expenses as of and for the year ended to verify that and the amounts reconcile.

Condition:

During our audit procedures, D&T identified a deficiency in SIRTOA's review control through our substantive testing procedures related to pension deferred outflows and related prepaid pension expenses as of December 31, 2024.

Cause:

D&T notes that there was an oversight in the review of the reconciliation between the pension deferred outflows for contributions made after measurement date and prepaid pension expenses as of December 31, 2024. SIRTOA made advance contributions in 2023 for the proportionate share of pension expense on the MTA Defined Benefit Plan based on Actuarially Determined Contribution which was not properly reconciled as of December 31, 2024, resulting on a negative balance on the pension deferred outflows.

Effect:

As a result, there was an understatement of pension deferred outflows and a related overstatement of prepaid pension expenses amounting to \$1.1M.

Recommendation:

We recommend that SIRTOA management enhance the yearly review process of the reconciliation between pension deferred outflows and the prepaid pension contribution expense by taking in consideration advance contributions for the proportionate share of pension expense on MTA Defined Benefit Plan and the proper recognition of the related pension expense based on the year-end Milliman pension valuation report.

Financial Statement Impact:

The net impact of this deficiency resulted in an understatement of \$1.1M on deferred outflows for pensions and a related overstatement of prepaid pension expenses for the same amount, which was corrected by management within the December 31, 2024 financial statements of both MTA consolidated and SIRTOA..

Management Response:

Management agrees with the recommendation. The pension employer contributions after measurement date is one component of the total deferred outflows balance. Going forward, when reviewing the financial impacts of the pension transactions from the actuary report, Management will ensure that balances on pension-related ledger accounts are accurate and properly recorded.

APPENDIX B

DEFINITION

The definition of a deficiency is as follows:

A *deficiency* in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

APPENDIX C

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES AND INHERENT LIMITATIONS OF, INTERNAL CONTROL OVER FINANCIAL REPORTING

The following comments concerning management's responsibility for internal control over financial reporting and the objectives and inherent limitations of internal control over financial reporting are included in generally accepted auditing standards.

Management's Responsibility

The MTA's management is responsible for the overall accuracy of the financial statements and their conformity with accounting principles generally accepted in the United States of America. In this regard, the MTA's management is also responsible for designing, implementing, and maintaining effective internal control over financial reporting.

Objectives of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Control over Financial Reporting

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

* * * * *

**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,
Independent Auditor's Reports, Schedule of Expenditures of
Federal Awards, Schedule of State of New York Department of
Transportation Assistance Expended, and Schedule of Findings
and Questioned Costs

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METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

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METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the MTA as of December 31, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the MTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the MTA is a component unit of the State of New York. The MTA requires significant subsidies from, and has material transactions with, the City of New York, the State of New York, and the State of Connecticut, and depends on certain tax revenues that are economically sensitive. Our opinions are not modified with respect to this matter.

As discussed in Note 2 to the financial statements, effective January 1, 2023 the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, using the retrospective approach. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 6-23 and 108-138, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the MTA's basic financial statements. The supplementary information on pages 139-145, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information on pages 139-145 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2025, on our consideration of the MTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MTA's internal control over financial reporting and compliance.

June 17, 2025

[insert financial statement here]

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Board of
Metropolitan Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activities of the Metropolitan Transportation Authority (the "MTA"), a component unit of the State of New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the MTA's basic financial statements, and have issued our report thereon dated June 17, 2025, which contains emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 101, *Compensated Absences*, as of January 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered MTA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MTA's internal control. Accordingly, we do not express an opinion on the effectiveness of MTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the MTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MTA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 17, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the Board of
Metropolitan Transportation Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Metropolitan Transportation Authority's (the "MTA"), a component unit of the State of New York, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the MTA's major federal programs for the year ended December 31, 2024. The MTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the MTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the MTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to MTA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the MTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would

influence the judgment made by a reasonable user of the report on compliance about the MTA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the MTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the MTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on MTA's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. MTA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on MTA's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. MTA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA as of and for the year ended December 31, 2024, and have issued our report thereon dated June 17, 2025, which contained unmodified opinions on those financial statements which included emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 101, *Compensated Absences*, using the retrospective approach. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

September 30, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024151

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal ALN Number	Federal Agency/Program Description/Grant Title	Additional Awards/Pass- through Identifying Number	Grant Agreement Date	Pass- through to subrecipient	Federal Expenditures
U.S. Department of Transportation/Federal Transit Administration					
20.525	Federal Transit Administration—State of Good Repair Grants Program				
	Direct - U.S. Department of Transportation/Federal Transit Administration:				
	MTA FY16-17 SGR LIRR/MNR/NYCT §5337	NY-2017-043	9/12/2017	-	26,351,144
	MTA NYCT Section 5337 R211 Subway Car	NY-2018-060	9/11/2018	-	466,135,746
	MTA § 5337 NYCT ADA and Reconstruction Times Square Shuttle	NY-2019-014	7/24/2019	-	1,632,965
	MNR - Locomotive Purchase	NY-2019-047	8/26/2019	-	22,294,864
	MTA FY18/FY19 § 5337 NYCT/LIRR	NY-2019-050	8/27/2019	-	10,358,475
	MTA FY18 / FY19 § 5337 NYCT/MNR/LIRR II	NY-2019-065	9/23/2019	-	31,211,181
	MTA FY20 § 5337 NYCT/MNR/LIRR	NY-2020-083	8/26/2020	-	65,670,229
	MTA FY21 § 5337 NYCT/MNR/LIRR	NY-2021-016	8/26/2020	-	74,397,010
	MTA FY21 § 5337 NYCT/MNR/LIRR 2	NY-2021-042	8/26/2020	-	4,891,046
	MTA FY21 Section 5337 NYCT/LIRR - Stations/ADA	NY-2021-046	8/26/2020	-	50,576,512
	MTA 5337 SGR NYCT Emergency Exit 168 St	NY-2021-061	9/3/2021	-	4,611,039
	MTA FY21 Section 5337 NYCT - Stations	NY-2021-064	9/22/2021	-	29,221,034
	MTA FY21 § 5337 NYCT/LIRR 2	NY-2022-012	7/7/2022	-	73,299,122
	MTA FY22 § 5337 NYCT - Rolling Stock R211	NY-2022-014	8/2/2022	-	5,898,904
	MTA FY22 5337 MNR Park Avenue Viaduct	NY-2022-044	9/9/2022	-	10,307,636
	MTA FY22 § 5337 LIRR	NY-2022-045	9/14/2022	-	20,651,004
	MTA FY23 5337 NYCT/LIRR 3	NY-2023-094	9/12/2023	-	31,533,027
	MTA FY23 5337 NYCT/LIRR 2	NY-2023-095	9/12/2023	-	52,375,403
	MTA FY23 5337 NYCT ADA Stations	NY-2023-101	9/14/2023	-	40,256,293
	MTA FY24 5337 NYCT Preventive Maintenance	NY-2024-057	9/17/2024	-	1,201,244,768
				-	2,222,917,402
20.526	MTA BUS SEC.5339	NY-2016-040	9/16/2016	-	721,185
	MTA NYCT SEC.5339	NY-2017-045	8/29/2017	-	7,031,060
	MTA BUS SEC.5339	NY-2019-056	9/24/2019	-	940,784
	MTA FY2020 MTA Bus 5339	NY-2020-066	8/19/2020	-	9,249,127
	MTA NYCT SEC.5339	NY-2021-036	8/10/2021	-	46,573,735
	MTA FY22 5339 (b) Competitive NYCT Quill Depot	NY-2022-029	8/29/2022	-	867,365
	MTA FY22 § 5339 NYCT	NY-2022-053	9/14/2022	-	10,633,962
	MTA Bus Section 5339 FY21/ FY22 - Design Services	NY-2023-087	9/8/2023	-	79,412
				-	76,096,630
	Subtotal Federal Transit Administration—State of Good Repair Grants Program			-	2,299,014,032
	Total Federal Transit Cluster			\$ -	\$ 4,633,794,596
U.S. Department of Transportation/Federal Railroad Administration (Continued)					
	Pass-Through - State of New York Department of Transportation:				
20.301	Railroad Safety Infrastructure Improvement Grant Program ("RSIIG")	FRA-D036246	1/1/2019	-	\$ 92,181
	MTA Expansion of Trespassing and Suicide Prevention Initiatives	FR-TSP-0003-22	1/11/2022	-	\$ 92,181
20.326	Hudson Avenue Grade Crossing Rehabilitation and Safety Improvements	FRA-69A36521402780	5/27/2021	-	\$ 24,261
	Penn Station Access - Hell Gate Line Catenary System State of Good Repair Replacement	FR-FPS-2000-23	04/18/23	-	\$ 4,963,884
				-	\$ 4,988,145
U.S. Department of Transportation/Federal Highway Administration:					
20.205	Harlem Line Safety Improvements	FHWA-CARSI 1	2/8/2024	-	348,679
Direct - U.S. Department of Transportation/Federal Transit Administration:					
20.321	MNR CRISI Program PTC Grant	NY-2019-049	8/20/2019	-	196,628
Public Transportation Research					
20.514	FY19 AIM - §5312 Beyond Verification & Validation (V&V) for CBTC/UWB Systems	NY-2021-013	5/3/2021	-	98,401
Transit Services Programs Cluster:					
20.521	Public Transportation New Freedom Program- GCT Elevator	NY-57-X018	9/10/2010	-	3,455
	Total Transit Services Programs Cluster:			-	3,455

(Continued)

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Federal ALN Number	Federal Agency/Program Description/Grant Title	Additional Awards/Pass-through Identifying Number	Grant Agreement Date	Pass-through to subrecipient	Federal Expenditures
U.S. Department of Transportation/Federal Transit Administration					
20.527	Public Transportation Emergency Relief Program				
	NY MTA Hurricane Sandy Relief 5324	NY-44-X007	1/28/2014	-	10,456,111
	NY MTA Hurricane Sandy Relief 5324	NY-44-X008	9/23/2014	-	19,517,072
	NY MTA Hurricane Sandy Relief 5324	NY-44-X012	2/12/2015	-	8,468,362
	MNR Power&Signals Resiliency Improvement	NY-44-X015	8/18/2015	-	226,217
	Emergency Communications Enhancements	NY-44-X016	9/2/2015	-	1,522,384
	MTA NYCT CR Protection of Street Level Openings in Flood Prone Areas	NY-2017-032	8/22/2017	-	634,542
	MTA NYCT CR Sec. 5324 Emergency Communications Enhancements	NY-2017-033	8/22/2017	-	1,383,377
	MTA LIRR Flood Resiliency for Long Island City Yard	NY-2017-034	8/24/2017	-	295,441
	NY MTA Hurricane Sandy Relief 5324	NY-2017-052	8/31/2017	-	27,891,687
	MNR Power&Signals Resiliency Improvement	NY-2018-016	6/13/2018	-	1,389,322
	MTA NYCT CR Sec. 5324 Pumping Capacity Improvements	NY-2018-019	7/13/2018	-	495,255
	MTA NYCT Rockaway Line Protection CR - (Part 1: Hammels Wye)	NY-2018-025	7/17/2018	-	17,065,382
	MTA NYCT CR Sec. 5324 Protection of Tunnel Portals and Internal Sealing Part 1 (Resiliency)	NY-2018-028	7/17/2018	-	984,672
	MTA NYCT CR Sec. 5324 Right-of-Way (ROW) Equipment Hardening in Flood-Prone Areas	NY-2018-038	8/16/2019	-	793,309
	MTA LIRR CR Sec. 5324 New York-New Jersey River to River Rail Resiliency (R4) Project	NY-2018-039	9/5/2018	-	292,729
	MTA NYCT CR Sec. 5324 Flood Mitigation in Yards	NY-2018-052	8/17/2018	-	22,345,147
	MTA NYCT CR Sec. 5324 Flood Resiliency for Critical Bus Depots	NY-2019-020	7/23/2019	-	90,299
	MTA NYCT CR Sec. 5324 Flood Resiliency for Critical Support Facilities	NY-2019-028	7/29/2019	-	1,333,573
	MTA NYCT CR Sec. 5324 Hardening of Substations	NY-2019-044	8/14/2019	-	23,926,173
	MTA FY 2019 5324 Recovery & LPR -Part 7	NY-2019-066	8/26/2019	-	27,389,642
	Total Public Transportation Emergency Relief Program			-	166,500,696
20.530	Public Transportation Innovation Program				
	FY20 SRD - Designed for Impact - Safety & Collision Fatality Reduction	NY-2021-009	8/25/2021	-	505,124
	MTA FFY 21 Section 5312 Transit's Path Forward in a Pandemic	NY-2021-014	6/25/2021	-	70,000
				-	575,124
TOTAL FROM U.S. DEPARTMENT OF TRANSPORTATION				-	4,806,597,905
U.S. Department of Homeland Security:					
Pass-Through - State of New York Department of Emergency Management:					
97.036	Disaster Grants—Public Assistance (Presidentially Declared Disasters)—SANDY 2015	FEMA 4085 DRNY (Capital)	1/20/2015	-	(20,478,894)
	Total Disaster Grants—Public Assistance (Presidentially Declared Disasters) Program	FEMA 4085 DRNYM (Capital)	1/23/2014	-	(20,478,894)
Direct - U.S. Department of Homeland Security:					
97.056	Port Security Grant program	FE2021-PU-00078	9/1/2019	-	562,500
97.067	Rail and Transit Security Grant	UN19-1009-D00	9/27/2022	-	2,000,000
97.075	Rail and Transit Security Grant	FE2019-RA-00004	9/1/2019	1,366,114	6,077,362
	Rail and Transit Security Grant	FE2020-RA-00005	12/11/2020	2,416,348	8,349,626
	Rail and Transit Security Grant	FE2021-RA-00004	9/13/2021	8,137,482	13,306,440
	Rail and Transit Security Grant	FE2022-RA-00006	9/13/2022	4,236,734	5,975,278
	Rail and Transit Security Grant	FE2023-RA-00003	8/9/2023	99,377	122,377
	Total Rail and Transit Security Grant Program			16,256,055	33,831,083
TOTAL FROM U.S. DEPARTMENT OF HOMELAND SECURITY				16,256,055	15,914,689
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 16,256,055	\$ 4,822,512,594

See accompanying Notes to Schedule of Expenditures of Federal Awards.

(Concluded)

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies — Expenditures reported on the schedule of expenditures of federal awards (the “Schedule”) are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Basis of Presentation - The accompanying Schedule includes the federal award activity of the Metropolitan Transportation Authority (“MTA”), a component unit of the State of New York under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the MTA, it is not intended to and does not present the financial position, changes in net position, or cash flows of the MTA.

Financial Reporting Entity — The Metropolitan Transportation Authority 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, 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.

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.

2. **INDIRECT COST RATE**

The MTA has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. **PASS-THROUGH PROGRAMS**

When the MTA receives Federal funds from a government entity other than the Federal government (“pass-through”), the funds are accumulated based upon the Assistance Listing Number (“ALN”) number advised by the pass-through grantor.

4. **RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

The regulations and guidelines governing the preparation of Federal and State financial reports vary by state and Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal and state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule of Expenditures of Federal Awards, which is prepared as explained in Note 1 above.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified

 Yes X No

Significant deficiency(ies) identified?

 Yes X None Reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal Control over major programs :

Material weakness(es) identified

 Yes X No

Significant deficiency(ies) identified?

 X Yes No

Type of auditor's report issued on compliance for Major Programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

 X Yes No

Information of Major Programs:

ALN Number(s)

Name of Federal Program

20.500/507/525/526

Federal Transit Cluster

20.326

Federal-State Partnership for Intercity Passenger Rail

Dollar threshold used to distinguish between Type A and Type B programs

\$ 14,467,538

Auditee qualified as low-risk auditee?

Yes

2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None.

3. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS

See Pages 157-158.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS- FEDERAL AWARDS
(CONTINUED)
YEAR ENDED DECEMBER 31, 2024

Reference Number: 2024-001

Federal Agency: U.S. Department of Transportation

Federal Program: Federal Transit Cluster

ALN Number: 20.507; 20.525; and 20.526

Contract Number: C40261TECHINSP; C33941EFA-MTAB; C40265TECH-MTAB; U3NY-2023-101-02 and U9NY-2018-059-01

Requirement: Activities Allowed/Allowable Costs/Cost Principles

MTA Agencies : MTA Bus; Staten Island Rapid Transit Operating Authority

Type of Finding: Significant Deficiency-Non-Compliance

1. CRITERIA

Activities Allowed/Allowable Costs/Cost Principles including Indirect Costs—Direct - As stated in Uniform Grant Guidance - §200 Requirements for Allowable Costs:

- a. Costs did not consist of improper payments, including (1) payments that should not have been made or that were made in incorrect amounts (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; (2) payments that do not account for credit for applicable discounts; (3) duplicate payments; (4) payments that were made to an ineligible party or for an ineligible good or service; and (5) payments for goods or services not received (except for such payments where authorized by law).

2. CONDITION/PERSPECTIVE

The MTA has Activities Allowed/Allowable Costs/Cost Principles including Indirect Costs procedures in place. MTA has corporate policies and procedures regarding Activities Allowed/Allowable Costs.

We tested the Federal Transit Cluster's Allowable Costs compliance. Based on our review of sixty samples related to Personnel Services and Other than Personnel Services for this cluster, we noted that four samples related to an MTA Bus Company personnel's hourly rate were charged at higher rate. We noted that the rate per personnel file and employee payroll register differs from the actual rate used by the agency to charge labor costs. The agency calculated labor cost using the annual earnings that is divided by 52 weeks because there are 52 weeks a year, but MTA payroll department used 52.1428 weeks based upon 365/7 days a week, which created variances in labor costs billed and actual recorded labor costs.

For Contract # - U3NY-2023-101-02 and U9NY-2018-059-01 – We noted two instances of sixty samples reviewed where the agency used 2023 approved overhead rate of 98.18% instead of the 2024 approved overhead rate of 98.98%.

3. CAUSE

MTA did not ensure that all personnel hourly rates were charged at the correct amount. MTA did not ensure that correct approved indirect rate applied to the direct cost.

Reference Number: 2024-001

Federal Agency: U.S. Department of Transportation

Federal Program: Federal Transit Cluster

ALN Number: 20.507; 20.525; and 20.526

Contract Number: C40261TECHINSP; C33941EFA-MTAB; C40265TECH-MTAB; U3NY-2023-101-02 and U9NY-2018-059-01

Requirement: Activities Allowed/Allowable Costs/Cost Principles

MTA Agencies : MTA Bus; Staten Island Rapid Transit Operating Authority

Type of Finding: Significant Deficiency-Non-Compliance

4. **EFFECT**

The FTA may disallow reimbursement for the incorrect amounts reported and MTA may be considered non-compliant related to the Activities Allowed/Allowable/Cost Principles compliance requirements within ~~related to~~ 2 CFR- Part 200; Subpart E – Activities Allowed/Allowable Costs/Cost Principles.

5. **REPEAT FINDING**

No

6. **RECOMMENDATION**

We recommend that MTA ensure that all personnel are reviewed and should be charged at the correct hourly rates as required by §200 CFR Subpart E – Allowable Costs. We also recommend that approved indirect rate applied to direct costs.

7. **QUESTIONED COST**

Cannot be Determined.

8. **VIEWS OF RESPONSIBLE OFFICIAL**

MTA is acknowledging the findings. MTA Bus Accounting will work with the project team to implement the correct rate and return the credit to FTA as needed. SIRTOA Finance will ensure that the overhead rates on the labor sheets reflect the correct percentage.

Also, see “Corrective Action Plan”.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS — FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2024

We performed MTA's single audit for the year ended December 31, 2023, prior to performing the single audit for the fiscal year ended December 31, 2024.

The following schedule contains the finding reference number and title for each of the findings included in the December 31, 2023, report. The letters under the heading Current Status indicates the following:

F Full (the Status of Prior Year Finding was fully implemented)
R Repeated during Current Year
P In progress

<u>Reference number</u>	<u>ALN #</u>	<u>Compliance</u>	<u>Current Status</u>
2023-001	93.075	Subrecipient Monitoring	F
2023-002	93.075	Equipment and Real Property Management	P
2023-003	20.507	Allowable Costs—Direct	F
2023-004	20.527	Equipment and Real Property Management	F
F			

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED REQUIRED BY PART 43 OF THE NEW YORK STATE CODIFICATION OF RULES AND REGULATIONS

To the Members of the Board of
Metropolitan Transportation Authority

Report on Compliance for Each Major State of New York Department of Transportation Assistance Program

Opinion on Each Major State of New York Department of Transportation Assistance Program

We have audited the Metropolitan Transportation Authority's (the "MTA"), a component unit of the State of New York, compliance with the types of compliance requirements described in Part 43 of the New York State Codification of Rules and Regulations ("NYSCRR") identified as subject to audit in the NYSCRR that could have a direct and material effect on each of the MTA's major State of New York Department of Transportation Assistance Program for the year ended December 31, 2024. The MTA's major State of New York Department of Transportation Assistance Program is identified in the summary of auditor's results section of the accompanying State of New York Department of Transportation assistance expended schedule of findings and questioned costs.

In our opinion, the MTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State of New York Department of Transportation Assistance Program for the year ended December 31, 2024.

Basis for Opinion on Each Major State of New York Department of Transportation Assistance Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of NYSCRR. Our responsibilities under those standards and the NYSCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the MTA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State of New York Department of Transportation Assistance Program. Our audit does not provide a legal determination of the MTA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the MTA's State of New York Department of Transportation Assistance Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the MTA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the NYSCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the MTA's compliance with the requirements of each major State of New York Department of Transportation Assistance Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the NYSCRR, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the MTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the MTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of the MTA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the NYSCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State of New York Department of Transportation Assistance Expended Required by the Part 43 of the New York State Codification of rules and regulations.

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA as of and for the year ended December 31, 2024, and have issued our report thereon dated June 17, 2025, which contained unmodified opinions on those financial statements which included emphasis of matter paragraphs regarding the MTA requiring significant subsidies from other governmental entities and the MTA's adoption of GASB Statement No. 101, *Compensated Absences*, using the retrospective approach. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of State of New York Department of Transportation Assistance Expended is presented for purposes of additional analysis as required by the NYSCRR and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of State of New York Department of Transportation Assistance Expended is fairly stated in all material respects in relation to the financial statements as a whole.

July 28, 2025

**METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)**

STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION

**SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION
ASSISTANCE EXPENDED**

YEARENDED DECEMBER 31, 2024

<u>State Grantor Program Title</u>	<u>ALN Number</u>	<u>State Contract Number</u>	<u>Expenditures</u>
Statewide Mass Transportation Operating Assistance Program	N/A	-	\$ <u>187,924,000</u>
Total State Transportation Assistance Expended			\$ <u>187,924,000</u>

See accompanying Notes to Schedule of State of New York Department of Transportation
Assistance Expended.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

**NOTES TO SCHEDULE OF STATE OF NEW YORK DEPARTMENT OF
TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED DECEMBER 31, 2024**

1. BASIS OF PRESENTATION

- a. Reporting Entity—General Principles of Consolidation—** The consolidated financial statements of the business-type activities consist of MTA Headquarters, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Bus, MTA Capital Construction, MTA New York City Transit (including its subsidiary MaBSTOA), and MTA Bridges and Tunnels for years presented in the financial statements. All related group transactions have been eliminated for consolidation purposes.

The accompanying Schedule of State of New York Department of Transportation Assistance Expended of the MTA presents the activity of all financial assistance programs provided by the New York State Department of Transportation to the MTA.

b. Program Tested

For the MTA's purpose, a State Transportation Assistance Program, as defined by Part 43 of the New York State Codification of Rules and Regulations ("NYSCRR") is any program that exceeds \$3,000,000 when the total State Transportation Assistance Expended of the reporting entity exceeds \$100 million. Total expenditures incurred by the MTA for the State Transportation Assistance Programs were \$187,924,000.

c. Indirect Costs

Indirect costs are included in the reported expenditures to the extent they are included in the financial reports used as the source for the data presented.

2. BASIS OF ACCOUNTING

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

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

Operating Assistance— The MTA Group receives, subject to annual appropriation, New York State ("NYS") operating assistance funds that are recognized as revenue after the NYS budget is approved.

Generally, funds received under the NYS operating assistance program are fully matched by contributions from The City of New York and the seven other counties within the MTA's service area.

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including anticipated revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the year ended December 31, 2024, and 2023 totaled \$9.7 billion and \$8.4 billion, respectively.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS — STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF AUDITORS' RESULTS: STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

Internal control over State of New York Department of Transportation Assistance Expended:

Material weakness(es) identified Yes ✓ No

Significant deficiency(ies) identified? Yes ✓ None Reported

Type of auditor's report issued on compliance for
State Transportation Assistance Programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the *Part 43 of the New*
York State Codification of Rules and Regulations? Yes ✓ No

Identification of State of New York Department of Transportation Assistance Program tested:

<u>State Grantor Program Title</u>	<u>ALN Number</u>	<u>State Contract Number</u>	<u>Expenditures</u>
Statewide Mass Transportation Operating Assistance Program	N/A	-	<u>\$187,924,000</u>
Dollar threshold used to determine program to be tested:		<u>\$3,000,000</u>	
Auditee qualified as low-risk auditee?		<u>✓ Yes</u> <u>No</u>	

2. FINDINGS AND QUESTIONED COSTS RELATING TO STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

None.

METROPOLITAN TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS — STATE OF NEW YORK DEPARTMENT OF TRANSPORTATION ASSISTANCE EXPENDED

YEAR ENDED DECEMBER 31, 2024

None

FEDERAL AWARDS—CORRECTIVE ACTION PLAN

REFERENCE # 2024-001	Federal Transit Cluster - ALN Number: 20.507; 20.525; and 20.526 Contract Number: C40261TECHINSP; C33941EFA-MTAB; C40265TECH-MTAB; U3NY-2023-101-02 and U9NY-2018-059-01 Significant Deficiency-Non-Compliance
Agency:	U.S. Department of Transportation
Criteria:	Activities Allowed/Allowable Costs/Cost Principles including Indirect Costs—Direct - As stated in Uniform Grant Guidance - §200 Requirements for Allowable Costs: a. Costs did not consist of improper payments, including (1) payments that should not have been made or that were made in incorrect amounts (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; (2) payments that do not account for credit for applicable discounts; (3) duplicate payments; (4) payments that were made to an ineligible party or for an ineligible good or service; and (5) payments for goods or services not received (except for such payments where authorized by law).
Condition/Context:	The MTA has Activities Allowed/Allowable Costs/Cost Principles including Indirect Costs procedures in place. MTA has corporate policies and procedures regarding Activities Allowed/Allowable Costs. We tested the Federal Transit Cluster’s Allowable Costs compliance. Based on our review of sixty samples related to Personnel Services and Other then Personnel Services for this cluster, we noted that Four sample related to an MTA Bus Company personnel’s hourly rate was charged at higher rate. We noted that the rate per personnel file and employee payroll register differs from the actual rate used by the agency to charge labor costs. The agency calculated labor cost using the annual earnings that is divided by 52 weeks because there are 52 weeks a year, but MTA payroll department used 52.1428 weeks because 365/7 days a week, which created variance in labor costs billed and actual recorded labor costs. For Contract # - U3NY-2023-101-02 and U9NY-2018-059-01 – We noted two instances of sixty samples reviewed where the agency used 2023 approved overhead rate of 98.18% instead of the 2024 approved overhead rate of 98.98%.
Recommendation:	We recommend that MTA ensure that all personnel are reviewed and should be charged at the correct hourly rates as required by §200 CFR Subpart E – Allowable Costs. We also recommend that approved indirect rate applied to direct costs.

Corrective Action Plan:	MTA Bus will work with the project team to implement the correct rate and calculate the variance. MTA Bus will return the credit to the FTA as needed. Going forward, MTA Bus will review the employee wage rates from the official data sources to ensure that the correct rates are applied. SIR Finance will ensure that the overhead rates on the labor sheets are reflecting the correct percentage by adding a "verification measure" to a checklist while performing internal audits and approvals of the invoices prior to submission. Additionally, SIR-Finance will adjust the formatting within the invoice spreadsheets for easier visibility to a potential error in the calculated overhead percentage.
Action Date:	MTABUS – 1ST QUARTER 2026 SIRTOA - Effective Immediately - on July 2025 Invoices
Final Implementation Date:	MTABUS – 2ND QUARTER 2026 SIRTOA – July 2025
Name And Phone Number of Person Responsible For Implementation:	MTABUS Marixsa Rivera Assistant Budget Chief • Project Development 718-927-8056 SIRTOA Marissa Rand Assistant Director, Finance & Timekeeping - SIR 347-694-6448

Metropolitan Transportation Authority

**Employee Benefit Plans Presentation
Financial Statements For The Year Ended
December 31, 2024**

7/28/2025



MTA Benefit Plans Financial Statements

December 31, 2024

#	BENEFIT PLAN NAME	TYPE	EMPLOYEES COVERED	TOTAL NET ASSETS	TOTAL MEMBERSHIP
1	MTA DEFINED BENEFIT PENSION PLAN	Defined Benefit Pension Plan	Covers certain LIRR non-represented and represented employees hired after December 31, 1987, MNR non-represented and certain represented employees, MTA Police, SIRTOA non-represented and represented employees, certain employees of MTA Bus and certain employees of the former LI Bus hired prior to January 23, 1983.	\$7,181,669	33,537
2	MANHATTAN and BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN	Defined Benefit Pension Plan	MaBSTOA employees of the Transit Authority who are specifically excluded from NYCERS.	\$4,113,785	16,154
3	LONG ISLAND RAILROAD COMPANY PLAN FOR ADDITIONAL PENSIONS	Defined Benefit Pension Plan	Long Island Railroad employees hired effective July 1, 1971 and prior to January 1, 1988.	\$709,626	4,797
4	METRO NORTH COMMUTER RAILROAD COMPANY CASH BALANCE PLAN	Defined Benefit Pension Plan	Metro North Railroad employees hired prior to June, 1983.	\$249	25
5	MTA DEFERRED COMPENSATION PROGRAM	Defined Contribution Plans - (401K & 457)	All MTA non-represented employees and most represented employees.	\$10,685,266	401K = 69,991 457 = 53,323
6	MTA RETIREE WELFARE BENEFITS PLAN (OPEB PLAN)	Retiree Benefits Welfare Plan	The MTA Group's retired employees and their eligible spouses and dependents.	\$1,432,582	122,632

* Note: MTA employees are also participants in NYCERS (New York City Employees' Retirement System) with approximately 38,528 active members and NYSLERS (New York State and Local Retirement System) with approximately 1,845 active members.

Note: \$'s in thousands.

MTA Benefit Plan Financial Statements

The MTA's Benefit Plans Financial Statements are prepared in conformity with Generally Accepted Accounting Principles in the United States (GAAP) using accounting standards established by the Government Accounting Standards Board (GASB). They include 4 sections as follows:

1. Managements' Discussion & Analysis (MD&A)
2. The basic Financial Statements which include:
 - The Statement of Fiduciary Net Position
 - The Statement of Changes in Fiduciary Net Position
3. The Notes to the Financial Statements
4. Required Supplementary Information (RSI)

MTA Pension Plans (including cost-sharing multi-employer) and MTA OPEB Plan

(\$'s in Thousands)		Balances as of December 31, 2024			
PENSION PLAN	Pension Liability	Plan Net Assets	Net Pension Liability	Funded Ratio	FY24 Contributions
Single Employer					
1 MTADB PLAN (MTA Group)	(8,756,739)	7,181,669	(1,575,070)	82.0%	355,279
2 MABSTOA Plan	(4,890,418)	4,113,785	(776,633)	84.1%	189,884
3 LIRR Additional Plan	(1,143,000)	709,626	(433,374)	62.1%	74,957
4 MNCRR Cash Balance Plan	(252)	249	(3)	98.8%	22
Total Single Employer Plans	\$ (14,790,409)	\$ 12,005,329	\$ (2,785,080)	81.2%	\$ 620,142
Cost-Sharing Multi-Employer Plans					
5 NYSLERS - MTA % = 0.30%	(854,484)	802,213	(52,271)	93.9%	14,125
6 NYCERS - MTA % = 21.98%	(22,955,194)	19,340,101	(3,615,093)	84.3%	832,914
Total Multi-Employer Plans	\$ (23,809,678)	\$ 20,142,314	\$ (3,667,364)	84.6%	\$ 847,039
TOTAL CONSOLIDATED PENSIONS	\$ (38,600,087)	\$ 32,147,643	\$ (6,452,444)	83.3%	\$ 1,467,181
OPEB PLAN	OPEB Liability	Plan Net Assets	Net OPEB Liability	Funded Ratio	FY24 Contributions
MTA Retiree Welfare Benefits Plan	\$ (21,007,381)	\$ 1,432,582	\$ (19,574,799)	6.8%	\$ 877,690

Metropolitan Transportation Authority Deferred Compensation Program

(A Fiduciary Component Unit of the Metropolitan
Transportation Authority)

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

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

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INDEPENDENT AUDITOR'S REPORT

To the Committee of the
Metropolitan Transportation Authority Deferred Compensation Program

Opinion

We have audited each of the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Deferred Compensation Program, comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "457 Plan") and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the "401(k) Plan"), (collectively the "Plans") as of December 31, 2024 and 2023, and each of the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement

when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

July 28, 2025

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

The Deferred Compensation Program is comprised of the Deferred Compensation Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the “457 Plan”) and the Thrift Plan for Employees of the Metropolitan Transportation Authority, its Subsidiaries and Affiliates (the “401(k) Plan”), collectively known as the “Plans” and the “Metropolitan Transportation Authority Deferred Compensation Plans”. This management’s discussion and analysis of the Plans’ financial performance provides an overview of the Plans’ financial activities for the years ended December 31, 2024 and 2023. It is meant to assist the reader in understanding the Plans’ financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA’s management that should not be considered a replacement for, and is intended to be read in conjunction with the Plans’ financial statements which begin on page 21.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** - present the financial position of the Plans at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at contract and net asset values (“NAV”). All other assets and liabilities are determined on an accrual basis.
- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Plans are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the contract and NAV of investments are included in the year’s activity as net appreciation in contract and NAV values of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plans’ accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

The financial statements are prepared in accordance with Governmental Accounting Standards Board (“GASB”) Pronouncements.

Financial Highlights

As a result of various Deferred Compensation Program changes, expanding participant eligibility through collective bargaining, a strong educational program and greater participant satisfaction, the Deferred Compensation Program has continued to grow. The assets of the 457 Plan exceeded its liabilities by \$4.445 billion and the assets of the 401(k) Plan exceeded its liabilities by \$6.241 billion as of December 31, 2024. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2024, the net positions held in trust for the 457 Plan and the 401(k) Plan increased by \$409.9 million and \$589.3 million, respectively, due primarily to market outperformance and net increase in investment income to the plans.

The assets of the 457 Plan exceeded its liabilities by \$4.035 billion and the assets of the 401(k) Plan exceeded its liabilities by \$5.651 billion as of December 31, 2023. This net position restricted for benefits is held in trust for distribution to the Plans participants and/or beneficiaries. During 2023, the net positions held in trust for the 457 Plan and the 401(k) Plan increased by \$494.4 million and \$710.3 million, respectively, due primarily to market outperformance and net increase in investment income to the plans.

Deductions from the Plans' net position consist primarily of distributions to participant and transfers to other plans, and plan expenses in the amounts of \$331.172 million and \$258.609 million for the 457 Plan and \$499.919 million and \$371.556 million for the 401(k) Plan for the years ended December 31, 2024 and 2023.

Plans Fiduciary Net Position
As of December 31,
(\$ In Thousands)

457 Plan

				Amount of Change		Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ASSETS:							
Investments	\$ 4,345,579	\$ 3,949,255	\$ 3,462,358	\$ 396,324	\$ 486,897	10.0 %	14.1 %
Participant loans receivable	99,539	85,889	79,829	13,650	6,060	15.9	7.6
Total assets	4,445,118	4,035,144	3,542,187	409,974	492,957	10.2	13.9
LIABILITIES:							
Administrative expense reimbursement	603	524	1,946	79	(1,422)	15.1	(73.1)
Total liabilities	603	524	1,946	79	(1,422)	15.1	(73.1)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
	\$ 4,444,515	\$ 4,034,620	\$ 3,540,241	\$ 409,895	\$ 494,379	10.2 %	14.0 %

401(k) Plan

				Amount of Change		Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ASSETS:							
Investments	\$ 6,031,167	\$ 5,477,595	\$ 4,780,089	\$ 553,572	\$ 697,506	10.1 %	14.6 %
Participant loans receivable	211,252	175,336	162,609	35,916	12,727	20.5	7.8
Total assets	6,242,419	5,652,931	4,942,698	589,488	710,233	10.4	14.4
LIABILITIES:							
Administrative expense reimbursement	1,668	1,492	1,568	176	(76)	11.8	(4.8)
Total liabilities	1,668	1,492	1,568	176	(76)	11.8	(4.8)
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
	\$ 6,240,751	\$ 5,651,439	\$ 4,941,130	\$ 589,312	\$ 710,309	10.4 %	14.4 %

**Changes in Plans Fiduciary Net Position
For the Years Ended December 31,
(\$ In Thousands)**

457 Plan

	Amount of Change					Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ADDITIONS:							
Investment income/(loss)	\$ 436,509	\$ 496,915	\$ (469,575)	\$ (60,406)	\$ 966,490	(12.2)%	205.8 %
Contributions and additional deposits	298,321	251,518	231,990	46,803	19,528	18.6	8.4
Loan repayments - interest	6,237	4,556	3,788	1,681	768	36.9	20.3
Total additions	741,067	752,989	(233,797)	(11,922)	986,786	(1.6)	422.1
DEDUCTIONS:							
Distribution to participants	174,316	106,732	103,238	67,584	3,494	63.3	3.4
Transfers to other plans	155,359	146,839	110,373	8,520	36,466	5.8	33.0
Net participant loan activity	130	3,365	3,633	(3,235)	(268)	(96.1)	(7.4)
Other	1,367	1,674	1,681	(307)	(7)	(18.3)	(0.4)
Total deductions	331,172	258,610	218,925	72,562	39,685	28.1	18.1
Increase/(decrease) in net position	409,895	494,379	(452,722)	(84,484)	947,101	(17.1)	209.2
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	4,034,620	3,540,241	3,992,963	494,379	(452,722)	14.0	(11.3)
End of year	\$ 4,444,515	\$ 4,034,620	\$ 3,540,241	\$ 409,895	\$ 494,379	10.2 %	14.0 %

401(k) Plan

	Amount of Change					Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ADDITIONS:							
Investment Income/(loss)	\$ 608,188	\$ 704,020	\$ (674,552)	\$ (95,832)	\$ 1,378,572	(13.6)%	204.4 %
Contributions and additional deposits	467,640	368,466	334,139	99,174	34,327	26.9	10.3
Loan repayments - interest	13,403	9,379	7,760	4,024	1,619	42.9	20.9
Total additions	1,089,231	1,081,865	(332,653)	7,366	1,414,518	0.7	425.2
DEDUCTIONS:							
Distribution to participants	211,060	155,924	141,811	55,136	14,113	35.4	10.0
Transfers to other plans	286,616	207,293	147,251	79,323	60,042	38.3	40.8
Net participant loan activity	120	5,365	5,166	(5,245)	199	(97.8)	3.9
Other	2,123	2,974	2,735	(851)	239	(28.6)	8.7
Total deductions	499,919	371,556	296,963	128,363	74,593	34.5	25.1
Increase/(decrease) in net position	589,312	710,309	(629,616)	(120,997)	1,339,925	(17.0)	212.8
TOTAL NET POSITION RESTRICTED FOR BENEFITS							
Beginning of year	5,651,439	4,941,130	5,570,746	710,309	(629,616)	14.4	(11.3)
End of year	\$ 6,240,751	\$ 5,651,439	\$ 4,941,130	\$ 589,312	\$ 710,309	10.4 %	14.4 %

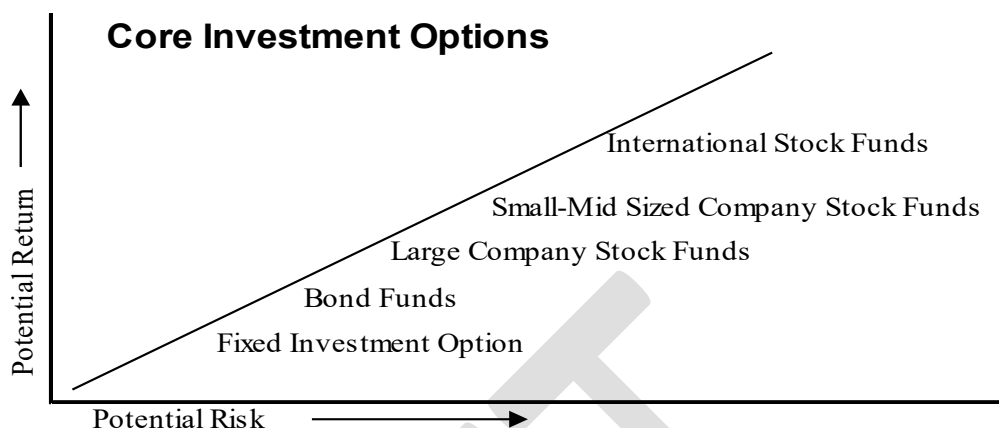
Investment Options

The MTA Plans offer eleven (11) Target-Year Lifecycle Funds, which provide a diversified mix of certain of the Plans' investment options and allow a participant to choose the fund closest to their anticipated withdrawal date. The Target-Year Lifecycle Funds are designed to provide an asset allocation strategy appropriate for an individual's risk and return preferences in a single fund through a diversified portfolio of the Plans' domestic stock funds, international stock funds and fixed income funds. Some components are not offered to participants outside of the Target-Year Lifecycle Funds. Allocations are automatically rebalanced to their targets on a quarterly basis.

<u>Fund Name</u>	<u>Asset Class</u>	<u>Portfolio Allocations</u>
MTA Target-Year Lifecycle 2020 Fund	Large Cap 15.60% Small - Mid Cap 3.60% Intl Equity 13.30% Fixed Income 15.60% Real Asset 6.50% Stable Value 45.40%	MTA Large Cap Equity Index Fund 15.60% MTA Small-Mid Cap Equity Fund 3.60% MTA International Equity Fund 13.30% MTA Bond Fund 15.60% MTA Real Asset Fund 6.50% MTA Stable Value Fund 45.40%
MTA Target-Year Lifecycle 2025 Fund	Large Cap 20.00% Small - Mid Cap 4.70% Intl Equity 17.10% Fixed Income 15.30% Real Asset 6.10% Stable Value 36.80%	MTA Large Cap Equity Index Fund 20.00% MTA Small-Mid Cap Equity Fund 4.70% MTA International Equity Fund 17.10% MTA Bond Fund 15.30% MTA Real Asset Fund 6.10% MTA Stable Value Fund 36.80%
MTA Target-Year Lifecycle 2030 Fund	Large Cap 26.00% Small - Mid Cap 6.40% Intl Equity 22.00% Fixed Income 15.10% Real Asset 5.60% Stable Value 24.90%	MTA Large Cap Equity Index Fund 26.00% MTA Small-Mid Cap Equity Fund 6.40% MTA International Equity Fund 22.00% MTA Bond Fund 15.10% MTA Real Asset Fund 5.60% MTA Stable Value Fund 24.90%
MTA Target-Year Lifecycle 2035 Fund	Large Cap 30.90% Small - Mid Cap 8.90% Intl Equity 26.70% Fixed Income 14.30% Real Asset 5.10% Stable Value 14.10%	MTA Large Cap Equity Index Fund 30.90% MTA Small-Mid Cap Equity Fund 8.90% MTA International Equity Fund 26.70% MTA Bond Fund 14.30% MTA Real Asset Fund 5.10% MTA Stable Value Fund 14.10%
MTA Target-Year Lifecycle 2040 Fund	Large Cap 33.50% Small - Mid Cap 12.10% Intl Equity 30.60% Fixed Income 13.90% Real Asset 4.60% Stable Value 5.30%	MTA Large Cap Equity Index Fund 33.50% MTA Small-Mid Cap Equity Fund 12.10% MTA International Equity Fund 30.60% MTA Bond Fund 13.90% MTA Real Asset Fund 4.60% MTA Stable Value Fund 5.30%

<u>Fund Name</u>	<u>Asset Class</u>	<u>Portfolio Allocations</u>
MTA Target-Year Lifecycle 2045 Fund	Large Cap 35.00% Small - Mid Cap 14.50% Intl Equity 33.30% Fixed Income 12.40% Real Asset 4.10% Stable Value 0.70%	MTA Large Cap Equity Index Fund 35.00 % MTA Small-Mid Cap Equity Fund 14.50% MTA International Equity Fund 33.30% MTA Bond Fund 12.40% MTA Real Asset Fund 4.10% MTA Stable Value Fund 0.70%
MTA Target-Year Lifecycle 2050 Fund	Large Cap 36.50% Small - Mid Cap 15.60% Intl Equity 35.00% Fixed Income 9.30% Real Asset 3.60%	MTA Large Cap Equity Index Fund 36.50% MTA Small-Mid Cap Equity Fund 15.60% MTA International Equity Fund 35.00% MTA Bond Fund 9.30% MTA Real Asset Fund 3.60%
MTA Target-Year Lifecycle 2055 Fund	Large Cap 37.60% Small - Mid Cap 16.20% Intl Equity 35.80% Fixed Income 7.30% Real Asset 3.10%	MTA Large Cap Equity Index Fund 37.60% MTA Small-Mid Cap Equity Fund 16.20% MTA International Equity Fund 35.80% MTA Bond Fund 7.30% MTA Real Asset Fund 3.10%
MTA Target-Year Lifecycle 2060 Fund	Large Cap 37.80% Small - Mid Cap 16.20% Intl Equity 36.00% Fixed Income 7.00% Real Asset 3.00%	MTA Large Cap Equity Index Fund 37.80% MTA Small-Mid Cap Equity Fund 16.20% MTA International Equity Fund 36.00% MTA Bond Fund 7.00% MTA Real Asset Fund 3.00%
MTA Target-Year Lifecycle 2065 Fund	Large Cap 37.80% Small - Mid Cap 16.20% Intl Equity 36.00% Fixed Income 7.00% Real Asset 3.00%	MTA Large Cap Equity Index Fund 37.80% MTA Small-Mid Cap Equity Fund 16.20% MTA International Equity Fund 36.00% MTA Bond Fund 7.00% MTA Real Asset Fund 3.00%
MTA Income Fund	Large Cap 14.20% Small - Mid Cap 3.20% Intl Equity 11.60% Fixed Income 16.00% Real Asset 7.00% Stable Value 48.00%	MTA Large Cap Equity Index Fund 14.20% MTA Small-Mid Cap Equity Fund 3.20% MTA International Equity Fund 11.60% MTA Bond Fund 16.00% MTA Real Asset Fund 7.00% MTA Stable Value Fund 48.00%

In addition to the eleven Target-Year lifecycle funds, the Plans offer a spectrum of investment options that include two international funds, four small-mid company stock funds, two large company stock funds, three bond funds, and the Stable Value Income Fund (“Fixed Investment Option”).



The investment objective for each of the funds is described below. Additional information on each investment option, including a Fund Fact Sheet is available on the Plans’ website at empower-retirement.com.

International Equity Funds

MTA International Equity Index Fund (Non-US Equity) - The fund invests wholly in State Street Global Advisors (“SSgA”) Global All Cap Equity ex U.S. Index Fund – Class K (the Collective Investment Trust C.I.T.). The C.I.T. Fund seeks to match as closely as possible, before expenses, the performance of the MSCI ACWI ex-USA IMI Index over the long term.

MTA International Equity Fund (International Stock-Blend) - The Portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **William Blair International Growth Fund (International Stock-Growth)** - The fund seeks to provide long-term growth of capital. The fund invests in a diversified portfolio of equity securities, including common stocks and other forms of equity investments (e.g., securities convertible into common stocks), issued by companies of all sizes domiciled outside the U.S. that William Blair believes have above-average growth, profitability and quality characteristics. William Blair will vary sector and geographic diversification for the fund based upon its ongoing evaluation of economic, market and political trends throughout the world. The fund seeks to provide long-term growth of capital.
2. **Boston Partners International Value Equity (International Stock-Value)** - The Collective Investment Trust Fund is advised by Boston Partners. The objective of the portfolio is to provide long-term capital growth that utilizes bottom-up fundamental analysis in conjunction with a screening process across global equities to construct a portfolio of non-U.S. stocks.

Small-Mid Cap Equity Fund

MTA Small-Mid Cap Equity Index Fund (Mid Cap Stock-Blend) - The Fund invests wholly in the underlying collective investment trust SSgA Russell Small/Mid Cap Non-Lending Series- Class K (the “C.I.T.”). The underlying collective investment trust seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Russell Small Cap Completeness Index over the long term.

MTA Small-Mid Cap Equity Fund (Mid Cap Stock-Blend) - The Fund is managed by four complementary, but independent managers. By employing four managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **The William Blair Small-Mid Cap Growth Fund** (Small Growth) - is sub-advised by William Blair Investment Management, LLC. The strategy seeks capital appreciation to outperform its benchmark, the Russell 2500 Growth Index, and its peers over a full market cycle. The strategy is a diversified portfolio of 65-80 holdings, investing in common stocks of small and mid-cap quality companies that are expected to have solid growth in earnings.
2. **The DFA US Targeted Value I** (Small Value) - the fund is advised by Dimensional Fund Advisors LP. The investment seeks long-term capital appreciation. The fund, using a market capitalization weighted approach, purchases a broad and diverse group of the readily marketable securities of U.S. small and midcap companies that the Advisor determines to be value stocks. It may purchase or sell futures contracts and options on futures contracts for U.S. equity securities and indices, to adjust market exposure based on actual or expected cash inflows to or outflows from the fund. The fund does not intend to sell futures contracts to establish short positions in individual securities or to use derivatives for purposes of speculation or leveraging investment returns.
3. **AllianceBernstein US SMID Cap Value Equity Fund** (Small Value) - the fund is managed by AllianceBernstein. It seeks a deep-value service that invests in a portfolio of small and mid-capitalization stocks located primarily in the United States. Macroeconomic, industry or company-specific concerns often cause investors to react emotionally and overlook underlying company fundamentals, causing securities to become mispriced. The investment strategy seeks to capitalize these short-term market inefficiencies created by enduring patterns of human behavior. The investment team employs a highly disciplined stock selection process that marries in-depth fundamental research with quantitative analysis to identify companies that are undervalued relative to their long-term earnings power and offer compelling return potential.
4. **Westfield Small/Mid Cap Growth Equity** (Small Growth) - employs a growth at a reasonable price (GARP) investment style favoring investments in companies with underappreciated earnings growth trading at reasonable valuations based on the belief that stock prices ultimately follow earnings growth, and fundamental research best identifies inefficiencies and investment opportunities. MTA Deferred Compensation Committee is solely responsible for: (1) the selection of the Fund and its underlying funds (including the selection of the asset allocation percentages for each underlying fund); (2) decisions to allocate plan assets to the Fund; and (3) the selection, monitoring and replacement of the Fund and its underlying funds, and if applicable, the Fund's investment advisors.

Large-Cap Equity Funds

MTA Large Cap Equity Index Fund (Large Cap Stock-Blend) - The Fund invests wholly in the Vanguard Institutional Index Fund, Institutional Plus shares. The investment seeks to track the performance of a benchmark index that measures the investment return of large capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

MTA Large Cap Equity Fund (Large Cap Stock-Blend) - The portfolio is managed by two complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 50%/50% split. By employing two managers, this portfolio offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **T. Rowe Price US Large Cap Value Equity Fund** (Large Cap Stock-Value) - The Fund is advised by T. Rowe Price Associates, Inc. and seeks to provide long-term capital appreciation by investing in common stocks believed to be undervalued. Income is a secondary objective.
2. **Jennison Large Cap Growth Fund** (Large Cap Stock-Growth) - The Fund is sub-advised by Jennison Associates LLC, following its Large Cap Growth Equity investment strategy. It seeks to outperform, over the long term, both the Russell 1000 Growth and S&P 500 Indexes and to be the best performing manager among its peers, with a consistent risk profile.

Bond Funds

MTA Bond Index Fund (Fixed Income-Domestic) - The Fund invests wholly in the SSgA US Bond Index Non-Lending – Class C (the Collective Investment Trust or C.I.T.). The Fund seeks an investment return that approximates, as closely as practicable, before expenses, the performance of the Bloomberg Barclays U.S. Aggregate Bond Index over the long term.

MTA Bond Fund (Fixed Income-Domestic) - The portfolio is managed by three complementary, but independent managers. The balances in the investments are rebalanced regularly to maintain the 34%/33%/33% split. By employing three managers, this fund offers improved diversification compared to having a single investment manager. The underlying investments are:

1. **TCW Core Plus Fund** (Fixed Income-Domestic) - This separate account is sub-advised by Metropolitan West Asset Management, LLC. The Fund seeks to outperform the broad bond market by applying specialized management expertise to and allocating capital among US government, corporate, high yield and mortgage-backed sectors. In addition, exposure to international and emerging markets fixed income assets are opportunistically incorporated into portfolio positioning. The strategy seeks to outperform the Bloomberg Barclays Aggregate Bond Index.
2. **Loomis Sayles Core Plus Fixed Income Trust** (Fixed Income) - The Trust seeks high total investment return through a combination of current income and capital appreciation and to outperform its benchmark, the Bloomberg Barclays US Aggregate Bond Index denominated in US dollars. This index is used for comparative purposes only and is not intended to parallel the risk or investment style of the fund.
3. **WTC CIF II World Bond Portfolio** (Fixed Income) - The Collective Investment Trust Fund is sub-advised by Wellington Management Company, LLP. The portfolio seeks to generate consistent total returns over a full market cycle. The investment process is designed to allocate capital to high quality sovereign countries while simultaneously identifying opportunistic investment ideas across a wide range of diversified fixed income strategies, and to transparently manage portfolio risk.

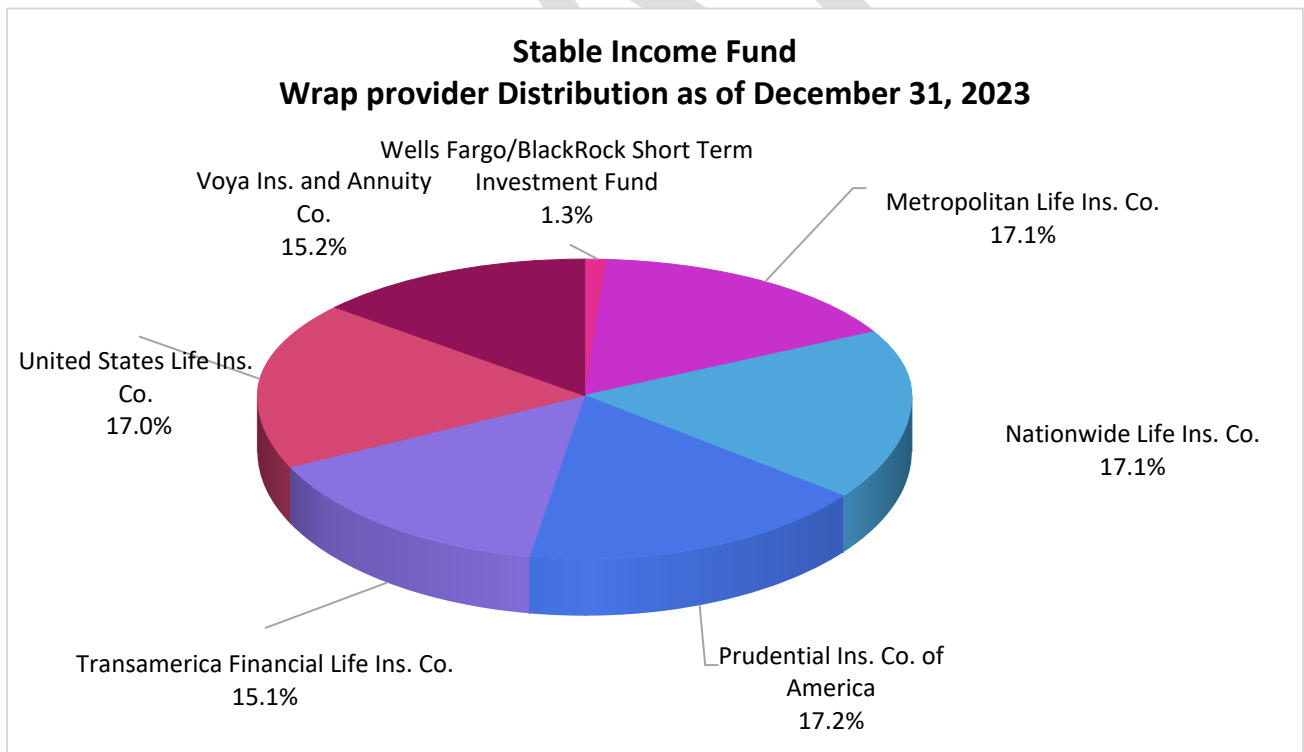
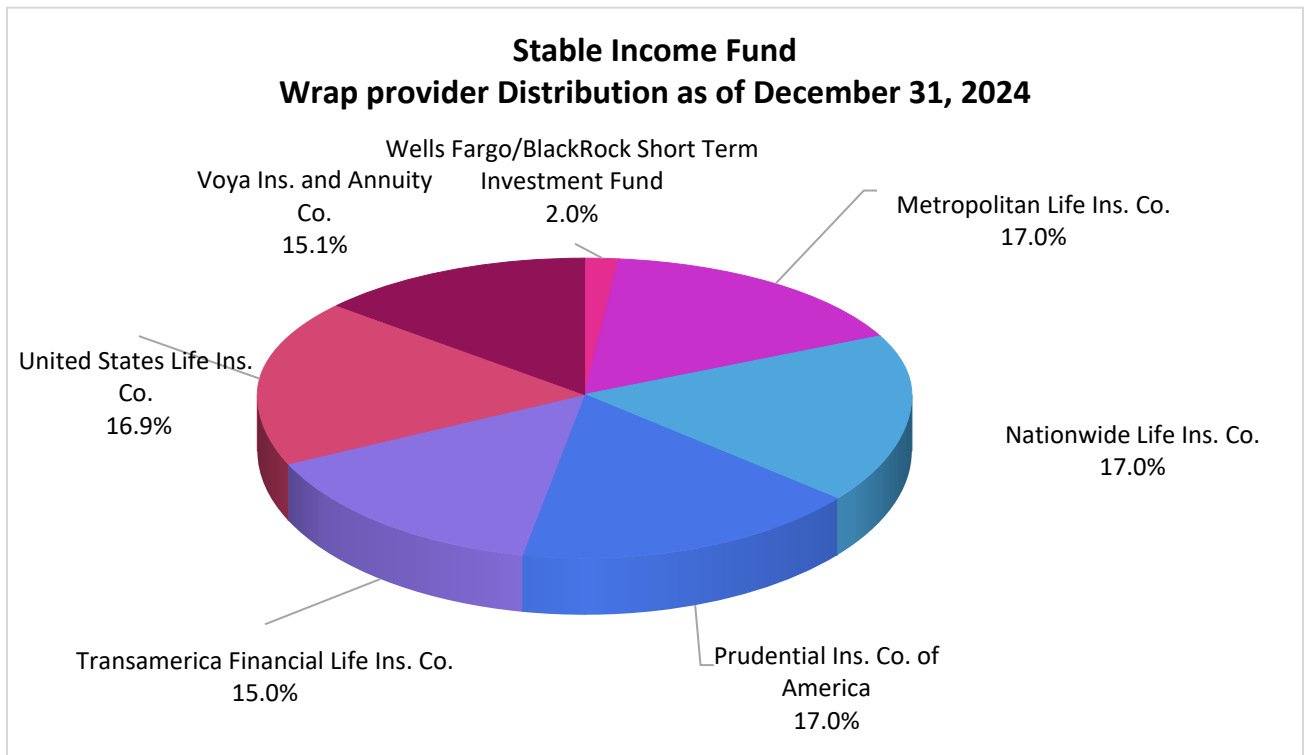
Stable Value Option

MTA Stable Value Fund (Stable Value) - The fund seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. The fund is managed by Galliard Capital Management and is primarily comprised of investment contracts issued by financial institutions and other eligible stable value investments. All contract issuers and securities utilized in the portfolio are rated investment grade by one of the Nationally Recognized Statistical Rating Organizations at time of purchase. The types of investment contracts in which the Fund may invest include Separate Account Guaranteed Investment Contracts (“GICs”) and Security Backed Investment Contracts. These types of investment contracts seek to provide participants with safety of principal and accrued interest as well as a stable crediting rate.

Separate Account GICs are GICs issued by and insurance company and are maintained within a separate account. Separate Account GICs are typically backed by segregated portfolios of fixed income securities.

Security Backed Investment Contracts are comprised of two components: 1) investment contracts issued by a financial institution and 2) underlying portfolios of fixed income securities (i.e., bonds) whose market prices fluctuate. The investment contract is designed to allow participants to transact at book value (principal plus accrued interest) without reference to the price fluctuations of the underlying fixed income securities.

The following chart shows the underlying investments of the MTA Stable Value Fund as of December 31, 2024 and 2023.



*The Wells Fargo Stable Return Fund W and Wells Fargo/BlackRock STIF are not a part of the wrapped portfolio.

The MTA Plans' investment options performance is outlined in the following tables. The Plans, with the assistance of its independent investment consultant, continuously monitors the investment options in conformance with the investment policy for the Plans. Below each Fund listed below is the benchmark used to compare the investment results.

Performance Summary

Year ended December 31, 2024

Stable Value

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Stable Value	0.9%	3.3%	2.6%	2.4%	2.4%
Galliard 3YrCMT+50bps	1.1%	4.8%	4.4%	3.0%	2.9%

Fixed Income

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA U.S. Bond Index Fund	-3.0%	1.3%	-2.4%	-0.3%	1.0%
Blmbg. U.S. Aggregate	-3.1%	1.3%	-2.4%	-0.3%	1.0%
Loomis Sayles Core Plus Bond Fund	-3.5%	1.2%	-2.1%	0.7%	1.7%
Blmbg. U.S. Aggregate	-3.1%	1.3%	-2.4%	-0.3%	1.0%
TCW MetWest Core Plus Fixed Income	-3.7%	0.9%	-2.9%	0.0%	1.3%
Blmbg. U.S. Aggregate	-3.1%	1.3%	-2.4%	-0.3%	1.0%
Wellington World Bond Fund	-0.5%	4.1%	1.7%	1.2%	1.9%
FTSE World Government Bond Index	-5.4%	-2.9%	-5.8%	-3.1%	-1.5%

Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
Vanguard Institutional 500 Index Trust	2.4%	25.0%	8.9%	14.5%	13.8%
S&P 500	2.4%	25.0%	8.9%	14.5%	13.8%
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	-3.3%	11.6%	5.4%	8.9%	8.5%
Russell 1000 Value Index	-2.0%	14.4%	5.6%	8.7%	8.4%
Jennison Large Cap Growth (Empower Separate Account)	6.5%	31.4%	7.2%	17.7%	16.8%
Russell 1000 Growth Index	7.1%	33.4%	10.5%	19.0%	18.1%
SSgA Small/Mid Cap Index Fund	4.2%	17.1%	2.9%	10.2%	9.5%
Russell Small Cap Completeness Index	4.3%	17.1%	2.9%	10.3%	9.6%
AB US SMID Cap Value Equity (Separate Account)	-0.3%	10.2%	3.0%	9.1%	6.8%
Russell 2500 Value Index	-0.3%	11.0%	3.8%	8.4%	7.2%
DFA US Targeted Value Fund (MTA)	1.0%	9.3%	7.6%	12.4%	9.0%
Russell 2500 Value Index	-0.3%	11.0%	3.8%	8.4%	7.2%
William Blair SMID Growth (Separate Account)	1.2%	12.0%	0.9%	8.4%	9.9%
Russell 2500 Growth Index	2.4%	13.9%	0.0%	8.1%	8.8%

Performance Summary

Year ended December 31, 2024(continued)

International Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA MSCI ACWI ex-U.S. IMI Index Fund	-7.7%	5.0%	0.6%	4.2%	3.6%
MSCI AC Wld ex US IMI (Net)	-7.6%	5.2%	0.5%	4.1%	3.5%
William Blair Institutional International Growth All Cap (Separate Account)	-6.4%	3.4%	-5.1%	4.6%	4.5%
MSCI AC Wld Index ex USA.IMI Growth (Net)	-7.8%	4.8%	-2.9%	3.5%	3.6%
Boston Partners International Value	-11.4%	NA	NA	NA	NA
MSCI AC Wld ex USA Value (Net)	-7.3%	6.0%	4.4%	4.5%	3.1%

Diversified Inflation

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA Real Asset Fund	-4.3%	4.4%	2.8%	6.3%	5.3%
SSgA Custom Real Asset Index	-4.3%	4.4%	2.9%	6.2%	5.2%

Lifecycle

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Income	-1.0%	5.7%	2.7%	4.7%	4.5%
MTA Income Composite Index	-0.6%	7.3%	4.0%	5.0%	4.7%
MTA 2020	-1.1%	6.0%	2.3%	5.2%	5.0%
MTA 2020 Composite Index	-0.7%	7.7%	3.4%	5.2%	5.0%
MTA 2025	-1.4%	7.1%	2.4%	5.9%	5.7%
MTA 2025 Composite Index	-1.0%	8.7%	3.3%	5.7%	5.5%
MTA 2030	-1.7%	8.4%	2.4%	6.6%	6.4%
MTA 2030 Composite Index	-1.3%	9.9%	3.3%	6.5%	6.2%
MTA 2035	-2.1%	9.6%	2.6%	7.4%	7.0%
MTA 2035 Composite Index	-1.6%	11.2%	3.4%	7.2%	6.8%
MTA 2040	-2.3%	10.3%	2.6%	7.8%	7.3%
MTA 2040 Composite Index	-1.9%	12.1%	3.5%	7.6%	7.1%
MTA 2045	-2.5%	10.6%	2.6%	8.0%	7.4%
MTA 2045 Composite Index	-2.0%	12.5%	3.7%	7.9%	7.2%
MTA 2050	-2.5%	10.9%	2.7%	8.2%	7.6%
MTA 2050 Composite Index	-2.0%	12.9%	3.9%	8.2%	7.4%
MTA 2055	-2.5%	11.1%	2.8%	8.2%	7.6%
MTA 2055 Composite Index	-2.0%	13.2%	4.0%	8.2%	7.5%
MTA 2060	-2.5%	11.0%	2.8%	8.2%	7.6%
MTA 2060 Composite Index	-1.9%	13.2%	4.0%	8.2%	7.5%
MTA 2065	-2.5%	11.0%	2.8%	8.2%	7.6%
MTA 2065 Composite Index	-1.9%	13.2%	4.0%	8.2%	7.5%

Year ended December 31, 2023

Stable Value

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Stable Value	0.7%	2.7%	2.1%	2.3%	2.2%
Galliard 3YrCMT+50bps	1.2%	4.8%	3.1%	2.5%	2.6%

Fixed Income

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA U.S. Bond Index Fund	6.7%	5.6%	-3.4%	1.1%	1.3%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
Loomis Sayles Core Plus Bond Fund	7.2%	6.3%	-2.8%	2.3%	2.3%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
TCW MetWest Core Plus Fixed Income	7.3%	5.9%	-3.5%	1.5%	1.6%
Blmbg. U.S. Aggregate	6.8%	5.5%	-3.3%	1.1%	1.3%
Wellington World Bond Fund	5.1%	4.6%	0.1%	1.4%	1.7%
FTSE World Government Bond Index	8.1%	5.2%	-7.2%	-1.4%	-0.1%

Domestic Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
Vanguard Institutional 500 Index Trust	11.7%	26.3%	10.0%	15.7%	13.4%
S&P 500	11.7%	26.3%	10.0%	15.7%	13.4%
T. Rowe Price Large Cap Value Fund (Empower Separate Account)	11.3%	9.9%	9.8%	11.8%	9.2%
Russell 1000 Value Index	9.5%	11.5%	8.9%	10.9%	8.3%
Jennison Large Cap Growth (Empower Separate Account)	16.1%	53.0%	2.7%	18.1%	17.4%
Russell 1000 Growth Index	14.2%	42.7%	8.9%	19.5%	17.7%
SSgA Small/Mid Cap Index Fund	14.8%	24.9%	1.6%	12.2%	9.7%
Russell Small Cap Completeness Index	14.7%	24.8%	1.6%	12.2%	9.7%
AB US SMID Cap Value Equity (Separate Account)	14.9%	17.3%	10.5%	11.1%	NA
Russell 2500 Value Index	13.8%	16.0%	8.8%	10.8%	7.1%
DFA US Targeted Value Fund (MTA)	14.4%	19.3%	16.5%	14.8%	NA
Russell 2500 Value Index	13.8%	16.0%	8.8%	10.8%	7.1%
William Blair SMID Growth (Separate Account)	12.4%	18.2%	0.0%	11.9%	NA
Russell 2500 Growth Index	12.6%	18.9%	-2.7%	11.4%	10.2%

Performance Summary

Year ended December 31, 2023 (continued)

International Equity

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA MSCI ACWI ex-U.S. IMI Index Fund	9.8%	15.9%	1.8%	7.4%	6.6%
MSCI AC Wld ex US IMI (Net)	9.8%	15.6%	1.5%	7.2%	6.4%
William Blair Institutional International Growth All Cap (Separate Account)	13.0%	16.0%	-2.4%	9.7%	8.0%
MSCI AC Wld Index ex USA.IMI Growth (Net)	11.0%	14.0%	-2.6%	7.5%	7.1%
Mondrian ACWI ex US	9.3%	19.2%	3.8%	5.7%	5.2%
MSCI AC Wld ex USA Value (Net)	8.4%	17.3%	5.8%	6.3%	5.3%

Diversified Inflation

	3 Months	1 Year	3 Years	5 Years	7 Years
SSgA Real Asset Fund	3.7%	1.0%	8.0%	8.1%	5.9%
SSgA Custom Real Asset Index	3.7%	1.1%	8.1%	8.1%	5.8%

Lifecycle

	3 Months	1 Year	3 Years	5 Years	7 Years
MTA Income	4.6%	7.5%	3.3%	5.6%	4.8%
MTA Income Composite Index	4.6%	8.4%	3.7%	5.4%	4.7%
MTA 2020	5.2%	8.7%	3.2%	6.7%	5.9%
MTA 2020 Composite Index	5.2%	9.4%	3.6%	6.3%	5.6%
MTA 2025	6.7%	11.2%	3.5%	7.7%	6.7%
MTA 2025 Composite Index	6.5%	11.5%	3.7%	7.2%	6.4%
MTA 2030	8.1%	14.0%	3.7%	8.8%	7.5%
MTA 2030 Composite Index	7.8%	13.8%	4.0%	8.2%	7.1%
MTA 2035	9.6%	16.6%	4.1%	9.8%	8.1%
MTA 2035 Composite Index	9.0%	15.9%	4.5%	9.2%	7.7%
MTA 2040	10.6%	18.2%	4.2%	10.2%	8.6%
MTA 2040 Composite Index	9.9%	17.2%	4.6%	9.6%	8.1%
MTA 2045	11.2%	19.2%	4.3%	10.5%	8.9%
MTA 2045 Composite Index	10.3%	17.9%	4.8%	9.9%	8.4%
MTA 2050	11.4%	19.9%	4.4%	10.7%	9.0%
MTA 2050 Composite Index	10.5%	18.4%	5.0%	10.1%	8.5%
MTA 2055	11.5%	20.2%	4.4%	10.7%	9.0%
MTA 2055 Composite Index	10.6%	18.6%	5.1%	10.1%	8.5%
MTA 2060	11.6%	20.3%	4.4%	10.7%	NA
MTA 2060 Composite Index	10.6%	18.6%	5.0%	10.1%	8.5%
MTA 2065	11.6%	20.3%	4.4%	10.7%	NA
MTA 2065 Composite Index	10.6%	18.6%	5.0%	10.1%	8.5%

At December 31, 2024, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 34.16% and 38.21% of invested funds, respectively. This was followed by the large-Cap Equity Funds with 27.74% and 26.95% of invested 457 and 401(k) funds, respectively.

The table below summarizes the Plans' investments by category at December 31, 2024 and 2023:

2024

FUND INVESTMENT SUMMARY

Investment at Fair, Contract and NAV Values	457		401(k)	
	Allocation		Allocation	
Target-Year Lifecycle Funds	\$1,484,320,457	34.16%	\$2,304,245,590	38.21%
International Equity Funds	124,570,016	2.87%	158,229,489	2.62%
Small-Mid Cap Equity Funds	426,944,002	9.82%	540,176,998	8.96%
Large-Cap Equity Funds	1,205,362,139	27.74%	1,625,647,652	26.95%
Bond Funds	82,407,265	1.90%	120,376,466	2.00%
Stable Income Fund	1,014,108,429	23.34%	1,271,065,870	21.07%
Self-Directed Investment Option	7,866,844	0.18%	11,425,184	0.19%
Total Investments	\$4,345,579,152	100.00%	\$6,031,167,249	100.00%

At December 31, 2023, the investment option holding the largest portion of participants' funds in both the 457 and 401(k) Plans was the Target Year Lifecycle Funds with 33.74% and 37.54% of invested funds, respectively. This was followed by the Stable Value Funds with 27.01% and 24.10% of invested 457 and 401(k) funds, respectively.

The table below summarizes the Plans' investments by category at December 31, 2023 and 2022:

2023

FUND INVESTMENT SUMMARY

Investment at Fair, Contract and NAV Values	457		401(k)	
	Allocation		Allocation	
Target-Year Lifecycle Funds	\$1,332,544,051	33.74%	\$2,056,513,052	37.54%
International Equity Funds	123,209,916	3.12%	160,431,574	2.93%
Small-Mid Cap Equity Funds	384,026,019	9.72%	491,513,484	8.97%
Large-Cap Equity Funds	955,508,947	24.19%	1,323,085,816	24.15%
Bond Funds	83,594,938	2.12%	120,270,561	2.20%
Stable Income Fund	1,066,659,605	27.01%	1,320,359,552	24.10%
Self-Directed Investment Option	3,711,466	0.09%	5,421,005	0.10%
Total Investments	\$3,949,254,942	100.00%	\$5,477,595,044	100.00%

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States (“U.S.”) economy, continued investment in the Artificial Intelligence (“AI”) revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- 
- Higher interest rates for longer
 - Disinflation
 - U.S. exceptionalism
 - Geopolitical risk and deglobalization
 - Innovation and AI
 - Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at

4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500's total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg US Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index: 8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets ("EM") posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People's Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Commodities

Commodities (Bloomberg Commodity Index: 5.4%) had positive performance in 2024. Prices experienced significant volatility and the dispersion of returns among commodities was wide. Precious Metals were among the best performers in this category, with gold spot prices up 27.2% for the year.

Market Outlook – 2025

Through the first quarter of 2025, equity markets were moderately lower with losses in the single digits. Value equities have outperformed growth, reversing the 2024 trend. There was heightened volatility in equity markets this quarter, as the market comes to terms with potentially slower economic growth and large-scale regulatory shifts implemented by the Trump administration. Fixed income markets had a positive start to 2025, with low positive returns for the quarter. Economic reports have been mixed, but interest rate cuts are still expected towards the end of the year. International Equity had positive gains, due to monetary policy easing and increased fiscal stimulus in the Euro area following U.S. funding cuts in Ukraine. Emerging Markets have also performed well with expectations for increased stimulus in China. Markets are expected to be more volatile this year than in 2024.

2025's macroeconomic backdrop will likely be dominated by heightened volatility, weaker growth, stagflation fears, geopolitical tensions, and global monetary and fiscal policy shifts. Coming out of 2024, a positive year for risk assets, market participants were predominantly optimistic for U.S. equity returns in 2025 despite the expectation of increased volatility. Several roadblocks to continued growth still loom such as tight credit markets with low deal flow in private markets, high U.S. government debt, and high equity multiples. U.S. growth optimism stemmed from real disposable income growth in a lower inflation environment, strong labor markets, and high exposure to the AI revolution. However, optimism eroded over the quarter, with global equities outperforming their U.S. counterparts.

At the beginning of April 2025, global markets have been decimated by the higher-than-expected tariff announcement on President Trump's "Liberation Day." Immediately following the announcement of broad tariffs spanning the globe, markets sold off violently and volatility skyrocketed. Following backlash from the announcement, the President paused the reciprocal tariffs on most countries for 90 days while increasing the tariff on China to 145%. By the end of April, markets regained most of their losses. While the situation is highly fluid, this historic trade war is expected to have massive economic implications.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Deferred Compensation Program's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deferred Compensation Department, Metropolitan Transportation Authority, 2 Broadway 10th Floor, New York, NY 10004.

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**METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM**

**STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024 and 2023
(\$ In THOUSANDS)**

	2024		2023	
	457	401(k)	457	401(k)
ASSETS:				
Investments measured at fair value level	\$ 116,939	\$ 171,827	\$ 108,322	\$ 157,344
Investments at contract value	1,280,537	1,676,630	1,297,125	1,670,315
Investments at fair value- net asset value	2,948,103	4,182,710	2,543,808	3,649,936
Total investments	4,345,579	6,031,167	3,949,255	5,477,595
 Other plan assets:				
Participant loans receivable	99,539	211,252	85,889	175,336
Total other plan assets	99,539	211,252	85,889	175,336
 Total assets	4,445,118	6,242,419	4,035,144	5,652,931
 LIABILITIES:				
Administrative expense reimbursement	603	1,668	524	1,492
Total liabilities	603	1,668	524	1,492
 TOTAL NET POSITION				
RESTRICTED FOR BENEFITS	\$ 4,444,515	\$ 6,240,751	\$ 4,034,620	\$ 5,651,439

See notes to financial statements.

**METROPOLITAN TRANSPORTATION AUTHORITY
DEFERRED COMPENSATION PROGRAM**

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(\$ In THOUSANDS)**

	2024		2023	
	457	401(k)	457	401(k)
ADDITIONS:				
Investment income:				
Net appreciation				
in fair value of investments	\$ 436,508	\$ 608,187	\$ 496,915	\$ 704,020
Total investment income	436,508	608,187	496,915	704,020
Contributions:				
Employee contributions, net	244,169	345,388	242,163	342,158
Participant rollovers	12,989	27,629	9,355	22,372
Employer contributions	-	3,861	-	3,936
Loan repayments	38,975	87,713	-	-
Distributed loans	2,189	3,050	-	-
Total contributions	298,322	467,641	251,518	368,466
Other additions:				
Loan repayments - interest	6,237	13,403	4,556	9,379
Total additions	741,067	1,089,231	752,989	1,081,865
DEDUCTIONS:				
Distribution to participants	174,316	211,060	106,732	155,924
Transfers to other plans	155,359	286,616	146,839	207,293
Net loan initiations/repayments	-	(54)	(120)	(160)
Loan defaults/offsets	110	130	3,233	4,935
Loan fees transfers to other plans	20	44	252	590
Other deductions	764	455	1,150	1,482
Administrative expense	603	1,668	524	1,492
Total deductions	331,172	499,919	258,610	371,556
Net increase in net position	409,895	589,312	494,379	710,309
TOTAL NET POSITION				
RESTRICTED FOR BENEFITS				
Beginning of year	4,034,620	5,651,439	3,540,241	4,941,130
End of year	\$ 4,444,515	\$ 6,240,751	\$ 4,034,620	\$ 5,651,439

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY DEFERRED COMPENSATION PROGRAM

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023 (\$ in Thousands)

1. PLANS BACKGROUND AND DESCRIPTION

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

In 1984, the MTA established the 457 Plan to provide benefits competitive with private industry. Only managerial employees were permitted to participate in the Plan and investment options were limited to five funds: a Guaranteed Interest Fund, a Common Stock Fund, a Money Market Fund, a Managed Fund, and a Stock Index Fund. Pursuant to Internal Revenue Code ("Code") Section 457, the MTA has established a trust or custodial account to hold plan assets for the exclusive benefit of the participants and their beneficiaries. Participation in the 457 Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 457 Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 457 Plan is not reflected on the MTA's consolidated statements of net position.

In 1985, the MTA Board adopted the 401(k) Plan, a tax-qualified plan under section 401(k) of the Code. The 401(k) Plan remained dormant until 1988 when an IRS ruling "grandfathered" the plan under the Tax Reform Act of 1986. Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are held in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the MTA consolidated statements of net position. The 401(k) Plan received a favorable determination letter from the Internal Revenue Service dated October 27, 2016.

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

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

- Tier 1 – The MTA Asset Allocation Program provides the MTA Target Year Funds for those participants who would like to make retirement investing easy. Investments are diversified among a range of investment options based on the target year, which is the year the money is intended to be needed for retirement income. The mix of investments

becomes more conservative as the target year approaches by lessening stock exposure and increasing exposure in fixed-income type investments.

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

The two Plans offer the same array of investment options. Eligible participants in the Deferred Compensation Program include employees (and in the case of Metropolitan Suburban Bus Authority, former employees) of:

- MTA
- The Long Island Rail Road Company ("MTA Long Island Rail Road")
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels")
- Metropolitan Suburban Bus Authority ("MTA Long Island Bus")
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad")
- New York City Transit Authority ("MTA New York City Transit")
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Rapid Transit")
- MTA Construction and Development ("MTA Construction and Development")
- MTA Bus Company ("MTA Bus")

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Deferred Compensation Program's ("Program") financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans. Contributions from members are recorded when the employer makes payroll deductions from plans' members. Additions to the Plans consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The MTA adheres to accounting principles generally accepted in the United States of America. The MTA Deferred Compensation Program applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards - The Program adopted the following GASB Statements in 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 has no material impact on the net position of The Program.

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 adoption of this Statement has no impact on the net position of The Program.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MTA DC Program Required Year of Adoption
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

Use of Management Estimates - The preparation of the Program's financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by Government Accounting Standards Board ("GASB"). These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates which include fair value of investments.

Investment Valuation and Income Recognition - Investments are stated at fair, contract and NAV values as reported by Empower (the "Trustee"). Net asset value is determined to be a practical expedient for measuring fair value. All investments are registered, with securities held by the Plans' Trustee, in the name of the Plans. The values of the Plans' investments are adjusted to fair, contract and NAV values as of the last business day of the Plans' year. Gains and losses on investments that were sold during the year are included in net appreciation/(depreciation) in fair, contract and NAV values of investments.

3. INVESTMENTS

Investment Objective - The primary investment objective of the Program is to offer a set of investment options such that:

- Sufficient options are offered to allow participants to build portfolios consistent with their investment risk/return preferences.

- Each option is adequately diversified.
- Each option has a risk profile consistent with its position in the overall structure.
- Each option is managed so as to implement the desired risk profile of the asset class it represents.

Investment Guidelines - The Deferred Compensation Committee selects and executes agreements with qualified investment managers and/or funds which fulfill the criteria of the identified investment option. The Program is participant-directed and participants select from among the available investment options.

The investment options used to fund the various asset classes may be separately managed portfolios, commingled funds, or mutual funds. The Committee may from time to time modify the number and characteristics of the investment vehicles to be made available to participants within each investment option.

The specific investment vehicles chosen by the Committee must have appropriate investment characteristics and be managed by organizations which, by their record and experience, have demonstrated their investment expertise.

Such investment vehicles also should:

- Have sufficient assets under management so that the MTA account is not more than 10% of total strategy assets; strategy is defined as assets in all vehicles (separate accounts, collective trusts and mutual funds),
- Be well diversified,
- Have a minimum of three years of verifiable investment performance information,
- Have acceptable volatility in line with investment philosophy and process,
- Have the liquidity and/or marketability to pay benefit amounts to participants due under the terms of the Program, and
- Have a reasonable expense ratio.

Concentration of Credit Risk - Individual investments held by the Plans that represent 5.0% or more of the fiduciary net position available for benefits at December 31, 2024 and 2023 is as follows:

Investment at NAV – December 31, 2024	457 Value	401(k) Value
Vanguard Institutional Index Fund	\$1,096,694,732	\$1,530,164,702
Jennison Large Cap Growth Fund	265,959,942	378,025,692
T. Rowe Price Large Cap Value Fund	265,959,942	378,025,692
William Blair Institutional International Growth Fund	231,953,366	354,027,037
Boston Partners International Value Equity Fund	231,953,366	354,027,037

Investment at NAV – December 31, 2023**457 Value****401(k) Value**

Vanguard Institutional Index Fund	\$717,918,796	\$1,007,940,310
Jennison Large Cap Growth Fund	303,834,865	444,564,574
T. Rowe Price Large Cap Value Fund	303,834,865	444,564,574
William Blair Institutional International Growth Fund	209,765,971	317,768,230
Mondrian All Countries World Ex-U.S. Equity Fund	209,765,971	317,768,230

The following table shows the fair, contract and NAV values of investment in the various investment options at December 31, 2024 and 2023.

Investments at Contract, Fair Value and NAV at December 31, 2024**Target-Year Lifecycle Funds****457 Value****401(k) Value**

MTA Target-Year Lifecycle 2020 Fund	\$ 67,931,887	\$ 100,936,101
MTA Target-Year Lifecycle 2025 Fund	223,119,133	327,727,081
MTA Target-Year Lifecycle 2030 Fund	217,298,236	349,783,684
MTA Target-Year Lifecycle 2035 Fund	283,361,628	455,624,069
MTA Target-Year Lifecycle 2040 Fund	173,634,338	272,924,872
MTA Target-Year Lifecycle 2045 Fund	158,736,957	264,487,365
MTA Target-Year Lifecycle 2050 Fund	124,843,289	188,291,288
MTA Target-Year Lifecycle 2055 Fund	77,270,444	123,615,300
MTA Target-Year Lifecycle 2060 Fund	38,066,715	53,517,662
MTA Target-Year Lifecycle 2065 Fund	17,756,939	18,422,085
MTA Income Fund	102,300,893	148,916,082

International Equity Funds

MTA International Portfolio	83,942,349	115,066,198
MTA International Index Fund	40,627,666	43,163,292

Small- Mid Cap Equity Funds

MTA Small-Mid Cap Portfolio	236,827,334	335,113,673
MTA Small-Mid Cap Index	190,116,667	205,063,325

Large-Cap Equity Funds

MTA Large Cap Portfolio	531,919,885	756,051,384
MTA Large Cap Core Index Fund	673,442,254	869,596,268

Bond Funds

MTA Bond Core Plus Portfolio	51,550,547	77,139,788
MTA Bond Aggregate Index Fund	30,856,718	43,236,678

Fixed Investment Option

MTA Stable Value Fund	1,014,108,429	1,271,065,870

Self-Directed Investment Account

7,866,844	11,425,184

Total	\$ 4,345,579,152	\$ 6,031,167,249

Investments at Contract, Fair Value and NAV at December 31, 2023

<u>Target-Year Lifecycle Funds</u>		<u>457 Value</u>		<u>401(k) Value</u>
MTA Target-Year Lifecycle 2020 Fund	\$	70,654,957	\$	107,020,029
MTA Target-Year Lifecycle 2025 Fund		220,536,343		326,292,003
MTA Target-Year Lifecycle 2030 Fund		194,476,208		314,410,720
MTA Target-Year Lifecycle 2035 Fund		253,373,617		399,453,630
MTA Target-Year Lifecycle 2040 Fund		151,463,445		231,900,319
MTA Target-Year Lifecycle 2045 Fund		137,890,655		226,600,287
MTA Target-Year Lifecycle 2050 Fund		105,157,988		157,514,143
MTA Target-Year Lifecycle 2055 Fund		60,583,746		97,419,111
MTA Target-Year Lifecycle 2060 Fund		30,318,103		42,902,666
MTA Target-Year Lifecycle 2065 Fund		11,732,636		12,613,187
MTA Income Fund		96,356,355		140,386,957
<u>International Equity Funds</u>				
MTA International Portfolio		86,520,779		119,074,690
MTA International Index Fund		36,689,136		41,356,884
<u>Small- Mid Cap Equity Funds</u>				
MTA Small-Mid Cap Portfolio		225,537,788		315,391,685
MTA Small-Mid Cap Index		158,488,231		176,121,799
<u>Large-Cap Equity Funds</u>				
MTA Large Cap Portfolio		442,656,189		633,623,084
MTA Large Cap Core Index Fund		512,852,757		689,462,732
<u>Bond Funds</u>				
MTA Bond Core Plus Portfolio		52,010,903		78,764,690
MTA Bond Aggregate Index Fund		31,584,035		41,505,871
<u>Fixed Investment Option</u>				
MTA Stable Value Fund		1,066,659,605		1,320,359,552
<u>Self-Directed Investment Account</u>				
		3,711,466		5,421,005
Total	\$	3,949,254,942	\$	5,477,595,044

The following tables show the interest and/or dividends earned on investments and net appreciation/ (depreciation) for the years ended December 31, 2024 and 2023.

457 Investments at December 31, 2024

<u>Target-Year Lifecycle Funds</u>	<u>Cash and Dividend Earnings</u>	<u>Appreciation/(Depreciation) In Fair Value - Net</u>
MTA Target-Year Lifecycle 2020 Fund	\$ -	\$ 4,154,255
MTA Target-Year Lifecycle 2025 Fund	-	15,754,831
MTA Target-Year Lifecycle 2030 Fund	-	16,437,989
MTA Target-Year Lifecycle 2035 Fund	-	24,411,822
MTA Target-Year Lifecycle 2040 Fund	-	15,787,335
MTA Target-Year Lifecycle 2045 Fund	-	14,848,363
MTA Target-Year Lifecycle 2050 Fund	-	11,682,959
MTA Target-Year Lifecycle 2055 Fund	-	7,103,944
MTA Target-Year Lifecycle 2060 Fund	-	3,469,860
MTA Target-Year Lifecycle 2065 Fund	-	1,386,717
MTA Income Fund	-	5,561,729
<u>International Equity Funds</u>		
MTA International Portfolio	-	760,658
MTA International Index Fund	-	1,894,068
<u>Small-Mid-Cap Equity Funds</u>		
MTA Small-Mid Cap Portfolio	-	26,040,978
MTA Small-Mid Cap Index Fund	-	26,804,705
<u>Large-Cap Equity Funds</u>		
MTA Large Cap Portfolio	-	94,493,038
MTA Large Cap Index Fund	-	130,172,618
<u>Bond Funds</u>		
MTA Bond Portfolio	-	1,029,873
MTA Bond Index Fund	-	404,216
<u>Stable Value Option</u>		
MTA Stable Value Fund	-	33,400,319
<u>Self-Directed Investment Account</u>	315,884	593,218
Total	\$ 315,884	\$436,193,495

457 Investments at December 31, 2023

<u>Target-Year Lifecycle Funds</u>	<u>Cash and Dividend Earnings</u>	<u>Appreciation/(Depreciation) In Fair Value - Net</u>
MTA Target-Year Lifecycle 2020 Fund	\$ (16,572)	\$ 5,877,167
MTA Target-Year Lifecycle 2025 Fund	(60,029)	22,396,904
MTA Target-Year Lifecycle 2030 Fund	(112,695)	23,514,853
MTA Target-Year Lifecycle 2035 Fund	(155,538)	35,663,940
MTA Target-Year Lifecycle 2040 Fund	(128,037)	22,558,090
MTA Target-Year Lifecycle 2045 Fund	(103,893)	21,436,276
MTA Target-Year Lifecycle 2050 Fund	(85,452)	16,639,435
MTA Target-Year Lifecycle 2055 Fund	(66,640)	9,412,833
MTA Target-Year Lifecycle 2060 Fund	(30,671)	4,647,301
MTA Target-Year Lifecycle 2065 Fund	(8,003)	1,708,705
MTA Income Fund	(1,615)	6,859,727
<u>International Equity Funds</u>		
MTA International Portfolio	591,212	12,998,055
MTA International Index Fund	-	4,822,415
<u>Small-Mid-Cap Equity Funds</u>		
MTA Small-Mid Cap Portfolio	-	34,111,501
MTA Small-Mid Cap Index Fund	-	31,312,558
<u>Large-Cap Equity Funds</u>		
MTA Large Cap Portfolio	-	102,951,409
MTA Large Cap Index Fund	-	106,253,473
<u>Bond Funds</u>		
MTA Bond Portfolio	-	2,760,691
MTA Bond Index Fund	-	1,522,307
<u>Stable Value Option</u>		
MTA Stable Value Fund	(34)	29,019,777
<u>Self-Directed Investment Account</u>		
	-	624,973
Total	\$ (177,967)	\$497,092,390

401(k) Investments at December 31, 2024

<u>Target-Year Lifecycle Funds</u>	<u>Cash and Dividend Earnings</u>	<u>Appreciation/(Depreciation) In Fair Value - Net</u>
MTA Target-Year Lifecycle 2020 Fund	\$ -	\$ 6,184,747
MTA Target-Year Lifecycle 2025 Fund	-	22,662,016
MTA Target-Year Lifecycle 2030 Fund	-	26,426,264
MTA Target-Year Lifecycle 2035 Fund	-	38,962,724
MTA Target-Year Lifecycle 2040 Fund	-	24,674,546
MTA Target-Year Lifecycle 2045 Fund	-	24,446,701
MTA Target-Year Lifecycle 2050 Fund	-	17,568,051
MTA Target-Year Lifecycle 2055 Fund	-	11,204,324
MTA Target-Year Lifecycle 2060 Fund	-	4,908,507
MTA Target-Year Lifecycle 2065 Fund	-	1,505,895
MTA Income Fund	-	8,043,209
<u>International Equity Funds</u>		
MTA International Portfolio	-	1,054,265
MTA International Index Fund	-	2,117,537
<u>Small-Mid-Cap Equity Funds</u>		
MTA Small-Mid Cap Portfolio	-	36,352,885
MTA Small-Mid Cap Index Fund	-	29,799,666
<u>Large-Cap Equity Funds</u>		
MTA Large Cap Portfolio	-	135,034,023
MTA Large Cap Index Fund	-	172,337,978
<u>Bond Funds</u>		
MTA Bond Portfolio	-	1,510,809
MTA Bond Index Fund	-	549,836
<u>Stable Value Option</u>		
MTA Stable Value Fund	-	41,593,791
<u>Self-Directed Investment Account</u>	444,696	805,637
Total	\$ 444,696	\$ 607,743,412

401(k) Investments at December 31, 2023

<u>Target-Year Lifecycle Funds</u>	<u>Cash and Dividend Earnings</u>	<u>Appreciation/(Depreciation) In Fair Value - Net</u>
MTA Target-Year Lifecycle 2020 Fund	\$ (26,972)	\$ 8,885,007
MTA Target-Year Lifecycle 2025 Fund	(90,596)	33,498,445
MTA Target-Year Lifecycle 2030 Fund	(195,088)	38,050,514
MTA Target-Year Lifecycle 2035 Fund	(238,315)	55,668,468
MTA Target-Year Lifecycle 2040 Fund	(195,099)	34,424,939
MTA Target-Year Lifecycle 2045 Fund	(173,730)	35,084,666
MTA Target-Year Lifecycle 2050 Fund	(140,140)	24,677,813
MTA Target-Year Lifecycle 2055 Fund	(109,618)	15,214,397
MTA Target-Year Lifecycle 2060 Fund	(46,260)	6,696,694
MTA Target-Year Lifecycle 2065 Fund	(8,383)	1,796,344
MTA Income Fund	(5,215)	10,108,343
<u>International Equity Funds</u>		
MTA International Portfolio	981,229	17,730,396
MTA International Index Fund	-	5,396,831
<u>Small-Mid-Cap Equity Funds</u>		
MTA Small-Mid Cap Portfolio	-	47,636,652
MTA Small-Mid Cap Index Fund	-	35,144,677
<u>Large-Cap Equity Funds</u>		
MTA Large Cap Portfolio	-	147,964,329
MTA Large Cap Index Fund	33	143,169,946
<u>Bond Funds</u>		
MTA Bond Portfolio	-	4,234,277
MTA Bond Index Fund	-	2,053,934
<u>Stable Value Option</u>		
MTA Stable Value Fund	2	35,937,300
<u>Self-Directed Investment Account</u>	-	894,755
Total	\$ (248,152)	\$ 704,268,727

Credit Risk - The investment alternatives offered under the Program are not guaranteed by any governmental body, including the MTA, and are not risk-free. The credit risk of the investment strategy in the various investment accounts is based upon the performance of the securities in the underlying portfolios. Investments in these investment strategies can be expected to increase or decrease in value depending upon market conditions. The Deferred Compensation Committee (the “Committee”), with the assistance of its independent investment consultant continuously monitors the program investment strategies pursuant to the investment policy and objectives. When the investment strategies are determined to not meet the criteria, the strategy is terminated as outlined by the investment policy statement.

At December 31, 2024, the following credit quality rating has been assigned by a nationally recognized statistical rating organization (“NRSRO”) to the portion of Fixed Income Portfolio of the Plans which are held in Separate Manager Accounts (“SMAs”):

Quality Rating	457		401(k)	
		Percentage of Fixed Income Portfolio		Percentage of Fixed Income Portfolio
AAA	\$ 368,136,640	22.48%	\$ 487,710,485	21.91%
AA	44,269,904	2.70%	58,851,147	2.64%
A	157,760,680	9.63%	208,037,505	9.35%
BBB	181,226,401	11.07%	239,604,933	10.77%
BB	2,611,250	0.16%	3,968,689	0.18%
Below BB	2,278,700	0.14%	3,396,343	0.15%
Credit Risk Debt Securities	756,283,576	46.18%	1,001,569,101	45.00%
U.S. Government Bonds	610,092,499	37.25%	809,360,282	36.37%
Total fixed income securities in SMAs	1,366,376,074	83.43%	1,810,929,383	81.37%
Other Fixed Income Investments	271,359,467	16.57%	414,710,792	18.63%
Total Fixed Income Investments	1,637,735,541	100.00%	2,225,640,174	100.00%
Other securities not rated - equity, international funds and corporate bonds	2,707,843,611		3,805,526,977	
Total investments	\$ 4,345,579,152		\$ 6,031,167,151	

At December 31, 2023, the following credit quality rating has been assigned by a nationally recognized statistical rating organization (“NRSRO”) to the portion of Fixed Income Portfolio of the Plans which are held in Separate Manager Accounts (“SMAs”):

Quality Rating	457		401(k)	
		Percentage of Fixed Income Portfolio		Percentage of Fixed Income Portfolio
AAA	\$ 555,698,995	32.84%	\$ 726,787,028	31.80%
AA	47,200,484	2.79%	62,268,775	2.73%
A	183,773,521	10.86%	240,957,433	10.54%
BBB	195,934,942	11.58%	257,674,300	11.27%
BB	3,020,087	0.18%	4,693,841	0.21%
Below BB	2,473,073	0.15%	3,675,630	0.16%
Credit Risk Debt Securities	988,101,102	58.40%	1,296,057,007	56.71%
U.S. Government Bonds	419,524,160	24.80%	555,606,847	24.31%
Total fixed income securities in SMAs	1,407,625,262	83.20%	1,851,663,854	81.02%
Other Fixed Income Investments	284,205,330	16.80%	433,731,456	18.98%
Total Fixed Income Investments	1,691,830,592	100.00%	2,285,395,310	100.00%
Other securities not rated - equity, international funds and corporate bonds	2,257,424,350		3,192,199,734	
Total investments	\$ 3,949,254,942		\$ 5,477,595,044	

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the contract and NAV values of the investment. Duration is a measure of sensitivity to interest rate risk. The greater the duration of a portfolio, the greater its principal value will fluctuate in response to a change in interest rate risk and vice versa. Modified duration is an indicator of bond price’s sensitivity and is the percentage change in a bond principal value given a 100-basis point parallel change in interest rates.

2024

<u>Investment Type</u>	<u>457</u>	<u>401(k)</u>	<u>Total</u>	<u>Duration</u>
Galliard Stable Value Fund	\$ 1,281,048,512	\$ 1,679,305,185	\$ 2,960,353,697	2.96 *
TCW Core Plus Bond Fund	85,327,562	131,624,198	216,951,760	7.06
Total Fixed Income assets in SMAs	1,366,376,074	1,810,929,383	3,177,305,457	3.24
Total Other Fixed Income assets	271,359,467	414,710,792	686,070,258	4.89
Total Fixed Income				
Portfolio Modified Duration	1,637,735,541	2,225,640,174	3,863,375,715	3.53
Investment with no duration reported	2,707,843,611	3,805,526,977	6,513,370,588	
Total investments	\$ 4,345,579,152	\$ 6,031,167,151	\$ 10,376,746,303	

* Portfolio Duration - the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

2023

<u>Investment Type</u>	<u>457</u>	<u>401(k)</u>	<u>Total</u>	<u>Duration</u>
Galliard Stable Value Fund	\$ 1,297,124,720	\$ 1,670,314,848	\$ 2,967,439,568	2.99 *
TCW Core Plus Bond Fund	80,539,651	123,931,658	204,471,309	6.91
Total Fixed Income assets in SMAs	1,377,664,371	1,794,246,506	3,171,910,877	3.24
Total Other Fixed Income assets	278,156,103	420,282,087	698,438,190	5.29
Total Fixed Income				
Portfolio Modified Duration	1,655,820,474	2,214,528,593	3,870,349,067	3.61
Investment with no duration reported	2,293,434,468	3,263,066,451	5,556,500,919	
Total investments	\$ 3,949,254,942	\$ 5,477,595,044	\$ 9,426,849,986	

* Portfolio Duration - the price sensitivity to yield and the rate of change of price with respect to yield due to the passage of time.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the contract and NAV values of an investment or deposit. The Program has an exposure to foreign currency fluctuations for the Plans' SMAs investments are as follows:

<u>Currency</u>	<u>Holdings in U.S. Dollars</u>	<u>Holdings in U.S. Dollars</u>	<u>Holdings in U.S. Dollars</u>
Australian Dollar	\$ 5,776,230	\$ 8,816,176	14,592,406
Canada Dollar	11,265,425	17,194,254	28,459,679
Danish Krone	5,017,481	7,658,108	12,675,589
Euro	47,575,032	72,613,493	120,188,525
Hong Kong Dollar	3,025,658	4,618,017	7,643,675
Japanese Yen	30,129,237	45,985,815	76,115,052
New Zealand Dollar	113,049	172,546	285,595
Norwegian Krone	475,569	725,855	1,201,424
Singapore Dollar	1,896,094	2,893,980	4,790,074
Swedish Krona	6,031,196	9,205,326	15,236,522
Swiss Franc	13,797,477	21,058,888	34,856,365
United Kingdom British Pound	29,857,726	45,571,412	75,429,138
Total	<u>\$ 154,960,174</u>	<u>\$ 236,513,870</u>	<u>\$ 391,474,044</u>

2023	457	401(k)	Total
<u>Currency</u>	<u>Holdings in U.S. Dollars</u>	<u>Holdings in U.S. Dollars</u>	<u>Holdings in U.S. Dollars</u>
Australian Dollar	\$ 1,310,977	\$ 2,005,889	\$ 3,316,866
Canada Dollar	13,480,615	20,626,310	34,106,925
Danish Krone	6,285,354	9,617,043	15,902,397
Euro	46,709,801	71,469,356	118,179,157
Hong Kong Dollar	2,009,215	3,074,243	5,083,458
Japanese Yen	34,314,973	52,504,378	86,819,351
Norwegian Krone	779,427	1,192,579	1,972,006
Singapore Dollar	1,394,220	2,133,257	3,527,477
Swedish Krona	9,083,704	13,898,721	22,982,425
Swiss Franc	10,061,097	15,394,202	25,455,299
United Kingdom British Pound	29,859,071	45,686,527	75,545,598
Total	<u>\$ 155,288,454</u>	<u>\$ 237,602,505</u>	<u>\$ 392,890,959</u>

In year 2015, the MTA Deferred Compensation Program adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2024			
	Quoted Price in			
	December 31,	Active Markets for	Significant Other	Significant
	2024	Identical Assets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
457 Plan				
Equity Securities:				
Small-Mid cap equity mutual fund	\$ 116,939	116,939	-	-
Total equity investments	116,939	116,939	-	-

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2024			
	Quoted Price in			
	December 31,	Active Markets for	Significant Other	Significant
	2024	Identical Assets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
401 (k) Plan				
Equity Securities:				
Small-Mid cap equity mutual fund	\$ 171,827	171,827	-	-

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2023			
	Quoted Price in			
	December 31,	Active Markets for	Significant Other	Significant
	2023	Identical Assets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
457 Plan				
Equity Securities:				
Small-Mid cap equity mutual fund	\$ 108,322	108,322	-	-
Total equity investments	108,322	108,322	-	-

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2023			
	Quoted Price in			
	December 31,	Active Markets for	Significant Other	Significant
	2023	Identical Assets	Observable Inputs	Unobservable Inputs
		Level 1	Level 2	Level 3
401(k) Plan				
Equity Securities:				
Small-Mid cap equity mutual fund	\$ 157,344	157,344	-	-
Total equity investments	157,344	157,344	-	-

Investments measured at Fair, Contract and NAV values
(\$ In thousands)

457 Plan

Equity Securities:

Commingled large-cap equity funds
 Commingled Small-Mid cap equity funds
 Separate Manager Account: Small-Mid cap equity funds
 Commingled international equity fund
 Separate Manager Account: International equity funds

Total equity securities

Debt Securities

Commingled debt funds
 Separate Manager Account: debt funds

Total debt securities

Real assets

Commingled real asset equity fund

Total real assets

Other:

Self direct investment option

Total other

Total investments measured at the NAV

Investment measured at Fair Value

Investments measured at Contract Value

Total investments

2024				
December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
\$ 1,628,615	\$ -	Daily	None	
190,117	-	Daily	None	
260,284	-	Daily	None	
272,581	-	Daily	None	
231,953	-	Daily	None	
2,583,550	-			
196,492	-	Daily	None	
85,327	-	Daily	None	
281,819	-			
74,867	-	Daily	None	
74,867	-			
7,867	-	Daily	None	
7,867	-			
2,948,103	-			
116,939	-			
1,280,537	-			
\$ 4,345,579	\$ -			

Investments measured at Fair, Contract and NAV values
(\$ In thousands)

401(k) Plan

Equity Securities:

Commingled large-cap equity funds
 Commingled Small-Mid cap equity funds
 Separate Manager Account: Small-Mid cap equity funds
 Commingled international equity fund
 Separate Manager Account: International equity funds

Total equity securities

Debt Securities

Commingled debt funds
 Separate Manager Account: debt funds

Total debt securities

Real assets

Commingled real asset equity fund

Total real assets

Other:

Self direct investment option

Total other

Total investments measured at the NAV

Investment measured at Fair Value

Investments measured at Contract Value

Total investments

2024				
December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
\$ 2,286,216	\$ -	Daily	None	
205,063	-	Daily	None	
382,454	-	Daily	None	
397,190	-	Daily	None	
354,027	-	Daily	None	
3,624,950	-			
298,743	-	Daily	None	
131,624	-	Daily	None	
430,367	-			
115,968	-	Daily	None	
115,968	-			
11,425	-	Daily	None	
11,425	-			
4,182,710	-			
171,827	-			
1,676,630	-			
\$ 6,031,167	\$ -			

Investments measured at Fair, Contract and NAV values
(\$ In thousands)

457 Plan

Equity Securities:

Commingled large-cap equity funds
 Commingled Small-Mid cap equity funds
 Separate Manager Account: Small-Mid cap equity funds
 Commingled international equity fund
 Separate Manager Account: International equity funds

Total equity securities

Debt Securities

Commingled debt funds
 Separate Manager Account: debt funds

Total debt securities

Real assets

Commingled real asset equity fund

Total real assets

Other:

Self direct investment option

Total other

Total investments measured at the NAV

Investment measured at Fair Value

Investments measured at Contract Value

Total investments

2023				
December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
\$ 1,325,588	\$ -	Daily	None	
158,488	-	Daily	None	
241,103	-	Daily	None	
246,455	-	Daily	None	
209,766	-	Daily	None	
2,181,400	-			
187,926	-	Daily	None	
80,540	-	Daily	None	
268,466	-			
90,230	-	Daily	None	
90,230	-			
3,712	-	Daily	None	
3,712	-			
2,543,808	-			
108,322	-			
1,297,125	-			
\$ 3,949,255	\$ -			

Investments measured at Fair, Contract and NAV values
(\$ In thousands)

401(k) Plan

Equity Securities:

Commingled large-cap equity funds
 Commingled Small-Mid cap equity funds
 Separate Manager Account: Small-Mid cap equity funds
 Commingled international equity fund
 Separate Manager Account: International equity funds

Total equity securities

Debt Securities

Commingled debt funds
 Separate Manager Account: debt funds

Total debt securities

Real assets

Commingled real asset equity fund

Total real assets

Other:

Self direct investment option

Total other

Total investments measured at the NAV

Investment measured at Fair Value

Investments measured at Contract Value

Total investments

2023				
December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
\$ 1,897,069	\$ -	Daily	None	
176,122	-	Daily	None	
350,217	-	Daily	None	
359,125	-	Daily	None	
317,768	-	Daily	None	
3,100,301	-			
282,079	-	Daily	None	
123,932	-	Daily	None	
406,011	-			
138,203	-	Daily	None	
138,203	-			
5,421	-	Daily	None	
5,421	-			
3,649,936	-			
157,344	-			
1,670,315	-			
\$ 5,477,595	\$ -			

Investments Measured at Contract Value

Stable Value Funds - Stable value funds typically have three components. The first component is primarily comprised of Investment Contracts issued by banks and insurance companies. The Investment Contracts help to assure that participants can transact at book value (principal plus accrued interest) as well as maintain a relatively stable return profile for the portfolio. Generally, contract issuers are rated "investment grade" by at least one of the Nationally Recognized Statistical Rating Organizations at time of purchase that are able to do business in New York State. The second component consists of an underlying portfolio of fixed income securities which are subject to the Investment Contracts and are often referred to as "underlying securities". Finally, the portfolio may also hold cash or cash equivalents. The Stable Value fund return is expected to be higher than that of a 3-year Constant Maturity Treasury + 0.5% with similar volatility over the long-term.

Investments Measured at NAV

Commingled Funds - The fair values of the investments of this type have been determined using the NAV per share of the investments. The commingled equity funds are comprised of large cap, small and mid-cap funds and international funds that invest in core indices across all industries, growth and value respectively. The commingled debt funds are comprised of corporate, treasuries and international fixed income securities.

Separate Manager Account (SMAs) - This investment vehicle follows a single-style strategy, with funds comprised of fixed income, large cap, small and mid-cap equities and international equities. These SMAs allow the MTA to impose reasonable stock and bonds sector preferences and restrictions on the securities in the accounts. Two equity SMAs are co-invested with external managers through Empower Investments. The fair values of the investments in this vehicle are determined using the NAV per share of the investments by the external manager. Empower Investments whom the MTA holds a contractual agreement with and whom controls the investments, revalues the NAV per share after certain expense deductions and provides the MTA with its percentage allocation on an annual basis.

Small-Mid Cap Funds - This investment option has four institutional investments funds - two growth and two value investment strategies with the objective of matching the return and risk characteristics of the Russell Small Cap Completeness Index or a similar index which measures the broad U.S. small and mid-capitalization equity market. The option's investment profile is long term capital growth through a combination of capital appreciation and to a lesser extent reinvested dividend income. The investment option is expected to have high volatility over a market cycle. The fair values of the investments in these types have been determined using the NAV per share of the investments.

Real Assets - The fund represents an optimal solution for an inflation hedging strategy and incorporates a diversified multi asset class approach. The fund strategic weights which are rebalanced monthly are as follows: 25% Bloomberg Roll Select Commodity Index; 25% Standard and Poor's (r) Global Larger Mid Cap Commodity & Resources Index; 10% Standard and Poor's Global Infrastructure Equity Index; 15% Dow Jones US Select REIT Index and 25% Barclays US TIPS Index. The fair values of the investments of this type have been determined using the NAV per share of the investments.

Self-Direct Brokerage Accounts - The Deferred Compensation program allows participants the option to invest up to twenty (20) percent of their account in over 500 mutual fund families comprising of more than 15,000 individual mutual funds. All investments under this option are in mutual funds and are measured at the respective fund NAVs.

4. CONTRIBUTIONS

Employer Contributions – The rate for the employer contribution varies by agency and are described as follows:

MTA Bus - Effective 2019, employer contributions were discontinued. Prior to 2019, certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, received a matching contribution equal to 50% of member's before-tax contributions up to 3% of the member's base pay. MTA Bus also made a basic contribution equal to 2% of the member's compensation. These contributions vested as follows:

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

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

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

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

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

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

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

Additional Deposits (Incoming Rollover or Transfers) - Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans.

Status - As of December 31, 2024, and 2023, 51.73% and 43.7% of the eligible employees were enrolled in the 457 Plan and 70.29% and 61.5% of the eligible employees were enrolled in the 401(k) Plan, respectively. There were 38,301 and 36,158 active participants in the 457 Plan and 52,283 and 50,419 active participants in the 401(k) Plan as of December 31, 2024, and 2023, respectively. The average account

balance in the 457 Plan was \$81,496 and \$77,962 and in the 401(k) Plan was \$86,011 and \$81,373 in 2024 and 2023, respectively.

5. DISTRIBUTIONS

In-Service Withdrawals - A 457 Plan participant who experiences an unforeseeable emergency (as defined by the Code) may apply for a withdrawal. A 401(k) Plan participant who experiences an immediate and heavy financial need (as defined by the Code) may apply for a withdrawal by filing a hardship application. Distributions are subject to applicable taxes and penalties. In addition, up to four times a year, 401(k) Plan participants may withdraw their elective deferral balance from the Plan if they are over age 59½. These withdrawals can be cash distributions or rollovers to another eligible retirement plan. 457 Plan participants may request an in-service withdrawal only after attainment of age 70½, or at any age if their account balance is less than \$5,000 and there has been no activity in their account for at least two years.

Direct Transfer for Purchasing Permissive Service Credit - Participants in the 457 or 401(k) Plans are eligible to use their Plan assets as a source of funding for the purchase of certain permissive service credits (as defined by the Code) in certain defined benefit plan or pension systems, via a direct transfer.

Distribution of Benefits - Upon a participant's severance from the MTA, the participant is entitled to receive an amount equal to the value of his or her vested account, to be paid in accordance with one of the methods described below. Participants can choose to remain in the Plans and are not required to withdraw, roll over or transfer their account upon severance.

Commencement date - Subject to required minimum distribution rules, a participant may elect any commencement date after severance. A participant has the option to cancel or change their distribution schedule at any time upon proper notice to the Plans Record-keeper. Individuals who attained age 70 ½ before January 1, 2020 were required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 70 ½ or (2) the calendar year in which they separate from service with the MTA. Individuals who attain age 70 ½ after January 1, 2020 are required to begin receiving minimum distributions from their accounts by April 1st of the calendar year following the later of (1) attainment of age 72 or (2) the calendar year in which they separate from service with the MTA.

Method of Distribution for Direct Payment - If a participant chooses; the following methods of distribution are available under the Plans:

- Full lump sum payment; or
- Substantially equivalent monthly, quarterly, semi-annual or annual installment payments; or
- Any other amount of payment, subject to the required minimum distribution rules.

Election of Length of Distribution - If a participant elects installment payments, he or she may specify either:

- the total number of installment payments, or
- the dollar amount of each payment.

In either case, distributions cannot be paid over a period of time which exceeds the life expectancy of the participant or, in certain circumstances, the joint life expectancy of the participant and a

“designated beneficiary” (as defined by the Code). Installment payments will be recalculated annually and will be paid only until the account is exhausted.

Rollovers or Transfers Out of the Plans - If a participant chooses to transfer or roll over his or her Deferred Compensation account, or a portion thereof, it must be to an eligible retirement plan (401(a), 457, 401(k), 403(b) or rollover IRA). 457 Plan and 401(k) Plan participants are eligible to roll over or transfer their account balance(s) upon severance from service.

6. LOANS

The MTA Deferred Compensation Program offers participants the opportunity to borrow from either one or both Plans simultaneously. The MTA Plans permit one loan from the 457 Plan and up to two loans from the 401(k) Plan. However, participants are limited to a total of two loans. Thus, as a participant of both the 401(k) and the 457 Plans, a participant can have either two 401(k) loans or the combination of a 401(k) loan and a 457 loan. The MTA offers two types of loans: the first is a “General Purpose Loan”, which is a five-year loan and can be for any purpose. The second is a “Residential Loan”, which is a loan for a primary residence and is a 20-year loan. For the Residential Loan, a signed contract to purchase the residence is necessary. Loan repayment is made through payroll deduction. If a participant with an outstanding loan leaves the employment of the MTA, the participant may request to make coupon payments.

The minimum loan amount is \$1,000. The maximum amount of an approved loan may not exceed the lesser of: (i) 50 percent of the participant’s 457 or 401(k) Plan account balance; or (ii) \$50,000 less the combined balance of all outstanding loans that a participant may have under the Program. All loans are subject to interest at prime rate plus 1 percent. A loan origination fee of \$75.00 is deducted from the approved loan amount. Active MTA employee participants may not borrow from amounts attributable to Metro-North contributions, MTA Police contributions, MTA Police Commanding Officers’ Association contributions, MTA Business Service Center Matching Contributions and Roth Elective Deferrals. The 457 Plan’s net loans outstanding is \$99.5 million and \$85.9 million at December 31, 2024 and 2023 respectively, and the 401(k) Plan’s was \$211.2 million and \$175.3 million at December 31, 2024 and 2023 respectively.

7. ADDITIONAL PLAN INFORMATION

Participation - Eligible employees are allowed to participate in the 401(k) Plan and/or the 457 Plan upon employment with the MTA and its affiliates or subsidiaries. The record-keeper/trustee maintains a website, along with a telephone voice response system, or participants may use paper enrollment forms, for Program activities. Participants may make or suspend deferrals; may increase or decrease, in multiples of 1 percent, the percentage of wages to be deferred or any whole dollar amount; may change the investment option of future deferrals or initiate account transfers between investment options in multiples of 1 percent or any dollar amount. There is no restriction on the number of times a participant may change the amount of future deferrals. An employee participating in both the 457 Plan and 401(k) Plan who wishes to make any changes must do so independently for each Plan. Participants may also choose to schedule automated, annual increases in their deferral elections. An employee who has severed service from the MTA may rejoin the 457 Plan, the 401(k) Plan, or both and become an active participant after returning to service to the MTA by following the procedures set forth above.

Excessive Trading Policy - MTA has an Excessive Trading policy in place for the Plans. This policy monitors trading activity in investment options, utilizing criteria such as frequency of trades,

dollar amount of the trades, and number of buys and sells performed by the participant. Activity exceeding established thresholds can be deemed excessive trading. The Excessive Trading policy defines excessive trading as one or more trades into and out of the same investment option within a rolling 30-day period when each trade is over \$25,000. Automatic or system-driven transactions are not considered excessive trading. This includes contributions or loan repayments by payroll deductions, re-mapping transactions, hardship withdrawals, regularly scheduled or periodic distributions or periodic rebalancing through a systematic rebalancing program that is not initiated by the Program.

Maximum Deferrals - A participant in the 457 Plan or the 401(k) Plan could have deferred up to \$23,000 plus an additional \$7,500 and \$22,500 plus an additional \$7,500 for participants age 50 and over in calendar years 2024 and 2023. Alternatively, for the 457 Plan, under certain circumstances, a participant may double the annual maximum contribution during each of the last three years prior to reaching his or her designated “Normal Retirement Age” (“Retirement Catch-Up Amount”) if less than the maximum was deferred during earlier years. Participants may not make both the Retirement Catch-Up and the Age 50 Catch-Up to the 457 Plan in the same year.

Membership – As of December 31, 2024 and 2023, the Plans' membership with balances consisted of:

	2024		2023	
	457	401(k)	457	401(k)
Active employees	38,301	52,283	36,158	50,149
Terminated/Inactive employees	15,022	17,838	14,478	14,851
Total active and inactive members	<u>53,323</u>	<u>70,121</u>	<u>50,636</u>	<u>65,000</u>
Vested employees	53,323	69,991	50,636	64,919

Maintenance of Accounts - For both the 457 Plan and the 401(k) Plan, the record keeper establishes an account for each participant to which any amounts deferred, transferred or distributed under the Plans are credited or charged, including, as specified in the Participation Agreement or any amendment thereto, any increase or decrease in the value of the investment options. The Plans are not responsible for any decrease in the value of a participant’s account.

Plans’ Funding and Expense Payment - The MTA Deferred Compensation Program charges participants’ quarterly administrative fees. These fees cover participant directed activities, communications, and administrative expenses. They also cover the cost of the Program’s third-party administrator, the investment advisor, outside legal counsel, in-house legal counsel and a portion of staff salaries and benefits.

8. TRUSTEE AND OTHER PROFESSIONAL SERVICES

The Trustee for the MTA is Empower Trust Company, LLC (“Empower”). Recordkeeping, Administrative, and investment management services are provided by Empower Annuity Company (“EAC”). With regards to other providers of investment management services; separate accounts are managed by Alliance Bernstein, TCW, William Blair and Galliard (which in turn has executed agreements with IR + M, Dodge & Cox, Loomis Sayles, TCW); commingled trusts are managed by SSgA, Loomis Sayles, Wellington, Vanguard and Boston Partners; a mutual fund is managed by Dimensional Fund Advisors. The Financial Advisor is Mercer Investments LLC which reviews the investment policies adopted by the Investment Committee, the Plans’ portfolio and the Investment Managers’ performance.

9. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28, 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 July 28, 2025, there were no subsequent events that required recognition or disclosure.

* * * * *

DRAFT

Metro-North Commuter Railroad Company Cash Balance Plan

(A Fiduciary Component Unit of the
Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules, and
Independent Auditor's Report

METRO-NORTH COMMUTER RAILROAD COMPANY

CASH BALANCE PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Pensions of the
Metro-North Commuter Railroad Company Cash Balance Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

July 28, 2025

METRO-NORTH COMMUTER RAILROAD COMPANY

CASH BALANCE PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2024 AND 2023

This narrative discussion and analysis of the Metro-North Commuter Railroad Company Cash Balance Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2024 and 2023. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the past two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis are intended to be read in conjunction with the Plan's financial statements which begin on page 8.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** present the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statements of Changes in Fiduciary Net Position** present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information**, as required by the Government Accounting Standards Board ("GASB") includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment Returns.

Financial Highlights

The Plan is a single employer, defined benefit pension plan. The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined Metro-North Commuter Railroad Company ("MNCR") as management employees between January 1 and June 30, 1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995.

FINANCIAL ANALYSIS

Fiduciary Net Position

December 31, 2024, 2023, and 2022

(Dollars in thousands)

	2024	2023	2022	Increase/(Decrease)	
				2024-2023	2023-2022
Investments, at fair value	\$ 266	\$ 265	\$ 283	\$ 1	\$ (18)
Accrued interest	-	1	2	(1)	(1)
Total assets	266	266	284	-	(19)
Benefits payable	17	13	-	4	13
Payable for investment securities purchased	-	-	5	-	(5)
Total liabilities	17	13	5	4	8
Net position - restricted for pensions	\$ 249	\$ 253	\$ 279	\$ (4)	\$ (27)

December 31, 2024 versus December 31, 2023

Investments at December 31, 2024 were \$266 thousand, an increase of \$1 thousand from 2023. The increase is the result of investment activity and plan contributions net of benefit payments and expenses.

Total liabilities at December 31, 2024 were \$17 thousand, an increase of \$4 thousand from 2023. The increase is due to accrued plan benefits payable in 2024.

Net position restricted for pensions at December 31, 2024 was \$249 thousand, a decrease of \$4 thousand from 2023 as a result of the changes noted above.

December 31, 2023 versus December 31, 2022

Investments at December 31, 2023 were \$265 thousand, a decrease of \$17 thousand from 2022. The decrease is the result of investment activity and plan contributions net of benefit payments and expenses.

Accrued interest at December 31, 2023 was \$1 thousand, a decrease of \$1 thousand from December 31, 2022.

Total liabilities at December 31, 2023 were \$13 thousand, an increase of \$8 thousand from 2022. The increase is due to accrued plan benefits payable in 2023 compared to investment securities purchased of \$5 thousand in 2022.

Net position restricted for pensions at December 31, 2023 was \$253 thousand, a decrease of \$26 thousand from 2022 as a result of the changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2024, 2023 and 2022
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>Increase/(Decrease)</u>	
				<u>2024-2023</u>	<u>2023-2022</u>
Additions:					
Net investment income/(loss)	\$ 8	\$ 2	\$ (43)	\$ 6	\$ 45
Employer contributions	<u>22</u>	<u>13</u>	<u>4</u>	<u>9</u>	<u>9</u>
Total additions / (subtractions)	<u>30</u>	<u>15</u>	<u>(39)</u>	<u>15</u>	<u>54</u>
Deductions:					
Benefits paid to participants	<u>34</u>	<u>41</u>	<u>33</u>	<u>(7)</u>	<u>8</u>
Total deductions	<u>34</u>	<u>41</u>	<u>33</u>	<u>(7)</u>	<u>8</u>
Net decrease in net position	<u>(4)</u>	<u>(26)</u>	<u>(72)</u>	<u>22</u>	<u>46</u>
Net position-restricted for pensions:					
Beginning of year	<u>253</u>	<u>279</u>	<u>351</u>	<u>(26)</u>	<u>(72)</u>
End of year	<u>\$ 249</u>	<u>\$ 253</u>	<u>\$ 279</u>	<u>\$ (4)</u>	<u>\$ (26)</u>

CHANGES IN FIDUCIARY NET POSITION

The Plan is a closed plan and does not have active members as of January 1, 2024. Investments are primarily in Money Market Mutual fund as at December 2024. As of November 2023, the Plan held investments in bonds and asset backed securities to minimize exposure to market fluctuations. In December 2023, the Plan liquidated the portfolio's bond investments for a Money Market Mutual fund. The net position is held in trust for the payment of future benefits to members and beneficiaries.

December 31, 2024 versus December 31, 2023

Net investment income increased by \$6 thousand in 2024 from net investment gains of \$8 thousand in 2024 versus net investment gain of \$2 thousand in 2023.

The Actuarially Determined Contributions (“ADC”) of \$22 thousand for 2024 and \$13 thousand for 2023 were paid in 2024 and 2023, respectively.

Benefit payments decreased by \$7 thousand in 2024 when compared with the increase of \$8 in 2023, primarily due to retroactive payments to a beneficiary in 2023.

There were no securities disbursed in-kind in 2024.

December 31, 2023 versus December 31, 2022

Net investment income increased by \$45 thousand in 2023 due to net investment gains of \$2 thousand in 2023 versus net investment loss of \$43 thousand in 2022.

The Actuarially Determined Contributions (“ADC”) of \$13 thousand for 2023 and \$4 thousand for 2022 were paid in 2023 and 2022, respectively.

Benefit payments increased by \$8 thousand in 2023 when compared with 2022, primarily due to retroactive payments to a beneficiary in 2023.

There were no securities disbursed in-kind in 2023.

INVESTMENTS

The table below summarizes the Plan's investment allocations and investment returns.

Investment Summary (Dollars in thousands)

Type of Investment	Fair Value	Allocation	Current Year Return
December 31, 2024			
Short-term investments	\$ 266	100.0 %	3.1 %
Total	\$ 266	100.0 %	3.1 %
December 31, 2023			
Short-term investments	\$ 265	100.0 %	5.0 %
Total	\$ 265	100.0 %	5.0 %
December 31, 2022			
U.S. government & agency securities	\$ 156	55.2 %	2.8 %
Corporate bonds & asset backed securities	109	38.6 %	3.6 %
Short-term investments	12	4.4 %	0.1 %
Other bonds & fixed income securities	5	1.8 %	5.2 %
Total	\$ 283	100.0 %	3.1 %

Contact Information

This financial report is designed to provide a general overview of the Metro-North Commuter Railroad Company Cash Balance Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller's Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS:		
Investments, at fair value:		
Short-term investments	<u>\$ 265,643</u>	<u>\$ 264,898</u>
Total investments	<u>265,643</u>	<u>264,898</u>
Accrued interest	<u>494</u>	<u>671</u>
Total assets	<u>266,137</u>	<u>265,569</u>
LIABILITIES:		
Benefits payable	<u>17,413</u>	<u>12,584</u>
Total liabilities	<u>17,413</u>	<u>12,584</u>
NET POSITION - restricted for pensions	<u>\$ 248,724</u>	<u>\$ 252,985</u>

See notes to financial statements.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
ADDITIONS:		
Investment income:		
Interest	\$ 7,576	\$ 8,766
Net depreciation in fair value of investments	<u>-</u>	<u>(6,785)</u>
Total investment income	7,576	1,981
Contributions:		
Employer	<u>22,354</u>	<u>12,589</u>
Total additions	<u>29,930</u>	<u>14,570</u>
DEDUCTIONS:		
Benefits paid to participants	<u>(34,191)</u>	<u>(40,899)</u>
Total deductions	<u>(34,191)</u>	<u>(40,899)</u>
NET DECREASE IN NET POSITION	(4,261)	(26,329)
NET POSITION - restricted for pensions		
Beginning of year	<u>252,985</u>	<u>279,314</u>
End of year	<u>\$ 248,724</u>	<u>\$ 252,985</u>

See notes to financial statements.

METRO-NORTH COMMUTER RAILROAD COMPANY

CASH BALANCE PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. PLAN DESCRIPTION

The following description of the Metro-North Commuter Railroad Company Cash Balance Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a single employer, defined benefit pension plan administered by Metro-North Commuter Railroad ("MNCR"). The Plan covers non-collectively bargained employees, formerly employed by Conrail, who joined MNCR as management employees between January 1 and June 30, 1983 and were still employed as of December 31, 1988. Effective January 1, 1989, these employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the Plan was closed to new participants. The assets of the Management Plan have been merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees as of the asset transfer date of July 14, 1995. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Plan Administration

The MTA Board of Trustees shall appoint a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The members of the Board of Managers shall hold office at discretion of the MTA Board, each to serve until his successor is appointed. The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

The Board of Managers shall control and manage the operation and administration of the Plan. It shall have all the powers that within its judgment may be necessary or appropriate for that purpose, including, but not by way of limitation, power to adopt any rules consistent with the provisions of the Plan deemed necessary to effectuate the Plan, to conduct the affairs of the Board of Managers, to administer the Plan, to interpret the Plan, to determine the eligibility, status and rights of all persons under the Plan and, in general, to decide any dispute.

Benefits Provided

Pension Benefits - Participants of the Plan obtain a nonforfeitable right to their accrued benefit upon the earlier of (a) the completion of five years of service with the MTA Metro-North Railroad or (b) the attainment of age sixty-two. Vested participants are entitled to receive pension benefits commencing at age sixty-five. Vested participants may elect to receive early retirement benefits upon the attainment of age fifty-five through age sixty-four.

Participants may elect to receive the value of their accumulated plan benefits as a lump-sum distribution upon retirement or they may elect to receive their benefits as a life annuity payable monthly from retirement. Participants may also elect to receive their pension benefits in the form of a joint and survivor annuity.

Prior to a participant's annuity commencement date, each Participant's account balance shall be increased each month by a factor, which when compounded monthly for 12 months, would produce the benefit escalator for the applicable plan year.

The benefit escalator is defined as the Pension Benefit Guaranty Corporation immediate annuity rate in effect for December of the year preceding the year for which the determination is being made.

Death Benefits - Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death.

Membership

Membership of the Plan consisted of the following as of January 1, 2024 and 2023, the dates of the latest actuarial valuation:

	2024	2023
Active Plan Members	-	-
Retirees and beneficiaries receiving benefits	20	20
Vested formerly active members not yet receiving benefits	5	5
Total	25	25

Contributions

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

MNCR's funding policy with respect to the Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately \$2.977 million to the trust fund in 1989. As participants retire, distributions from the Plan have been made by the Trustee. MNCR anticipated that no further contributions would be made to the Plan. However, due to changes in actuarial assumptions and market performance, additional unfunded pension liabilities were paid to the Plan in several subsequent years. Per the January 1, 2024 valuation, the unfunded accrued liability was \$21,494 and the actuarially determined contribution was \$22,354. Per the January 1, 2023 valuation, the unfunded accrued liability was \$12,105 and the actuarially determined contribution was \$12,589. The ADC reflects a one-year amortization of the unfunded accrued liability in accordance with the funding policy adopted by the MTA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

Use of Management Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include the determination of the fair value of investments, the actuarial determined contribution and the total pension liability.

Investment Valuation and Income Recognition

Fair value for the publicly traded government bonds and notes, corporate bonds and mortgage/asset backed securities represents the quoted market prices of a national securities exchange. Gains and losses on investments that were sold during the year are included in net appreciation or depreciation in fair value of investments. Interest income on the government and corporate bonds is recorded when earned. The Plan's investments are held in trust by Principal Bank (the "Trustee"), in the name of the Plan.

Benefits

Benefits are recognized when paid.

Administrative Expenses

The administrative expenses of the Plan are paid by MNCR. There were no administrative expenses paid by the Plan for the years ended December 31, 2024 and 2023, respectively.

Federal Income Tax Status

The Internal Revenue Service ("IRS") has determined and informed the MNCR by a letter dated January 10, 1997, that the Plan and related trust were designed in accordance with the applicable regulations of the IRC. The Plan has been amended since receiving the determination letter. The MNCR believes that the Plan is currently designed and operated in compliance with the applicable requirements of the IRC and the Plan and related trust continue to be tax-exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statements in 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 has no material impact on the financial net position of the Metro-North Cash Balance Plan.

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 adoption of this Statement has no material impact on the financial net position of the Metro-North Cash Balance Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	Metro-North Commuter Railroad Company Cash Balance Plan Required Year of Adoption
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

3. INVESTMENTS

A professional investment management firm manages the Plan. The Plan utilizes various investment securities including U.S. government securities and corporate debt instruments. The investment guideline is included within the investment management agreement agreed to by the MTA Board of Trustees. The guideline grants the investment manager full discretion to buy, sell, invest and reinvest the Plan's assets in domestic fixed income investments. The investment objective is to achieve consistent, positive real returns and to maximize long-term total return within prudent levels of risk through a combination of income and capital appreciation. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

The investment management firm is required to maintain a diversified portfolio. All investment managers are expected to perform their fiduciary duties as prudent people would and to conform to all state and federal statutes governing the investment of retirement funds. Securities managers must be registered advisors under the Investment Advisors Act of 1940. The investment managers must comply with the risk management guidelines per the Investment Management Agreement.

Investment managers may not purchase inverse floating rate bonds, structured notes, commodities, securities on margin, sell short, lend securities, invest in private placements, commingled funds (except Short-Term Investment Funds), real estate investments, and oil, gas & mineral exploration investments without the written consent of the Plan. The Plan did not hold any fixed-income securities in 2024.

GASB 72 Disclosure

In fiscal year 2015, the Plan adopted GASB Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan has the following recurring fair value measurements as of December 31, 2024 and December 31, 2023:

**Metro-North Commuter Railroad Company Cash
Balance Plan
Investments measured at NAV**

	2024			
	December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Short-term investments measured at the NAV	265,643	N/A	N/A	N/A
Total investments measured at the NAV	265,643	N/A	N/A	N/A

**Metro-North Commuter Railroad Company Cash Balance
Plan
Investments measured at NAV**

	2023			
	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Short-term investments measured at the NAV	264,898	N/A	N/A	N/A
Total investments measured at the NAV	264,898	N/A	N/A	N/A

Money-Weighted Rate of Return

For the years ended December 31, 2024 and December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, for the Plan were 3.14% and 0.75%, respectively.

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Credit Risk.

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2024 and December 31, 2023 respectively, are as follows:

December 31, 2024	Fair	Percentage of
Quality Rating	Value	Portfolio
NR	\$ 265,643	100.0 %
Total credit risk debt securities	\$ 265,643	100.0 %
Total investment portfolio	\$ 265,643	100.00%
December 31, 2023	Fair	Percentage of
Quality Rating	Value	Portfolio
NR	\$ 264,898	100.0 %
Total credit risk debt securities	\$ 264,898	100.0 %
Total investment portfolio	\$ 264,898	100.00%

Custodial Credit Risk

The Plan does not have a general policy addressing custodial risk, but it is the practice of the Plan that all investments are registered or held by the Plan or its agent in the Plan's name. Deposits are to be registered or collateralized with securities held at fiscal agents in the Plan's name.

Interest Rate Risk

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

December 31, 2024	Fair	Percentage of	Duration
Investment Type	Value	Portfolio	(Years)
Short-term investments	\$ 265,643	100.0 %	-
Total investment	\$ 265,643	100.00%	-
Portfolio average duration			-

December 31, 2023	Fair	Percentage of	Duration
Investment Type	Value	Portfolio	(Years)
Short-term investments	\$ 264,898	100.0 %	-
Total investment	\$ 264,898	100.00%	-
Portfolio average duration			-

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan assets are invested in domestic fixed-income securities denominated in U.S. dollars and accounted for at fair value. The Plan has no exposure to foreign currency fluctuation.

4. NET PENSION LIABILITY (ASSET)

The components of the net pension liability of the employer at December 31, 2024 and 2023, for the Plan were as follows:

	<u>2024</u>	<u>2023</u>
Total pension liability	\$251,849	\$262,211
Plan's fiduciary net position	<u>248,724</u>	<u>252,985</u>
Employer's net pension liability	<u>\$ 3,125</u>	<u>\$ 9,226</u>
Plan's fiduciary net position as a percentage of the total pension liability	98.76%	96.48%

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

Discount Rate

The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

	<u>2024</u>	<u>2023</u>
Discount rate	4.00%	4.00%
Long-term expected rate of return net of investment expense	4.00%	4.00%
Municipal bond rate	N/A	N/A

Other Key Actuarial Methods and Assumptions for the years ended December 31, 2024 and December 31, 2023 were as follows:

The actuarial assumptions that determined the total pension liability as of December 31, 2024 and December 31, 2023 was based on an experience study for the period January 1, 2015 - December 31, 2020.

	<u>2024</u>	<u>2023</u>
Valuation date:	January 1, 2024	January 1, 2023
Measurement date:	December 31, 2024	December 31, 2023
Actuarial cost method:	Unit Credit	Unit Credit
Actuarial assumptions:		
Asset valuation method:	Market Value of Plan Asset	Market Value of Plan Asset
Projected salary increases:	N/A	N/A
COLAs:	N/A	N/A
Inflation:	2.37%	2.32%
Benefit escalator:	2.25% per annum, compounded annually	2.25% per annum, compounded annually
Provision for Expenses:	None assumed from Plan assets	None assumed from Plan assets

Age and Benefit Profile of Participants in Pay Status as of January 1, 2024:

Retired Participants and Beneficiaries:

<u>Attained Age</u>	<u>Number</u>	<u>Annual Pension</u>
<50	-	\$ -
50-54	-	-
55-59	-	-
60-64	-	-
65-69	2	708
70-74	6	4,382
75-79	3	2,707
80-84	4	7,810
85-89	3	11,205
>90	2	7,230
Total	<u><u>20</u></u>	<u><u>\$34,042</u></u>

Average age = 79.5

Average Annual Pension = \$1,702

Mortality: Pre-commencement: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021.

Post-commencement: Pre-2012 Retiree mortality table with the blue collar adjustments multiplied by 97% for males and 100% for females, projected on a generational basis using Scale MP-2021. As generational tables, they reflect mortality improvements both before and after the measurement date.

The mortality assumption is based on a 2022 experience study for all the MTA plans combined.

Form of Payment for Cash Balance Account: For terminated vested participants, lump sum on the valuation date. This is based on the majority of participants electing a lump sum upon retirement.

Benefits not valued: The Additional Benefit was not valued as the potential liability for this benefit is de minimus.

Provision for Expenses - None assumed payable from plan assets, in accordance with anticipated plan sponsor practice.

Changes in Actuarial Assumptions Since Prior Valuation: None.

Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2024 and 2023.

Asset Class	Index	Target Allocation	2024	2023
			Long-Term Expected Real Rate of Return *	Long-Term Expected Real Rate of Return *
Core Fixed Income	Bloomberg	100.00%		
	Barclays		2.47%	2.14%
	Aggregate			
Assumed Inflation - Mean			2.37%	2.32%
Assumed Inflation - Standard Deviation			1.46%	1.44%
Portfolio Nominal Mean Return			4.84%	4.45%
Portfolio Standard Deviation			4.44%	4.30%
Long-Term Expected Rate of Return selected by MTA			4.00%	4.00%

Sensitivity Analysis

The following presents the net pension liability of the Metro-North Commuter Railroad Company Cash Balance Plan as of December 31, 2024 and December 31, 2023, respectively, calculated using the current discount rate, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	December 31, 2024			December 31, 2023		
	Discount			Discount		
	1% Decrease 3.00%	Rate 4.00%	1% Increase 5.00%	1% Decrease 3.00%	Rate 4.00%	1% Increase 5.00%
Net Pension Liability	\$17,295	\$3,125	(\$9,479)	\$24,680	\$9,226	(\$4,479)

5. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28th, 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 July 28th, 2025, there were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule I

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios (\$ in Thousands)

	2024	2023	2022	2021	2020
Total Pension Liability:					
Interest	\$ 10	\$ 12	\$ 10	\$ 11	\$ 14
Changes of economic/demographic (gains) or losses	14	(19)	(6)	(11)	10
Changes of assumptions	-	-	(16)	15	11
Benefit payments	(34)	(41)	(33)	(38)	(105)
Net change in total pension liability	(10)	(48)	(45)	(23)	(70)
Total pension liability - beginning	262	310	355	378	448
Total pension liability - ending (a)	<u>\$ 252</u>	<u>\$ 262</u>	<u>\$ 310</u>	<u>\$ 355</u>	<u>\$ 378</u>
Fiduciary Net Position:					
Employer contributions	\$ 22	\$ 13	\$ 4	\$ -	\$ 9
Net investment income/(expense)	8	2	(43)	(5)	32
Benefit payments	(34)	(41)	(33)	(38)	(105)
Administrative expenses	-	-	-	-	3
Net change in plan fiduciary net position	(4)	(26)	(72)	(43)	(61)
Fiduciary net position - beginning	253	279	351	394	455
Fiduciary net position - ending (b)	249	253	279	351	394
Net pension liability - ending (a) - (b)	<u>\$ 3</u>	<u>\$ 9</u>	<u>\$ 31</u>	<u>\$ 4</u>	<u>\$ (16)</u>
Fiduciary net position as a percentage of the total pension liability	98.76%	96.48%	90.09%	98.91%	104.20%
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Net pension liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

This Schedule is presented to illustrate the requirement to show information for 10 years.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule I (continued)

Required Supplementary Information

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios (\$ in Thousands)

	2019	2018	2017	2016	2015
Total Pension Liability:					
Interest	\$ 18	\$ 20	\$ 21	\$ 24	\$ 29
Changes of economic/demographic (gains) or losses	-	(11)	12	(15)	(10)
Changes of assumptions	4	-	-	-	18
Benefit payments	(53)	(58)	(71)	(77)	(113)
Net change in total pension liability	(31)	(49)	(38)	(68)	(76)
Total pension liability - beginning	479	528	566	634	710
Total pension liability - ending (a)	<u>\$ 448</u>	<u>\$ 479</u>	<u>\$ 528</u>	<u>\$ 566</u>	<u>\$ 634</u>
Fiduciary Net Position:					
Employer contributions	\$ -	\$ 5	\$ -	\$ 23	\$ 18
Net investment income	40	1	20	16	6
Benefit payments	(53)	(58)	(71)	(77)	(113)
Administrative expenses	(3)	-	-	-	3
Net change in plan fiduciary net position	(16)	(52)	(51)	(38)	(86)
Fiduciary net position - beginning	471	523	574	612	698
Fiduciary net position - ending (b)	455	471	523	574	612
Net pension liability - ending (a) - (b)	<u>\$ (6)</u>	<u>\$ 8</u>	<u>\$ 5</u>	<u>\$ (8)</u>	<u>\$ 22</u>
Fiduciary net position as a percentage of the total pension liability	101.45%	98.28%	99.01%	101.39%	96.56%
Covered payroll	\$ 277	\$ 275	\$ 268	\$ 649	\$ 995
Net pension liability as a percentage of covered payroll	<u>-2.35%</u>	<u>3.00%</u>	<u>1.95%</u>	<u>-1.22%</u>	<u>2.20%</u>

This Schedule is presented to illustrate the requirement to show information for 10 years.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule II

Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of covered Payroll
2015	-	-	-	994,941	0.00%
2016	22,721	22,721	-	648,524	3.50%
2017	-	-	-	268,488	0.00%
2018	5,444	5,444	-	274,921	1.98%
2019	8,582	8,582	-	276,569	3.10%
2020	-	-	-	-	N/A
2021	-	-	-	-	N/A
2022	4,463	4,463	-	-	N/A
2023	12,589	12,589	-	-	N/A
2024	22,354	22,354	-	-	N/A

This Schedule is presented to illustrate the requirement to show information for 10 years.

The actual employer contribution for 2019 is the April 15, 2020 contribution that was recognized by the Plan as a receivable contribution for the 2019 plan year.

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule II

Notes to Required Supplementary Information
Schedule of Employer Contributions

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Unit Credit	Unit Credit	Unit Credit	Entry Age Normal	Entry Age Normal
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.
Inflation	2.37%	2.32%	2.40%	2.25%	2.25%
Salary Increases	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return	4.00%, net of investment expenses	4.00%, net of investment expenses	4.00%, net of investment expenses	3.00%, net of investment expenses	3.00%, net of investment expenses
Mortality	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from Jan. 1, 2015-Dec. 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule II (continued)

Notes to Required Supplementary Information
Schedule of Employer Contributions

Actuarial Methods and Assumptions

The methods and assumptions used to determine the actuarially determined contributions are as follows:

Valuation Date	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Measurement Date	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Valuation Timing	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.	Actuarially determined contributions calculated as of December 31 for the fiscal year.
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.	One-year amortization of the unfunded liability, if any.
Asset Valuation Method	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.	Actuarial value equals market value.
Inflation	2.50%	2.25%	2.50%	2.30%	2.30%
Salary Increases	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return	3.5%, net of investment expenses	3.5%, net of investment expenses	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	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA

METRO-NORTH COMMUTER RAILROAD COMPANY
CASH BALANCE PLAN

Schedule III

Required Supplementary Information
Schedule of Investment Returns

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2015	0.93%
2016	2.75%
2017	3.67%
2018	0.06%
2019	9.01%
2020	7.79%
2021	-1.21%
2022	-12.95%
2023	0.75%
2024	3.14%

This Schedule is presented to illustrate the requirement to show information for 10 years.

Metropolitan Transportation Authority
Retiree Welfare Benefits Plan
("Other Postemployment
Benefits Plan" or "OPEB Plan")

(A Fiduciary Component Unit of the Metropolitan
Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023
Supplemental Schedules, and
Independent Auditor's Report

METROPOLITAN TRANSPORTATION AUTHORITY OTHER POST EMPLOYMENT BENEFITS PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of the
Metropolitan Transportation Authority Retiree Welfare Benefits Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (the "Plan") as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Employers' Net OPEB Liability and Related Ratios-Schedule I, Schedule of Employer Contributions- Schedule II, and Schedule of Investment Returns- Schedule III be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial

statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

July 28, 2025

METROPOLITAN TRANSPORTATION AUTHORITY

OTHER POSTEMPLOYMENT BENEFITS PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (UNAUDITED)

The purpose of the Metropolitan Transportation Authority (“MTA”) Retiree Welfare Benefits Plan (“Other Postemployment Benefits Plan” or “OPEB Plan” or the “Plan”) and the related Trust Fund is to provide a vehicle for the MTA organization to set aside funds to assist it in providing health and other welfare benefits to eligible retirees and their beneficiaries. The Plan and the Trust Agreement are exempt from federal income taxation under Section 115(1) of the Code. The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the “pay-as-you-go” cost of providing current benefits to current eligible retirees, spouses and dependents (“Pay-Go”).

This management’s discussion and analysis of the Plan’s financial performance provides an overview of the Plan’s financial activities for the years ended December 31, 2024 and 2023. It is meant to assist the reader in understanding the Plan’s financial statements by providing an overall review of the financial activities during the year and the effects of significant changes. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA’s management that should not be considered a replacement for, and is intended to be read in conjunction with, the Plan’s financial statements which begin on page 10.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** — present the financial position of the Plan at year end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.

- **The Statements of Changes in Fiduciary Net Position** — present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year’s activity as net realized and unrealized gains in fair value of investments.
- **The Notes to Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan’s accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** — as required by the Governmental Accounting Standards Board (“GASB”) is presented after the management discussion and analysis, the statement of fiduciary net position, the statement of changes in fiduciary net position and the notes to the combined financial statements.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Financial Highlights

Fiduciary Net Position December 31, 2024, 2023 and 2022 (Dollars in thousands)

				Amount of Change		Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ASSETS:							
Investments	\$ 1,420,535	\$ 1,362,791	\$ 11,698	\$ 57,744	\$ 1,351,093	4.2 %	11500.0 %
Receivables and other assets	12,262	11,708	38	554	11,670	4.7	30,710.5
TOTAL ASSETS	1,432,797	1,374,499	11,736	58,298	1,362,763	4.2	11,611.8
LIABILITIES:							
Benefits payable and accrued expenses	215	594	1	(379)	593	(63.8)	59,300.0
TOTAL LIABILITIES	215	594	1	(379)	593	(63.8)	59,300.0
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS							
	\$ 1,432,582	\$ 1,373,905	\$ 11,735	\$ 58,677	\$ 1,362,170	4.3 %	11607.8 %

Plan net position is held in trust for the payment of future benefits to members and beneficiaries. The assets of the Plan exceeded its liabilities by \$1,432.6 million and \$1,373.9 million as of December 31, 2024 and 2023. The net increase in Plan value in 2024 of \$58.7 thousand was due to higher investment

appreciation compared to 2023 as a result of the MTA contribution of \$1.3 billion to the OPEB Trust in 2023.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2024, 2023, and 2022

(Dollars in thousands)	Amount of Change					Percentage Change	
	2024	2023	2022	(2024 - 2023)	(2023 - 2022)	(2024 - 2023)	(2023 - 2022)
ADDITIONS:							
Total investment income	\$ 59,659	\$ 43,596	\$ 11,828	\$ 16,063	\$ 31,768	36.8 %	268.6 %
Less:							
Investment expenses	837	565	-	272	565	48.1	100
Net investment income	58,822	43,031	11,828	15,791	31,203	36.7	263.8
Add:							
Employer contributions	877,690	2,139,096	788,310	(1,261,406)	1,350,786	(59.0)	171.4
Implicit rate subsidy contribution	66,606	62,445	57,989	4,161	4,456	6.7	7.7
Total additions	1,003,118	2,244,572	858,127	(1,241,454)	1,386,445	(55.3)	161.6
DEDUCTIONS							
Benefit payments	877,690	819,815	788,310	57,875	31,505	7.1	4.0
Implicit rate subsidy payments	66,606	62,445	57,989	4,161	4,456	6.7	7.7
Administrative expenses	145	142	176	3	(34)	2.1	(19.3)
Total deductions	944,441	882,402	846,475	62,039	35,927	7.0	4.2
Net increase/(decrease) in net position	58,677	1,362,170	11,652	(1,303,493)	1,350,518	(95.7)	11,590.4
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS							
Beginning of year	1,373,905	11,735	83	1,362,170	11,652	11,607.8	14,038.6
End of year	\$ 1,432,582	\$ 1,373,905	\$ 11,735	\$ 58,677	\$ 1,362,170	4.3 %	11607.8 %

The Plan's net position held in trust increased by \$1,432.6 million and \$1,373.9 million in 2024 and 2023, respectively. The change in 2024 of \$58.7 thousand is due to asset appreciation compared to the \$1.3 billion contribution to the OPEB Trust by the MTA in 2023.

Investments

The table below summarizes the Plan's investment measured at fair value.

December 31, 2024
(Dollars in thousands)

Fair Value Allocation

Type of Investments

Investment measured at readily determined fair value	\$ 1,420,535	100 %
	<u>\$ 1,420,535</u>	<u>100 %</u>

December 31, 2023
(Dollars in thousands)

Fair Value Allocation

Type of Investments

Investment measured at readily determined fair value	\$ 1,362,791	100 %
	<u>\$ 1,362,791</u>	<u>100 %</u>

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States ("U.S.") economy, continued investment in the Artificial Intelligence ("AI") revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- Higher interest rates for longer
- Disinflation
- U.S. exceptionalism
- Geopolitical risk and deglobalization
- Innovation and AI
- Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at 4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500's total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg Us Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index: 8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets (“EM”) posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People’s Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Other Postemployment Benefits Plan’s finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Deputy Chief, Controller’s Office, Metropolitan Transportation Authority, 2 Broadway, 15th Floor, New York, NY 10004.

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**METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN**

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

	2024	2023
ASSETS:		
Investments at fair value (Notes 3 and 4):		
Investments measured at readily determined fair value	\$ 1,420,535	\$ 1,362,791
Interest receivable	<u>12,262</u>	<u>11,708</u>
Total assets	<u>1,432,797</u>	<u>1,374,499</u>
LIABILITIES:		
Benefits payable and accrued expenses	<u>215</u>	<u>594</u>
Total liabilities	<u>215</u>	<u>594</u>
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	<u>\$ 1,432,582</u>	<u>\$ 1,373,905</u>

See notes to financial statements.

(Concluded)

**METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN**

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

	2024	2023
ADDITIONS:		
Net realized and unrealized gains	\$ 12,118	\$ 10,400
Dividends	-	-
Interest	47,541	33,196
Total investment income	59,659	43,596
Less:		
Investment expenses	837	565
Total investment income	58,822	43,031
Add:		
Employer contributions	877,690	2,139,096
Implicit rate subsidy contribution	66,606	62,445
Total additions	1,003,118	2,244,572
DEDUCTIONS:		
Benefit Payments	877,690	819,815
Implicit rate subsidy payments	66,606	62,445
Administrative expenses	145	142
Total deductions	944,441	882,402
Net increase in net position	58,677	1,362,170
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:		
Beginning of year	1,373,905	11,735
End of year	\$ 1,432,582	\$ 1,373,905

See notes to financial statements.

(Concluded)

METROPOLITAN TRANSPORTATION AUTHORITY OTHER POSTEMPLOYMENT BENEFITS PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. BACKGROUND AND ORGANIZATION

The Metropolitan Transportation Authority (“MTA”) Retiree Welfare Benefits Plan (“Other Postemployment Benefits Plan” or “OPEB Plan” or the (“Plan”)) and the related Trust Fund was established effective January 1, 2009 for the exclusive benefit of The MTA Group’s retired employees and their eligible spouses and dependents, to fund some of the OPEB benefits provided in accordance with the MTA’s Group’s various collective bargaining agreements and MTA policies. The MTA Group is comprised of the following current and former agencies:

- MTA New York City Transit
- MTA Long Island Rail Road
- MTA Metro-North Railroad
- MTA Bridges and Tunnels
- MTA Headquarters (“MTAHQ”)
- MTA Long Island Bus
- MTA Staten Island Railway
- MTA Bus Company
- MTA Construction and Development Company
- MTA Grand Central Madison Operating Company

The Trust is tax exempt in accordance with Section 115 of the Internal Revenue Code. The Plan is classified as a single employer plan for Governmental Accounting Standards Board (“GASB”) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (“GASB 74”) purposes.

The MTA is not required by law or contractual agreement to provide funding for the Plan, other than the “pay-as-you-go” amount necessary to provide the current benefits to current eligible retirees, spouses and dependents (Pay-Go).

GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, prescribes uniform financial reporting standards for other postemployment benefits (“OPEB”) plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes postemployment healthcare benefits which are covered under The MTA OPEB plan.

Plan Administration – The Other Postretirement Plan is administered by the Board of Managers, which is comprised of:

the persons holding the following positions:

- (i) the Chairperson of the MTA;
- (ii) the MTA Chief Financial Officer; and
- (iii) the MTA Director of Labor Relations.

Designation of Others – Any member of the Board of Managers, serving as such by virtue of holding a position described above may, by written authorization filed with the Secretary, designate another individual, not then a member, to serve in that member’s stead, in accordance with procedures established with the approval of the Executive Director of the MTA. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.

Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Most OPEB have been funded on a pay-as-you-go basis and have been reported in financial statements when the promised benefits are paid.

OPEB Funding - During 2012, MTA funded \$250 million into a Trust allocated between MTA Headquarters and MTA New York City Transit and funded an additional \$50 million during 2013 allocated between MTA Long Island Rail Road and MTA Metro-North Railroad. During 2023, MTA Headquarters transferred in-kind Treasury securities totaling \$1,319.3 million in Trust contributions during the year. Although the asset value increased significantly, the balance would be projected to be depleted after two years of pay-as-you-go payments. Therefore, in accordance with GASB 74, the discount rate is set equal to the municipal bond index. MTA elected the Bond Buyer 20-Bond GO Index. As a result, the discount rates as of December 31, 2024 and 2023 are 4.08% and 3.26%, respectively.

**Blended and Age-adjusted Premium
(in thousands)**

	2024	2023
	<u>Retirees</u>	<u>Retirees</u>
Total blended premiums	\$877,690	\$819,815
Employment payment for retiree healthcare	66,606	62,445
Net Payments	<u>\$944,296</u>	<u>\$882,260</u>

The \$66,606 and \$62,445 employer payments for retiree healthcare shown in the preceding table are cash payments in the years 2024 and 2023, respectively. Based on the premium rate structure of NYSHIP, it is part of the employers' payments for active-employee healthcare benefits; and reflects the higher costs among retirees than actives. The \$66,606 and \$62,445, therefore, is not a payment for active-employee benefits; rather, but represents benefit payments for healthcare coverage for the years 2024 and 2023 for retirees.

2. PLAN DESCRIPTION, ELIGIBILITY AND MEMBERSHIP INFORMATION

The benefits provided by the MTA Group include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by MTA agency and relevant collective bargaining agreements. Certain benefits are provided upon retirement. "Retirement" is defined by the applicable pension plan. Certain MTA Group agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA Group are members of the following pension plans: the MTA Defined Benefit Pension Plan ("MTADBPP"), the MTA Long Island Rail Road Plan for Additional Pensions, the Metro-North Cash Balance Plan, the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA") Pension Plan, the New York City Employees' Retirement System ("NYCERS") and the New York State and Local Employees' Retirement System ("NYSLEERS"). Certain represented employees of Metro-North Railroad participate in the Thrift Plan for Employees of MTA, its Subsidiaries and Affiliates ("401(k) Plan"). Eligible employees of the MTA Group may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA Group participates in the New York State Health Insurance Program ("NYSHIP"), and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans. However, represented MTA New York City Transit employees, other MTA New York City Transit former employees who retired prior to January 1, 1996 or January 1, 2001, MTA Staten Island Railway represented employees as of March 1, 2010, June 1, 2010 or January 1, 2013 depending on the union and MTA Bus Company represented employees do not participate in NYSHIP. These benefits are provided through a self-insured health plan, a fully insured health plan or an HMO.

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

GASB 74 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. The valuation must be performed at least biennially. The most recent biennial valuation was

performed with a valuation date of July 1, 2023. The total number of plan participants as of July 1, 2023 receiving retirement benefits was approximately 50,932.

Plan Eligibility - Generally, to qualify for benefits under the Plan, a former employee of the MTA must:

- have retired, be receiving a pension (except in the case of the 401(k) Plan and the New York State VDC), and have at least 10 years of credited service as a member of NYCERS, NYSLERS, the MTADBPP, the MaBSTOA Pension Plan, the 401(k) Plan or the VDC and have attained a minimum age requirement (unless within 5 years of commencing retirement for certain members); provided, however, a represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.
- Surviving Spouse and Other Dependents:
 - (i) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.
 - (ii) Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. For represented employees of MTA New York City Transit and MTA Staten Island Railway retiring on or after May 21, 2014 for TWU Local 100, September 24, 2014 for ATU Local 726, October 29, 2014 for ATU Local 1056, March, 25, 2015 for TCU and December 16, 2015 for UTU and ATDA, surviving spouse coverage continues until spouse is eligible for Medicare.
 - (iii) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.
 - (iv) Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

Benefits are established and amended by the MTA, except to the extent that they have been established by collective bargaining agreement.

Plan Membership - As permitted under GASB 74, the Plan has elected to use July 1, 2023 as the valuation date of the OPEB actuarial valuation. The Plan's combined membership consisted of the following at July 1, 2023 and July 1, 2021, the date of the most recent OPEB actuarial valuation:

	July 1, 2023	July 1, 2021
Active Plan members	71,454	68,672
Inactive Plan members currently receiving Plan benefit payments	50,932	48,888
Inactive Plan members entitled to but not yet receiving benefit payments	<u>41</u>	<u>131</u>
Total number of participating employees	<u>122,427</u>	<u>117,691</u>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and revenues are recognized in the accounting period in which they are earned. Employer contributions are recognized when paid in accordance with the terms of the Plan. Additions to the Plan consist of employer contributions and net investment income. Investment purchases and sales are recorded as of trade date.

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board ("GASB").

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statements in 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 has no material impact on the financial net position of MTA's OPEB Plan.

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 adoption of this Statement has no material impact on the financial net position of MTA's OPEB Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MTA OPEB Plan Required Year of Adoption
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

Investments - The Plan's investments are those which are held in the Trust. Investments are reported on the statement of fiduciary net position at fair value based on quoted market prices. Investment income, including changes in the fair value of investments, is reported on the statement of changes in fiduciary net position during the reporting period.

Benefit Payments - The Plan Sponsor ("The MTA") makes direct payments of insurance premiums for healthcare benefits to OPEB Plan members or beneficiaries. Payments made directly to the insurers by the Plan Sponsor which bypass the trust are treated as additions and deductions from the Plan's net position. Additionally, premium payments on behalf of retirees have been adjusted to reflect age-based claims cost.

Administrative Expenses - Administrative expenses of the Plan are paid for by the Plan.

4. INVESTMENTS

Investment Policy - The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board of Managers upon consideration of the advice and recommendations of investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, annually. The following was the Board of Managers adopted asset allocation policy as at December 31, 2024 and 2023.

Asset Class	Target Allocation (%)	Policy Benchmark
Global Equity	35.0	MSCI ACWI
Fixed Income	18.0	Manager Specific
Global Asset Allocation*	30.0	50% World Equity/ 50% Citigroup WGBI unhedged
Absolute Return	12.0	Manager Specific
Real Assets	5.0	Manager Specific
Total	100.0	

* The Global Asset Allocation managers will invest across numerous liquid asset classes including: stocks, bonds, commodities, TIPS and REITs.

Investment Objective - The investment objective of the Plan is to achieve the actuarial return target with an appropriate risk position.

Investment Guidelines - The Board of Managers of the MTA Retiree Welfare Benefits Plan is in the process of creating investment guidelines with the Plan's investment advisor ("NEPC") that will address and execute investment management agreements with professional investment management firms to manage the assets of the Plan.

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

Investment Fund	2024		2023	
	Fair Value	Duration	Fair Value	Duration
Blackrock short term duration bond Fund	\$ 1,392,539	2.14	\$ 1,341,188	3.04
	<u>1,392,539</u>		<u>1,341,188</u>	
Portfolio modified duration		2.14		3.04
Investments with no duration reported	<u>27,996</u>		<u>21,603</u>	
Total investments	<u>\$ 1,420,535</u>		<u>\$ 1,362,791</u>	

Credit Risk - For investments, custodial credit risk is the risk that in the event of the failure of the Trustee Bank, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to credit risk if the securities are uninsured and are not registered in the name of the Trust. No credit risk was reported for years ended December 31, 2024 and 2023.

Concentration of Credit Risk - The Plan places no limit on the amount the Trust may invest in any one issuer or a single issue. In 2024 and 2023, the Plan held a Separately Managed Account with Blackrock, where concentration of credit risk is the full responsibility of the Plan.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. No credit risk was reported for years ended December 31, 2024 and 2023.

GASB 72 Disclosure - In year 2015, the MTA Retiree Welfare Benefits Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements. All investments were redeemed and used to pay benefits, other than cash retained to pay expenses. The fair value of investments reported for years ended December 31, 2024 and 2023 were \$1,420.5 million and \$1,362.8 million, respectively. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2024 and 2023:

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2024			
	December 31, 2024	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
Short term bond mutual fund	\$ 27,996	27,996	-	-
Blacrock Short Term Duration Bond Fund	1,392,539	-	1,392,539	-
Total debt investments	1,420,535	27,996	1,392,539	-

Investments measured at readily determined fair value (FV)
(\$ In thousands)

	2023			
	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities:				
Short term bond mutual fund	\$ 21,603	21,603	-	-
Blacrock Short Term Duration Bond Fund	1,341,188	-	1,341,188	-
Total debt investments	1,362,791	21,603	1,341,188	-

5. NET OPEB LIABILITY

The components of the net OPEB liability of the Plan for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	December 31, 2024	December 31, 2023
Total OPEB liability	\$ 21,007,381	\$ 21,603,051
Fiduciary net position	1,432,582	1,373,905
Net OPEB liability	19,574,799	20,229,146
Fiduciary net position as a percentage of the total OPEB liability	6.82%	6.36%

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB Statement No.74.

Covered payroll is based on salary information provided as of the valuation date.

Additional Important Actuarial Valuation Information

	2024	2023
Valuation date	July 1, 2023	July 1, 2023
Measurement date	December 31, 2024	December 31, 2023
Reporting date	December 31, 2024	December 31, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Normal cost increase factor	4.25%	4.25%

Discount Rate – 4.08% per annum as of December 31, 2024 (Bond Buyer General Obligation 20-Bond Municipal Bond Index) and 3.26% per annum as of December 31, 2023.

	2024	2023
Discount rate	4.08%	3.26%
Long-term expected rate of return, net of investment expense	4.25%	4.25%
Bond Buyer General Obligation 20-Bond Municipal Bond Index	4.08%	3.26%

The Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the Plan's fiduciary net position is not projected to be sufficient.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 4.08% percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.08 percent) or 1-percentage point higher (5.08 percent) than the current rate:

2024

(in thousands)

	1% Decrease 3.08%	Current Discount Rate 4.08%	1% Increase 5.08%
Net OPEB liability	\$22,313,162	\$19,574,799	\$17,297,202

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 3.26 percent; as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26 percent) or 1-percentage point higher (4.26 percent) than the current rate:

2023
(in thousands)

	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
Net OPEB liability	\$23,153,304	\$20,229,146	\$17,810,727

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

2024
(in thousands)

	1% Decrease	* Current Trend Rate	1% Increase
Net OPEB liability	\$16,674,836	\$19,574,799	\$23,200,656

* See Health Care Cost Trend Rates table on page 30 of report.

The following presents the net OPEB liability of the Authority, calculated using the current healthcare cost trend rates as well as what the Authority's net OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

2023
(in thousands)

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

* See Health Care Cost Trend Rates table on page 30 of report.

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of plan investments by the proportion of time they are available to earn a

return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

2024 Schedule of Calculations of Money-Weighted Rate of Return
(in dollars)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2024	\$1,373,904,575	12.00	1.00	\$1,432,729,900
Monthly net external cash flows:				
January	(12,093)	11.50	0.96	(12,590)
February	(12,093)	10.50	0.88	(12,548)
March	(12,093)	9.50	0.79	(12,500)
April	(12,093)	8.50	0.71	(12,458)
May	(12,093)	7.50	0.63	(12,417)
June	(12,093)	6.50	0.54	(12,370)
July	(12,093)	5.50	0.46	(12,329)
August	(12,093)	4.50	0.38	(12,287)
September	(12,093)	3.50	0.29	(12,241)
October	(12,093)	2.50	0.21	(12,200)
November	(12,093)	1.50	0.13	(12,159)
December	(12,093)	0.50	0.04	(12,113)
Ending Value - December 31, 2024				\$1,432,581,688
Money-Weighted Rate of Return	4.28%			

2023 Schedule of Calculations of Money-Weighted Rate of Return
(in dollars)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	\$11,735,450	12.00	1.00	\$12,286,392
Monthly net external cash flows:				
January	(11,867)	11.50	0.96	(12,401)
February	(11,867)	10.50	0.88	(12,355)
March	(11,867)	9.50	0.79	(12,305)
April	1,002,742,380	8.50	0.71	1,035,943,140
May	316,514,471	7.50	0.63	325,796,296
June	(11,867)	6.50	0.54	(12,164)
July	(11,867)	5.50	0.46	(12,120)
August	(11,867)	4.50	0.38	(12,075)
September	(11,867)	3.50	0.29	(12,026)
October	(11,867)	2.50	0.21	(11,981)
November	(11,867)	1.50	0.13	(11,938)
December	(11,867)	0.50	0.04	(11,888)
Ending Value - December 31, 2023				\$1,373,904,575
Money-Weighted Rate of Return	4.69%			

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2024 and 2023.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2024

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return
US Cash	BAML 3-Mon Tbill Bloomberg US Short Government/Credit Bonds	1.50%	0.94 %
US Short (1-3 Years) Government/Credit Bonds	(1-3 Years) Treasury USD	98.50%	1.98%
Assumed Inflation - Mean			2.30%
Assumed Inflation - Standard Deviation			1.46%
Portfolio Nominal Mean Return			4.27%
Portfolio Standard Deviation			2.68%
Long-Term Expected Rate of Return selected by MTA			4.25%

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Long-Term
			Expected Arithmetic Real Rate of Return
US Cash	BAML 3-Mon Tbill	1.50%	3.07%
US Short (1-3 Years) Government/Credit Bonds	Bloomberg US Short Government/Credit Bonds (1-3 Years) Treasury USD	98.50%	4.39%
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean Return			4.37%
Portfolio Standard Deviation			0.49%
Long-Term Expected Rate of Return selected by MTA			4.25%

6. OPEB ACTUARIAL COSTS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive OPEB plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The MTA may not be obligated to provide the same types or levels of benefits to retirees in the future.

Actuarial Assumptions - The non-healthcare assumptions described below were adopted by the Authority based on experience analyses covering the period from January 1, 2012 – December 31, 2017 dated October 4, 2019 for members of the MaBSTOA Pension Plan and the MTA DB Plan, in addition to a postretirement mortality study covering the period from January 1, 2015 – December 31, 2020 dated April 21, 2022. In addition, demographic assumptions are based on those used in the most recent NYCERS or NYSLRS actuarial valuations for MTA employees participating in these city-wide or state-wide pension plans.

Actuarial Cost Method - In accordance with GASB 74 and 75, the Entry Age Normal cost method was used for determining service costs and the Total OPEB liability. Costs are determined as a level percent of pay.

Census data was collected as of July 1, 2023, which is the valuation date. Liabilities as of December 31, 2024 were determined using roll-forward methods, assuming no liability gains and losses. Past and future normal costs were assumed to increase 4.25% per year.

Changes since Prior Valuation –

- The discount rate has been changed from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024, due to changes in the applicable municipal bond index.

- Healthcare trends were updated to reflect current expectations and actual NYSHIP, Medicare Advantage, and Part B premiums for 2024 and 2025.

Inflation Rate – 2.30% per annum compounded annually.

Development of Per Capita Claim Costs (“PCCC”) – Separate per capita costs are developed for members that participate in New York State Health Insurance Program (NYSHIP) versus those plans administered by NYC Transit. Information on health assumptions is provided below in accordance with the Actuarial Standard of Practice (ASOP) No. 6 effective for measurement dates on or after March 31, 2015.

NYSHIP Medical and Prescription Drug Benefits

Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP). Empire PPO plan premium rates paid by Participating Agencies for 2023 were adjusted to reflect differences by age in accordance with ASOP No. 6. Premiums paid by Participating Agencies differ based on Medicare-eligible status whereas premiums paid by Participating Employers do not. Since the NYSHIP plan coordinates with Medicare, we assumed Participating Agency premium rates reflect the effect of Medicare coverage within NYSHIP. Retirees claim costs are based on actual 2023 NYSHIP Empire plan rates effective July 1, 2023, adjusted for age, status (retiree or dependent) and gender. Factors that would adjust the average age cost per life into per life costs over a range of ages, separately by gender and status are based on Milliman’s *Health Cost Guidelines*, Empire PPO plan design information, the ERS retiree distribution from the 2022 ACFR, and actuarial judgment. Pre and post-65 NYSHIP premium rates were adjusted separately to be consistent with the way in which demographic factors were developed.

Representative 2023 Annual Premiums

<u>Age</u>	<u>Male Retirees</u>	<u>Female Retirees</u>	<u>Male Spouses</u>	<u>Female Spouses</u>
45	18,175	27,300	15,849	19,716
50	20,778	26,096	18,444	21,874
55	23,717	25,347	21,330	23,778
60	27,341	27,375	24,972	25,948
64	32,727	30,256	29,670	28,436
65	5,743	5,365	5,743	5,365
70	6,864	6,206	6,864	6,206
75	7,824	6,791	7,824	6,791
80	8,310	6,993	8,310	6,993
85	8,100	6,662	8,100	6,662
90	7,686	6,202	7,686	6,202

Health Plans Administered by NYC Transit

For the union medical and pharmacy plans administered by NYC Transit, per capita costs were determined for 2023 based upon a combination of MTA claim experience, actual gross premium rates, MTA census data and MTA plan design information summarized medical (Aetna Basic and Aetna Select plans) and pharmacy claim experience (Employer Group Waiver Plan (“EGWP”) and non-EGWP plan), split between those eligible and not eligible for Medicare, for covered retirees of MTA Bus Company, NYC Transit, and Staten Island Railway for 2022 and trended to 2023. In addition, MTA provided associated premium rates for each of the plans. Enrollment data was based on covered members provided by MTA as of the valuation date. Milliman used the HCGs to develop relativity factors that varied by benefit type, age and gender. Costs for child dependents were included in under age 65 spouse per capita costs. Finally, per capita costs were adjusted by an administrative load. Administrative costs were provided on a per contract basis by MTA and were \$39.35 per month for Aetna Basic under 65, \$41.23 for Aetna Select and \$18.29 for Aetna Basic 65 and over.

In addition, PCCCs were developed for the Aetna Medicare Advantage plans based on the premium rates provided, inclusive of corresponding dental plan costs, and reflect relativity factors by age and gender based on Medicare slopes developed by Milliman.

EGWP PCCCs are based on the premium equivalents provided reflecting the Medicare subsidies available to this plan. Non-EGWP PCCCs are based on actual claim experience net of prescription drug rebates. Relativity factors varying by age and gender are based on Medicare slopes developed by Milliman. Effective January 1, 2024, the basic pharmacy plan was eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company. All current retirees in this plan were mapped to the TWU EGWP Option 1. Separate per capita costs were developed for TWU EGWP Option 1 and Option 2 plans.

Annual Medical Per Capita Claim Cost

<u>Age</u>	<u>Male</u> <u>Retirees</u>	<u>Female</u> <u>Retirees</u>	<u>Male</u> <u>Spouses</u>	<u>Female</u> <u>Spouses</u>
Aetna Basic				
45	11,747	18,323	11,048	13,968
50	13,454	17,238	12,739	15,195
55	15,410	16,382	14,636	16,144
60	17,899	17,580	17,103	17,453
64	22,007	19,968	20,647	19,496
65	2,267	2,446	2,267	2,446
70	2,816	2,852	2,816	2,852
75	3,417	3,212	3,417	3,212
80	3,889	3,451	3,889	3,451
85	4,133	3,592	4,133	3,592
90	4,255	3,678	4,255	3,678
Aetna Select				
45	10,705	16,680	9,939	12,593
50	12,256	15,694	11,475	13,708
55	14,033	14,916	13,199	14,570
60	16,296	16,005	15,441	15,759
64	20,028	18,175	18,661	17,616
Aetna Medicare Option 1				
65	462	463	462	463
70	448	447	448	447
75	448	442	448	442
80	467	453	467	453
85	505	476	505	476
90	544	500	544	500
Aetna Medicare Option 2				
65	227	228	227	228
70	220	220	220	220
75	220	218	220	218
80	229	223	229	223
85	248	234	248	234
90	268	246	268	246

Annual Pharmacy Per Capita Claim Cost

<u>Age Group</u>	<u>Male Retirees</u>	<u>Female Retirees</u>	<u>Male Spouses</u>	<u>Female Spouses</u>
Basic Rx Plan				
45	3,064	4,165	2,571	2,963
50	3,406	4,100	2,939	3,379
55	3,790	4,166	3,340	3,824
60	4,218	4,503	3,804	4,182
64	4,580	4,534	4,155	4,230
65	7,654	6,299	7,654	6,299
70	8,352	6,914	8,352	6,914
75	9,073	7,325	9,073	7,325
80	9,379	7,366	9,379	7,366
85	8,703	6,607	8,703	6,607
90	7,868	5,758	7,868	5,758
EGWP Rx Plan				
65	2,676	2,494	2,676	2,494
70	2,657	2,413	2,657	2,413
75	2,613	2,339	2,613	2,339
80	2,558	2,241	2,558	2,241
85	2,433	2,044	2,433	2,044
90	2,301	1,858	2,301	1,858
TWU EGWP Option 1 Rx Plan				
65	2,339	2,180	2,339	2,180
70	2,323	2,109	2,323	2,109
75	2,284	2,045	2,284	2,045
80	2,235	1,959	2,235	1,959
85	2,127	1,786	2,127	1,786
90	2,012	1,624	2,012	1,624
TWU EGWP Option 2 Rx Plan				
65	1,991	1,855	1,991	1,855
70	1,977	1,795	1,977	1,795
75	1,944	1,740	1,944	1,740
80	1,903	1,668	1,903	1,668
85	1,810	1,521	1,810	1,521
90	1,712	1,382	1,712	1,382

Monthly Medicare Part B premiums were assumed to be \$174.70 and \$164.90 for 2024 and 2023 per month and increases based on income level.

Premium rates for dental and vision benefits as specified in the Plan provisions were used as provided by the Agencies.

Health Cost Trend – The Society of Actuaries (“SOA”) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries. This model is used as the foundation for the trend for postretirement healthcare valuations, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable).

The Medicare Part B inflation rates were based on recent history and expected changes for the near future. Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

Trend rates were developed separately for NYSHIP benefits and self-insured plans administered by New York City Transit (“Union Health Plans”). The following table provides the healthcare trend assumptions for the NYSHIP benefits and associated Medicare Part B reimbursements, as well as for dental and vision benefits.

Health Care Cost Trend Rates

Fiscal Year	NYSHIP		TBTA No Rx		Medicare Part B	Dental/ Vision
	< 65	>=65	< 65	>=65		
2023	9.5	22.9	6.6	19.8	5.9	4.0
2024	0.8	0.9	3.6	3.7	5.9	4.0
2025	6.3	6.6	5.4	5.0	1.0	4.0
2026	5.7	6.0	5.3	5.1	11.0	4.0
2027	5.2	5.4	5.1	5.1	4.8	4.0
2028	5.1	5.3	5.0	5.0	7.1	4.0
2029	4.9	5.1	4.8	4.9	5.8	4.0
2030	4.8	4.9	4.7	4.7	6.3	4.0
2031	4.6	4.7	4.6	4.6	7.0	4.0
2032	4.5	4.5	4.5	4.5	7.0	4.0
2033	4.3	4.3	4.3	4.3	5.9	4.0
2034 to 2039	4.1	4.1	4.1	4.1	5.9	4.0
2040 to 2048	4.1	4.1	4.1	4.1	4.4	4.0
2049	4.1	4.2	4.1	4.2	4.4	4.0
2050	4.1	4.2	4.1	4.2	3.9	4.0
2051 to 2064	4.2	4.2	4.2	4.2	3.9	4.0
2065 to 2066	4.1	4.1	4.1	4.1	3.9	4.0
2067 to 2068	4.0	4.0	4.0	4.0	3.9	4.0
2069	3.9	3.9	3.9	3.9	3.9	4.0
2070	3.9	3.9	3.9	3.9	3.8	3.9
2071	3.8	3.8	3.8	3.8	3.8	3.9
2072 to 2073	3.8	3.8	3.8	3.8	3.8	3.8
2074 to 2079	3.7	3.7	3.7	3.7	3.8	3.7
2080 to 2089	3.7	3.7	3.7	3.7	3.9	3.7
2090+	3.7	3.7	3.7	3.7	3.7	3.7

NYSHIP and Part B trends reflect actual premiums for January 1, 2024 and January 1, 2025. The above Medicare Part B trend is also used for supplemental Medicare premium reimbursements indexed to the Medicare Part B premium.

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 EGWP trends reflect the estimated impact of the Part D benefit redesign in 2025 due to the Inflation Reduction Act.

The following table provides the healthcare trend assumptions for the Union Health Plans. The trends shown above for Medicare Part B reimbursements and dental and vision benefits also apply to members receiving the Union Health Plans, if applicable.

Fiscal Year	Union Health Plans		TWU MA	Union Health Plans Rx		TWU PDP
	< 65	>=65		< 65	>=65	
2023	7.2	5.5	(14.4)	5.8	6.7	6.4
2024	5.7	5.5	26.8	12.3	5.1	0.0
2025	5.5	5.3	13.4	9.0	7.7	7.3
2026	5.4	5.2	9.3	7.4	6.7	6.5
2027	5.2	5.1	5.1	5.7	5.7	5.6
2028	5.0	5.0	5.0	5.5	5.4	5.4
2029	4.9	4.8	4.9	5.3	5.2	5.2
2030	4.8	4.7	4.7	5.0	5.0	5.0
2031	4.6	4.6	4.6	4.8	4.8	4.8
2032	4.5	4.5	4.5	4.6	4.6	4.6
2033	4.4	4.3	4.3	4.4	4.4	4.4
2034	4.2	4.1	4.1	4.2	4.2	4.2
2035 to 2046	4.2	4.1	4.1	4.2	4.2	4.1
2047 to 2049	4.2	4.1	4.1	4.2	4.2	4.2
2050	4.2	4.1	4.2	4.2	4.2	4.2
2051 to 2064	4.2	4.2	4.2	4.2	4.2	4.2
2065	4.1	4.1	4.1	4.2	4.1	4.1
2066	4.1	4.1	4.1	4.1	4.1	4.1
2067	4.0	4.0	4.0	4.1	4.0	4.0
2068	4.0	4.0	4.0	4.0	4.0	4.0
2069	4.0	3.9	3.9	4.0	3.9	3.9
2070	3.9	3.9	3.9	3.9	3.9	3.9
2071	3.9	3.8	3.8	3.9	3.9	3.8
2072 to 2073	3.8	3.8	3.8	3.8	3.8	3.8
2074+	3.7	3.7	3.7	3.7	3.7	3.7

The post-65 medical and TWU Medicare Advantage (MA) trends reflect actual premiums for January 1, 2024 and January 1, 2025 for Aetna Option 1 and Option 2 plans. For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates as described in the tables above. Monthly contributions, if any, are assumed to increase at the same rate as the increases above.

Participation – The table below summarizes the census data provided by each Agency utilized in the preparation of the actuarial valuation. The table shows the number of active and retired employees by Agency and provides a breakdown of the coverage elected and benefits offered to current retirees.

OPEB Participation By Agency as at July 1, 2023

	MTA New York City Transit	MTA Long Island Rail Road	MTA Metro- North Rail Road	MTA Bridges & Tunnels	MTA HQ	MTA Long Island Bus *	MTA Staten Island Railway	MTA Bus Company	Total
<u>Active Members</u>									
Number	49,054	7,838	6,561	1,026	2,779	N/A	347	3,849	71,454
Average Age	48.4	45.0	45.2	49.4	42.2	N/A	41.2	48.9	47.5
Average Service	12.2	13.3	12.0	16.7	8.6	N/A	9.5	11.8	12.2
<u>Retirees</u>									
Single Medical Coverage	16,595	889	534	626	347	66	53	1,166	20,276
Employee/Spouse Coverage	18,980	1,702	1,114	848	766	132	90	850	24,482
Employee/Child Coverage	1,189	123	91	48	34	19	3	44	1,551
No Medical Coverage	986	2,851	1,148	26	20	435	38	136	5,640
Total Number	37,750	5,565	2,887	1,548	1,167	652	184	2,196	51,949
Average Age of Retiree	72.3	71.2	68.2	70.7	66.0	71.5	68.7	71.3	71.7
Total Number with Dental	9,854	1,110	818	491	1,112	48	44	279	13,756
Total Number with Vision	34,120	1,110	818	491	1,112	48	146	2,037	39,882
Total No. with Supplement	23,730	2,604	948	886	-	258	135	1,467	30,028
Average Monthly Supplement Amount (Excluding Part B Premium)	\$ 47	\$ 280	\$ 100	\$ 257	\$ -	N/A	\$ 62	\$ 38	\$ 75
Total No. with Life Insurance	9,119	5,218	1,241	484	1,037	429	168	1,868	19,564
Average Life Insurance Amount	\$ 2,316	\$ 19,037	\$ 3,922	\$ 5,413	\$ 5,000	\$ 10,245	\$ 2,593	\$ 13,191	\$ 8,312

* MTA LI Bus had 41 vestees as of date of valuation

Demographic Assumptions:

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

- i) Headquarters Non-Police Members: PubG.H-2010 Mortality Table, headcount weighted for general employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants.

- ii) Headquarters Police Members: Rates from the June 30, 2021 (Lag) Actuarial Valuation for NYCERS dated October 2, 2023 as follows: Service Retirees for Housing Police and Transit Police, Disabled Retirees for Housing Police and Transit Police and Active Members for Transit and TBTA Ordinary Death and Accidental Death. No adjustments were made to convert from lives-weighted to amounts-weighted. Base year is 2012 for mortality improvement purposes.
- iii) Rail Members (MTA Long Island Bus, LIRR, Metro-North, and SIRTOA): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.
- iv) Transit Members (Bridges and Tunnels, MTA Bus, and Transit): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

Coverage Election Rates — The majority of members participating in NYSHIP are assumed to elect coverage in the Empire PPO plan. For certain agencies (MTA New York City Transit, MTA Bridges and Tunnels and MTA Staten Island Railway), a percentage of the membership is assumed to elect EmblemHealth HIP HMO plan and for the MTA Metro-North Railroad, a percentage is assumed to elect ConnectiCare, an HMO plan.

For the Union Health Medical plans, 2/3rd are assumed to elect Aetna Basic and 1/3rd are assumed to elect Aetna Select for coverage prior to age 65 for NYC Transit and Staten Island Railway. For MTA Bus, 80% are assumed to elect Aetna Basic and 20% are assumed to elect Aetna Select for coverage prior to age 65. For Medicare coverage, all current and future Aetna Basic members are assumed to maintain Aetna Basic coverage. All current and future Aetna Select members are assumed to elect an Aetna Medicare Advantage Plan – 50% are assumed to elect Aetna Option 1 and 50% are assumed to elect Aetna Option 2. Actual elections are used for retirees. For under age 65 retirees who are indicated as having a Medicare-eligible plan, the age 65 per capita cost of the applicable medical plan applies to all ages less than 65. These rates are based on current elections of the eligible group.

Effective January 1, 2024, the Aetna Basic Medicare plan was eliminated for TWU Local 100 members of NYC Transit and MTA Bus Company. All current retirees in this plan were mapped to the Aetna Option 1 plan. All current and future Aetna Basic pre-65 members are assumed to elect an Aetna Medicare Advantage Plan – 50% are assumed to elect Aetna Option 1 and 50% are assumed to elect Aetna Option 2.

Dependent Coverage - Female spouses are assumed to be 3 years younger than male employees/retirees and male spouses are assumed to be 3 years older than female employees/retirees. 80% of male and 35% of female eligible members participating in NYSHIP are assumed to elect family coverage upon retirement and 65% of male and 25% of female eligible members participating in Union Health Plans are assumed to cover a dependent. Actual coverage elections for current retirees are used. Under age 65 spouses of over age 65 retirees are assumed to have elected the Aetna Select plan if the retiree elected Aetna Option 1 or Option 2.

Vestee Coverage — For members that participate in NYSHIP, Vesteers (members who have terminated employment, but are not yet eligible to retire) are eligible for NYSHIP benefits provided by the Agency upon retirement but must maintain NYSHIP coverage at their own expense from termination to retirement. Vesteers are assumed to retire at first eligibility and would continue to maintain NYSHIP coverage based on the following percentages. This assumption is based on the July 2023 Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45/75 Valuation report provided to Participating Employers of NYSHIP. These percentages were also applied to current vesteers based on age at valuation date.

Age at Termination	Percent Electing
< 35	0 %
35–41	5
42–45	10
46–47	15
48–53	35
54	75

7. TRUSTEE, CUSTODIAL AND OTHER PROFESSIONAL SERVICES

The Plan and the Trust are administered by the MTA, including the day-to-day administration of the collectively bargained Union health insurance program. JP Morgan Chase, the trustee and custodian, makes payments to health insurers and to welfare funds for retiree benefits, and reimbursements of retiree Medicare Part B premiums, as directed by the MTA. The MTA OPEB Board of Managers is advised by NEPC with respect to the investment of Plan assets. Actuarial services were provided to the Plan by Milliman Inc.

8. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28th, 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 July 28th, 2025, there were no subsequent events that required recognition or disclosure.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET OPEB LIABILITY AND RELATED RATIOS

(in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:								
Service cost	\$ 1,016,084	991,091	1,240,342	1,250,950	1,097,051	928,573	1,011,981	876,723
Interest	722,115	855,614	530,983	535,642	610,160	840,532	758,494	757,860
Changes of benefit terms	51,425	74,166	-	-	-	-	8,543	24,446
Differences between expected and actual experience	291,217	(3,036,310)	14,299	292,154	(43,890)	247,871	(569,165)	(44,082)
Changes of assumptions	(1,732,215)	1,154,349	(3,449,438)	(738,829)	1,939,528	311,286	(1,964,746)	921,007
Benefit payments and withdrawals	(944,296)	(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability	(595,670)	(843,350)	(2,510,113)	546,933	2,878,108	1,597,585	(1,446,015)	1,884,960
Total OPEB liability – beginning	21,603,051	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	21,379,903	19,494,943
Total OPEB liability – ending (a)	21,007,381	21,603,051	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	21,379,903
Plan fiduciary net position:								
Employer contributions	944,296	2,201,541	846,299	792,984	387,371	730,677	691,122	650,994
Member contributions	-	-	-	-	-	-	-	-
Net investment income	58,822	43,031	11,828	-	(77,118)	63,647	(18,916)	47,370
Benefit payments and withdrawals	(944,296)	(882,260)	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Administrative expenses & Transfer to investments	(145)	(142)	(176)	(47)	(209)	(200)	(56)	-
Net change in plan fiduciary net position	58,677	1,362,170	11,652	(47)	(414,697)	63,447	(18,972)	47,370
Plan fiduciary net position – beginning	1,373,905	11,735	83	130	414,827	351,380	370,352	322,982
Plan fiduciary net position – ending (b)	1,432,582	1,373,905	11,735	83	130	414,827	351,380	370,352
Employer's net OPEB liability – ending (a)-(b)	\$ 19,574,799	20,229,146	22,434,666	24,956,431	24,409,451	21,116,646	19,582,508	21,009,551
Plan fiduciary net position as a percentage of the total OPEB liability	6.82%	6.36%	0.05%	0.00%	0.00%	1.93%	1.76%	1.73%
Covered payroll	\$ 7,677,009	7,490,519	6,848,347	5,501,627	5,604,690	5,608,536	5,394,332	5,041,030
Employer's net OPEB liability as a percentage of covered payroll	254.98%	270.06%	327.59%	453.62%	435.52%	376.51%	363.02%	416.77%

**METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE II

**Required Supplementary Information
Schedule of Employer Contributions
(in thousands)**

Fiscal Year Ending December 31	Actuarially Determined Contribution	* Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	N/A	\$ -	N/A	\$ -	N/A
2016	N/A	-	N/A	-	N/A
2017	N/A	650,994	N/A	** 5,041,030	12.91%
2018	N/A	691,122	N/A	5,394,332	12.81%
2019	N/A	730,677	N/A	5,608,536	13.03%
2020	N/A	387,371	N/A	5,604,690	6.91%
2021	N/A	792,984	N/A	5,501,627	14.41%
2022	N/A	846,299	N/A	6,848,347	12.36%
2023	N/A	2,201,541	N/A	7,490,519	29.39%
2024	N/A	944,296	N/A	7,677,009	12.30%

* Actual Employer Contribution includes the implicit rate of subsidy adjustment.

** In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

**METROPOLITAN TRANSPORTATION AUTHORITY
OTHER POSTEMPLOYMENT BENEFITS PLAN**

SCHEDULE III

**Required Supplementary Information
Schedule of Investment Returns**

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending <u>December 31</u>	Net Money-Weighted <u>Rate of Return</u>
2015	N/A
2016	N/A
2017	14.67%
2018	-5.11%
2019	18.12%
2020	-32.92%
2021	0.03%
2022	22862.10%
2023	4.69%
2024	4.28%

In accordance with GASB No. 74, paragraph 39, such information was not readily available for periods prior to 2017.

The Long Island Rail Road Company Plan for Additional Pensions

(A Fiduciary Component Unit of the Metropolitan Transportation
Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules and
Independent Auditor's Report

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Long Island Rail Road Company Plan
for Additional Pensions:

Opinion

We have audited the accompanying statements of fiduciary net position of the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan"), as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Additional Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

July 28, 2025

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—This management's discussion and analysis ("MD&A") of The Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") financial performance for the years ended December 31, 2024 and 2023, provides an overview of the Additional Plan's financial activities. It is meant to assist the reader in understanding the Additional Plan's financial statements by providing an overview of the financial activities and the effects of significant changes, as well as a comparison with the prior year's activities and results. This discussion and analysis are intended to be read in conjunction with the Additional Plan document as well as the Additional Plan's financial statements. Additionally, an analysis of major economic factors and industry decisions that have contributed to significant changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Additional Plan's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America and is intended to be read in conjunction with the Plan's financial statements which begin on page 9.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Additional Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** - present the financial position of the Additional Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Additional Plan presently controls (assets), consumption of net assets by the Additional Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Additional Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Additional Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Additional Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

- **Required Supplementary Information** - as required by the Government Accounting Standards Board (“GASB”), includes the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Additional Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Financial Highlights

Financial Analysis

Fiduciary Net Position

As of December 31, 2024, 2023 and 2022

(Amounts in thousands)

	2024	2023	2022	Increase / (Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Assets:							
Cash	\$ 31	\$ 625	\$ 697	\$ (594)	(95)%	\$ (72)	(10)%
Investments, at fair value	710,108	711,905	652,011	(1,797)	(0.3)%	59,894	9 %
Receivables	1,239	1,110	598	129	12 %	512	86 %
Total assets	711,378	713,640	653,306	(2,262)	(0.3)%	60,334	9 %
Liabilities:							
Due to broker for securities purchased	1,023	1,606	611	(583)	(36)%	995	163 %
Forward Currency & Margin contracts	33	48	59	(15)	(31)%	(11)	(19)%
Due to broker for investment fee	407	211	(19)	196	93 %	230	(1,211)%
Due to broker for administrative fee	289	(6)	257	295	(4,917)%	(263)	(102)%
Total liabilities	1,752	1,859	908	(107)	(6)%	951	105 %
Net position restricted for pensions	\$ 709,626	\$ 711,781	\$ 652,398	\$ (2,155)	(0.3)%	\$ 59,383	9 %

December 31, 2024 versus December 31, 2023

The assets of the Additional Plan exceeded its liabilities by \$709.6 million as of December 31, 2024. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan’s net position restricted for pensions decreased by \$2.1 million during 2024, representing a decrease of 0.30% over 2023. This decrease is a result of lower investment activity and plan contributions net of benefit payments and expenses during 2024.

Investments at December 31, 2024 were \$710.1 million representing a decrease of \$1.8 million from 2023. The decrease was a result of the changes noted above together with lower employer contributions in 2024.

Payables for investments purchased at December 31, 2024, amounted to \$1.0 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

December 31, 2023 versus December 31, 2022

The assets of the Additional Plan exceeded its liabilities by \$711.8 million as of December 31, 2023. Net position restricted for pensions are held for the payment of future benefits to members and pensioners.

The Additional Plan's net position restricted for pensions increased by \$59.4 million during 2023, representing an increase of 9% over 2022. This increase is a result of investment activity and plan contributions net of benefit payments and expenses during 2023.

Investments at December 31, 2023 were \$711.9 million representing an increase of \$59.9 million from 2022. The increase was a result of the changes noted above together with the appreciation of investment markets in 2023.

Payables for investments purchased at December 31, 2023, amounted to \$1.6 million. Investments are purchased on a trade-date settlement basis and generate timing differences on settlement dates, like receivables for investments sold.

CHANGES IN FIDUCIARY NET POSITION

For the Years Ended December 31, 2024, 2023 and 2022
(Amounts in thousands)

	2024	2023	2022	Increase / (Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Additions:							
Net investment income / (loss)	\$ 57,552	\$ 58,303	\$ (51,214)	\$ (751)	(1)%	\$ 109,517	(214)%
Employer contributions	74,957	140,400	70,763	(65,443)	(47)%	69,637	98 %
Employee contributions	45	50	51	(5)	(10)%	(1)	(2)%
Total additions	132,554	198,753	19,600	(66,199)	(33)%	179,153	914 %
Deductions:							
Benefits paid directly to participants	133,794	138,824	143,764	\$ (5,030)	(4)%	\$ (4,940)	(3)%
Administrative expenses	915	546	761	369	68 %	(215)	(28)%
Total deductions	134,709	139,370	144,525	(4,661)	(3)%	(5,155)	(4)%
Net increase / (decrease)	(2,155)	59,383	(124,925)	(61,538)	(104)%	\$ 184,308	(148)%
Net position restricted for pensions							
Beginning of Year	711,781	652,398	777,323	59,383	9 %	(124,925)	(16)%
End of year	\$ 709,626	\$ 711,781	\$ 652,398	\$ (2,155)	(0.3)%	\$ 59,383	9 %

December 31, 2024 versus December 31, 2023

At the end of 2024, the net investment income decreased by \$0.7 million due to lower net investment gains of \$57.5 million in 2024 versus net gain of \$58.3 million experienced in 2023.

Employer and employee contributions for the year ended December 31, 2024 totaled \$75.0 million, which represents a decrease of 47% from 2023. This decrease was the result of a lower prepayment of 2025 actuarially determined contributions ("ADC") to the Plan.

Benefit payments for the year ended December 31, 2024 totaled \$133.8 million, which was lower than benefit payments made in 2023 in the amount of \$138.8 million, due to lower Plan benefits paid out to existing retirees attaining age sixty-five in 2024.

December 31, 2023 versus December 31, 2022

At the end of 2023, the net investment income increased by \$109.5 million due to net investment gains of \$58.3 million in 2023 versus net loss of \$51.2 million experienced in 2022.

Employer and employee contributions for the year ended December 31, 2023 totaled \$140.4 million, which represents an increase of 98% from 2022. This increase was the result of prepayment of 2024 actuarially determined contributions (“ADC”) in the amount of \$68.7 million.

Benefit payments for the year ended December 31, 2023 totaled \$138.8 million, which was lower than benefit payments made in 2022 in the amount of \$143.8 million, due to lower Plan benefits paid out to existing retirees attaining age sixty-five in 2023.

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States (“U.S.”) economy, continued investment in the Artificial Intelligence (“AI”) revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- Higher interest rates for longer
- Disinflation
- U.S. exceptionalism
- Geopolitical risk and deglobalization
- Innovation and AI
- Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at 4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500's total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg Us Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index: 8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets ("EM") posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People's Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and

led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Commodities

Commodities (Bloomberg Commodity Index: 5.4%) had positive performance in 2024. Prices experienced significant volatility and the dispersion of returns among commodities was wide. Precious Metals were among the best performers in this category, with gold spot prices up 27.2% for the year.

Market Outlook – 2025

Through the first quarter of 2025, equity markets were moderately lower with losses in the single digits. Value equities have outperformed growth, reversing the 2024 trend. There was heightened volatility in equity markets this quarter, as the market comes to terms with potentially slower economic growth and large-scale regulatory shifts implemented by the Trump administration. Fixed income markets had a positive start to 2025, with low positive returns for the quarter. Economic reports have been mixed, but interest rate cuts are still expected towards the end of the year. International Equity had positive gains, due to monetary policy easing and increased fiscal stimulus in the Euro area following U.S. funding cuts in Ukraine. Emerging Markets have also performed well with expectations for increased stimulus in China. Markets are expected to be more volatile this year than in 2024.

2025's macroeconomic backdrop will likely be dominated by heightened volatility, weaker growth, stagflation fears, geopolitical tensions, and global monetary and fiscal policy shifts. Coming out of 2024, a positive year for risk assets, market participants were predominantly optimistic for U.S. equity returns in 2025 despite the expectation of increased volatility. Several roadblocks to continued growth still loom such as tight credit markets with low deal flow in private markets, high U.S. government debt, and high equity multiples. U.S. growth optimism stemmed from real disposable income growth in a lower inflation environment, strong labor markets, and high exposure to the AI revolution. However, optimism eroded over the quarter, with global equities outperforming their U.S. counterparts.

At the beginning of April 2025, global markets have been decimated by the higher-than-expected tariff announcement on President Trump's "Liberation Day." Immediately following the announcement of broad tariffs spanning the globe, markets sold off violently and volatility skyrocketed. Following backlash from the announcement, the President paused the reciprocal tariffs on most countries for 90 days while increasing the tariff on China to 145%. By the end of April, markets regained most of their losses. While the situation is highly fluid, this historic trade war is expected to have massive economic implications.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the Long Island Rail Road Company for Additional Pensions' finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF FIDUCIARY NET POSITION AS OF DECEMBER 31, 2024 AND 2023

(Amounts in thousands)

	2024	2023
ASSETS:		
Cash	\$ 31	\$ 625
Investment at fair value (notes 2 and 3):		
Investments measured at readily determined fair value	333,230	256,097
Investments measured at net asset value	376,878	455,808
Total investments	710,108	711,905
Receivables:		
Participant and union contributions	(4)	3
Other receivables	66	73
Securities sold	217	476
Accrued interest and dividends	960	558
Total receivables	1,239	1,110
Total assets	711,378	713,640
LIABILITIES:		
Due to broker for securities purchased	1,023	1,606
Forward currency and margin contracts	33	48
Due to broker for investment fees	407	211
Due to broker for administrative expenses	289	(6)
Total liabilities	1,752	1,859
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 709,626</u>	<u>\$ 711,781</u>

See notes to financial statements.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Amounts in thousands)

	2024	2023
ADDITIONS:		
Investment income:		
Net realized and unrealized gains	\$ 50,777	\$ 53,613
Interest income	5,229	3,376
Dividend income	<u>6,074</u>	<u>6,641</u>
Total investment income	62,080	63,630
Less investment expenses	<u>(4,528)</u>	<u>(5,327)</u>
Total net investment income	<u>57,552</u>	<u>58,303</u>
Contributions (Note 5):		
Employer	74,957	140,400
Participant and union	<u>45</u>	<u>50</u>
Total contributions	<u>75,002</u>	<u>140,450</u>
Total additions	<u>132,554</u>	<u>198,753</u>
DEDUCTIONS:		
Benefits paid to participants	133,794	138,824
Administrative expenses	<u>915</u>	<u>546</u>
Total deductions	<u>134,709</u>	<u>139,370</u>
NET INCREASE / (DECREASE) IN NET POSITION	(2,155)	59,383
NET POSITION		
RESTRICTED FOR PENSIONS		
Beginning of year	<u>711,781</u>	<u>652,398</u>
End of year	<u>\$ 709,626</u>	<u>\$ 711,781</u>

See notes to financial statements.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Dollars in thousands)

1. PLAN DESCRIPTION

The Long Island Rail Road Company Plan for Additional Pensions (the “Additional Plan”) is a single employer defined benefit plan administered by the Board of Pension Managers. The following brief description of the Additional Plan is provided for general information purposes only. Participants should refer to the Additional Plan document for more complete information.

General - Effective July 1, 1971, The Long Island Rail Road Company (the “Company”) adopted two fully integrated defined benefit pension plans, The Long Island Rail Road Company Pension Plan (the “Plan”) and the Additional Plan. These plans cover employees hired before January 1, 1988. Effective January 1, 1989, the Plan was amended to limit the accrual of credited service time and determination of average earnings through December 31, 1988. All pension plan benefits were frozen as of that date by virtue of a Plan amendment. All benefit accruals subsequent to that date are provided under the Additional Plan, which was amended to provide for accruals on and after January 1, 1989. The Additional Plan benefits are now the total benefit that would have been paid previously from the sum of the two plans reduced by any portion of benefits that a participant received from the frozen pension plan benefits. The total benefits payable to participants have not been changed. These financial statements do not include any amounts related to the Plan, as all Plan assets were transferred into the MTA Defined Benefit Pension Plan, effective October 2, 2006.

Both Company’s pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”).

The Metropolitan Transportation Authority Defined Benefit Pension Plan and The Long Island Rail Road Company Plan for Additional Pensions comprise the Metropolitan Transportation Authority’s Master Trust. The MTA Master Trust is governed by the Board of Pension Managers (the “Board”). The Board has contracted with JP Morgan Chase, as the Trustee for the Trust, and has provided the Master Trust Investment Guidelines to the respective Trustee. These guidelines provide the specific goals and objectives of the Trust as well as the allowable investments permitted under the Trust. Under the Investment Guidelines, the Trustee is permitted to invest in commingled funds on behalf of the Master Trust.

The total asset allocation of the 2024 Master Trust is 91.84% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.16% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2024.

The total asset allocation of the 2023 Master Trust is 91.12% for the Metropolitan Transportation Authority Defined Benefit Pension Plan and 8.88% for the Long Island Rail Road Company Plan for Additional Pensions for the year ended December 31, 2023.

Pension Benefits - All full-time employees who were hired before January 1, 1988, are eligible for Additional Plan membership. At January 1, 2024 and 2023, the most recent valuation date, the Additional Plan's membership consisted of the following:

	January 1 2024	January 1 2023
Active plan members	12	14
Terminated vested & other inactive	13	13
Retirees and beneficiaries receiving benefits	<u>4,772</u>	<u>4,962</u>
Total	<u>4,797</u>	<u>4,989</u>

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

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the Company, subject to the obligations of the Company under its collective bargaining agreements. The Company's Board of Directors must approve all amendments. The Additional Plan has both contributory and non-contributory requirements, with retirement ages varying from 50 to 65 depending upon a participant's length of credited service. Pension benefits payable to age 65, where eligible, are calculated as 2% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.5% of applicable final average earnings for each year of qualifying service in excess of 25 years. For pension benefits payable at and after age 65, regardless of whether benefits commenced before or after the employee attained age 65, benefits are calculated in the same manner as pension benefits payable prior to age 65 except that the amount so determined is reduced by a percentage of the employee's annuity (not including any supplemental annuity) value at age 65 under the Federal Railroad Retirement Act.

The reduction of pension benefits for amounts payable under the Federal Railroad Retirement Act is as follows:

- (i) 25% for an employee who had 20 years credited service prior to July 1, 1974,
- (ii) 50% for any other employee first employed before July 1, 1974, and
- (iii) 100% for any employee first employed on or after July 1, 1974.

Beginning in 1999, for all represented employees who were hired between July 1, 1974, and December 31, 1987, who were employees after January 1, 1999, and were not retired when their collective bargaining agreement was ratified and approved by MTA Board after that date, the offset of Railroad Retirement Benefits is reduced to 50% (under the Additional Plan). For all management employees who were hired between July 1, 1974, and December 31, 1987, and who were employees on September 30, 1999, the offset of Railroad Retirement Benefits was reduced to 50% (under the Additional Plan).

For participants, the Additional Plan has both non-contributory and contributory requirements. Participants who entered qualifying service before July 1, 1978 are not required to contribute.

Participants who entered qualifying service on or after July 1, 1978, are required to contribute 3% of their wages to the Additional Plan. The Company contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

Death and Disability Benefits - Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act.

Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than \$5,000 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Additional Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred, and revenues are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

For financial reporting purposes, The Additional Plan adheres to accounting principles generally accepted in the United States of America. The Additional Plan applies all applicable pronouncements of the Governmental Accounting Standards Board ("GASB").

New Accounting Standards Adopted – The Plan adopted the following GASB Statement for the year ended December 31, 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 has no material impact on the net position of the Plan.

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 adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	The Long Island Rail Road Company Plan for Additional Pensions
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	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 amount of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair value of investments, the annual required contribution, and the Net Pension liability.

Payment of Benefits - Benefits are recorded when paid.

Investment and Administrative Expenses - Investment and administrative expenses are paid by the Additional Plan assets and accordingly are reflected in the accompanying financial statements.

Income Tax Status - The Additional Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Additional Plan is tax-exempt and is not subject to the provisions of ERISA.

3. CASH AND INVESTMENTS

Investment Committee - The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy, which includes assets of the Additional Plan, as of December 31, 2024.

Asset Class	Target Strategic Asset Allocation	Allocation Range	Benchmark Index
Total Equity	50.0%	40.0%-60.0%	
Domestic Large Cap Equity	23.0%	18.0%-28.0%	S&P 500 Index
Domestic Small/Mid Cap Equity	4.5%	0%-9.5%	Russell 2000 Index
Developed International Equity	10.5%	5.5%-15.5%	MSCI EAFE
Emerging Markets Large Cap Equity	3.0%	0%-0.8.0%	MSCI Emerging Markets
Emerging Markets Small Cap Equity	1.0%	0%-6.0%	MSCI Emerging Markets Small Cap
Private Equity	8.0%	3.0%-13.0%	C/A Global All PE (Qtr Lag)
Total Fixed Income	31%	21.0% -41.0%	
US TIPS	2.0%	0%-7.0%	Bloomberg US TIPS
US Treasury Bonds	2.0%	0%-7.0%	Bloomberg US Treasury
US Aggregate Bonds	15.5%	10.5%-20.5%	Bloomberg US Aggregate
US High Yield	3.5%	0%-8.5%	ICE BofA US High Yield
Private Debt	8.0%	3.0%-13.0%	50% CS Leveraged Loan/50% ICE BofA Euro HY Constrained
Total Real Assets	11.0%	1.0% -21.0%	
Public Real Assets	3.0%	0%-8.0%	SSgA Real Assets Index
Private Real Assets - Natural Resources/Infrastructure	3.0%	0%-8.0%	CPI + 3.0%
Private Real Estate - Core/Non-Core	5.0%	0%-10.0%	NCREIF Property Index (Qtr Lag)
Total Multi-Asset	8.0%	3.0% -13.0%	
Hedge Funds	8.0%	3.0%-13.0%	HFRI Fund of Funds Index

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All investment managers shall be registered advisors under the Investment Advisors Act of 1940.

The Strategic Asset Allocation targets and permissible ranges for eligible asset classes of the Plan are detailed within the Investment Policy Statement (“IPS”). Full discretion, within the parameters of the IPS and in any individual investment policy associated with that allocation, is granted to the Investment Managers regarding the selection of securities and the timing of transactions. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement (“IMA”). Should there be conflicts between the IPS and the IMA, the manager guidelines set forth in the IMA supersede the general guidelines in this Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle’s offering documents and any applicable side letter agreements. Should there be conflicts, the individual vehicle’s investment guidelines supersede the general guidelines in the IPS.

Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

- The compliance of each investment manager with the guidelines as expressed herein.
- The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Investment Managers - Investment managers are governed by the provisions described in the IPS. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities, such as:

- Domestic fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Bloomberg Barclays US Aggregate Bond Index represents the opportunity set for intermediate-term investment grade bonds traded in the United States
- International fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed market bonds. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging market bonds denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging market bonds denominated in local currency.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Equity Investment Managers - Investment managers are governed by the provisions described in the IPS. The equity portion of the Additional Plan's assets shall be invested in marketable securities, such as:

- Domestic equity securities, subject to the guidelines. Generally defined, the Standard & Poor's 500 and the Russell 3000 Index represents the opportunity set for the Large Cap and Small Cap equities traded in the United States.
- International equity securities, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for equities traded in international developed markets. The Morgan Stanley Emerging Markets Index represents the opportunity set for equities traded in international emerging markets.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Overlay Managers - For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Committee may retain an overlay manager(s). The overlay manager may use exchange traded futures contracts, Treasuries, and/or Exchange-Traded Funds (ETFs) to expose the cash to the Policy Target Allocation.

In addition, the overlay manager may be utilized for the following:

- Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
- Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
- Invest excess cash into highly liquid short-term investments
- Provide the market (or “beta”) exposures in a portable alpha program.
- The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers - Alternative investments allow the Plan to expand the opportunity set beyond public markets and can be used to enhance overall Plan returns and diversify risk.

Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return or Hedge Funds
- Private equity
- Venture Capital

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy – Where appropriate, investment managers may use derivative securities for the following reasons:

- **Hedging.** To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.
- **Creation of Market Exposures.** Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.
- **Management of Country and Asset Allocation Exposure.** Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.
- **Additional uses of derivatives** shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments - Unless specifically approved by the Committee or set forth in the individual investment guidelines of a particular allocation, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. These are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Investments in Russian securities,
- Investments in any securities issued by the Metropolitan Transportation Authority or any of its affiliates,
- Commodities,
- Naked Short sales and short sales not acting as a hedge, and
- Direct investments in private placements, real estate, oil and gas and venture capital.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered and held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties - The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2024 and 2023:

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2024			
	December 31, 2024	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 149,437	149,437	-	-
Separate account small-cap equity funds	40,329	40,329	-	-
Separate account small-Real Estate Investments Trusts	5,951	5,951	-	-
Separate account - International equity funds	21,730	21,730	-	-
Total equity investments	217,447	217,447	-	-
Debt Securities				
Mutual fund	8,768	8,768	-	-
Separate account - opportunistic credit/Private debt	7,615	-	7,615	-
Separate account debt funds	99,400	-	99,400	-
Total debt investments	115,783	8,768	107,015	-
Total investments by fair value	\$ 333,230	226,215	107,015	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2024			
	December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Comingled international equity funds	\$ 56,769	\$ -	Daily	None
Comingled emerging market equity funds	28,382	-	Daily, monthly	None
Total equity investments measured at the NAV	85,151	-		
Debt Securities				
Comingled debt funds	51,329	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	51,329	-		
Absolute return:				
Direct lending	12,939	8,905	Bi-annually	60 plus days
Distressed securities	1,135	-	Not eligible	N/A
Credit long	6,109	-	Quarterly	3-30 days
Event Driven		185	Quarterly	3-60 days
Hedge Funds of funds	50,312	-	Quarterly	3-60 days
Total absolute return measured at the NAV	70,495	9,090		
Venture capital	52	747	Not eligible	N/A
Private equity - private equity partnerships	47,516	28,656	Not eligible	N/A
Comingled real estate funds	93,744	7,202	Not eligible	N/A
Real assets:				
Energy	6,565	4,857	Not eligible	N/A
Infrastructure	1,206	6,313	Not eligible	N/A
Shipping	9	83	Not eligible	N/A
Total real assets measured at the NAV	7,780	11,253		
Short term investments measured at the NAV	20,811	-		
Total investments measured at the NAV	\$ 376,878	\$ 56,948		
Total investments	\$ 710,108			

LIRRD Additional Pension Plan
Investments measured by fair value level
(In thousands)

	2023			
	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 106,917	106,917	-	-
Separate account small-cap equity funds	40,703	40,703	-	-
Separate account small-Real Estate Investments Trusts	6,168	6,168	-	-
Separate account - International equity funds	22,137	22,137	-	-
Total equity investments	175,925	175,925	-	-
Debt Securities				
Mutual fund	23,499	23,499	-	-
Separate account - opportunistic credit/Private debt	7,605	-	7,605	-
Separate account debt funds	49,068	-	49,068	-
Total debt investments	80,172	23,499	56,673	-
Total investments by fair value	\$ 256,097	199,424	56,673	-

LIRRD Additional Pension Plan
Investments measured at NAV
(In thousands)

	2023			
	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Comingled large cap equity funds	\$ 34,783	\$ -	Daily	None
Comingled international equity funds	54,245	-	Daily	None
Comingled emerging market equity funds	28,714	-	Daily, monthly	None
Total equity investments measured at the NAV	117,742	-		
Debt Securities				
Comingled debt funds	84,481	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	84,481	-		
Absolute return:				
Direct lending	12,196	9,781	Bi-annually	60 plus days
Distressed securities	2,301	-	Not eligible	N/A
Credit long	5,993	-	Quarterly	3-30 days
Hedge Funds of funds	45,391	-	Quarterly	3-60 days
Event driven	29	201	Quarterly, Bi-annually	60-120 days
Risk parity	13,444	-	Monthly	3-30 days
Total absolute return measured at the NAV	79,354	9,982		
Venture capital	8	870	Not eligible	N/A
Private equity - private equity partnerships	44,930	24,006	Not eligible	N/A
Comingled real estate funds	96,725	-	Not eligible	N/A
Real assets:				
Energy	7,950	3,677	Not eligible	N/A
Infrastructure	1,119	6,687	Not eligible	N/A
Shipping	377	90	Not eligible	N/A
Total real assets measured at the NAV	9,446	10,454		
Short term investments measured at the NAV	23,122	-		
Total investments measured at the NAV	\$ 455,808	\$ 45,312		
Total investments	\$ 711,905			

Concentration of Credit Risk—Individual investments held by the Additional Plan that represent 5% or more of the Additional Plan’s net assets available for benefits at December 31, 2024 and 2023 is as follows:

(Amount in thousands)

	2024	2023
Investments at fair value as determined by quoted market prices:		
JPMCB Strategic Property Fund	\$ 71,720	\$ 72,981
Blackrock Hedge Index	41,279	39,363
Rhumblin Core Bond	-	47,672
Rhumblin Large Cap Equity	110,459	81,180
Independent Franchise Partners	38,978	-

Credit Risk - The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at December 31, 2024 and 2023:

(Amount in thousands)

Quality Rating—S&P	2024 Fair Value	Percentage of Fixed Income Portfolio	2023 Fair Value	Percentage of Fixed Income Portfolio
AAA	\$ 4,754	4.57 %	\$ 2,972	5.44 %
AA	17,801	17.13	8,405	15.38
A	3,860	3.71	2,576	4.70
BBB	12,653	12.18	8,977	16.43
BB	4,512	4.34	1,484	2.72
B	8,577	8.25	4,456	8.16
CCC	3,203	3.08	1,796	3.29
Not rated	<u>9,311</u>	<u>8.96</u>	<u>7,917</u>	<u>14.49</u>
Total credit risk debt securities	64,671	62.23	38,583	70.62
U.S. Government bonds*	<u>39,249</u>	<u>37.77</u>	<u>16,055</u>	<u>29.38</u>
Total fixed income securities	<u>\$ 103,920</u>	<u>100.00 %</u>	<u>\$ 54,638</u>	<u>100.00 %</u>
Other securities not rated — equity, international funds and foreign corporate bonds	<u>606,188</u>		<u>657,267</u>	
Total investments	<u>\$ 710,108</u>		<u>\$ 711,905</u>	

* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have a credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Additional Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the

securities are uninsured, are not registered in the name of the Additional Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Additional Plan's name.

Consistent with the Additional Plan's trust custodial administration agreement, the investments are held by the Additional Plan's custodian and registered in the Additional Plan's name.

Interest Rate Risk Exceptions - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice-versa. Duration is an indicator of bond price's sensitivity to 100-basis point change in interest rates. The lengths of investment maturities (in years), as of December 31, 2024 and 2023 is as follows:

Investment Fund (In thousands)	2024		2023	
	Fair Value	Duration	Fair Value	Duration
JP Morgan Chase	\$ 103,920	5.12	\$ 54,638	4.92
Total fixed income securities	103,920		54,638	
Portfolio modified duration		5.12		4.92
Investments with no duration reported	606,188		657,267	
Total investments	<u>\$ 710,108</u>		<u>\$ 711,905</u>	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund establishes investments in international equities. The Additional Plan also holds investments in American Depositary Receipts ("ADRs"), which are denominated in US dollars and accounted for at fair value.

In addition, the Plan has investments in foreign stocks denominated in foreign currencies. The Plan's foreign currency exposures as of December 31, 2024 and 2023 are as follows (amounts in U.S. dollars, in thousands):

Foreign Currency Holdings in US \$	December 31, 2024	December 31, 2023
Euro	692	-
Japanese (Yen)	1,341	-
Swiss Franc	1,943	-
United Kingdom (GBP)	2,363	-
Total	<u>\$ 6,339</u>	<u>-</u>

Additional Information - The Additional Plan is part of the MTA Master Trust of which the Additional Plan participates on a percentage basis. JP Morgan Chase is the trustee of the MTA Master Trust. The percentage of the Additional Plan ownership for the year ended December 31, 2024 and 2023 was 8.16% and 8.88%, respectively.

(In thousands)	December 31, 2024		December 31, 2023	
	Master Trust Total	Additional Plan	Master Trust Total	Additional Plan
Total Investments:				
Investments measured at readily determined fair value	\$ 4,083,505	\$ 333,230	\$ 2,884,644	\$ 256,097
Investments measured at the net asset value	<u>3,739,494</u>	<u>305,157</u>	<u>4,312,124</u>	<u>382,828</u>
Total investments measured at fair value	<u>\$ 7,822,999</u>	<u>\$ 638,387</u>	<u>\$ 7,196,768</u>	<u>\$ 638,925</u>

There is an additional investment which resides outside of the Master Trust which is presented within these financial statements.

4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2024 and 2023 was as follows (in thousands):

	2024	2023
Total pension liability	\$ 1,143,000	\$ 1,200,887
Fiduciary net position	<u>709,626</u>	<u>711,781</u>
Net pension liability	<u>\$ 433,374</u>	<u>\$ 489,106</u>
Fiduciary net position as a percentage of the total pension liability	<u>62.08 %</u>	<u>59.27 %</u>

Actuarial Methods and Assumptions - The total pension liability as of December 31, 2024 and 2023 was determined by an actuarial valuation date of January 1, 2024 and 2023, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Discount Rate - The discount rate used to measure the total liability as of December 31, 2024 and 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan in 2024 and 2023, calculated using the discount rate of 6.50%; as

well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2024 (In thousands)	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	<u>\$ 518,085</u>	<u>\$ 433,374</u>	<u>\$ 359,019</u>
2023 (In thousands)	Decrease 5.50%	Discount Rate 6.50%	Increase 7.50%
Net pension liability	<u>\$ 579,748</u>	<u>\$ 489,106</u>	<u>\$ 409,805</u>

Additional information of the latest actuarial valuation follows:

Valuation date	January 1, 2024
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year. For 2023 - 2024, discounts reflect timing of prepaid contributions.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 9-year period beginning January 1, 2024) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Valuation date	January 1, 2023
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Entry age normal.
Amortization method	Period specified in current valuation report (closed 10-year period beginning January 1, 2023) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.5%, net of investment expenses
Projected salary increases	3.0%
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Calculation on Money-Weighted Rate of Return - The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

2024 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2024	\$ 711,781	12.00	1.00	\$ 771,636
Monthly net external cash flows:				
January	(11,222)	12.00	1.00	(12,166)
February	(1,360)	11.00	0.92	(1,465)
March	(1,360)	10.00	0.83	(1,455)
April	(1,360)	9.00	0.75	(1,445)
May	(1,360)	8.00	0.67	(1,436)
June	(1,360)	7.00	0.58	(1,425)
July	(1,360)	6.00	0.50	(1,416)
August	(8,591)	5.00	0.42	(8,887)
September	(8,591)	4.00	0.33	(8,823)
October	(8,591)	3.00	0.25	(8,766)
November	(8,591)	2.00	0.17	(8,710)
December	(5,960)	1.00	0.08	(6,016)
Ending Value—December 31, 2024				<u>\$ 709,626</u>
Money—Weighted Rate of Return	<u>8.41</u>	%		

2023 - Schedule of Calculations of Money-Weighted Rate of Return
(Amounts in thousands)

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning value—January 1, 2023	\$ 652,398	12.00	1.00	\$ 706,229
Monthly net external cash flows:				
January	(11,610)	12.00	1.00	(12,568)
February	128,790	11.00	0.92	138,535
March	(11,610)	10.00	0.83	(12,400)
April	(11,610)	9.00	0.75	(12,321)
May	(11,610)	8.00	0.67	(12,243)
June	(11,610)	7.00	0.58	(12,156)
July	(11,610)	6.00	0.50	(12,080)
August	(11,610)	5.00	0.42	(12,003)
September	(11,610)	4.00	0.33	(11,918)
October	(11,610)	3.00	0.25	(11,842)
November	(11,610)	2.00	0.17	(11,768)
December	(11,610)	1.00	0.08	(11,684)
Ending Value—December 31, 2023				<u>\$ 711,781</u>
Money—Weighted Rate of Return	<u>8.25</u>	%		

Calculation on Long-Term Expected Rate of Return - The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2024 and 2023.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2024

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	15.50%	2.36%
US Treasury Bonds	Bloomberg US Treasury	2.00%	1.85%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.93%
US High Yield Bonds	ICE BofA US High Yield	3.50%	4.04%
Private Credit	CDL Index	8.00%	6.48%
US Large Cap Equity	S&P 500	23.00%	5.33%
US Small Cap Equity	Russell 2000	4.50%	6.82%
Foreign Developed Equity	MSCI EAFE NR	10.50%	6.91%
Emerging Market Equity	MSCI EM NR	3.00%	9.29%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.00%	9.62%
Private Real Estate Property	NCREIF Property	5.00%	5.93%
Private Equity	Cambridge Private Equity	8.00%	10.37%
Infrastructure - Public	S&P Global Infrastructure	3.00%	5.92%
Commodities	Bloomberg Commodity	3.00%	3.38%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	8.00%	4.13%
Assumed Inflation - Mean			2.30%
Assumed Inflation - Standard Deviation			1.46%
Portfolio Nominal Mean Return			7.77%
Portfolio Standard Deviation			12.25%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Cap Equity	S&P 500	18.00%	5.38%
US Small Cap Equity	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean Return			7.92%
Portfolio Standard Deviation			12.47%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

5. CONTRIBUTIONS

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

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2024 and 2023), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the Company's Board of Managers of Pensions (1.5% in 2024 and 2023).

The Company performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and the Company expects that such deficits will continue in the foreseeable future. Funding for the Additional Plan by the Company is provided by MTA, which obtains the required funds from New York State, federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the Company on a discretionary basis. The continuance of the Company's funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

6. ACTUARIAL METHODS AND ASSUMPTIONS

A. ACTUARIAL VALUATION METHOD

The Plan's actuarial cost method is the Entry Age Normal method. Under this method, a projected benefit is determined at each active participant's assumed retirement age assuming future compensation increases. The plan's normal cost is the sum of each active participant's annual cost for the current year of service determined such that, if it were calculated as a level percentage of compensation each year, it would accumulate at the valuation interest rate over his total prior and future years of service to the assumed retirement date into an amount sufficient to fund the projected benefit. The plan's accrued liability is the (a) present value of each active participant's benefits plus (b) the present value of each inactive participant's future benefits, less (c) the present value of each active participant's normal costs attributable to all future years of service.

B. ASSET VALUATION METHOD

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

$$\text{Actuarial Value of Assets} = MV_t - 0.8*UR_1 - 0.6*UR_2 - 0.4*UR_3 - 0.2*UR_4$$

Where:

MV_t = Market Value of assets as of the valuation date.

UR_n = Unexpected return during the nth year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

C. ACTUARIAL ASSUMPTIONS

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2006 to December 31, 2011, with certain economic assumptions modified subsequently based on an experience analysis covering the period from January 1, 2012 to December 31, 2017. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

Interest - 6.50% per annum, compounded annually, net of investment expenses.

Salary Scale – Valuation compensation is assumed to increase 3.00% per year.

Valuation Compensation - The valuation compensation is equal to the annualized base salary as of December 31, 2023 as provided by MTA, projected six months at the assumed rate of salary increase.

Overtime/Unused Vacation Pay - Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

Railroad Retirement Wage Base - 3.25% per year.

Consumer Price Index - 2.25% per year.

Provision for Expenses - Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years reported administrative expenses and are assumed payable in the middle of the plan year.

Termination - Withdrawal rates vary by age. Illustrative rates are shown below:

Age	Rate	Age	Rate
20	2.12 %	45	0.96 %
25	1.64	50	0.80
30	1.44	55	0.60
35	1.36	60	0.00
40	1.16	65	0.00

Terminated vested participants are assumed to retire upon first eligibility or attained age, if later.

Retirement - Assumed retirement age varies by year of eligibility.

Eligibility Period	Rate of Retirement
First year	40 %
Years 2–4	33
Year 5	37
Years 6–7	35
Years 8–9	33
Years 10–15	55
Years 16 and above	100

Mortality - Preretirement and postretirement annuitant rates are projected on a generational basis using Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

- **Preretirement:** Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.
- **Postretirement:** Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.

Marriage - 80% of employees are assumed to be married with wives 3 years younger than husbands.

Interest on Employee Contributions - Assumed to be 3.5% per year for future years.

Railroad Offset - The Railroad offset at retirement is based on the sum of Tier 1 and Tier 2 Railroad benefits net of Social Security benefits, and is estimated for active members, current retirees under age 65, and current beneficiaries of members under age 65. The offsets for Railroad Retirement benefits are assumed to occur at the member's age of 65. The estimated benefits are based on a member's compensation at retirement. For inactive participants, compensation is estimated based on the benefit provided and estimated service at retirement. For the Tier 1 offset, the Primary Insurance Amount assumes that an individual would continue to earn compensation at the level in effect at his date of termination until attaining eligibility for Railroad benefits and is further increased by 2% per year from the date of termination to age 65. In addition, the estimated Tier 1 offset for inactive members currently less than age 65 is reduced by 10% to reflect, on average, the adjustment for Social Security benefits.

Benefits Not Valued - Disability benefits since all active plan participants are eligible for retirement. COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

D. CHANGES IN ACTUARIAL ASSUMPTIONS – None.

7. PLAN TERMINATION

While the Company expects to continue the Additional Plan indefinitely, it may, subject to its collective bargaining agreements, amend, restrict, or terminate the Additional Plan at any time. In the event of termination, all participants will become fully vested to the extent of their then accrued benefits based on their compensation and service up to the date of termination. The net assets of the Additional Plan will be allocated to provide benefits in accordance with the disposition of the Additional Plan assets in a prescribed manner as defined in the Additional Plan document.

8. COMMINGLING OF PENSION ASSETS FOR INVESTMENT PURPOSES

On July 26, 2006, the MTA Board passed a resolution to transfer the responsibilities for the administration of the Additional Plan to the MTA Defined Benefit Pension Plan (“MTA DB”) with no changes in the pension and death benefits and appeal rights provided by the Additional Plan. The trust agreement under the Additional Plan was replaced by the MTA Master Trust Agreement, which allows for the commingling of pension assets for investment purposes under the management of the MTA DB’s Board of Managers of Pensions. The Additional Plan and Trust Agreements were amended in September 2006 and all Plan assets were commingled into the MTA Master Trust for investment purposes, effective October 2, 2006.

9. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is the custodian of plan assets and provides cash receipt and disbursement services to the Additional Plan. NEPC (formerly New England Pension Consultants) reviews the Additional Plan’s portfolio, the investment policies as stipulated by the Investment Committee and the performance of the Investment Managers. Actuarial services were provided to the Additional Plan by Milliman Inc.

10. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28th, 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 July 28th, 2025, there were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTAL SCHEDULES

THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS

SCHEDULE I

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND
RELATED RATIOS

(In thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 71	\$ 81	\$ 146	\$ 260	\$ 453	\$ 621	\$ 1,057	\$ 1,874	\$ 2,752	\$ 3,441
Interest	73,782	77,391	81,371	83,489	86,918	93,413	97,611	101,477	104,093	106,987
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,054	3,362	(1,347)	3,729	10,428	13,455	213	1,890	15,801	6,735
Changes of assumptions	-	-	-	26,300	-	50,191	-	-	-	-
Benefit payments and withdrawals	(133,794)	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)
Net change in total pension liability	(57,887)	(57,990)	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)	(39,908)
Total pension liability—beginning	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
Total pension liability—ending (a)	1,143,000	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
Plan fiduciary net position:										
Employer contributions	74,957	140,400	70,763	70,553	68,724	62,774	59,500	76,523	81,100	100,000
Non-Employer contributions	-	-	-	-	-	-	-	145,000	70,000	-
Member contributions	45	50	51	73	140	249	333	760	884	1,108
Net investment income	57,552	58,303	(51,214)	95,247	4,024	116,092	(31,098)	112,614	58,239	527
Benefit payments and withdrawals	(133,794)	(138,824)	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)
Administrative expenses	(915)	(546)	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)	(1,218)
Net change in plan fiduciary net position	(2,155)	59,383	(124,925)	16,633	(79,771)	21,143	(132,010)	174,110	51,019	(56,654)
Plan fiduciary net position—beginning (*)	711,781	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852
Plan fiduciary net position—ending (b)	709,626	711,781	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198
Employer's net pension liability—ending (a)-(b)	\$ 433,374	\$ 489,106	\$ 606,479	\$ 545,148	\$ 596,633	\$ 571,110	\$ 591,827	\$ 520,501	\$ 749,087	\$ 836,053
Plan fiduciary net position as a percentage of the total pension liability	62.08 %	59.27 %	51.82 %	58.78 %	56.04 %	59.54 %	58.06 %	64.64 %	50.92 %	46.48 %
Covered-employee payroll	\$ 1,802	\$ 1,972	\$ 2,043	\$ 1,995	\$ 3,509	\$ 5,210	\$ 7,894	\$ 11,046	\$ 18,216	\$ 25,712
Employer's net pension liability as a percentage of covered-employee payroll	24,049.59 %	24,802.52 %	29,685.69 %	27,330.07 %	17,001.65 %	10,961.80 %	7,496.90 %	4,711.97 %	4,112.20 %	3,251.65 %

(*) 2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE II

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31
(In thousands)**

Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution *	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 82,382	\$ 100,000	\$ (17,618)	\$ 25,712	388.93 %
2016	\$ 83,183	\$ 151,100	\$ (67,917)	\$ 18,216	829.48 %
2017	\$ 76,523	\$ 221,523	\$ (145,000)	\$ 11,046	2,005.39 %
2018	\$ 59,196	\$ 59,500	\$ (304)	\$ 7,894	753.71 %
2019	\$ 62,774	\$ 62,774	\$ -	\$ 5,210	1,204.87 %
2020	\$ 68,723	\$ 68,724	\$ (1)	\$ 3,509	1,958.35 %
2021	\$ 70,553	\$ 70,553	\$ -	\$ 1,995	3,537.06 %
2022	\$ 70,764	\$ 70,764	\$ -	\$ 2,043	3,463.73 %
2023	\$ 72,666	\$ 140,400	\$ (67,734)	\$ 1,972	7,119.68 %
2024	\$ 73,752	\$ 74,957	\$ (1,205)	\$ 1,802	4,159.66 %

* Employer contributions include amounts from both employer and non-employer contributing entities.

** For 2023, the MTA made contributions equal to the 2023 Actuarially Determined Contribution plus an estimated amount of the 2024 Actuarially Determined Contribution.

*** For 2024, MTA made contributions towards the 2025 actuarially determined contribution.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

SCHEDULE II (concluded)

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:

The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 9-year period from January 1, 2024) with level dollar payments.	Period specified in current valuation report (closed 10-year period from January 1, 2023) with level dollar payments.	Period specified in current valuation report (closed 11-year period from January 1, 2022) with level dollar payments.	Period specified in current valuation report (closed 12-year period from January 1, 2021) with level dollar payments.	Period specified in current valuation report (closed 13-year period from January 1, 2020) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.5% for 2024, per annum, net of investment expenses	Net rate of 6.5% for 2023, per annum, net of investment expenses	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2021, per annum, net of investment expenses	Net rate of 6.5% for 2020, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Railroad retirement wage base	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 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 LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.	Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two years' reported administrative expenses and are assumed payable in the middle of the plan year.

THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

SCHEDULE II

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:

The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method
Amortization method	Period specified in current valuation report (closed 14-year period from January 1, 2019) with level dollar payments.	Period specified in current valuation report (closed 15-year period from January 1, 2018) with level dollar payments.	Period specified in current valuation report (closed 16-year period from January 1, 2017) with level dollar payments.	Period specified in current valuation report (closed 17-year period from January 1, 2016) with level dollar payments.	Period specified in current valuation report (closed 18-year period from January 1, 2015) with level dollar payments.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.5% for 2019, per annum, net of investment expenses	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses
Inflation	2.25% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Railroad retirement wage base	3.25% per year	3.5% per year	3.5% per year	3.5% per year	3.5% per year
Mortality	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA	Based on experience of all LIRR members reflecting mortality improvement on generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year	3.0% per year	3.0% per year	3.0% per year
Overtime	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.	Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.
Provision for expenses	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	The provision for administrative expenses was modified to equal an average of the prior three years.	\$650,000 is added to the normal cost to account for administrative expenses paid by plan assets throughout the year.

**THE LONG ISLAND RAIL ROAD COMPANY PLAN
FOR ADDITIONAL PENSIONS**

SCHEDULE III

**SCHEDULE OF INVESTMENT RETURNS
FOR THE YEARS ENDED DECEMBER 31**

The following table displays annual money-weighted rate of return, net of investment expense.

Year Ended December 31	Net Money-Weighted Rate of Return
2015	0.07 %
2016	8.11 %
2017	13.38 %
2018	(3.49)%
2019	15.23 %
2020	0.51 %
2021	13.37 %
2022	(7.00)%
2023	8.25 %
2024	8.41 %

* The Net Money-Weighted Rate of Return was revised from 0.39% to 0.51%, based on subsequent information received for the Plan's Private Market investments fourth quarter, in the first year of the adoption of GASB 84.

Manhattan and Bronx Surface Transit Operating Authority Pension Plan

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules, and
Independent Auditor's Report

**MANHATTAN AND BRONX SURFACE TRANSIT
OPERATING AUTHORITY PENSION PLAN**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Administration of
The Manhattan and Bronx Surface Transit Operating Authority Pension Plan:

Opinion

We have audited the accompanying statements of fiduciary net position of the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "Plan") as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the

Management's Discussion and Analysis; Schedule of Changes in the Employers' Net Pension Liability and Related Ratios-Schedule I; Schedule of Employer Contributions and Notes to Schedule-Schedule II; and Schedule of Investment Returns-Schedule III be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

July 28, 2025

This management's discussion and analysis of The Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2024 and 2023. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the year and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis may contain opinions, assumptions, or conclusions by MTA management that should not be considered a replacement for and is intended to be read in conjunction with the plan's financial statements which begin on page 12.

Overview of Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statement of Fiduciary Net Position** - presents the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Fiduciary Net Position** - presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** - as required by the Government Accounting Standards Board ("GASB"), includes the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

FINANCIAL ANALYSIS

Fiduciary Net Position

As of December 31, 2024, 2023 and 2022

(Dollars in thousands)

	2024	2023	2022	Increase/(Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Cash and investments	\$ 4,092,546	\$ 3,793,831	\$ 3,293,020	\$ 298,715	7.9 %	\$ 500,811	15.2 %
Receivables and other assets	38,778	33,940	29,943	4,838	14.3	3,997	13.3
Total assets	\$ 4,131,324	\$ 3,827,771	\$ 3,322,963	\$ 303,553	7.9	\$ 504,808	15.2
Payable for investment securities purchased	8,098	9,290	3,592	(1,192)	(12.8)	5,698	158.6
Other liabilities	9,441	8,006	9,261	1,435	17.9	(1,255)	(13.6)
Total liabilities	17,539	17,296	12,853	243	1.4	4,443	34.6
Net position restricted for pensions	\$ 4,113,785	\$ 3,810,475	\$ 3,310,110	\$ 303,310	8.0 %	\$ 500,365	15.1 %

December 31, 2024 versus December 31, 2023

Cash and investments at December 31, 2024, were \$4,092.5 million, an increase of \$298.7 million or 7.9% from 2023. This increase is a result of an improved financial markets performance in 2024 and higher plan actuarially determined contributions (“ADC”) prepayments net of benefit payments and expenses during 2024.

Receivables and other assets less plan liabilities at December 31, 2024 increased by \$4.6 million or 27.6%. The increase in 2024 compared with 2023 is a result of higher receivable for interest and dividend, employee loans and Tier 6 remediation - employee contributions.

The plan net position restricted for pensions increased by \$303.3 million or 8.0% in 2024 as a result of the various changes noted above.

December 31, 2023 versus December 31, 2022

Cash and investments at December 31, 2023, were \$3,793.8 million, an increase of \$500.8 million or 15.2% from 2022. This increase is a result of an improved financial markets performance in 2023 and plan contributions which included prepaid 2024 actuarially determined contributions (“ADC”) of \$158.4 million net of benefit payments and expenses during 2023.

Receivables and other assets less plan liabilities at December 31, 2023 decreased by \$0.5 million or 2.6%. The decrease for 2023 compared with the increase in 2022 is a result of payable for investment securities purchased and additional members contribution liabilities for Tiers 3 and 4 – 25 year and age 55 retirement programs.

The plan net position restricted for pensions increased by \$500.4 million or 15.1% in 2023 as a result of the various changes noted above.

Changes in Fiduciary Net Position
For the Years Ended December 31, 2024, 2023 and 2022
(Dollars in thousands)

	2024	2023	2022	Increase/(Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Additions:							
Net investment (loss) / income	\$ 364,653	\$ 413,734	\$ (273,627)	\$ (49,081)	(11.9)%	\$ 687,361	251.2 %
Transfers and contributions	218,391	353,820	184,166	(135,429)	(38.3)	169,654	92.1
Total net additions	583,044	767,554	(89,461)	(184,510)	(24.0)	857,015	958.0
Deductions:							
Benefit payments	279,205	266,622	257,974	\$ 12,583	4.7	\$ 8,648	3.4
Administrative expenses	529	567	806	(38)	(6.8)	(239)	(29.7)
Total deductions	279,734	267,189	258,780	12,545	4.7	8,409	3.2
Net increase	303,310	500,365	(348,241)	(197,055)	(39.4)	848,606	243.7
Net position							
restricted for pensions:							
Beginning of year	3,810,475	3,310,110	3,658,351	500,365	15.1	(348,241)	(9.5)
End of year	\$ 4,113,785	\$ 3,810,475	\$ 3,310,110	\$ 303,310	8.0 %	\$ 500,365	15.1 %

December 31, 2024 versus December 31, 2023

Net investment income decreased by \$49.1 million due to lower net market appreciation of \$364.6 million in 2024 versus net investment gains of \$413.7 million in 2023.

Contributions decreased by \$135.4 million or 38.3% in 2024 due to prepaid 2024 ADC contributions of \$160.4 million made in 2023 in addition to 2023 ADC contributions paid. Contributions made in 2024 included prepaid 2025 ADC contributions.

Benefit payments increased by \$12.6 million or 4.7% over the prior year due to a continuing trend of an increase in the number of retirees, higher Final Average Salaries (“FAS”) and cost-of-living adjustments provided to retirees and beneficiaries.

Administrative expenses decreased by \$38 thousand or 6.8% in 2024 compared to 2023. This decrease is in line with actuarial and custodian services provided to the Plan.

December 31, 2023 versus December 31, 2022

Net investment income increased by \$687.4 million in 2023 due to net investment gains from market appreciation versus net investment losses of \$273.6 million in 2022.

Contributions increased by \$169.6 million or 92.1% in 2023 compared to 2022, primarily due to the prepayment of 2024 ADC in the amount of \$158.4 million.

Benefit payments increased by \$8.6 million or 3.4% over the prior year due to a continuing trend of an increase in the number of retirees, higher FAS and cost-of-living adjustments provided to retirees and beneficiaries.

In 2021, the Plan accrued \$2.2 million as part of the Tier 6 – refund of employee contributions which includes statutory interest of 5% due to a business process coding error relating to overtime cap limit for 2021 and prior years. No payments were made in 2023 and 2022 respectively.

Administrative expenses decreased by \$239 thousand or 29.7% in 2023 compared to 2022. This decrease is in line with the custodian services provided to the Plan going forward.

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States (“U.S.”) economy, continued investment in the Artificial Intelligence (“AI”) revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- Higher interest rates for longer
- Disinflation
- U.S. exceptionalism
- Geopolitical risk and deglobalization
- Innovation and AI
- Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at 4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500's total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg US Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index:

8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets (“EM”) posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People’s Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Commodities

Commodities (Bloomberg Commodity Index: 5.4%) had positive performance in 2024. Prices experienced significant volatility and the dispersion of returns among commodities was wide. Precious Metals were among the best performers in this category, with gold spot prices up 27.2% for the year.

Market Outlook – 2025

Through the first quarter of 2025, equity markets were moderately lower with losses in the single digits. Value equities have outperformed growth, reversing the 2024 trend. There was heightened volatility in equity markets this quarter, as the market comes to terms with potentially slower economic growth and large-scale regulatory shifts implemented by the Trump administration. Fixed income markets had a positive start to 2025, with low positive returns for the quarter. Economic reports have been mixed, but interest rate cuts are still expected towards the end of the year. International Equity had positive gains, due to monetary policy easing and increased fiscal

stimulus in the Euro area following U.S. funding cuts in Ukraine. Emerging Markets have also performed well with expectations for increased stimulus in China. Markets are expected to be more volatile this year than in 2024.

2025's macroeconomic backdrop will likely be dominated by heightened volatility, weaker growth, stagflation fears, geopolitical tensions, and global monetary and fiscal policy shifts. Coming out of 2024, a positive year for risk assets, market participants were predominantly optimistic for U.S. equity returns in 2025 despite the expectation of increased volatility. Several roadblocks to continued growth still loom such as tight credit markets with low deal flow in private markets, high U.S. government debt, and high equity multiples. U.S. growth optimism stemmed from real disposable income growth in a lower inflation environment, strong labor markets, and high exposure to the AI revolution. However, optimism eroded over the quarter, with global equities outperforming their U.S. counterparts.

At the beginning of April 2025, global markets have been decimated by the higher-than-expected tariff announcement on President Trump's "Liberation Day." Immediately following the announcement of broad tariffs spanning the globe, markets sold off violently and volatility skyrocketed. Following backlash from the announcement, the President paused the reciprocal tariffs on most countries for 90 days while increasing the tariff on China to 145%. By the end of April, markets regained most of their losses. While the situation is highly fluid, this historic trade war is expected to have massive economic implications.

Contact Information

This financial report is designed to provide a general overview of the Manhattan and Bronx Surface Transit Operating Authority Pension Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

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MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

STATEMENTS OF FIDUCIARY NET POSITION

AS OF DECEMBER 31, 2024 AND 2023

(In thousands)

	2024	2023
ASSETS:		
Cash	\$ 3,579	\$ 3,583
Receivables:		
Investment securities sold	2,502	2,928
Interest and dividends	5,361	2,996
Tier 6 remediation - employee contributions due to Plan	415	-
Employee loans	30,500	28,016
Total receivables	38,778	33,940
Investments at fair market value (Notes 2 and 3):		
Investments measured at readily determinable fair value	1,442,102	1,072,288
Investments measured at net asset value	2,646,865	2,717,960
Total investments	4,088,967	3,790,248
Total assets	4,131,324	3,827,771
LIABILITIES:		
Accounts payable	2,144	317
Payable for investment securities purchased	8,098	9,290
Accrued benefits payable	21	21
Tier 6 remediation (Refund of employee contributions) payable	450	443
Accrued Post Retirement Death Benefits (PRDB) payable	5,728	5,720
Accrued 55/25 Additional Members Contribution (AMC) payable	1,098	1,505
Total liabilities	17,539	17,296
NET POSITION		
RESTRICTED FOR PENSIONS	\$ 4,113,785	\$ 3,810,475

See notes to financial statements.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

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

	2024	2023
ADDITIONS:		
Investment income:		
Interest income	\$ 32,818	\$ 20,357
Dividend income	39,686	40,027
Net appreciation in fair value of investments	<u>318,669</u>	<u>382,998</u>
Total investment income	391,174	443,382
Less investment expenses	<u>26,520</u>	<u>29,648</u>
Net investment income	<u>364,653</u>	<u>413,734</u>
Contributions (Note 4):		
Employer contributions	189,884	328,430
Employee contributions	<u>28,506</u>	<u>25,390</u>
Total contributions	<u>218,391</u>	<u>353,820</u>
Total additions	<u>583,044</u>	<u>767,554</u>
DEDUCTIONS:		
Benefit payments and withdrawals	279,205	266,622
Administrative expenses	<u>529</u>	<u>567</u>
Total deductions	<u>279,734</u>	<u>267,189</u>
NET INCREASE IN NET POSITION	<u>303,310</u>	<u>500,365</u>
NET POSITION RESTRICTED FOR PENSIONS:		
Beginning of year	<u>3,810,475</u>	<u>3,310,110</u>
End of year	<u>\$ 4,113,785</u>	<u>\$ 3,810,475</u>

See notes to financial statements.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. PLAN DESCRIPTION

Effective January 1, 1989, the Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) adopted a defined benefit qualified pension plan known as the MaBSTOA Pension Plan (the “Plan”). Prior to the adoption of the Plan, MaBSTOA pension benefits were funded on a pay-as-you-go basis.

The Plan is a multi-employer cost sharing public employee pension plan. The Plan now has employees who are on Metropolitan Transportation Authority Head Quarter’s (“MTAHQ”) payroll. MaBSTOA and MTAHQ employees are specifically excluded from participating in the New York City Employees’ Retirement System (NYCERS). Effective January 1, 1999, MaBSTOA Pension Plan membership is optional for managerial and non-represented MaBSTOA employees. They were afforded the same pension rights as similarly situated employees in the Transit Authority.

The Board of Administration, established in 1963, determines eligibility of employees and beneficiaries for retirement and death benefits. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100 (TWU) and three employer representatives.

Membership of the Plan consisted of the following as of January 1, 2024 and 2023, the date of the latest actuarial valuation:

	2024	2023
Active and inactive members	8,355	8,393
Retirees and beneficiaries currently receiving benefits	6,475	6,307
Vested formerly active members not yet receiving benefits	<u>1,324</u>	<u>1,230</u>
Total members	<u>16,154</u>	<u>15,930</u>

The Plan provides retirement, death, accident and disability benefits. The benefits provided by the Plan are generally similar to the benefits provided to participants in NYCERS. A participant may receive a vested benefit in accordance with the requirements of his or her Tier.

NYCERS has determined that Tier 4 employees are and have been eligible for a post-retirement death benefit retroactive to members who retired no earlier than 1986. In June 2012, the Metropolitan Transportation Authority (“MTA”) Board approved an amendment to the MaBSTOA Plan to provide for incorporation of this benefit. As of December 31, 2012, the Plan

had estimated that \$6 million is owed to beneficiaries of retirees who were deceased prior to January 1, 2013. As of December 31, 2024 and 2023, the Plan paid \$23.4 million and \$21.4 million in post-retirement benefits and accrued an additional \$5.7 million for both years, based on the updated valuation.

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

The MaBSTOA Pension Plan includes the following retirement programs: (i) Tier 1 Age 50 and 20 Year, Age 55 and 1/100; (ii) Tier 2 Age 55 and 25 Year, Tier 2 Age 55 and 1/100; (iii) Tier 3 and Tier 4 Age 62 and 5 Year; (iv) Tier 6 Age 63 and 5 Year; (v) Tier 4 and Tier 6 25 Year and Age 55; (vi) Tier 4 25 Year Early Retirement; (vii) Tier 4 Age 57 and 5 Year, and (viii) the Year 2000 amendments, which are all under the same terms and conditions as NYCERS.

The Plan may require mandatory employee contributions, depending on the date of entry into service. Employees entering qualifying service on or before July 26, 1976, are non-contributing (Tiers 1 and 2). Prior to adoption of Tier 6, operating employees entering qualifying service on or after July 27, 1976, are required to contribute 2% of their salary and non-operating employees pay 3% of their salary for a 10-year period plus an additional member contribution of 1.85% of their salary. (See Note 4 for 2000 Plan amendments).

Individuals joining the MaBSTOA Pension Plan on or after April 1, 2012 are members of Tier 6. Highlights of Tier 6 include:

- Increases in employee contribution rates. The rate varies depending on salary, ranging from 3% to 6% of gross pensionable wages. Contributions are made until retirement or separation from service.
- The retirement age is 63 and includes early retirement penalties, which reduce pension allowances by 6.5 percent for each year of retirement prior to age 63 (excluding Transit Operating Employees).
- Vesting after 5 years of credited service; similar to Tiers 3 and Tier 4.
- Changes to the pension multiplier for calculating pension benefits (excluding Transit Operating Employees) for participants who retire with greater than 20 years of credited service is 35% of FAS for the first 20 years of credited service plus 2% times FAS for each year of credited service in excess of 20.
- The Final Average Salary ("FAS") calculation is the greater of any three consecutive calendar period or the average of the final 3 years. Pensionable overtime capped at \$15,000 per year plus an inflation factor (\$20,459 for 2024 and \$19,729 for 2023).

- Pension buyback in Tier 6 at a rate of 6% of the wages earned during the period of buyback, plus 5% compounded annually from the date of service until date of payment.

SUMMARY OF PRINCIPAL PLAN PROVISIONS ELIGIBILITY AND BENEFITS

All Tiers

1. Type of Plan
The Plan is a contributory, defined benefit plan. Contributions are not required for Tier 1 and Tier 2 members and vary for other members. Details can be found in the following sections.
2. Effective Date of Plan Qualification
January 1, 1989.
3. Compensation
The wages earned by the employee. Compensation is limited by Section 401(a)(17) of the Code. This limit is \$330,000 for 2023 and \$345,000 for 2024. In addition, the government plan limit applies to members hired prior to January 1, 1996 and is \$490,000 for 2023 and \$505,000 for 2024.
4. Credited Service
Credited Service is credited full-time employment from date of hire with MaBSTOA and may include part-time service for certain applicable represented employees. Service will also be credited to any member who transfers employment on or after January 1, 2019 to MTA Headquarters from MaBSTOA.
5. Pensioner Supplementations
 - (a) 1998 Supplement

Eligibility: Date of retirement is prior to 1993 for all disability pensioners and other pensioners who have attained (or will attain) age 62 or who have attained (or will attain) age 55 and have been retired for at least 10 years.

Benefit: Commencing with the payment for the month of September 1998, the cost-of-living adjustment is applied to the first \$13,500 of the maximum retirement allowance, computed without option modification. If not eligible by September 1998, payment will commence first of the month following eligibility.

(b) 1999 Supplement

Eligibility: Date of retirement is prior to 1994 for all disability pensioners and other pensioners who have attained (or will attain) age 62 or who have attained (or will attain) age 55 and have been retired for at least 10 years.

Benefit: Commencing with the payment for the month of September 1999, the cost-of-living adjustment is applied to the first \$14,000 of the maximum retirement allowance, computed without option modification. If not eligible by September 1999, payment will commence first of the month following eligibility.

(c) 2000 Supplement

Eligibility: Date of retirement is prior to 1997 and one of the following conditions is met:

- (i) All disability pensioners who have been retired for at least 5 years,
- (ii) Other pensioners who have attained (or will attain) age 62 and have been retired for at least 5 years,
- (iii) Other pensioners who have attained (or will attain) age 55 and have been retired for at least 10 years and
- (iv) All recipients of an accidental death benefit who have been in receipt of payments for at least 5 years.

Benefit: Commencing with the payment for the month of September 2000, the cost-of-living adjustment is applied to the first \$18,000 of the maximum retirement allowance, computed without option modification. The cost-of-living adjustment is equal to the change in the CPI-U measured from year of retirement through 1997 multiplied by 50% (greater percentages exist if date of retirement is prior to 1968). If not eligible by September 2000, payment will commence first of the month following eligibility.

Surviving Spouse Eligibility: The surviving spouse of a deceased retired member who chose any joint and survivor option.

Surviving Spouse Benefit: Commencing with the payment for the month of September 2000, the benefit is equal to 50% of the 2000 supplementation which the pensioner would be receiving if living.

(d) Automatic Cost-of-Living
Adjustment (COLA)

Eligibility: One of the following conditions is met:

- (i) All disability pensioners who have been retired for at least 5 years,
- (ii) Other pensioners who have attained (or will attain) age 62 and have been retired for at least 5 years,
- (iii) Other pensioners who have attained (or will attain) age 55 and have been retired for at least 10 years and
- (iv) All recipients of an accidental death benefit who have been in receipt of payments for at least 5 years.

Benefit: Commencing with the payment for the month of September 2001 and continuing each September thereafter, the COLA is applied to the first \$18,000 of the maximum retirement allowance, computed without option modification plus any prior COLAs or supplementations. The cost-of-living adjustment is equal to the change in the CPI-U for the year ending March 31 multiplied by 50%. The resulting percentage is then rounded up to the next higher 0.1% and shall not exceed 3.0% nor be less than 1.0%. If not eligible by September 2001 or each September thereafter, payment will commence first of the month following eligibility.

Surviving Spouse Eligibility: The surviving spouse of a deceased retired member who chose any joint and survivor option.

Surviving Spouse Benefit: The benefit is equal to 50% of the automatic COLA benefit which the pensioner would be receiving if living and commence in the month following the death of the deceased member.

6. Normal and Optional Forms of
Payment

The basic benefits described in the following sections are payable in the form of a life annuity. Other options are 100% and 50% contingent annuities with and without a popup feature, 5-year and 10-year certain and life annuities, and single life annuities with an insurance feature.

Benefits payable under the optional forms are actuarially adjusted to reflect the anticipated longer payment stream.

7. Maximum Benefit	Maximum benefits payable conforms to those legislated by the Tax Reform Act of 1986. For 2023, the maximum benefit is \$265,000 and for 2024 it is \$275,000.
8. Changes in Plan Provisions Since Prior Valuation	Chapter 716 of the Laws of 2023 changed the pre-retirement and postretirement ordinary death benefits applicable to Tier 2, 3, 4 and 6 members. Chapter 716 is deemed to have been in full force and effect on and after July 1, 2021, and does not apply to the payment of any death benefit based upon a death which occurred prior to July 1, 2021. Chapter 55 of the Laws of 2024 extended the exclusion of overtime in lookback earnings for determination of the member contribution rate until December 31, 2026 for Tier 6 members. Chapter 56 of the Laws of 2024 reduced the number of years used to determine final average salary from five years to three years for Tier 6 members.

I. Tier 1 Employees

1. Eligibility	Members hired before July 1, 1973.
2. Pensionable Compensation	
(a) Compensation	Greater of earned or earnable salary during the year prior to retirement.
(b) Final Compensation	Highest average earnings over five consecutive years.
(c) Compensation Limit	If hired after June 17, 1971, earnings in a year are limited to 120% of the preceding year.
3. Benefits	

- (a) Service Retirement Eligibility: Attainment of age 50 and completion of 20 years of credited service.
- Benefit:
- 1.5% for service before March 1, 1962, plus
- 2.0% for service from March 1, 1962 to June 30, 1970, plus
- 2.5% for service after June 30, 1970
- The accumulated percentage above, up to a maximum of 50%, is multiplied by the member's Compensation. Once the accumulated percentage reaches 50%, the percentage for each further year of service reverts back to 1.5%. The percentage in excess of 50% is multiplied by the Final Compensation.
- (b) Termination Benefits Eligibility: Completion of 20 years of credited service.
- Benefit: The Service Retirement Benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 50.
- (c) Ordinary Death Benefits Active Members
- Eligibility: Completion of 6 months of credited service, but the benefit described below requires completion of 20 years of credited service.
- Benefit: A lump sum equal to the present value of the retirement benefit under the Return of Reserve option.
- Terminated Vested Members:
- If a member dies before age 50, a lump sum equal to the present value of the retirement benefit under the Return of Reserve option is payable (Death Gamble).
- (d) Accidental Death Benefits Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.
- Benefit: The benefit equals 50% of Final Compensation.
- (e) Ordinary Disability Benefits Eligibility: Completion of 10 years of credited service.
- Benefit: The benefit equals the greater of the Service Retirement percentages described (a) above or 25% multiplied by Final Compensation. If eligible for a service retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

(f) Accidental Disability
Benefits

Eligibility: Disability caused by on-the-job accident.

Benefit: The benefit equals 75% of the Final Compensation reduced by 100% of any worker's compensation payments. If eligible for a service retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

None

II. Tier 2 Employees

1. Eligibility

Members hired on or after July 1, 1973, and before July 27, 1976.
2. Final Average Compensation
 - (a) Final 3-Year Average Compensation:

Highest average earnings over three consecutive years.
 - (b) Final 5-Year Average Compensation:

Highest average earnings over five consecutive years.
 - (c) Compensation Limit:

Earnings in a year cannot exceed 120% of the average of the two preceding years.
3. Benefits
 - (a) Service Retirement

Eligibility: Attainment of age 55 and completion of 25 years of credited service.

Benefit: The benefit equals 50% of Final 3-Year Average Compensation for the first 20 years of credited service, plus 1.5% of Final 5-Year Average Compensation per year of credited service in excess of 20 years.
 - (b) Early Retirement

Eligibility: Attainment of age 50 and completion of 20 years of credited service.

Benefit: Determined in the same manner as the Service Retirement benefit but no greater than 2.0% of the Final 3-Year Average Compensation per year of credited service.
 - (c) Termination Benefits

Eligibility: Completion of 20 years of credited service.

Benefit: The benefit equals the Early Retirement benefit, with compensation and service calculated as of the date of termination. The benefit is deferred until age 50. If a member dies before age 50, 50% of the ordinary death benefit (below) is payable.
 - (d) Ordinary Death Benefit

Eligibility: Completion of 90 days of credited service.

Benefit: The benefit equals a lump sum equal to 3 times salary, raised to the next multiple of \$1,000.

(e) Accidental Death Benefit	Eligibility: Death caused by on-the-job accident. World Trade Center Presumption benefits may apply if certain criteria are met. Benefit: The benefit equals 50% of the Final 5-Year Average Compensation.
(f) Ordinary Disability Benefits	Eligibility: Completion of 10 years of credited service Benefit: The benefit equals the greater of the Service Retirement percentage calculated in (a) above and 25% multiplied by Final 5-Year Average Compensation. If eligible for an Early or Service Retirement benefit, the greater of this benefit and the Early or Service Retirement benefit is payable.
(g) Accidental Disability Benefits	Eligibility: Disability caused by on-the-job accident. Benefit: The benefit equals 75% of the Final 5-Year Average Compensation reduced by any worker's compensation payments. If eligible for an Early or Service Retirement benefit, the greater of this benefit and the Early or Service Retirement benefit is payable.
4. Member Contributions	None

III. Tier 3 and Tier 4—Basic Age 62 & 5 Year Retirement Program

1. Eligibility

Non-operating Members hired prior to June 28, 1995, who have not elected the 55 & 25 Plan. Members hired on or after July 27, 1976, and before September 1, 1983, are in Tier 3. Members hired on or after September 1, 1983 and before April, 1, 2012, are in Tier 4.
2. Final Average Compensation

Highest average earnings during any three consecutive calendar-years periods, or the final 36 months immediately preceding the member's retirement date. Earnings used in the calculation cannot exceed 110% of the average of the two preceding years.
3. Benefits
 - (a) Service Retirement

Eligibility: Attainment of age 62 and completion of at least 5 years of credited service.

Benefit: If at least 20 years of credited service is completed, the benefit equals 2.0% of Final Average Compensation for first 30 years of credited service plus 1.5% of Final Average Compensation for years of credited service in excess of 30. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Compensation multiplied by years of credited service.
 - (b) Early Retirement

Eligibility: Attainment of age 55 and completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit reduced by 6% for each of the first two years prior to age 62, and by 3% for years prior to age 60.

(c) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of Credited Service.

Benefit: The benefit equals a refund of the member's contributions accumulated with interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 62. A vested participant with less than 10 years of credited service may elect to receive the benefit in (i) above in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the ordinary death benefit (below) is payable. All accumulated regular contributions with interest are payable.

(d) Ordinary Death Benefits

Eligibility: all members.

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the benefit, calculated in the same manner as the pre-retirement death benefit, shall be reduced by 50% in the first year after retirement and reduced an additional 25% in the second year of retirement. In the third year of retirement and thereafter, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

Spouse Benefit (Tier 3 only).

Eligibility: Vested and spouse is beneficiary.

Benefit: In lieu of the ordinary death benefit above, the spouse may elect 1/3 of the ordinary death benefit plus an annuity of 1.0% of Final Average Compensation per year of credited service, payable for life, or until remarriage. If the surviving spouse is more than 10 years younger, the annuity is actuarially reduced. The total of all payments will at least equal the amount of the full lump sum benefit.

(e) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of compensation paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(f) Ordinary and Accidental
Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service required for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000, or the later of 10 years of membership or 10 years of credited service.

IV. Tier 3 and Tier 4—25 Year and Age 55 Retirement Programs

1. Eligibility

All operating members hired prior to April 1, 2012 and non-operating members hired prior to July 26, 1994 , who elected this program. Members hired on or after July 27, 1976, and before September 1, 1983, are in Tier 3. Members hired on or after September 1, 1983 and before April 1, 2012 are in Tier 4.
2. Final Average Compensation

Highest average earnings during any three consecutive calendar-years periods, or the final 36 months immediately preceding the member's retirement date. Earnings used in the calculation cannot exceed 110% of the average of the two preceding years.
3. Benefits
 - (a) Service Retirement

Eligibility: Attainment of age 55 and completion of at least 25 years of credited service, or attainment of age 62 and completion of at least 5 years of credited service.

Benefit: If at least 20 years of credited service is completed, the benefit equals 2.0% of Final Average Compensation for first 30 years of credited service plus 1.5% of Final Average Compensation for years of credited service in excess of 30. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Compensation multiplied by years of credited service. For non-operating employees who have attained age 62, a refund of one-half of the member's additional contributions accumulated at a rate of 5.0% is also payable.
 - (b) Termination Benefits
 - (i) Refund of Contributions

Eligibility: Less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 62. For operating members with at least 25 years of credited service, the benefit is deferred until age 55. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest and one-half of accumulated additional member contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members.

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times the lesser of completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon retirement, the pre-retirement benefit shall be reduced by 50% and reduced, an additional 25% after completion of one year of retirement. After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

Spouse Benefit (Tier 3 only)

Eligibility: Vested and spouse is beneficiary.

Benefit: In lieu of the ordinary death benefit above, the spouse may elect 1/3 of the ordinary death benefit plus an annuity of 1.0% of Final Average Compensation per year of credited service, payable for life, or until remarriage. If the surviving spouse is more than 10 years younger, the annuity is actuarially reduced. The total of all payments will at least equal the amount of the full lump sum benefit.

(d) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of compensation paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental
Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable. For non-operating employees, a refund of one-half of the member's additional contributions accumulated plus interest at a rate of 5.0% is also payable.

4. Member Contributions

Operating Employees: Regular contribution rate of 2.0%. Additional 55/25 contributions were made through 2000. These contributions may be refunded effective November 2007 for TWU Local 100 and April 2008 for TSO Local 106.

Non-operating Employees: Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000 or after the later of 10 years of membership or 10 years of credited service. Additional contribution rate of 1.85%; which ceases after 30 years of credited service.

V. Tier 4—Age 57 & 5 Year

Retirement Program

1. Eligibility Non-operating members hired on or after June 28, 1995 and prior to April 1, 2012. Members hired on or after September 1, 1983 and before April 1, 2012 are in Tier 4.
2. Final Average Compensation Highest average earnings over three consecutive years. Earnings in a year cannot exceed 110% of the average of the two preceding years.
3. Benefits
 - (a) Service Retirement Eligibility: Attainment of age 57 and completion of at least 5 years of credited service.

Benefit: If at least 20 years of credited service are completed, the benefit equals 2.0% of Final Average Compensation for the first 30 years of credited service plus 1.5% of Final Average Compensation for years of credited service in excess of 30. If less than 20 years of credited service are completed, the benefit equals 1-2/3% of Final Average Compensation multiplied by years of credited service. For non-operating employees who have attained age 62, a refund of one-half of the member's additional contributions accumulated at a rate of 5.0% is also payable.

(b) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 57. A vested participant with less than 10 years of credited service may elect to receive the benefit in (i) above in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) is payable. All accumulated regular contributions with interest and one-half of accumulated additional member contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times the lesser of completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon death after retirement, the benefit, calculated in the same manner as the pre-retirement death benefit, shall be reduced by 50% in the first year after retirement and reduced an additional 25% in the second year of retirement. In the third year of retirement and thereafter, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

(d) Accidental Death Benefits Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of final 1-year compensation paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental Disability Benefits Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental disability benefit.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Compensation per year of credited service and 1/3 of Final Average Compensation. If eligible for Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable. For non-operating employees, a refund of one-half of the member's additional contributions accumulated at a rate of 5.0% is also payable.

4. Member Contributions

Regular contribution rate of 3.0%. Regular contributions cease at the later of October 1, 2000 or after the later of 10 years of membership or 10 years of credited service. Additional contribution rate of 1.85%; which ceases after 30 years of credited service.

**VI. Tier 6—25 and
Age 55 Retirement Program**

1. Eligibility

All operating members hired on or after April 1, 2012.

2. Final Average

Highest average pensionable earnings over three consecutive years. Pensionable earnings exclude any overtime earnings, defined as compensation paid at a rate greater than the standard rate, in excess of the overtime cap. The overtime cap is indexed annually based on CPI-U for the calendar year two years ago and is \$20,459 for 2024. Pensionable earnings also exclude wages in excess of the annual salary paid to the Governor of New York (\$250,000 for 2024), lump sum payments for sick leave, accumulated vacation and other credits for time not worked, termination pay and any additional compensation paid in anticipation of retirement. Pensionable earnings in a year cannot exceed 110% of the average of the four preceding years for purposes of determining Final Average Compensation.

3. Benefits

(a) Service Retirement

Eligibility: Attainment of age 55 and completion of at least 25 years of credited service, or attainment of age 63 and completion of at least 5 years of credited service.

Benefit: If completed at least 25 years of credited service, the benefit equals 2.0% of Final Average Salary for the first 30 years of credited service plus 1.5% of Final Average Salary for years of credited service in excess of 30. If completed at least 20 years, but less than 25 years of credited service, 35% of Final Average Salary plus 2% of Final Average Salary for years of credited service in excess of 20. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Salary multiplied by years of credited service.

(b) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated plus interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 63. For operating members with at least 25 years of credited service, the benefit is deferred until age 55. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest are payable.

(c) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest and one-half of accumulated additional member contributions with interest are also payable.

Post-retirement Death Benefit: Upon death after retirement, the benefit, calculated in the same manner as the pre-retirement death benefit, shall be reduced by 50% in the first year after retirement and reduced an additional 25% in the second year of retirement. In the third year of retirement and thereafter, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

(d) Accidental Death Benefits

Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.

Benefit: The benefit equals 50% of wages earned during last year of service or annual wage rate if less than one year of service, paid to eligible beneficiary as defined by priority:

(i) Spouse, until remarriage

(ii) Children, to age 25

(iii) Dependent parents

(iv) Any other dependent survivors, to age 21.

Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.

(e) Ordinary and Accidental
Disability Benefits

Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.

Benefit: The benefit equals the greater of 1-2/3% of Final Average Salary per year of credited service and 1/3 of Final Average Compensation. If eligible for a Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

Regular contribution rate varies based on gross pensionable wages earned during two plan years (April 1 to March 31 but calendar year effective January 1, 2017) prior to the applicable plan year based on the following table. Chapter 56 of the Laws of 2022 and Chapter 55 of the Laws of 2024 eliminated overtime from the determination of pensionable wages for purposes of determining the applicable contribution rate from April 1, 2022 to December 31, 2026. For first three years of a member's career, a projection of annual wages is used. The rate for the plan year ending March 31, 2013 for Transit Operating Tier 6 employees is 2%.

Annual Wages Earned During Plan Year	Contribution Rate
Up to \$45,000	3.00%
\$45,001–\$55,000	3.50%
\$55,001–\$75,000	4.50%
\$75,001–\$100,000	5.75%
Greater than \$100,000	6.00%

VII. Tier 6—Age 63 and 5 Year Retirement Program

1. Eligibility

All non-operating members hired on or after April 1, 2012.
2. Final Average Compensation

Highest average pensionable earnings over three consecutive years. Pensionable earnings exclude any overtime earnings, defined as compensation paid at a rate greater than the standard rate, in excess of the overtime cap. The overtime cap is indexed annually and is \$20,459 for 2024. Pensionable earnings also exclude wages in excess of the annual salary paid to the Governor of New York (\$250,000), lump sum payments for sick leave, accumulated vacation and other credits for time not worked, termination pay, and any additional compensation paid in anticipation of retirement. Pensionable earnings in a year cannot exceed 110% of the average of the four preceding years for purposes of determining the Final Average Compensation.
3. Benefits
 - (a) Service Retirement

Eligibility: Attainment of age 63 and completion of at least 5 years of credited service.

Benefit: If completed at least 20 years of credited service, 35% of Final Average Salary plus 2% of Final Average Salary for years of credited service in excess of 20. If completed less than 20 years of credited service, the benefit equals 1-2/3% of Final Average Salary multiplied by years of credited service.
 - (b) Early Retirement

Eligibility: Attainment of age 55 and completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit reduced by 6.5% for each year prior to age 63.

(c) Termination Benefits

(i) Refund of Contributions

Eligibility: Completion of less than 5 years of credited service.

Benefit: The benefit equals a refund of the member's contributions accumulated plus interest at a rate of 5.0%.

(ii) Vested Benefit

Eligibility: Completion of at least 5 years of credited service.

Benefit: The benefit equals the Service Retirement benefit with compensation and service calculated as of the date of termination. The benefit is deferred until age 63. A vested participant with less than 10 years of credited service may elect to receive a refund of contributions in lieu of this benefit. If a member with at least 10 years of credited service dies before commencing benefits, 50% of the salary-related ordinary death benefit (below) plus accumulated regular contributions with interest are payable.

(d) Ordinary Death Benefits

Eligibility: All members

Pre-retirement Death Benefit: The benefit equals a lump sum of annual salary times the lesser of completed years of credited service up to 3 years of service. After age 60, the benefit is reduced 3% per year, to a maximum reduction of 30%. Accumulated regular member contributions with interest are also payable.

Post-retirement Death Benefit: Upon death after retirement, the benefit, calculated in the same manner as the pre-retirement death benefit, shall be reduced by 50% in the first year after retirement and reduced an additional 25% in the second year of retirement. In the third year of retirement and thereafter, the benefit equals 10% of the pre-retirement benefit in force at time of retirement.

- (e) Accidental Death Benefits Eligibility: Death caused by on-the-job accident. World Trade Center Presumption may apply if certain criteria are met.
- Benefit: The benefit equals 50% of compensation paid to eligible beneficiary as defined by priority:
- (i) Spouse, until remarriage
 - (ii) Children, to age 25
 - (iii) Dependent parents
 - (iv) Any other dependent survivors, to age 21.
- Total of all payments will at least equal the amount of the full ordinary death lump sum benefit.
- (f) Ordinary and Accidental Disability Benefits Eligibility: Completion of 10 years of credited service for ordinary. No minimum years of credited service requirement for accidental.
- Benefit: The benefit equals the greater of 1-2/3% of Final Average Salary per year of credited service and 1/3 of Final Average Compensation. If eligible for Service Retirement benefit, the greater of this benefit and the Service Retirement benefit is payable.

4. Member Contributions

Regular contribution rate varies based on gross pensionable wages earned during two plan years (April 1 – March 31 but calendar year effective January 1, 2017) prior to applicable plan year based on following table. Chapter 56 of the Laws of 2022 and Chapter 55 of the Laws of 2024 eliminated overtime from the determination of pensionable wages for purposes of determining the applicable contribution rate from April 1, 2022 to December 31, 2026. For first three years of a member's career, a projection of annual wages is used. The rate for the year ending March 31, 2013 for Non-Operating Tier 6 employees is 3%.

Annual Wages Earned During Plan Year	Contribution Rate
Up to \$45,000	3.00%
\$45,001–\$55,000	3.50%
\$55,001–\$75,000	4.50%
\$75,001–\$100,000	5.75%
Greater than \$100,000	6.00%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting - The Plan is accounted for on the accrual basis of accounting under which deductions are recorded when the liability is incurred and additions are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income.

The accounting and reporting policies of the Plan conform to accounting principles generally accepted in the United States of America (GAAP).

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in

active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted - The Plan adopted the following GASB Statement for the year ended December 31, 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 has no material impact on the net position of the Plan.

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 adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MaBSTOA Pension Plan Required Year of Adoption
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

Methods Used to Value Investments—Investments are stated at fair value or Net Asset Value (“NAV”) which approximates fair value. Fair value is the amount that the Plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller,

that is, other than a forced or liquidation sale. All investments, with the exception of alternative investments are valued based on closing market prices or broker quotes.

Traded securities are stated at the last reported sales price on a national securities exchange on the last business day of the fiscal year. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Alternative investments are valued based on the most current net asset values.

Purchases and sales of securities are reflected on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Use of Management Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Risks and Uncertainties—The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

Income Taxes - The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of ERISA. Therefore, income retained by the Plan is not subject to Federal income tax.

3. CASH AND INVESTMENTS

Investment Committee - The Plan's policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MaBSTOA Pension Plan Board adopted asset allocation policy as of December 31, 2024.

Asset Class	Target Strategic Asset Allocation	Allocation Range	Benchmark Index
Total Equity	50.0%	40.0% -60.0%	
Domestic Large Cap Equity	23.0%	18.0%-28.0%	S&P 500 Index
Domestic Small/Mid Cap Equity	4.5%	0%-9.5%	Russell 2000 Index
Developed International Equity	10.5%	5.5%-15.5%	MSCI EAFE
Emerging Markets Large Cap Equity	3.0%	0%-0.8.0%	MSCI Emerging Markets
Emerging Markets Small Cap Equity	1.0%	0%-6.0%	MSCI Emerging Markets Small Cap
Private Equity	8.0%	3.0%-13.0%	C/A Global All PE (Qtr Lag)
Total Fixed Income	31%	21.0% -41.0%	
US TIPS	2.0%	0%-7.0%	Bloomberg US TIPS
US Treasury Bonds	2.0%	0%-7.0%	Bloomberg US Treasury
US Aggregate Bonds	15.5%	10.5%-20.5%	Bloomberg US Aggregate
US High Yield	3.5%	0%-8.5%	ICE BofA US High Yield
Private Debt	8.0%	3.0%-13.0%	50% CS Leveraged Loan/50% ICE BofA Euro HY Constrained
Total Real Assets	11.0%	1.0% -21.0%	
Public Real Assets	3.0%	0%-8.0%	SSgA Real Assets Index
Private Real Assets - Natural Resources/Infrastructure	3.0%	0%-8.0%	CPI + 3.0%
Private Real Estate - Core/Non-Core	5.0%	0%-10.0%	NCREIF Property Index (Qtr Lag)
Total Multi-Asset	8.0%	3.0% -13.0%	
Hedge Funds	8.0%	3.0%-13.0%	HFRI Fund of Funds Index

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All investment managers shall be registered advisors under the Investment Advisors Act of 1940.

The Strategic Asset Allocation targets and permissible ranges for eligible asset classes of the Plan are detailed within the Investment Policy Statement (“IPS”). Full discretion, within the parameters of the IPS and in any individual investment policy associated with that allocation, is granted to the Investment Managers regarding the selection of securities and the timing of transactions. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement (“IMA”). Should there be conflicts between the IPS and the IMA, the manager guidelines set forth in the IMA supersede the general guidelines in this Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle’s offering documents and any applicable side letter agreements. Should there be conflicts, the individual vehicle’s investment guidelines supersede the general guidelines in the IPS.

Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

- The compliance of each investment manager with the guidelines as expressed herein.
- The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Investment Managers - Investment managers are governed by the provisions described in the IPS. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities, such as:

- Domestic fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Bloomberg Barclays US Aggregate Bond Index represents the opportunity set for intermediate-term investment grade bonds traded in the United States
- International fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed market bonds. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging market bonds denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging market bonds denominated in local currency.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Equity Investment Managers - Investment managers are governed by the provisions described in the IPS. The equity portion of the Additional Plan's assets shall be invested in marketable securities, such as:

- Domestic equity securities, subject to the guidelines. Generally defined, the Standard & Poor's 500 and the Russell 3000 Index represents the opportunity set for the Large Cap and Small Cap equities traded in the United States.
- International equity securities, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for equities traded in international developed markets. The Morgan Stanley Emerging Markets Index represents the opportunity set for equities traded in international emerging markets.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Overlay Managers - For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Committee may retain an overlay manager(s). The overlay manager may use exchange traded futures contracts, Treasuries, and/or Exchange-Traded Funds (ETFs) to expose the cash to the Policy Target Allocation

In addition, the overlay manager may be utilized for the following:

- Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
- Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
- Invest excess cash into highly liquid short-term investments
- Provide the market (or “beta”) exposures in a portable alpha program.
- The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers - Alternative investments allow the Plan to expand the opportunity set beyond public markets and can be used to enhance overall Plan returns and diversify risk.

Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return or Hedge Funds
- Private equity
- Venture Capital

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy – Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.
- Creation of Market Exposures. Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.
- Management of Country and Asset Allocation Exposure. Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.
- Additional uses of derivatives shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments - Unless specifically approved by the Committee or set forth in the individual investment guidelines of a particular allocation, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. These are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Investments in Russian securities,
- Investments in any securities issued by the Metropolitan Transportation Authority or any of its affiliates,
- Commodities,
- Naked Short sales and short sales not acting as a hedge, and
- Direct investments in private placements, real estate, oil and gas and venture capital.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered and held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties - The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 ("GASB 72"), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2024 and 2023:

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2024	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 242,164	\$ 242,164	\$ -	\$ -
Separate account small-cap equity funds	268,151	268,151	-	-
Separate account international equity funds	146,528	146,528	-	-
Separate account small-Real Estate Investments Trusts	37,013	37,013	-	-
Total equity investments	693,856	693,856	-	-
Debt Securities				
Mutual funds	60,148	60,148	-	-
Separate account - opportunistic credit/Private debt	46,248	-	46,248	-
Separate account debt funds	641,850	-	641,850	-
Total debt investments	748,246	60,148	688,098	-
Total investments by fair value	\$ 1,442,102	\$ 754,004	\$ 688,098	\$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	\$ 707,296	\$ -	Daily	None
Commingled international equity funds	357,082	-	Daily	None
Commingled emerging market equity funds	183,367	-	Daily, monthly	None
Total equity investments measured at the NAV	1,247,745	-		
Debt Securities				
Commingled debt funds	280,403	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	280,403	-		
Absolute return:				
Direct lending	63,894	59,377	Bi-annually	60 plus days
Distressed securities	8,349	-	Not eligible	N/A
Credit long	40,015	-	Quarterly	3-30 days
Hedge funds of funds	325,053	-	Quarterly	3-60 days
Event driven	-	2,093	Quarterly	60-120 days
Total absolute return measured at the NAV	437,311	61,470		
Venture capital	316	4,575	Not eligible	N/A
Private equity - private equity partnerships	358,236	203,440	Not eligible	N/A
Commingled real estate funds	84,469	46,322	Not eligible	N/A
Real assets:				
Commingled commodities fund	80,803	-	Not eligible	N/A
Energy	54,657	23,553	Not eligible	N/A
Infrastructure	9,484	59,773	Not eligible	N/A
Shipping	-	678	Not eligible	N/A
Total real assets measured at the NAV	144,944	84,004		
Short term investments measured at the NAV	93,441	-		
Total investments measured at the NAV	2,646,865	\$ 399,811		
Total investments at fair value	\$ 4,088,967			

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 165,239	\$ 165,239	\$ -	\$ -
Separate account small-cap equity funds	249,183	249,183	-	-
Separate account international equity funds	137,161	137,161	-	-
Separate account small-Real Estate Investments Trusts	35,263	35,263	-	-
Total equity investments	586,846	586,846	-	-
Debt Securities				
Mutual funds	136,849	136,849	-	-
Separate account - opportunistic credit/Private debt	42,456	-	42,456	-
Separate account debt funds	306,137	-	306,137	-
Total debt investments	485,442	136,849	348,593	-
Total investments by fair value	\$ 1,072,288	\$ 723,695	\$ 348,593	\$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	\$ 661,298	\$ -	Daily	None
Commingled international equity funds	313,644	-	Daily	None
Commingled emerging market equity funds	170,585	-	Daily, monthly	None
Total equity investments measured at the NAV	1,145,527	-		
Debt Securities				
Commingled debt funds	376,238	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	376,238	-		
Absolute return:				
Direct lending	56,438	50,612	Bi-annually	60 plus days
Distressed securities	15,552	-	Not eligible	N/A
Credit long	36,090	-	Quarterly	3-30 days
Hedge funds of funds	289,947	-	Quarterly	3-60 days
Event driven	303	2,094	Quarterly	60-120 days
Risk parity	88,662	-	Monthly	3-30 days
Total absolute return measured at the NAV	486,992	52,706		
Venture capital	44	4,900	Not eligible	N/A
Private equity - private equity partnerships	318,946	137,184	Not eligible	N/A
Commingled real estate funds	90,590	-	Not eligible	N/A
Real assets:				
Commingled commodities fund	77,244	-	Not eligible	N/A
Energy	72,626	24,882	Not eligible	N/A
Infrastructure	7,299	48,082	Not eligible	N/A
Shipping	2,826	678	Not eligible	N/A
Total real assets measured at the NAV	159,995	73,642		
Short term investments measured at the NAV	139,628	-		
Total investments measured at the NAV	2,717,960	\$ 268,432		
Total investments at fair value	\$ 3,790,248			

Concentration of Credit Risk – Individual investments held by the Plan that represents 5.0% or more of the Plan’s net assets available for benefits at December 31, 2024 and 2023 are as follows:

(In thousands)	2024	2023
Investments at fair value as determined by quoted market prices:		
Independent Franchise Partners	\$ 242,164	\$ 198,616
Robert W. Baird and Company	-	200,275
Blackrock Hedge Index Fund	257,524	225,722
Rhumblin S & P 500 Index Fund	707,296	462,682

Credit Risk — At December 31, 2024 and 2023, the following credit quality rating has been assigned by a nationally recognized rating organization:

(In thousands)	2024	Percentage of	2023	Percentage of
Quality Rating	Fair Value	Fixed Income Portfolio	Fair Value	Fixed Income Portfolio
AAA	\$ 29,901	5.28 %	\$ 19,900	5.92 %
AA	113,640	20.09	51,139	15.21
A	21,768	3.85	17,826	5.30
BBB	88,544	15.65	63,492	18.89
BB	28,977	5.12	8,941	2.66
B	55,077	9.73	26,034	7.74
CCC	20,526	3.63	10,493	3.12
Not Rated	<u>59,097</u>	<u>10.45</u>	<u>45,839</u>	<u>13.64</u>
Credit risk debt securities	417,530	73.80	243,664	72.48
U.S. Government bonds	<u>148,211</u>	<u>26.20</u>	<u>92,496</u>	<u>27.52</u>
Total fixed income securities	565,741	<u>100.00 %</u>	336,160	<u>100.00 %</u>
Other securities not rated — equity, international funds and foreign corporate bonds	<u>3,523,226</u>		<u>3,454,088</u>	
Total investments	<u>\$ 4,088,967</u>		<u>\$ 3,790,248</u>	

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

Investment Fund (In Thousands)	2024		2023	
	Fair Value	Duration	Fair Value	Duration
Chase	\$ 565,741		\$ 336,160	5.24 *
Total fixed income securities	565,741		336,160	
Portfolio modified duration		5.99		5.24
Investments with no duration reported	\$ 3,523,226		\$ 3,454,088	
Total investments	\$ 4,088,967		\$ 3,790,248	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. The Plan also holds investments in American Depository Receipts ("ADRs") which are denominated in U.S. dollars and accounted for at fair value.

In addition, the Plan has investments in foreign stocks denominated in foreign currencies. The Plan's foreign currency exposures as of December 31, 2024 and 2023 are as follows (amounts in U.S. dollars, in thousands):

Foreign Currency Holdings in US \$	December 31, 2024	December 31, 2023
Euro	4,296	-
Japanese (Yen)	8,329	-
Swiss Franc	12,073	-
United Kingdom (GBP)	14,690	-
Total	\$ 39,388	-

4. CONTRIBUTIONS

The financial objective of the Plan is to fund, on an actuarial basis, the retirement and death benefits for eligible MaBSTOA employees and beneficiaries. MaBSTOA contributions to the fund are made annually. Contributions to MaBSTOA require the approval of the MaBSTOA Board.

Employer contributions amounted to \$189.9 and \$328.4 million for the years ended December 31, 2024 and 2023, respectively. Employee contributions amounted to \$28.5 million and \$25.4 million for the years ended December 31, 2024 and 2023, respectively. Contributions made by employees are accounted for in separate accounts maintained for each employee. Annually, these accounts are credited with interest at 5%. Effective April 1, 1990, MaBSTOA began to deduct employee contributions as pretax contributions under Section 414(h) of the Internal Revenue Code.

Pursuant to Section 7.03 of the MaBSTOA Plan, active plan members are permitted to borrow up to 75% of their contributions with interest. In addition, the maximum allowable outstanding loan amount for a vested employee cannot exceed 50% of the present value of the Accrued Vested Benefit (AVB) less the highest outstanding balances of any pension loan (s) within the previous one-year period from the day a new loan is issued. Their total contributions and interest remain intact and interest continues to accrue on the full balance. The participant's accumulated contribution account is used as collateral against the loan. The Plan granted \$6.8 million and \$6.0 million in loans to members during 2024 and 2023, respectively. Loan repayments by members amounted to \$7.3 and \$8.1 million in 2024 and 2023, respectively.

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

5. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2024 and 2023 was as follows (in thousands):

	December 31, 2024	December 31, 2023
Total pension liability	\$ 4,890,418	\$ 4,685,055
Fiduciary net position	<u>4,113,785</u>	<u>3,810,475</u>
Net pension liability	<u>\$ 776,633</u>	<u>\$ 874,580</u>
Fiduciary net position as a percentage of the total pension liability	84.12 %	81.33 %

Actuarial Methods and Assumptions - The total pension liability as of December 31, 2024 and 2023 was determined by actuarial valuations as of January 1, 2024 and January 1, 2023, respectively, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Additional information of the latest actuarial valuation follows:

Valuation date	January 1, 2024
Valuation timing	Actuarially determined contributions calculated as of December 31 for the fiscal year and discounted to date payments made. For 2023 - 2024, discounts reflect timing of prepaid contributions.
Actuarial cost method	Frozen initial liability (FIL) ⁽¹⁾
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial Assumptions:	
Investment rate of return	6.50%, net of investment related expenses
Projected salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.
Overtime	For operating employees, rates of overtime vary by years of service and are applied to base salary. For non-operating employees, assumed overtime is 3% of base pay regardless of years of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum, if applicable
Inflation	2.25% per annum

Valuation date	January 1, 2023
Actuarial cost method	Frozen initial liability (FIL) ⁽¹⁾
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/ losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial Assumptions:	
Investment rate of return	6.50%, net of investment related expenses
Projected salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.
Overtime	For operating employees, rates of overtime vary by years of service and are applied to base salary. For non-operating employees, assumed overtime is 3% of base pay regardless of years of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum, if applicable
Inflation	2.25% per annum

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

Until the inception of the Tier 6 provisions in 2012, amendments enacted by State legislation in 2000 reflected the most significant changes to the plan and are summarized as follows:

For operating employees (Chapter 10 of the Laws of 2000):

- All operating employees are automatically included in the 2000 55/25 plan.
- Elimination of the 2.3% additional employees' contributions applicable to members of the 55/25 plan.

- Reduction in the Tier 3 and 4 employee basic contribution rates from 3.0% to 2.0%.

For managerial and non-operating employees (Chapter 126 of the Laws of 2000):

- Vesting under the Age 57 plan required only five years of service versus ten.
- As of October 1, 2000, regular Tier 3 and 4 employee contributions ceased after the completion of ten years of service.

For retired members (Chapter 125 of the Laws of 2000):

- Automatic cost-of-living adjustments (COLAs). The COLAs apply to retired members as follows:

Retirees at Least age	Retired or Receiving Benefits for at Least
62	5 years
55	10
Disabled retirees	5
Accidental death beneficiaries	5

- Initial COLA payable September 30, 2000, based on the first \$18,000 of the maximum retirement allowance.
- Thereafter, annual COLAs of 50% of the increase in the consumer price index (CPI), but not less than 1% or more than 3%, of the first \$18,000 of maximum retirement allowance will be payable.

The benefit enhancements, as well as the automatic COLA for retirees, were reflected in the actuarial valuation beginning with the January 1, 2000, valuation.

The Plan adopted several amendments during 2002 as a result of state legislation. Amendments included changes to the definition of active service for Tier 1 and Tier 2 members, extension of the phase-in period from five years to ten years for funding liabilities created by Chapter 125 of the Laws of 2000 and increased accidental disability benefits for Tier 3 and Tier 4 members.

The Plan also adopted the legislative provisions of Chapter 379, which allow current and former members of the Transport Workers Union, Local 100 and Transit Supervisors Organization, Local 106, with an accumulated balance of additional member contributions (“AMC”) made in accordance with the MaBSTOA 55/25 Plan enacted in 1994, to apply for a refund of such contributions. The MaBSTOA Board additionally adopted legislative provisions of Chapter 428 of 2016, which provided eligible members a refund of the employee Additional Member Contributions made in the Tier 4 Age 57 and 5 Year Program and the Tier 4 Age 25 and Year 55

Early Retirement Program. AMC refunds amounted to approximately \$0.4 million and \$1.0 million for the years ended December 31, 2024 and 2023.

At December 31, 2024 and 2023, assets were available to fund 84.1% and 81.3%, of the unfunded actuarial accrued liability (UAAL) when measured using the Entry Age Normal Cost Method per GASB 67 and the market value of assets.

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly

basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month.

Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)				
	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2024	\$3,810,475	12.00	1.00	\$4,175,744
Monthly net external cash flows:				
January	2,831	11.50	0.92	3,080
February	2,831	11.00	0.88	3,068
March	2,831	9.50	0.79	3,043
April	2,831	8.50	0.71	3,020
May	2,831	7.50	0.63	2,999
June	2,831	6.50	0.54	2,974
July	(13,288)	5.50	0.46	(13,859)
August	(11,889)	4.50	0.38	(12,310)
September	(13,288)	3.50	0.29	(13,645)
October	(13,288)	2.50	0.21	(13,546)
November	(13,288)	1.50	0.13	(13,447)
December	(13,288)	0.50	0.04	(13,336)
Ending Value - December 31, 2024				\$4,113,785
Money-Weighted Rate of Return	9.59%			

Schedule of Calculations of Money-Weighted Rate of Return

(In thousands)				
	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	\$3,310,110	12.00	1.00	\$3,702,406
Monthly net external cash flows:				
January	(20,150)	11.50	0.96	(22,437)
February	308,280	11.00	0.88	341,740
March	(20,150)	9.50	0.79	(22,014)
April	(20,150)	8.50	0.71	(21,818)
May	(20,150)	7.50	0.63	(21,623)
June	(20,150)	6.50	0.54	(21,406)
July	(20,150)	5.50	0.46	(21,215)
August	(20,150)	4.50	0.38	(21,026)
September	(20,150)	3.50	0.29	(20,815)
October	(20,150)	2.50	0.21	(20,630)
November	(20,150)	1.50	0.13	(20,446)
December	(20,150)	0.50	0.04	(20,241)
Ending Value - December 31, 2023				\$3,810,475
Money-Weighted Rate of Return	11.85%			

Expected Rate of Return on Investments - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the December 31, 2024 and 2023 actuarial valuations are summarized in the following table:

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2024

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	15.50%	2.36%
US Treasury Bonds	Bloomberg US Treasury	2.00%	1.85%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.93%
US High Yield Bonds	ICE BofA US High Yield	3.50%	4.04%
Private Credit	CDL Index	8.00%	6.48%
US Large Cap Equity	S&P 500	23.00%	5.33%
US Small Cap Equity	Russell 2000	4.50%	6.82%
Foreign Developed Equity	MSCI EAFE NR	10.50%	6.91%
Emerging Market Equity	MSCI EM NR	3.00%	9.29%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.00%	9.62%
Private Real Estate Property	NCREIF Property	5.00%	5.93%
Private Equity	Cambridge Private Equity	8.00%	10.37%
Infrastructure - Public	S&P Global Infrastructure	3.00%	5.92%
Commodities	Bloomberg Commodity	3.00%	3.38%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	8.00%	4.13%
Total		100.00%	
Assumed Inflation - Mean			2.30%
Assumed Inflation - Standard Deviation			1.46%
Portfolio Nominal Mean Return			7.77%
Portfolio Standard Deviation			12.25%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on Plan's Investment Policy dated February 2025.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Long-Term Expected Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Caps	S&P 500	18.00%	5.38%
US Small Caps	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Associates US Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
Total		100.00%	
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean Return			7.92%
Portfolio Standard Deviation			12.47%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

Discount Rate—The discount rate used to measure the total liability as of December 31, 2024 and 2023 was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Plans' contributions will be made in accordance with the statutory contributions determined by the Actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan, calculated using the discount rate as of 2024 and 2023; as well as

what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate for 2024 and 2023:

2024 (in thousands)	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	<u>\$ 1,328,018</u>	<u>\$ 776,633</u>	<u>\$ 309,745</u>

2023 (in thousands)	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	<u>\$ 1,403,484</u>	<u>\$ 874,580</u>	<u>\$ 426,535</u>

6. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is custodian and trustee of plan assets with the exception of Mellon asset management investments in which Mellon Bank N.A. is the custodian. JP Morgan Chase also provides cash receipt and cash disbursement services to the Plan. NEPC reviews the Plan's portfolio, the investment policies as adopted by the Investment Committee and the performance of the Investment Managers. NEPC also provides audit services for the Plan's equity portfolios. Actuarial services were provided to the Plan by Milliman Inc.

7. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28th, 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 July 28th, 2025, there were no subsequent events that required recognition or disclosure.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

**MANHATTAN AND BRONX SURFACE TRANSIT
OPERATING AUTHORITY PENSION PLAN**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS

(in millions)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 102	\$ 100	\$ 96	\$ 94	\$ 96	\$ 90	\$ 87	\$ 85	\$ 82	\$ 77
Interest	302	292	285	274	267	265	256	246	237	232
Changes of benefit terms	13	3	2	-	-	-	-	6	-	-
Differences between expected and actual experience	67	31	(21)	(19)	(1)	9	6	12	14	(69)
Changes of assumptions	-	-	-	72	-	169	-	-	-	-
Benefit payments and withdrawals	(279)	(267)	(258)	(246)	(238)	(221)	(214)	(209)	(188)	(180)
Net change in total pension liability	205	159	104	175	124	312	135	140	145	60
Total pension liability—beginning	4,685	4,526	4,422	4,246	4,123	3,811	3,676	3,536	3,391	3,331
Total pension liability—ending (a)	4,890	4,685	4,526	4,422	4,247	4,123	3,811	3,676	3,536	3,391
Plan fiduciary net position:										
Employer contributions	190	328	159	156	159	206	205	203	221	215
Employee contributions	29	26	26	25	25	24	22	20	18	16
Net investment income	365	414	(274)	416	56	447	(88)	350	212	(24)
Benefit payments and withdrawals	(279)	(267)	(258)	(246)	(238)	(221)	(214)	(209)	(188)	(180)
Administrative expenses	(1)	(1)	(1)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	304	500	(348)	351	2	456	(75)	364	263	27
Plan fiduciary net position—beginning	3,810	3,310	3,658	3,307	3,300	2,844	2,919	2,555	2,292	2,265
Plan fiduciary net position—ending (b)	4,114	3,810	3,310	3,658	3,302	3,300	2,844	2,919	2,555	2,292
Employer's net pension liability—ending (a)-(b)	\$ 776	\$ 875	\$ 1,216	\$ 765	\$ 945	\$ 823	\$ 967	\$ 757	\$ 981	\$ 1,099
Plan fiduciary net position as a percentage of the total pension liability	84.12 %	81.33 %	73.13 %	82.73 %	77.76 %	80.05 %	74.63 %	79.40 %	72.26 %	67.58 %
Covered payroll	871	820	776	808	814	771	767	748	713	686
Employer's net pension liability as a percentage of covered payroll	89.18 %	106.60 %	156.83 %	94.54 %	116.01 %	106.67 %	126.11 %	101.32 %	137.54 %	160.30 %

Note: 2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values.

SCHEDULE II

**MANHATTAN AND BRONX SURFACE TRANSIT
OPERATING AUTHORITY PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)**

Fiscal Year Ending December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 214,881	\$ 214,881	\$ -	\$ 685,998	31.32 %
2016	220,486	220,697	(211)	713,280	30.94
2017	202,897	202,684	213	747,651	27.11
2018	202,509	205,433	(2,924)	766,562	26.80
2019	209,314	206,390	2,924	771,201	26.76
2020	159,486	159,486	-	813,994	19.59
2021	156,204	156,204	-	807,756	19.34
2022	158,618	158,618	-	775,512	20.45
2023	170,033	328,430	(158,397)	820,468	40.03
2024	183,779	189,884	(6,105)	870,820	21.81

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

SCHEDULE II

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:

The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and subsequent changes in actuarial assumptions and plan provisions. Future gains/losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, 15 years for Fresh Start base as of January 1, mortality change and recognition of Chapter 56 laws of 2022. Future gains/losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, 15 years for Fresh Start base as of January 1, 2020. Future gains/losses are amortized through the calculation of the normal cost in accordance with FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Interest rate	Net rate of 6.5% for 2023, per annum, net of investment expenses	Net rate of 6.5% for 2023, per annum, net of investment expenses	Net rate of 6.5% for 2022, per annum, net of investment expenses	Net rate of 6.5% for 2021, per annum, net of investment expenses	Net rate of 6.5% for 2020, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Deaths after retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80
Salary increases	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and nonoperating members. Varies by years of employment.	Reflecting general, merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, respectively. Larger increases are assured in the first 5 years of a member's career.
Overtime	For operating employees, rates of overtime vary by years of service. For non-operating employees, assumed overtime is 3% of base pay regardless of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.	For operating employees, rates of overtime vary by years of service. For non-operating employees, assumed overtime is 3% of base pay regardless of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.	For operating employees, rates of overtime vary by years of service. For non-operating employees, assumed overtime is 3% of base pay regardless of the years of service. Overtime is for scheduled and unscheduled overtime. No overtime is applied to members receiving benefits upon death or disability or to members identified as managers.	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for nonoperating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)	60% of inflation assumption or 1.35% per annum if applicable (2)
Provision for expenses	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost

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

(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY PENSION PLAN

SCHEDULE II (continued)

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan are as follows:

Valuation Dates	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Interest rate	Net rate of 6.5% for 2019, per annum, net of investment expenses	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses
Inflation	2.25% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Deaths after retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan. All members are assumed to retire by age 80
Salary increases	Reflecting general merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, respectively. Larger increases are assumed in the first 5 years of a member's career.	Reflecting general merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, respectively. Larger increases are assumed in the first 5 years of a member's career.	Reflecting general merit and promotion increases of 3.5% to 4.0% per year for operating and non-operating employees, respectively. Larger increases are assumed in the first 5 years of a member's career.	In general merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for non-operating employees per year, depending on years of service	In general merit and promotion increases plus assumed general wage increases of 3.5% to 15.0% for operating employees and 4.0% to 7.0% for non-operating employees per year, depending on years of service
Overtime	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for non-operating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for non-operating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for non-operating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for non-operating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap	Except for managerial employees, 8.5% of base salary for operating employees and 2.0% of base salary for non-operating employees, with different assumptions used in the year before retirement. For Tier 6 members, all overtime was assumed to be less than overtime cap
Cost-of-living adjustments	60% of inflation assumption or 1.35% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)	55% of inflation assumption or 1.375% per annum if applicable (2)
Provision for expenses	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost	An average of the prior two years' administrative charges added to the normal cost

(1) Under this actuarial method, the initial liability has been established by the Entry Age Actuarial Cost Method for determining changes in the Unfunded Actuarial Accrued Liability (UAAL) due to plan provision and assumption changes.
(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

**MANHATTAN AND BRONX SURFACE TRANSIT
OPERATING AUTHORITY PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS**

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The following table displays the annual money-weighted rate of return calculated net of investment expense for the Plan for:

Fiscal Year Ended December 31	Annual Money-Weighted Rate of Return
2015	(1.05)
2016	9.16
2017	13.67
2018	(3.01)
2019	15.71
2020	1.84
2021	12.71
2022	(7.56)
2023	11.85
2024	9.59

Metropolitan Transportation Authority Defined Benefit Pension Plan

(A Fiduciary Component Unit of the Metropolitan
Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules, and
Independent Auditor's Report

METROPOLITAN TRANSPORTATION AUTHORITY DEFINED BENEFIT PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of Pensions
Metropolitan Transportation Authority Defined Benefit Pension Plan

Opinion

We have audited the accompanying statements of fiduciary net position of the Metropolitan Transportation Authority Defined Benefit Pension Plan (the "Plan") as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; Schedule of Changes in the Employers' Net Pension Liability and Related Ratios-Schedule I; Schedule of Employer Contributions-Schedule II; and Schedule of Investment Returns-Schedule III be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

July 28, 2025

DRAFT

METROPOLITAN TRANSPORTATION AUTHORITY

DEFINED BENEFIT PENSION PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

This management's discussion and analysis of the Metropolitan Transportation Authority Defined Benefit Pension Plan (the "Plan") financial performance provides an overview of the Plan's financial activities for the years ended December 31, 2024 and 2023. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the two years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis may contain opinions, assumptions, or conclusions by the MTA's management that should not be considered a replacement for, and is intended to be read in conjunction with the Plan's financial statements which begin on page 11.

Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan's financial statements. The basic financial statements are:

- **The Statements of Fiduciary Net Position** - present the financial position of the Plan at fiscal year-end. It provides information about the nature and amounts of resources with present service capacity that the Plan presently controls (assets), consumption of net assets by the Plan that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Plan has little or no discretion to avoid (liabilities), and acquisition of net assets by the Plan that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflow of resources and liabilities/deferred inflow of resources being reported as net position. Investments are shown at fair value. All other assets and liabilities are determined on an accrual basis.
- **The Statements of Changes in Fiduciary Net Position** - present the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.
- **Required Supplementary Information** - as required by the Government Accounting Standards

Board (“GASB”), includes the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment returns.

The accompanying financial statements of the Plan are presented in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Fiduciary Net Position

December 31, 2024, 2023 and 2022

(Dollars in thousands)

	2024	2023	2022	Increase / (Decrease)			
				2024-2023		2023-2022	
				\$	%	\$	%
Assets:							
Cash and investments	\$ 7,184,955	\$ 6,564,261	\$ 5,373,544	\$ 620,694	9.5 %	\$ 1,190,717	22.2 %
Receivables and other assets	15,032	12,318	6,443	2,714	22.0	5,875	91.2
Total assets	\$ 7,199,987	\$ 6,576,579	\$ 5,379,987	\$ 623,408	9.5	\$ 1,196,592	22.2
Liabilities:							
Due to broker for securities purchased	11,512	16,485	5,789	(4,973)	(30.2)	10,696	184.8
Other liabilities	6,806	6,639	6,164	167	2.5	475	7.7
Total liabilities	18,318	23,124	11,953	(4,806)	(20.8)	11,171	93.5
Net position restricted for pensions	\$ 7,181,669	\$ 6,553,455	\$ 5,368,034	\$ 628,214	9.6 %	\$ 1,185,421	22.1 %

December 31, 2024 versus December 31, 2023

Cash and investments at December 31, 2024 were \$7,184.9 million representing an increase of \$620.7 million or 9.5% from 2023. This increase is a result of the appreciation of the Plan’s investments and plan contributions, which included \$355 million of prepaid 2025 Actuarially Determined Contributions (“ADC”), net of benefit payments and expenses during 2024.

Receivables and other assets net of liabilities at December 31, 2024 increased by \$7.5 million or 69.6% from 2023. The net increase is due primarily to an increase in liabilities of \$4.8 million due to broker for securities purchased in the amount of \$5.0 million, an increase in receivables of \$2.7 million due from broker from the sale of investments offset by a decrease in other liabilities of \$0.2 million.

The net position restricted for pensions increased by \$628.2 million or 9.6% in 2024 as a result of the changes noted above.

December 31, 2023 versus December 31, 2022

Cash and investments at December 31, 2023 were \$6,564.3 million representing an increase of \$1,190.7 million or 22.2% from 2022. This increase is a result of the appreciation of the Plan's investments and higher plan contributions, which included prepaid 2024 Actuarial Determined Contributions ("ADC"), in the amount of \$409.2 million net of benefit payments and expenses during 2023.

Receivables and other assets net of liabilities at December 31, 2023 decreased by \$5.3 million or 96.1% from 2022. The net decrease is due primarily to an increase in liabilities of \$11.1 million related to accrued administrative expenses of \$0.3 million and due to broker for securities purchased in the amount of \$10.7 million offset by a lower increase in receivables of \$3.9 million due from broker from the sale of investments and \$1.9 million in accrued interest respectively.

The net position restricted for pensions increased by \$1,185.4 million or 22.1% in 2023 as a result of the changes noted above.

Changes in Fiduciary Net Position

For the Years Ended December 31, 2024, 2023 and 2022

(Dollars in thousands)

				Increase / (Decrease)			
	2024	2023	2022	2024-2023		2023-2022	
				\$	%	\$	%
Additions:							
Net investment (loss) / income	\$ 633,816	\$ 695,942	\$ (464,022)	\$ (62,126)	(8.9)%	\$ 1,159,964	250.0 %
Contributions	399,031	869,624	435,118	(470,593)	(54.1)	434,506	99.9
Total net additions	1,032,847	1,565,566	(28,904)	(532,719)	(34.0)	1,594,470	5516.4
Deductions:							
Benefit payments	398,888	374,595	351,857	\$ 24,293	6.5	\$ 22,738	6.5
Transfer to NYSLERs	944	890	-	54	6.1	890	100.0
Administrative expenses	4,801	4,660	4,334	141	3.0	326	7.5
Total deductions	404,633	380,145	356,191	24,488	6.4	23,954	6.7
Net increase / (decrease) in net position	628,214	1,185,421	(385,095)	(557,207)	(47.0)	1,570,516	407.8
Net position							
restricted for pensions:							
Beginning of year	6,553,455	5,368,034	5,753,129	1,185,421	22.1	(385,095)	(6.7)
End of year	\$ 7,181,669	\$ 6,553,455	\$ 5,368,034	\$ 628,214	9.6 %	\$ 1,185,421	22.1 %

December 31, 2024 versus December 31, 2023

Net investment income decreased by \$62.1 million due to lower contributions and higher plan expenses in 2024 that resulted in lower net investment gains of \$633.8 million in 2024 versus a net gain of \$695.9 million experienced in 2023.

Contributions decreased by \$470.6 million or 54.1% in 2024 due to prepaid 2024 ADC contributions of \$414.8 million made in 2023 in addition to 2023 ADC contributions paid. Contributions made in 2024 included prepaid 2025 ADC contributions.

Benefit payments increased by \$24.3 million or 6.5% over the prior year due to a continuing trend of increases in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

Administrative expenses increased by \$0.1 million, or 3.0% over 2023. This increase is due primarily to expenses charged in 2024 for various services provided to the Plan.

December 31, 2023 versus December 31, 2022

Net investment income increased by \$1,160.0 million due to increased assets and market values combined for a net investment gain of \$695.9 million in 2023 versus a net loss of \$464.0 million experienced in 2022.

Contributions increased by \$434.5 million or 99.9% in 2023 compared to 2022 as required by higher 2023 ADC paid, member contributions and \$414.8 million prepaid 2024 ADC.

Benefit payments increased by \$22.7 million or 6.5% over the prior year due to a continuing trend of increases in the number of retirees and cost-of-living adjustments provided to retirees and beneficiaries.

Administrative expenses increased by \$0.3 million, or 7.5% over 2022. This increase is due primarily to expenses charged in 2023 for various services provided to the Plan.

Economic Factors

Market Overview 2024

The year 2024 was another strong year for markets and was characterized by disinflation, monetary policy easing, a resilient United States (“U.S.”) economy, continued investment in the Artificial Intelligence (“AI”) revolution, credit spread tightening, and political regime changes. These developments led to strong performance across risk assets, particularly in the U.S., with low broad market volatility. This was a period of relative steadiness despite the contentious U.S. election, a slew of geopolitical tensions, and rapid central bank policy shifts. The largest shock occurred in August, when the Bank of Japan unexpectedly hiked interest rates leading to the unwind of the Yen carry trade. This resulted in a spike in the value of the yen as investors sold off U.S. equities to cover their shorts on the currency. Markets recovered quickly thereafter, and equities went on to sharply rally in November following the U.S. presidential race.

Following the strong performance of global risk assets in 2023, the economic conditions in 2024 brought with it another year of positive performance, however foreign assets significantly underperformed those of the U.S. European markets were challenged from high energy costs, high levels of regulation, political turmoil, and lack of exposure to the AI boom. While in Asia, inflation in Japan, government stimulus in China, and strong results out of Taiwan resulted in positive performance, despite a weak Chinese consumer and property market.

In the U.S., disinflation, real Gross Domestic Product (“GDP”) growth surprises to the upside, low but rising unemployment, and steady wage growth supported strong consumption. In 2024, the Federal Reserve (“the Fed”) cut Interest rates by 100 bps through three cuts, with more cuts expected to come in 2025. This resulted in a steepening of the yield curve. Despite lower short-term rates, dry powder remains elevated as U.S. money market assets continued to increase. The dollar remained strong, commodity volatility increased, cryptocurrency prices skyrocketed, and AI optimism led to expansion of already high equity multiples.

Except for local currency emerging market debt, most global risk assets had positive performance across the board. The strong shift upwards in correlations between equity and fixed income markets that was experienced in 2022 remained positive in 2023 and 2024, which resulted in another strong year for the 60/40 equity/bond mix portfolio. In foreign exchange markets, the U.S. Dollar remained strong, posting gains against the Yen and the Euro currencies, due to high-interest rate differentials and investor expectations of tariffs and tax cuts following the U.S. Presidential election results. Cryptocurrencies also performed well with skyrocketing prices off the heels of a huge post-election rally with Bitcoin returning 122.8% for 2024. In the commodities market, returns were dispersed with natural gas, gold, and silver posting 20%+ returns, while WTI Crude ended the year flat.

Macro Themes

- Higher interest rates for longer
- Disinflation
- U.S. exceptionalism
- Geopolitical risk and deglobalization
- Innovation and AI
- Easing monetary policy

United States

U.S. economic growth remained strong, with a 2.8% increase in Real GDP growth in 2024, compared to a 2.9% increase in 2023. The unemployment rate increased but remained low, finishing 2024 at 4.1% compared to 3.8% in 2023. Consumer Prices rose only 2.9% in 2024 compared to 3.4% in 2023, while core inflation, which excludes the volatile food and energy components, rose 3.2% in 2024 compared to 3.9% in 2023.

U.S. equities were positive across the board, with the Large Cap (S&P 500 Index: 25.0% and Russell 1000 Index: 24.5%) indices posting double digit returns. Across other capitalizations, Mid Cap (S&P 400 Index: 13.9%), and Small Cap (Russell 2000 Index: 11.5%) also posted double digit returns. Across styles, Growth (Russell 1000 Growth Index: 33.4%) significantly outperformed Value (Russell 1000 Value Index: 14.4%). Concentration and outperformance from the Magnificent 7 (Apple, Amazon, Google, META, Microsoft, Nvidia, and Tesla) continued to drive growth in the first half of 2024, however, in the second half of the year, returns were more dispersed. In the first half of 2024, the Magnificent 7 accounted for 59.1% of the S&P 500’s total return, while these companies only accounted for 35.6% of the total returns in the second half of the year.

U.S. Treasury yields remained volatile and credit spreads tightened meaningfully in 2024. Diversified fixed income posted positive returns (Bloomberg U.S. Aggregate Index: 1.3%) with strong performance

from Convertibles (Bloomberg US Convertibles Index: 10.1%), Leveraged Loans (Bloomberg Us Lev Loan 100 Index: 8.7%) and High Yield (Bloomberg High Yield Index: 8.2%). Low positive returns were realized in Treasuries (Bloomberg US Treasury Index: 0.6%) and Treasury Inflation Protected Securities (Bloomberg TIPS Index: 1.8%).

International Developed

International developed equity markets (MSCI EAFE Index: 3.8%) posted positive results in 2024 but significantly underperformed the U.S. large cap equity markets. The Japanese (MSCI Japan Index: 8.3%) and United Kingdom (MSCI United Kingdom Index: 7.6%) markets led the way, with Europe lagging (MSCI Europe Index: 2.4%). The International developed Small Cap (MSCI EAFE SC Index: 1.8%) market also posted low single digit returns, but below the International large cap counterpart.

Emerging Markets

Emerging Markets (“EM”) posted positive returns in 2024. Returns were stronger compared to international developed equity, but weaker compared to the U.S equity market. The broad EM Market (MSCI EM Index: 7.5%) garnished high single digit returns, led by strong positive returns from Chinese (MSCI EM China Index: 19.4%) equities. In September 2024, the People’s Bank of China announced widespread stimulus measures that would ease monetary policy and inject liquidity into the market to support real estate and capital markets. This stimulus package dramatically shifted sentiment surrounding the Chinese market and led to the large Chinese equity rally at the tail end of the third quarter. The EM Small Cap (MSCI EM Small Cap Index: 4.8%) market posted weaker returns compared to EM large cap market.

The EM fixed income markets were positive in hard currency, but negative in local currencies. Hard currency bonds (JPMorgan EMBI Global Diversified Index: 6.5%), which are bonds predominately issued in U.S. Dollars, significantly outperformed bonds issued in local currencies (JPMorgan GBI-EM Global Diversified Index: -2.4%).

Commodities

Commodities (Bloomberg Commodity Index: 5.4%) had positive performance in 2024. Prices experienced significant volatility and the dispersion of returns among commodities was wide. Precious Metals were among the best performers in this category, with gold spot prices up 27.2% for the year.

Market Outlook – 2025

Through the first quarter of 2025, equity markets were moderately lower with losses in the single digits. Value equities have outperformed growth, reversing the 2024 trend. There was heightened volatility in equity markets this quarter, as the market comes to terms with potentially slower economic growth and large-scale regulatory shifts implemented by the Trump administration. Fixed income markets had a positive start to 2025, with low positive returns for the quarter. Economic reports have been mixed, but interest rate cuts are still expected towards the end of the year. International Equity had positive gains, due to monetary policy easing and increased fiscal stimulus in the Euro area following U.S. funding cuts

in Ukraine. Emerging Markets have also performed well with expectations for increased stimulus in China. Markets are expected to be more volatile this year than in 2024.

2025's macroeconomic backdrop will likely be dominated by heightened volatility, weaker growth, stagflation fears, geopolitical tensions, and global monetary and fiscal policy shifts. Coming out of 2024, a positive year for risk assets, market participants were predominantly optimistic for U.S. equity returns in 2025 despite the expectation of increased volatility. Several roadblocks to continued growth still loom such as tight credit markets with low deal flow in private markets, high U.S. government debt, and high equity multiples. U.S. growth optimism stemmed from real disposable income growth in a lower inflation environment, strong labor markets, and high exposure to the AI revolution. However, optimism eroded over the quarter, with global equities outperforming their U.S. counterparts.

At the beginning of April 2025, global markets have been decimated by the higher-than-expected tariff announcement on President Trump's "Liberation Day." Immediately following the announcement of broad tariffs spanning the globe, markets sold off violently and volatility skyrocketed. Following backlash from the announcement, the President paused the reciprocal tariffs on most countries for 90 days while increasing the tariff on China to 145%. By the end of April, markets regained most of their losses. While the situation is highly fluid, this historic trade war is expected to have massive economic implications.

Contact Information

This financial report is designed to provide a general overview of the Metropolitan Transportation Authority Defined Benefit Pension Plan's finances. Questions concerning any data provided in this report or requests for additional information should be directed to the Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, NY 10004.

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METROPOLITAN TRANSPORTATION AUTHORITY

DEFINED BENEFIT PENSION PLAN

STATEMENTS OF FIDUCIARY NET POSITION

AS OF DECEMBER 31, 2024 and 2023

(In thousands)

	2024	2023
ASSETS:		
Cash	\$ 344	\$ 6,418
Investments at fair value (Notes 2 and 3):		
Investments measured at readily determined fair value	3,750,275	2,628,547
Investments measured at net asset value	<u>3,434,336</u>	<u>3,929,296</u>
Total investments	<u>7,184,611</u>	<u>6,557,843</u>
Receivables:		
Accrued interest and dividends	10,800	5,727
Other receivables	<u>4,232</u>	<u>6,591</u>
Total receivables	<u>15,032</u>	<u>12,318</u>
Total assets	<u>7,199,987</u>	<u>6,576,579</u>
LIABILITIES:		
Due to broker for securities purchased	11,512	16,485
Due to broker for investment fee	3,009	2,423
Due to broker for administrative expenses	239	304
Due to MTA for administrative expenses	3,187	3,416
Other liabilities	<u>371</u>	<u>496</u>
Total liabilities	<u>18,318</u>	<u>23,124</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 7,181,669</u>	<u>\$ 6,553,455</u>

See notes to financial statements.

METROPOLITAN TRANSPORTATION AUTHORITY DEFINED BENEFIT PENSION PLAN

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

	2024	2023
ADDITIONS:		
Investment income:		
Net realized and unrealized gains	\$ 555,464	\$ 645,157
Dividends	65,346	64,129
Interest	<u>57,240</u>	<u>32,876</u>
Total investment income	678,050	742,162
Less:		
Investment expenses	<u>(44,234)</u>	<u>(46,220)</u>
Net investment income	633,816	695,942
Contributions:		
Employer:		
Metro-North Commuter Railroad Company	142,781	276,190
Long Island Rail Road Company	156,198	310,630
Metropolitan Transportation Authority Headquarters	56,300	103,630
MTA Bus Company	-	124,360
Staten Island Rapid Transit Operating Authority	-	16,510
Transfer from New York Police Department	4,216	-
Employee	<u>39,536</u>	<u>38,304</u>
Total contributions	<u>399,031</u>	<u>869,624</u>
Total additions	<u>1,032,847</u>	<u>1,565,566</u>
DEDUCTIONS:		
Benefits paid to participants	398,888	374,595
Transfer of MTA Police Employer & Employee Contributions to NYSLERS	944	890
Administrative expenses	<u>4,801</u>	<u>4,660</u>
Total deductions	<u>404,633</u>	<u>380,145</u>
NET INCREASE IN NET POSITION	<u>628,214</u>	<u>1,185,421</u>
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year	<u>6,553,455</u>	<u>5,368,034</u>
End of year	<u>\$ 7,181,669</u>	<u>\$ 6,553,455</u>

METROPOLITAN TRANSPORTATION AUTHORITY

DEFINED BENEFIT PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. PLAN DESCRIPTION

The following brief description of the Metropolitan Transportation Authority (the “Authority”) Defined Benefit Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

General - The Plan represents a cost-sharing employer defined benefit pension plan sponsored by the Authority and administered by the Board of Managers of Pensions, covering:

- (a) management employees of the Long Island Rail Road Company (“MTA Long Island Rail Road”) hired after January 1, 1988 not governed by collective bargaining agreements;
- (b) management employees of the Metro-North Commuter Railroad Company (“MTA Metro-North Railroad”) not governed by collective bargaining agreements;
- (c) represented MTA Long Island Rail Road employees hired after January 1, 1988, covered by collective bargaining agreements which provide for participation in the plan effective January 1, 2004;
- (d) certain represented MTA Metro-North Railroad employees covered by collective bargaining agreements which provide for participation in the plan effective on or after January 1, 2004;
- (e) represented and non-represented MTA Long Island Rail Road employees hired prior to January 1, 1988;
- (f) Metropolitan Suburban Bus Authority (“MTA Long Island Bus”) provided public service in Nassau and Queens Counties. The Authority’s Lease and Operating Agreement with Nassau County, dated January 15, 1973, as amended, was terminated effective December 31, 2011. As of January 1, 2012, the MTA Long Island Bus is no longer a member of the MTA Group. Represented and management Metropolitan Suburban Bus Authority (“MTA Long Island Bus”) employees hired prior to January 24, 1983 and any MTA Long Island Bus person employed by the MSBA Employees’ Pension Trust prior to July 29, 1998 under the MSBA Employees’ Pension Plan remained vested employees in the plan;
- (g) represented and management employees of the Staten Island Rapid Transit Operating Authority (“MTA Staten Island Railway”) effective January 1st, 2005;

- (h) certain represented and management employees of MTA Bus Company (“MTA Bus”), including represented and non-represented employees who were formerly employed by Liberty Lines Express, Inc., New York Bus Tours, Inc., Command Bus Company, Green Bus Lines Inc., Jamaica Buses Inc., Triboro Coach Corporation and represented and most non-represented employees formerly employed by Queens Surface Corporation; and
- (i) participants in the MTA Defined Benefit Pension Plan 20 Year Police Retirement program (“MTA Police”).

The Plan contains multiple and distinct benefit structures for MTA Metro-North Railroad and MTA Long Island Rail Road management employees, for MTA Metro-North Railroad and MTA Long Island Rail Road represented employees, MTA Police, MTA Long Island Bus employees and MTA Staten Island Railway employees. In addition, there are multiple but distinct benefit structures for the employees of MTA Bus which are based on the plans covering those employees prior to their becoming MTA Bus employees. MTA Bus non-represented employees and employees represented by the UTLO are covered by separate programs. Assets and liabilities are pooled and a single cash contribution amount and annual pension cost is determined. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(b) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act (“ERISA”) of 1974.

Membership of the Plan consisted of the following as of January 1, 2024 and 2023, respectively, the date of the latest actuarial valuations:

	2024	2023
Active Plan Members	19,420	19,071
Retirees and beneficiaries receiving benefits	12,291	12,141
Vested formerly active members not yet receiving benefits	<u>1,826</u>	<u>1,736</u>
Total	<u><u>33,537</u></u>	<u><u>32,948</u></u>

Funding for the Plan is provided by the Authority, MTA Metro-North Railroad, MTA Long Island Rail Road, MTA Bus and MTA Staten Island Railway which are public benefit corporations that receive a significant portion of their operating and capital financing requirements from New York City, New York State, federal and regional governmental units and from the sale of bonds to the public. Certain funding is made on a discretionary basis. The continuance of funding for the Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

Plan Administration – The Defined Benefit Plan is administered by the Board of Managers of Pensions (“The Board of Managers”) which is comprised of:

- (a) the persons holding the following positions:
 - (i) the Chairman of the MTA;
 - (ii) the MTA Chief Financial Officer;

- (iii) the MTA Director of Labor Relations; and
 - (iv) the agency head of each participating Employer.
- (b) Designation of Others – Any member of the Board of Managers, serving as such by virtue of holding a position described in (a) of this section, may, by written authorization filed with the Secretary who shall notify the other members of the Board of Managers, designate another individual, not then a member of the Board of Managers, to serve in that member's stead, in accordance with procedures established with the approval of the Executive Director. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.
- (c) The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

Pension Benefits - Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad, MTA Staten Island Railway and post -1987 MTA Long Island Rail Road employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirement. A participant is eligible for an early retirement allowance upon termination if the participant has attained age 55 and completed at least 10 years of credited service. Terminated participants with 5 or more years of credited service who are eligible for a deferred vested benefit are not eligible to receive a service retirement allowance or early retirement allowance. Deferred vested benefits are payable on an unreduced basis on the first day of the month following the participant sixty-second birthday. Effective in 2007, non-represented members and certain former non-represented 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 MTA employment. Upon retirement, the non-represented member's vested retirement benefit from the Plan will be calculated on the final average salary of the subsequent MTA agency, if higher. Moreover, the Plan benefit will be reduced by the benefit, if any, payable by the other plan based on such MTA agency employment. Such member's disability and ordinary death benefit will be determined in the same way.

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

Retirement benefits paid from the Plan to covered represented MTA Bus employees include service retirement allowances or early retirement allowances. Under the programs covering all represented employees at Baisley Park, Eastchester, La Guardia, Spring Creek, and Yonkers Depots and the represented employees at College Point Depot, JFK, Far Rockaway a participant

is eligible for a service retirement allowance upon termination if the participant has attained age 65 and completed at least 5 years of credited service or if the participant has attained age 57 and completed at least 20 years of credited service. A participant hired prior to June 2009 from Baisley Park, College Point, and La Guardia Depots is eligible for an early retirement allowance if the participant has attained age 55 and completed 20 years of credited service. Terminated participants with 5 or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 65.

The MTA Bus retirement programs covering TWU, ATU and TSO represented employees are fixed dollar plans, i.e., the benefits are a product of credited service and a specific dollar amount.

The retirement benefits for certain former employees of the Alliance Companies¹ are based on a participant's service and final average salary. A normal retirement benefit is payable when the participant attains age 62 with 5 years of service. An early retirement benefit is payable when the participant attains age 55 with 15 years of service. The retirement benefit is payable as a single life annuity or, for married participants, as an unreduced 75% joint and survivor annuity.

MTA Bus non-represented employees and employees represented by the UTLO as of January 1, 2017 will earn benefits under a new set of programs. For service prior to 2017, a component calculated by a flat monthly dollar rate multiplied by years of credited service will be added to a final average salary (FAS) component, based on the platforms provided to similarly situated MaBSTOA Pension Plan members. For service on or after January 1, 2017, the final average salary component platform will be based on date of hire, years of credited service and whether the participant holds an operating or non-operating title. Certain former Liberty Lines employees assigned to the former Liberty Lines bus routes also are eligible for a supplemental plan benefit of 0.75% of final average salary per year of Plan service. TWU Local 100 has been certified as the collective bargaining representative for certain titles previously not represented at MTA Bus. Affected employees will participate in these programs, as set forth in the relevant collective bargaining agreement.

Reduced early retirement benefits are payable under all platforms. The Tier 6 definition of wages for civilian members includes an overtime ceiling which limits overtime compensation for pension purposes to no more than \$20,459 and \$19,729 for 2024 and 2023, indexed annually thereafter. Any overtime compensation earned in excess of the overtime ceiling is excluded from the final average salary calculation. The Tier 6 definition of wages also excludes wages in excess

¹ Green Bus Lines, Inc. ("Green"), Command Bus Company, Inc. ("Command"), Triboro Coach Corp. ("Triboro"), and Jamaica Buses, Inc. ("Jamaica") (Green, Command, Triboro and Jamaica), are collectively referred to as the "Transit Alliance Companies".

of the annual salary paid to the New York State Governor, lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked.

TWU, ATU and TSO members who retire after November 16, 2016, and UTLO members and non-represented employees who retire after January 1, 2017 will have their pension benefit increased by a Cost of Living Adjustment (COLA). The COLA is an annual adjustment to the retirement benefit based on the Consumer Price Index (CPI). The following retirees are eligible to receive a COLA: disability retirees, regardless of age, who have been retired for at least 5 years; retirees who are at least age 62 and have been retired for at least 5 years; and retirees who are at least age 55 and have been retired for at least 10 years. Surviving spouses receiving a joint-and-survivor option benefit are eligible to receive 50% of the monthly COLA that would have been paid to the retiree. For TWU, ATU and TSO members, the COLA calculation is based on the first \$18,000 of the retiree's normal retirement benefit. For UTLO members and non-represented employees, the COLA calculation is based on the first \$18,000 of the retiree's final average salary benefit component. The COLA amount may not be less than 1% nor more than 3% in any year. Once COLA payments begin, they continue automatically and increase each September.

Certain MTA Bus employees represented by TWU Local 100 were granted pension service credit for periods of employment at Liberty Lines Express, Inc. prior to January 3, 2005, with the increase in the Plan benefit offset by the benefit accrued under the TWU-Westchester Private Bus Lines Pension Plan.

Pre-1988 MTA Long Island Rail Road participants are eligible for a service retirement allowance upon termination if the participants have either: (a) attained age 65 and completed at least 5 years of credited service, or if an employee on January 1, 1988 completed at least 10 years of credited service, or (b) attained age 50 and has completed at least 20 years of credited service. Terminated participants who were not employees on January 1, 1988 with 5 or more years of credited service are eligible for a deferred vested benefit. Pension benefits payable to age 65, where eligible, are calculated at 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 $\frac{1}{3}$ of FAS. Under the MTA 20 Year Police Retirement Program, a disabled participant may be eligible for one of three forms of disability retirement: (a) ordinary disability which is payable if a participant has 10 years of credited Police service and is calculated based on the participant's credited Police service and FAS but not less than $\frac{1}{3}$ of FAS; (b) performance of duty, which is payable if a participant is disabled in the performance of duty and

is $\frac{1}{2}$ 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 $\frac{3}{4}$ 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 is payable upon death on behalf of a non-vested participant or vested participant whose pension rights were waived.

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

In the MSBA Employees' Pension Plan, there are special spousal benefits payable upon the death of a participant who is eligible for an early retirement benefit, or a normal service retirement benefit, or who is a vested participant or vested former participant. To be eligible, the spouse and participant must have been married at least one year at the time of death. Where the participant was eligible for an early service retirement benefit or was a vested participant or former participant, the benefit is a pension equal to 40% of the benefit payable to the participant as if the

participant retired on the date of death. Where the participant was eligible for a normal service retirement benefit, the eligible spouse can elect either the benefit payable as a pension, as described in the prior sentence, or a lump sum payment based on an actuarially determined pension reserve. If there is no eligible spouse for this pension reserve benefit, a benefit is payable to the participant's beneficiary or estate.

Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad or post-1987 MTA Long Island Rail Road employee, a covered MTA Staten Island Railway employee or a covered MTA Police member and dies as the result of an on-the-job accidental injury. This death benefit is paid as a pension equal to 50% of the participant's salary and is payable to the spouse for life, or, if none, to children until age 18 (or 23, if a student), or if none, to a dependent parent.

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

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

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

The dependent children of MTA Bus TWU employees of College Point, Baisley Park, and La Guardia hired prior to June 9, 2009 are also entitled to an annuity based on the spouse's pre-retirement survivor annuity (1/2 of the spouse's annuity is payable to each child, but no more than 100% of the spouse's annuity is payable). In addition, the dependent children of retirees who were MTA Bus employees at these Depots are entitled to an annuity based on the presumed retirement survivor's annuity (25% of the spouse's annuity; but no more than 50% of the spouse's annuity is payable).

On July 22, 2020, the MTA Board adopted a COVID-19 Accidental Death Benefits, providing eligible surviving beneficiaries with the option to elect a monthly annuity in lieu of an ordinary death benefit, in certain programs of the Plan. On July 21, 2021, the MTA Board adopted amendments to extend the COVID-19 Accidental Death Benefits for active members of the Plan whose death was caused by COVID-19 from March 1, 2020 through December 31, 2022. It is anticipated that the MTA Board will extend the COVID-19 Accidental Death Benefits to deaths of active members who die through December 31, 2024.

MTA Bus employees represented by TWU 100, ATU 1181, ATU 1179, and TSO 106 participate in Article 14 of the Plan. Unlike other Articles of the Plan, Article 14 provides a monthly survivor benefit (a Qualified Preretirement Survivor Annuity ("QPSA")) to the spouse of an employee who dies while in active service. The MTA Bus COVID-19 Accidental Death Benefit follows the current benefit structure and enhances the existing QPSA benefit. The MTA Board approved this arrangement, subject to collective bargaining, on July 22, 2020. On July 21, 2021, the MTA Board extended the MTA Bus COVID-19 Accidental Death Benefit for active employees whose death was caused by COVID-19 until December 31, 2022.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Plan's financial statements are prepared on the accrual basis of accounting under which deductions are recorded when the liability is incurred and additions are recognized in the accounting period in which they are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Contributions from members are recorded when the employer makes payroll deductions from plan members. Employer contributions are recognized when due in accordance with the terms of the Plan. Additions to the Plan consist of contributions (member and employer) and net investment income. Investment purchases and sales are recorded as of trade date.

The accounting and reporting policies of the Plan conform to accounting principles generally accepted in the United States of America (GAAP).

GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), requires the Funds to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB 72 also

contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements.

New Accounting Standards Adopted – The Plan adopted the following GASB Statement for the year ended December 31, 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 has no material impact on the net position of the Plan.

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 adoption of this Statement has no material impact on the net position of the Plan.

Accounting Standards Issued but Not Yet Adopted

GASB Statement No.	GASB Accounting Standard	MTA DB Pension Plan Required Year of Adoption
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

Use of Management Estimates - The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include fair market value of investments, the annual required contribution and the unfunded actuarial accrued liability.

Benefits - Benefits are recorded when paid.

Contributions - As a condition of participation in the MTA Defined Benefit Pension Plan (“MTADBPP” or the “Plan”), employers and employees are required to contribute to the Plan. The amount of the employer contributions is determined by the Plan actuaries. Employee contribution rates for represented employees are determined by collective bargaining. Employee contribution rates for non-represented employees are set forth in the Plan document as adopted by the MTA Board. If an employee terminates employment with less than 10 (ten) years of credited service in the Plan, the employee may request a refund of his employee contributions with interest. Upon receipt of this refund of contributions, the employee has no claim on any future benefit from the Plan. Employees with more than 10 years of credited service, except for a small group of MTA Bus participants, cannot withdraw their contributions.

Members of the MTA Police Program who have transferred pursuant to Retirement and Social Security Law Section 343 and have not been employed in the MTA Police Program for 15 years may, upon termination of employment, withdraw member contributions. The withdrawal of such transferred police service member contributions shall not terminate membership and rights in the MTA Police Program attributable to Credited Police Service.

Income - Dividend and interest income are recorded when earned.

Securities - Purchases and sales of securities are recorded on a trade-date basis.

Asset Transfers - No assets were transferred to the MTA Defined Benefit Pension Plan for the year 2023.

Administrative Expenses - Administrative expenses of the Plan are paid for by the Plan.

3. CASH AND INVESTMENTS

Investment Committee - The Plan’s policy statement is issued for the guidance of fiduciaries, including the members of the Board and investment managers, in the course of investing the assets of the Trust. The investments of the Trust will be made for the exclusive benefit of the Plan participants and their beneficiaries. Policy guidelines may be amended by the Board upon consideration of the advice and recommendations of the investment professionals.

In order to have a reasonable probability of achieving the target return at an acceptable risk level, the Board has adopted the asset allocation policy outlined below. The actual asset allocation will be reviewed on, at least, a quarterly basis and will be readjusted when an asset class weighting is outside its target range. The following was the MTA Defined Benefit Pension Plan Board adopted asset allocation policy, which includes assets of the Additional Plan, as of December 31, 2024.

Asset Class	Target Strategic Asset Allocation	Allocation Range	Benchmark Index
Total Equity	50.0%	40.0%-60.0%	
Domestic Large Cap Equity	23.0%	18.0%-28.0%	S&P 500 Index
Domestic Small/Mid Cap Equity	4.5%	0%-9.5%	Russell 2000 Index
Developed International Equity	10.5%	5.5%-15.5%	MSCI EAFE
Emerging Markets Large Cap Equity	3.0%	0%-0.8.0%	MSCI Emerging Markets
Emerging Markets Small Cap Equity	1.0%	0%-6.0%	MSCI Emerging Markets Small Cap
Private Equity	8.0%	3.0%-13.0%	C/A Global All PE (Qtr Lag)
Total Fixed Income	31%	21.0%-41.0%	
US TIPS	2.0%	0%-7.0%	Bloomberg US TIPS
US Treasury Bonds	2.0%	0%-7.0%	Bloomberg US Treasury
US Aggregate Bonds	15.5%	10.5%-20.5%	Bloomberg US Aggregate
US High Yield	3.5%	0%-8.5%	ICE BofA US High Yield
Private Debt	8.0%	3.0%-13.0%	50% CS Leveraged Loan/50% ICE BofA Euro HY Constrained
Total Real Assets	11.0%	1.0%-21.0%	
Public Real Assets	3.0%	0%-8.0%	SSgA Real Assets Index
Private Real Assets - Natural Resources/Infrastructure	3.0%	0%-8.0%	CPI + 3.0%
Private Real Estate - Core/Non-Core	5.0%	0%-10.0%	NCREIF Property Index (Qtr Lag)
Total Multi-Asset	8.0%	3.0%-13.0%	
Hedge Funds	8.0%	3.0%-13.0%	HFRI Fund of Funds Index
The Trust's Policy Index is a custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the SAA targets set forth in this Policy. The Policy Index is calculated by multiplying the SAA target weight to each asset class by the rate of return of the appropriate market index, as listed above.			

Investment Objective - The investment objective of the funds is to achieve consistent positive real returns and to maximize long-term total return with prudent levels of risk through a combination of income and capital appreciation.

Investment Guidelines - The Board of Pension Managers executes investment management agreements with professional investment management firms to manage the assets of the Plan. The fund managers must adhere to guidelines that have been established to limit exposure to risk.

All investment managers shall be registered advisors under the Investment Advisors Act of 1940.

The Strategic Asset Allocation targets and permissible ranges for eligible asset classes of the Plan are detailed within the Investment Policy Statement ("IPS"). Full discretion, within the parameters of the IPS and in any individual investment policy associated with that allocation, is granted to the Investment Managers regarding the selection of securities and the timing of transactions. For separate accounts, individual manager guidelines and/or exemptions are specified in each approved investment management agreement ("IMA"). Should there be conflicts between the IPS and the IMA, the manager guidelines set forth in the IMA supersede

the general guidelines in this Statement. For commingled funds, investment guidelines and/or exemptions are specified in such vehicle's offering documents and any applicable side letter agreements. Should there be conflicts, the individual vehicle's investment guidelines supersede the general guidelines in the IPS.

Performance of the Trust will be evaluated on a regular basis. Evaluation will include the degree to which performance results meet the goals and objectives as herewith set forth. Toward that end, the following standards will be used in evaluating investment performance:

- The compliance of each investment manager with the guidelines as expressed herein.
- The extent to which the total rate of return performance of the Trust achieves or exceeds the targeted goals.

Fixed Income Investment Managers - Investment managers are governed by the provisions described in the IPS. The fixed-income portion of the Additional Plan's assets shall be invested in marketable, fixed income securities, such as:

- Domestic fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Bloomberg Barclays US Aggregate Bond Index represents the opportunity set for intermediate-term investment grade bonds traded in the United States
- International fixed income securities, subject to the guidelines reflected in IPS. Generally defined, the Citigroup World Government Bond Index represents the opportunity set for international developed market bonds. The J.P. Morgan Emerging Markets Bond Index-Global represents the opportunity set for international emerging market bonds denominated in USD. The J.P. Morgan GBI-EM Global Diversified Index represents the opportunity set for international emerging market bonds denominated in local currency.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Equity Investment Managers - Investment managers are governed by the provisions described in the IPS. The equity portion of the Additional Plan's assets shall be invested in marketable securities, such as:

- Domestic equity securities, subject to the guidelines. Generally defined, the Standard & Poor's 500 and the Russell 3000 Index represents the opportunity set for the Large Cap and Small Cap equities traded in the United States.
- International equity securities, subject to the guidelines. Generally defined, the Morgan Stanley EAFE (Europe, Australasia, and the Far East) Index represents the opportunity set for equities traded in international developed markets. The Morgan Stanley Emerging Markets Index represents the opportunity set for equities traded in international emerging markets.

These index references are guidelines and do not prohibit investment in securities outside those indexes.

Overlay Managers - For a variety of reasons, the investment program may carry large amounts of cash throughout the year. In order to achieve the actuarial assumed returns on the total investment program, the Committee may retain an overlay manager(s). The overlay manager may use exchange traded futures contracts, Treasuries, and/or Exchange-Traded Funds (ETFs) to expose the cash to the Policy Target Allocation.

In addition, the overlay manager may be utilized for the following:

- Expose un-invested assets of domestic and international equity investment managers to their respective equity benchmarks,
- Assist the Board in rebalancing, transitions, and/or gaining exposure to approved asset classes,
- Invest excess cash into highly liquid short-term investments
- Provide the market (or “beta”) exposures in a portable alpha program.
- The overlay manager shall ensure that all futures positions are fully collateralized, and the manager is prohibited from leveraging any portion of the portfolio.

Alternative Investments Managers - Alternative investments allow the Plan to expand the opportunity set beyond public markets and can be used to enhance overall Plan returns and diversify risk.

Alternative investments are broadly categorized into the following categories:

- Private fixed income
- Real assets
- Real estate
- Absolute return or Hedge Funds
- Private equity
- Venture Capital

Common features of alternative investments are limited liquidity, the use of derivatives, leverage and shorting, lower regulatory oversight, limited transparency, and high fees. Compensating for these risks, these investments offer the potential of diversification and/or higher rates of return over time.

Derivatives Policy – Where appropriate, investment managers may use derivative securities for the following reasons:

- Hedging. To the extent that the portfolio is exposed to clearly defined risks and there are derivative contracts that can be used to reduce those risks, the investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures.

- **Creation of Market Exposures.** Investment managers are permitted to use derivatives to replicate the risk/return profile of an asset or asset class provided that the guidelines for the investment manager allow for such exposures to be created with the underlying assets themselves.
- **Management of Country and Asset Allocation Exposure.** Investment managers charged with tactically changing the exposure of their portfolio to different countries and/or asset classes are permitted to use derivative contracts for these purposes.
- **Additional uses of derivatives** shall be approved by the Board or set forth in the individual investment guidelines or the offering documents prior to implementation and shall be restricted to those specific investment managers.

Ineligible Investments - Unless specifically approved by the Committee or set forth in the individual investment guidelines of a particular allocation, certain securities, strategies and investments are ineligible for inclusion within separately managed accounts. These are:

- Privately-placed or other non-marketable debt, except securities issued under Rule 144a,
- Lettered, legend or other so-called restricted stock,
- Investments in Russian securities,
- Investments in any securities issued by the Metropolitan Transportation Authority or any of its affiliates,
- Commodities,
- Naked Short sales and short sales not acting as a hedge, and
- Direct investments in private placements, real estate, oil and gas and venture capital.

Investment Valuation - Investments primarily include money market funds, equity securities, United States government securities, corporate bonds and debentures, asset backed securities, mortgage and commercial backed securities, mutual and commingled funds. All investments are registered and held by the trustee under a grantor trust, in the name of the Additional Plan. The values of Additional Plan investments are adjusted to fair value as of the last business day of each month based on quoted market prices or net asset value, which is determined to be a practical expedient for measuring fair value, except for certain cash equivalents, which are stated at cost and approximate market value. Purchases and sales of securities are recorded on a trade-date basis.

Income Recognition - Gains or losses from investment transactions are recognized on a trade date basis. Such investment gains or losses are determined using the average cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis.

Risks and Uncertainties - The Plan's investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities and level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term would materially affect the amounts reported in the Plan's financial statements.

The financial markets, both domestically and internationally, have demonstrated significant volatility on a daily basis, which affects the valuation of investments. The Plan utilizes asset allocation strategies that are intended to optimize investment returns over time in accordance with investment objectives and with acceptable levels of risk.

GASB Statement No. 72 - In year 2015, the Plan adopted GASB Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application*. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Plan have the following recurring fair value measurements as of December 31, 2024 and 2023:

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2024	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 1,681,808	\$ 1,681,808	\$ -	\$ -
Separate account small-cap equity funds	453,878	453,878	-	-
Separate account small-Real Estate Investments Trusts	66,971	66,971	-	-
Separate account - International equity funds	244,562	244,562	-	-
Total equity investments	2,447,219	2,447,219	-	-
Debt Securities				
Mutual funds	98,679	98,679	-	-
Separate account - opportunistic credit/Private debt	85,698	-	85,698	-
Separate account debt funds	1,118,679	-	1,118,679	-
Total debt investments	1,303,056	98,679	1,204,377	-
Total investments by fair value	\$ 3,750,275	\$ 2,545,898	\$ 1,204,377	\$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2024	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled international equity funds	\$ 638,889	-	Daily	None
Commingled emerging market equity funds	319,423	-	Daily, monthly	None
Total equity investments measured at the NAV	958,312	-		
Debt Securities				
Commingled debt funds	577,676	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	577,676	-		
Absolute return:				
Direct lending	145,616	100,220	Bi-annually	60 plus days
Distressed securities	12,780	-	Not eligible	N/A
Credit long	68,749	-	Quarterly	3-30 days
Event driven	-	2,082	Quarterly, Bi-annually	60-120 days
Hedge Funds of funds	566,227	-	Quarterly	3-60 days
Total absolute return measured at the NAV	793,372	102,302		
Venture capital	581	8,403	Not eligible	N/A
Private equity - private equity partnerships	534,763	322,500	Varies	N/A
Commingled real estate funds	247,858	81,059	Not eligible	N/A
Real assets				
Energy	73,890	54,658	Not eligible	N/A
Infrastructure	13,575	71,050	Not eligible	N/A
Shipping	100	934	Not eligible	N/A
Total real assets measured at the NAV	87,565	126,642		
Short term investments measured at the NAV	234,209	-		
Total investments measured at the NAV	3,434,336	\$ 640,906		
Total investments at fair value and NAV	\$ 7,184,611			

Investments measured at readily determined fair value (FV)
(In thousands)

	December 31, 2023	Quoted Price in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Equity Securities:				
Separate account large-cap equity funds	\$ 1,097,385	\$ 1,097,385	\$ -	\$ -
Separate account small-cap equity funds	417,768	417,768	-	-
Separate account small-Real Estate Investments Trust	63,306	63,306	-	-
Separate account - International equity funds	227,211	227,211	-	-
Total equity investments	1,805,670	1,805,670	-	-
Debt Securities				
Mutual funds	241,188	241,188	-	-
Separate account - opportunistic credit/Private debt	78,057	-	78,057	-
Separate account debt funds	503,632	-	503,632	-
Total debt investments	822,877	241,188	581,689	-
Total investments by fair value	\$ 2,628,547	\$ 2,046,858	\$ 581,689	\$ -

Investments measured at the net asset value (NAV)
(In thousands)

	December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Equity Securities:				
Commingled large cap equity funds	\$ 357,010	-	Daily	None
Commingled international equity funds	556,761	-	Daily	None
Commingled emerging market equity funds	294,714	-	Daily, monthly	None
Total equity investments measured at the NAV	1,208,485	-		
Debt Securities				
Commingled debt funds	867,102	-	Daily, monthly, quarterly	None
Total debt investments measured at the NAV	867,102	-		
Absolute return:				
Direct lending	125,177	100,392	Bi-annually	60 plus days
Distressed securities	23,618	-	Not eligible	N/A
Credit long	61,521	-	Quarterly	3-30 days
Event driven	299	2,067	Quarterly, Bi-annually	60-120 days
Hedge Funds of funds	465,889	-	Quarterly	3-60 days
Risk parity	137,984	-	Not eligible	N/A
Total absolute return measured at the NAV	814,488	102,459		
Venture capital	80	8,930	Not eligible	N/A
Private equity - private equity partnerships	461,155	246,389	Varies	N/A
Commingled real estate funds	243,709	-	Not eligible	N/A
Real assets				
Energy	81,601	37,736	Not eligible	N/A
Infrastructure	11,488	68,636	Not eligible	N/A
Shipping	3,862	926	Not eligible	N/A
Total real assets measured at the NAV	96,951	107,298		
Short term investments measured at the NAV	237,326	-		
Total investments measured at the NAV	3,929,296	\$ 465,076		
Total investments at fair value and NAV	<u>\$ 6,557,843</u>			

Concentration of Credit Risk – Individual investments held by the Plan that represents 5.0% or more of the Plan’s net assets available for benefits at December 31, 2024 and 2023 are as follows:

(In Thousands)	2024	2023
Investments at fair value as determined by quoted market prices:		
Independent Franchise Partners	\$ 438,671	\$ 357,010
Blackrock Hedge Index	464,565	404,014
Rhumblin Core Bond *	-	489,300
Rhumblin Large Cap Equity	1,243,137	833,217

* The Rhumblin Core Bond Fund was held by the MTA DB Pension Plan in 2024 with an investment value lower than the 5% disclosure requirement.

Credit Risk - At December 31, 2024 and 2023, the following credit quality rating has been assigned by a nationally recognized rating organization:

(In Thousands)		Percentage of		Percentage of	
Quality Rating	2024 Fair Value	Fixed Income Portfolio	2023 Fair Value	Fixed Income Portfolio	
AAA	\$ 53,505	4.57 %	\$ 30,509	5.44 %	
AA	200,341	17.13	86,264	15.38	
A	43,440	3.72	26,444	4.72	
BBB	142,403	12.18	92,142	16.43	
BB	50,777	4.34	15,228	2.72	
B	96,523	8.25	45,731	8.15	
CCC	36,047	3.08	18,431	3.29	
Not Rated	<u>104,793</u>	<u>8.96</u>	<u>81,260</u>	<u>14.49</u>	
Credit risk debt securities	727,829	62.23	396,009	70.62	
U.S. Government bonds	<u>441,718</u>	<u>37.77</u>	<u>164,788</u>	<u>29.38</u>	
Total fixed income securities	1,169,547	<u>100.00 %</u>	560,797	<u>100.00 %</u>	
Other securities not rated — equity, international funds and foreign corporate bonds	<u>6,015,064</u>		<u>5,997,046</u>		
Total investments	<u>\$ 7,184,611</u>		<u>\$ 6,557,843</u>		

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

Investment Fund (In Thousands)	2024		2023	
	Fair Value	Duration	Fair Value	Duration
JP Morgan Chase	\$ 1,169,547	5.12	\$ 560,797	4.92
Total fixed income securities	1,169,547		560,797	
Portfolio modified duration		5.12		4.92
Investments with no duration reported	<u>6,015,064</u>		<u>5,997,046</u>	
Total investments	<u>\$ 7,184,611</u>		<u>\$ 6,557,843</u>	

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Some of the Plan's investment managers will have foreign currency exposure through holdings of foreign securities, currency derivatives or private investments whose revenue will be non-USD based. The Plan also holds investments in American Depository Receipts ("ADRs") which are denominated in U.S. dollars and accounted for at fair market value.

In addition, the Plan has investments in foreign stocks and denominated in foreign currencies. The Plan's foreign currency exposures as of December 31, 2024 and 2023 are as follows (amounts in U.S. dollars, in thousands):

Foreign Currency Holdings in US \$	December 31, 2024	December 31, 2023
Euro	7,783	-
Japanese (Yen)	15,093	-
Swiss Franc	21,871	-
United Kingdom (GBP)	<u>26,595</u>	<u>-</u>
Total	<u>\$ 71,342</u>	<u>-</u>

Additional Information - The Plan holdings are part of the MTA Master Trust of which the MTA Defined Benefit Plan participates on a percentage basis. The percentage of the Plan ownership for the year ended December 31, 2024 and 2023 were 91.84% and 91.12% respectively.

	Master Trust Total Plan	MTA Defined Benefit Plan	Master Trust Total Plan	MTA Defined Benefit Plan
	December 31, 2024		December 31, 2023	
	(In thousands)			
Total Investments:				
Investments measured at readily determined fair value	\$ 4,083,505	\$ 3,750,275	\$ 2,884,644	\$ 2,628,547
Investments measured at the NAV	<u>3,739,494</u>	<u>3,434,336</u>	<u>4,312,124</u>	<u>3,929,296</u>
Total investments measured at fair value	<u>\$ 7,822,999</u>	<u>\$ 7,184,611</u>	<u>\$ 7,196,768</u>	<u>\$ 6,557,843</u>

4. NET PENSION LIABILITY

The components of the net pension liability of the Plan at December 31, 2024 and 2023 were as follows (in thousands):

	December 31, 2024	December 31, 2023
Total pension liability	\$ 8,756,739	\$ 8,277,409
Fiduciary net position	<u>7,181,669</u>	<u>6,553,455</u>
Net pension liability	<u>\$ 1,575,070</u>	<u>\$ 1,723,954</u>
Fiduciary net position as a percentage of the total pension liability	82.01%	79.17%

Actuarial Methods and Assumptions

The total pension liability as of December 31, 2024 was determined by an actuarial valuation date of January 1, 2024, that was updated to roll forward the total pension liability to year-end. Actuarial valuations are performed annually as of January 1.

Discount Rate

The discount rate used to measure the total liability as of December 31, 2024 and 2023 was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the 2024 net pension liability of the Plan, calculated using the discount rate of 6.50%; as well as what the Plan's net pension would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2024

(in thousands)

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$2,663,898	\$1,575,070	\$660,734

2023

(in thousands)

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability	\$2,758,448	\$1,723,954	\$855,028

Additional Important Actuarial Valuation Information

Valuation date	January 1, 2024
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year. For 2023 - 2024 discounts reflect timing of prepaid contributions.
Actuarial cost method	Frozen Initial Liability cost method
Amortization method	For FIL bases, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are 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.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expenses
Projected salary increases	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees
COLAs	60% of inflation assumption or 1.35%, if applicable
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Valuation date	January 1, 2023
Valuation timing	Actuarially determined contributions calculated as of December 31, for the fiscal year and discounted to July 1 to reflect monthly payments throughout the year.
Actuarial cost method	Frozen Initial Liability cost method
Amortization method	For FIL bases, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are 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.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.
Actuarial assumptions:	
Investment rate of return	6.50%, net of investment expenses
Projected salary increases	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees
COLAs	60% of inflation assumption or 1.35%, if applicable
Inflation/Railroad Retirement wage base	2.25%; 3.25%

Calculation on Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses as of December 31, 2024 and 2024 are as follows:

2024 Schedule of Calculations of Money-Weighted Rate of Return**(In thousands)**

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2024	\$6,553,455	12.00	1.00	\$7,181,745
Monthly net external cash flows:				
January	19,359	12.00	1.00	21,215
February	19,359	11.00	0.92	21,060
March	19,359	10.00	0.83	20,887
April	19,359	9.00	0.75	20,735
May	19,359	8.00	0.67	20,584
June	22,632	7.00	0.58	23,866
July	(20,838)	6.00	0.50	(21,814)
August	(20,838)	5.00	0.42	(21,655)
September	(20,838)	4.00	0.33	(21,477)
October	(20,838)	3.00	0.25	(21,321)
November	(20,838)	2.00	0.17	(21,165)
December	(20,838)	1.00	0.08	(20,991)
Ending Value - December 31, 2024				\$7,181,669
Money-Weighted Rate of Return	9.59%			

2023 Schedule of Calculations of Money-Weighted Rate of Return**(In thousands)**

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - January 1, 2023	\$5,368,034	12.00	1.00	\$5,996,233
Monthly net external cash flows:				
January	(28,413)	12.00	1.00	(31,738)
February	801,307	11.00	0.92	887,191
March	(28,413)	10.00	0.83	(31,146)
April	(27,702)	9.00	0.75	(30,100)
May	(28,413)	8.00	0.67	(30,599)
June	(28,413)	7.00	0.58	(30,296)
July	(28,413)	6.00	0.50	(30,029)
August	(28,413)	5.00	0.42	(29,764)
September	(28,413)	4.00	0.33	(29,470)
October	(28,413)	3.00	0.25	(29,210)
November	(28,413)	2.00	0.17	(28,952)
December	(28,413)	1.00	0.08	(28,665)
Ending Value - December 31, 2023				\$6,553,455
Money-Weighted Rate of Return	11.70%			

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2024 and 2023 are as follows:

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2024

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	15.50%	2.36%
US Treasury Bonds	Bloomberg US Treasury	2.00%	1.85%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.93%
US High Yield Bonds	ICE BofA US High Yield	3.50%	4.04%
Private Credit	CDL Index	8.00%	6.48%
US Large Cap Equity	S&P 500	23.00%	5.33%
US Small Cap Equity	Russell 2000	4.50%	6.82%
Foreign Developed Equity	MSCI EAFE NR	10.50%	6.91%
Emerging Market Equity	MSCI EM NR	3.00%	9.29%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.00%	9.62%
Private Real Estate Property	NCREIF Property	5.00%	5.93%
Private Equity	Cambridge Private Equity	8.00%	10.37%
Infrastructure - Public	S&P Global Infrastructure	3.00%	5.92%
Commodities	Bloomberg Commodity	3.00%	3.38%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	8.00%	4.13%
Assumed Inflation - Mean			2.30%
Assumed Inflation - Standard Deviation			1.46%
Portfolio Nominal Mean Return			7.77%
Portfolio Standard Deviation			12.25%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on the Plan's investment policy dated February, 2025.

SCHEDULE OF LONG TERM EXPECTED RATE OF RETURN FOR 2023

Asset Class	Index	Target Allocation*	Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	10.50%	2.21%
US Long (11-30 Year) Treasury Bonds	Bloomberg US Treasury Long Treasury	2.00%	2.65%
US TIPS (Inflation-Indexed Bonds)	Bloomberg US Treasury US TIPS	2.00%	1.82%
US High Yield Bonds	ICE BofA US High Yield	3.00%	4.02%
US Bank/Leveraged Loans	Credit Suisse Leveraged Loan	1.50%	3.55%
Private Credit	CDL Index	7.00%	6.64%
Emerging Market Bonds	JPM EMBI Plus	2.00%	4.81%
US Large Cap Equity	S&P 500	18.00%	5.38%
US Small Cap Equity	Russell 2000	7.00%	6.94%
Foreign Developed Equity	MSCI EAFE NR	12.00%	6.92%
Emerging Market Equity	MSCI EM NR	4.50%	9.59%
Emerging Markets Small Cap Equity	MSCI EM Small NR	1.50%	9.78%
US REITs	FTSE Nareit All Equity REITs	1.00%	6.63%
Private Real Estate Property	NCREIF Property	4.00%	5.14%
Private Equity	Cambridge Associate US Private Equity	7.00%	10.46%
Commodities	Bloomberg Commodity	4.00%	3.11%
Hedge Funds - MultiStrategy	HFRI: Fund Wtd Composite	13.00%	4.39%
Assumed Inflation - Mean			2.31%
Assumed Inflation - Standard Deviation			1.44%
Portfolio Nominal Mean Return			7.92%
Portfolio Standard Deviation			12.47%
Long-Term Expected Rate of Return selected by MTA			6.50%

* Based on October 2021 Investment Policy

5. CONTRIBUTIONS

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

The following summarizes the types of employee contributions made to the Plan.

Effective January 1, 1994, covered MTA Metro-North Railroad and MTA Long Island Rail Road non-represented employees are required to contribute to the Plan to the extent that their Railroad Retirement Tier II employee contribution is less than the pre-tax cost of the 3% employee contributions. Effective October 1, 2000, non-represented employee contributions, if any, were eliminated after 10 years of making contributions to the Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 through December 31, 1993 and MTA Long Island Rail Road employees may purchase prior service from January 1, 1988 through December 31, 1993 by paying the contributions that would have been required of that employee for the years in question, calculated as described in the first sentence, had the Plan been in effect for those years.

Police Officers who became participants of the MTA Police Program prior to January 9, 2010 contribute to that program at various rates. Police Officers who became participants on or after January 9, 2010 but before April 1, 2012 contribute 3% up to the completion of 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.

MTA Bus represented participants make contributions in accordance with their respective collective bargaining agreements and arbitration awards. MTA Bus non-represented employees are accessed contributions for their flat rate benefit of \$10.33 for each week for the period from January 1, 2012 through December 31, 2016. Effective January 1, 2017, MTA Bus non-represented operating employee hired prior to April 1, 2012 contribute 2% of gross wages. MTA Bus non-represented non-operating employee hired prior to April 1, 2012 contribute 4.85% of gross wages for ten years of service after January 1, 2017, and then 1.85% gross salary thereafter until retirement. Contributions levels for MTA Bus non-represented employees hired on or after April 1, 2012, which are required until retirement, are determined every year at the beginning of the calendar year, and are based on annual wages during the prior year and the following schedule:

Annual Wages Earned During the Prior Year	Contribution Rate

Up to \$45,000	3.00%
\$45,001 to \$55,000	3.50%
\$55,001 to \$75,000	4.50%
\$75,001 to \$100,000	5.75%
Greater than \$100,000	6.00%

In 2017, a reserve was established for fifteen former MTA employees in accordance with Chapter 533 of the Laws of 2015. As of December 31, 2024 and 2023, total transfer in the amounts of \$7.9 million and \$3.6 million, to the New York State and Local Police and Fire Retirement System allowed former MTA Police employees to transfer membership and contributions to the New York State and Local Police and Fire Retirement System from the MTA Defined Benefit Plan.

Covered MTA Metro-North Railroad represented employees and MTA Long Island Rail Road represented employees who first became eligible to be Plan participants prior to January 30, 2008 contribute 3% of salary. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. MTA Long Island Rail Road represented employees who became participants after January 30, 2008 contribute 4% of salary. For the MTA Staten Island Railway employees, contributions are not required after the completion of 10 years of credited service. MTA Long Island Rail Road represented employees are required to make the employee contributions for 10 years, or 10 years if hired before certain dates in 2014 as per collective bargaining agreements. Certain Metro-North represented employees, depending on their collective bargaining agreements, are required to make the employee contributions until January 1, 2014, January 1, 2017, June 30, 2017, or the completion of required years of credited service as per the relevant collective bargaining agreements.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by Depot. MTA Bus is required to make significant annual contributions to the MTA Plan on a current basis. Pursuant to the January 1, 2023 actuarial valuations for the MTA Plan, which included amounts for actuarial assets and liabilities relating to both active and retired members for most portions of the former private plans (excepting, for example, members of the Transport Workers Union — New York City Private Bus Lines Pension Trust who were working on school bus routes which did not become part of MTA Bus service), MTA Bus recorded pension expense equal to the valuation annual required contribution of \$0.0 and \$124.4 for the calendar years ended December 31, 2024 and 2023. No employer contributions were paid to the MTA Plan in 2024 compared to prepaid contributions in 2023.

6. ACTUARIAL METHODS AND ASSUMPTIONS

A. Actuarial Valuation Method

The Frozen Initial Liability method was used for determining the actuarial determined contribution comprising the normal cost-plus amortization payments of the frozen unfunded actuarial accrued liability. The Normal Cost equals the present value of future employer normal contributions divided by the average future working lifetime factor. This factor equals the present value of future compensation or for MTA Bus represented members, present value of future general wage increases divided by current compensation or the member count weighted by general wage increases (less certain retirements) and weighted by the present value of benefits for each membership group.

The Entry Age Normal (EAN) method is used for determining changes in the frozen unfunded actuarial accrued liability due to plan provisions and assumption changes. For MTA Bus members with benefits indexed to general wage increases, the entry age normal cost uses assumed general wage increases rather than payroll, which conforms to a method compliant for GASB 67 purposes. For MTA Bus non-represented members where benefits are bifurcated into a past service level dollar component and a future service MaBSTOA benefit component, the EAN normal cost assumes that the MaBSTOA style benefits were in effect for the member's entire career.

For groups where service was reported as of the valuation date, Entry Age is based on an effective date of hire equal to the valuation date less provided service plus any purchased service, but not reflecting any military service purchased.

B. Asset Valuation Method

The Asset Valuation method smooths gains and losses over a 5-year period. The formula for the asset valuation method is as follows:

$$\text{Actuarial Value of Assets} = MV_t - .8UR_1 - .6UR_2 - .4UR_3 - .2UR_4$$

Where

MV_t = Market Value of assets as of the valuation date.

UR_n = Unexpected return during the n^{th} year preceding the valuation date. The unexpected return for a year equals the total investment return minus the total expected return. The total expected return equals the market value of assets at the beginning of the year plus the weighted net cash flow during the year multiplied by the expected rate of return.

The resulting value cannot be less than 80% or greater than 120% of the market value of assets.

The market value of assets is adjusted for any contributions made in the current year attributable to a prior year less any contributions made in a prior year and attributable to a future year, determined for each Agency independently.

C. Actuarial Assumptions Universal to all Groups

The assumptions described below were primarily determined based on an experience analysis covering the period from January 1, 2012 to December 31, 2017, with certain assumptions modified subsequently. The mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020.

Interest - 6.50% per annum, compounded annually, net of investment expenses.

Railroad Retirement Wage Base - 3.25% per year.

Consumer Price Index - 2.25% per year.

Cost of Living Increases - 60% of inflation assumption or 1.35% per annum, compounded annually for Police and MTA Bus members eligible for a cost of living adjustment.

Provision for Expenses - Estimated administrative expenses are added to the normal cost. Administrative expenses are based on the average of the prior two year's reported administrative expenses.

Valuation Compensation - The valuation compensation is equal to the annualized base salary as of December 31, 2023 as provided by the MTA adjusted for wage increases granted after the valuation date but retroactive to earlier periods, multiplied by the assumed salary increases for the year. Salary increases are assumed to occur on average at mid-year. Retroactive wage adjustments are as follows:

MTA Metro-North represented employees:

- 3.0% (union codes 2, 6, 7, 9, 11, 16, 19, 26, 49, 59, 72, 73), 8.478% (union codes 5, 13, 25, 75, 76), 9.532% (union codes 3, 20, 21), or 13.137% (union codes 8, 15).
- Long Island Railroad represented employees: 3.0% (union codes 02A, 02B, 03A, 03B, 05A, 07A, 07B, 07C, 09A, 10A, 10B, 10C, 10D, 10E, 10F, 10G, 10I, 10J, 10L, 11A, 11B, 14A, 15A, 15B, 16A, 16C, 16D, 17A thru 17H, 20A, 20B, 24A, 24B).
- SIRTOA represented employees: 3.0% (union codes S2, S3, S4, S8) or 13.137% (union codes S5, S7).

Vacation Pay Retirement Load - Earnings in a member's last year of employment is increased for accrued vacation time. A maximum of 240 hours may be accrued increasing a member's final year's pensionable earnings by at most approximately 11.5% of base compensation. The adjustment represents the percentage of the 240 hour accrued vacation maximum, varies by years of service, and is applied upon retirement. This load is applied to all members, except MTA Bus Company.

Accrued Vacation Load			
Years of Service	Percentage of 240 Hour Maximum	Years of Service	Percentage of 240 Hour Maximum
5	15.00 %	13	55.00 %
6	20.00	14	60.00
7	25.00	15	65.00
8	30.00	16	70.00
9	35.00	17	75.00
10	40.00	18	80.00
11	45.00	19	85.00
12	50.00	20+	90.00

Mortality - Preretirement and postretirement healthy annuitant rates are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As a generational table, it reflects mortality improvements both before and after the measurement date.

Preretirement: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for rail males, 92% for MTA Bus males and 100% for females. For Police, the Mortality Rates for NYC Active Members of Transit and TBTA Ordinary and Accidental Death (no projection scale is applied to the Accidental Death table).

Postretirement Healthy Lives: Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for rail males, 92% for MTA Bus males and 100% for females. For Police, the Mortality Rates for NYC Service Retirees for Housing Police and Transit Police.

Postretirement Disabled Lives: PRI-2012 Disabled Annuitant mortality table for males and females. For Police, the Mortality Rates for NYC Disabled Retirees for Housing Police and Transit Police.

Postretirement Disabled Lives: PRI-2012 Disabled Annuitant mortality table for males and females. For Police, the Mortality Rates for NYC Disabled Retirees for Housing Police and Transit Police.

Post-termination Death Benefits - For current inactive participants eligible for post-retirement death benefits, an amount of \$25,000 (\$10,000 for certain M.S.B.A. inactive participants) is assumed to be payable at death. For current terminated vested members, \$100,000 is assumed to be payable at death prior to retirement.

Benefit Adjustments for Retirees: For members that retired in the past two years, a 2% load was applied to benefits to account for potential increases when the benefits are finalized (3% for management members of Long Island Rail Road or Metro-North Railroad).

In addition, the following loads were applied to recent retirees to account for wage increases that are effective retroactively but have not yet been reflected in the benefit calculation.

Group	Years of Retirement						
	2017	2018	2019	2020	2021	2022	2023
Metro-North ACRE	0.25 %	1.50 %	3.00 %	5.00 %	7.00 %	9.50 %	12.00 %
MetroNorth Other Represented	0.00	0.00	0.25	1.25	2.75	5.00	7.25
Long Island Rail road Represented	0.00	0.00	0.25	1.25	2.75	5.00	0.00
SIRTOA - UTU / SMART	0.25	1.50	3.00	5.00	7.00	9.50	0.00
SIRTOA - TCU / ATDA	0.00	0.00	0.25	1.25	2.75	5.00	0.00
SIRTOA - SSSS	0.00	0.00	0.25	1.25	2.75	5.00	7.25
Police	0.00	0.25	1.25	2.75	4.00	5.25	0.00

Participant Data – Benefits were estimated for vested members who terminated during the past year and prior years if no benefit was provided. If transferred to another agency within MTA, but no longer receiving service accruals, wrap around benefit was estimated by increasing vested benefit by 3.5% per year until date first eligible for unreduced retirement reflecting all service and if applicable, adjusted benefit percentage from 1.67% to 2.0%.

Service for MTA Police, MTA Metro-North Railroad and MTA Long Island Rail Road represented and management members is based on the sum of credited service, purchased service and military service provided by MTA.

For inactive MTA Police, MTA Metro-North and MTA Long Island Rail Road represented and management participants, future offsets for Railroad Retirement benefits are estimated and assumed to occur at age 62 or age 60 if the member had accrued 30 years of service, unless disabled or it appears the offset has occurred. For inactive Long Island Rail Road Pension participants, offsets for Railroad Retirement benefits are estimated and assumed to occur at the member's age 65. Benefits, net of any Railroad Retirement benefits, are estimated for vested members who terminated during the past year if not provided by the Authority.

If not provided, the maximum retirement allowance was estimated for police and MTA Bus retirees eligible for COLA adjustments.

Benefits Not Valued: COVID-19 Accidental Death Benefit is assumed to have an insignificant cost.

D. Changes in Actuarial Assumptions Universal to all Groups

There are no changes since the prior valuation impacting all groups.

E. Actuarial Assumptions - MTA Defined Benefit Pension Plan — Management

Salary Scale - Salaries are assumed to increase in accordance with the following schedule:

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0	8.00 %	8	4.70 %
1	8.00	9	4.60
2	7.00	10	4.50
3	6.50	11	4.25
4	5.50	12	4.00
5	5.00	13	3.75
6	4.90	14	3.50
7	4.80	15+	3.25

Overtime - None

Termination - Withdrawal rates vary by years of service. Illustrative rates are shown below:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	6.00 %	7	2.00 %
2	5.50	8	1.75
3	5.00	9	1.50
4	4.50	10 - 14	1.25
5	3.00	15 - 19	1.00
6	2.50	20+	0.50

Retirement - Rates vary by years of service and type of retirement. Rates apply upon benefit eligibility from ages 55 to 79. Certain retirement age is 80. Illustrative rates are shown below:

Years of Service	Reduced Early Retirement	Unreduced Early Retirement
<10	2.00 %	5.00 %
10-19	2.00	10.00
20	5.00	30.00
21-29	5.00	20.00
30	N/A	50.00
31+	N/A	30.00

1 At age 55, rate is 50.00%

Disability - Rates vary by age and apply at 10 or more years of service until age 64. For Staten Island Railway, rates apply until eligible for normal retirement and completion of 20 years of service. No rates of accidental disability are assumed. Illustrative rates are shown below:

Age	Disability Rate
25	0.045 %
30	0.049
35	0.052
40	0.073
45	0.113
50	0.138
55	0.191
60	0.259
64	0.323

Employee Contributions - No employee contributions have been anticipated for future years.

Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

F. Actuarial Assumptions - MTA Defined Benefit Pension Plan — Rail Agencies Represented Employees

Salary Scale - Salaries are assumed to increase based on years of service in accordance with the following schedule:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	12.50 %	6	4.25 %
2	11.50	7	4.00
3	10.00	8	3.75
4	10.00	9	3.50
5	6.00	10+	3.25

Overtime - Rates of overtime vary by years of service and Agency. They are applied to base salary in accordance with the following schedule for Long Island Rail Road and Metro-North Railroad. For Staten Island Railway, assumed overtime is 15% of base pay regardless of the years of service. No overtime is applied to members receiving benefits upon death or disability.

Long Island Rail Road			
Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	21.00 %	13	31.00 %
4	22.00	14	32.00
5	23.00	15	33.00
6	24.00	16	34.00
7	25.00	17	35.00
8	26.00	18	36.00
9	27.00	19	37.00
10	28.00	20	38.00
11	29.00	21	39.00
12	30.00	22+	40.00

Metro-North Railroad			
Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	20.00 %	17	27.75 %
4	21.00	18	28.00
5	22.00	19	28.25
6	23.00	20	28.50
7	24.00	21	28.75
8	25.00	22	29.00
9	25.50	23	29.50
10	26.00	24	30.00
11	26.25	25	30.50
12	26.50	26	31.00
13	26.75	27	32.00
14	27.00	28	33.00
15	27.25	29	34.00
16	27.50	30+	35.00

Termination - Withdrawal rates vary by years of service. Illustrative rates are shown below:

Years of Service	Termination Rate	Years of Service	Termination Rate
0 - 1	3.50 %	7	1.20 %
2	2.00	8	1.10
3	1.75	9	1.00
4	1.50	10-14	0.75
5	1.40	15 - 19	0.50
6	1.30	20+	0.50

Retirement - Rates vary by years of service and type of retirement. Rates apply upon benefit eligibility from ages 55 to 79. Certain retirement age is 80. Illustrative rates are shown below:

Years of Service	Reduced Early Retirement	Unreduced Early Retirement
<10	2.00 %	5.00 %
10-19	2.00	10.00
20	5.00	30.00
21-29	5.00	20.00
30	10.00 *	50.00 **
31+	N/A	30.00 ***

*** At age 55, rate is 50.00%

Fot Metro-North Non-ACRE represented members hired after the New Participant Date:

* Applies at age 60 to 61

** Applies at age 62

*** At age 62, rate is 50%

Disability - Rates vary by age and gender and apply at 10 or more years of service until age 64. For Staten Island Railway, rates apply until eligible for normal retirement and completion of 20 years of service. Prior to 10 years of service, a rate of 0.025% for accidental disability is assumed for all ages. Illustrative rates are shown below:

Rates of Disability					
Age	M	F	Age	M	F
20	0.151 %	0.227 %	45	0.246 %	0.372 %
25	0.151	0.227	50	0.447	0.674
30	0.151	0.227	55	0.857	1.285
35	0.164	0.239	60	1.739	2.608
40	0.183	0.277	64	2.366	3.549

Changes in Actuarial Assumptions -

Except as noted in Universal Assumption section, there are no further changes.

G. Actuarial Assumptions - MTA 20-Year Police Retirement Program

Salary Scale - Salary increases vary by year and reflect longevity increases. Illustrative rates are shown below.

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0 - 1	12.5 %	9	8.75 %
2	15.5	10 - 13	3.25
3	13.0	14	8.75
4	20.5	15 - 18	3.25
5	13.0	19	8.75
6	8.0	20 - 23	3.25
7	6.0	24	8.75
8	4.0	25+	3.25

Overtime - Rates of overtime vary by years of service. They are applied to base salary in accordance with the following schedule. No overtime is applied to members receiving benefits upon death or disability.

Years of Service	Overtime Rate	Years of Service	Overtime Rate
<4	20.00 %	9	26.00 %
4	21.00	10	27.00
5	22.00	11	28.00
6	23.00	12	29.00
7	24.00	13	30.00
8	25.00	14+	30.00

Termination - Withdrawal rates vary by length of service. Illustrative rates are shown below:

Years of Service	Termination Rate
<5	2.50 %
5- 9	0.25
10+	0.00

Retirement - Rates vary by age and years of service. Rates apply upon benefit eligibility from up to age 61. Certain retirement age is 62. Illustrative rates are shown below:

Age	Years of Service at Retirement		
	20	21 - 28	29+
<50	20.00 %	7.50 %	20.00 %
50 - 54	30.00	15.00	20.00
55 - 61	30.00	20.00	25.00

Disability - Ordinary rates vary by age and apply between 10 and 20 years of service. A rate of 0.025% for accidental disability is assumed for all ages and service periods. Illustrative rates are shown below:

Age	Ordinary	Age	Ordinary
25	0.1132 %	45	0.7311 %
30	0.1318	50	1.0608
35	0.1856	55	1.3329
40	0.4283	60	1.4149

Benefits Not Valued – Railroad benefit offset.

Changes in Actuarial Assumptions — Except as noted in Universal Assumption section, there are no further changes.

H. Actuarial Assumptions - MSBA Employees Pension Plan

Benefit Estimates - Due to the insignificant number of active employees, benefits are estimated based on plan provisions and actuarial assumptions used for management benefits, except for the overtime assumption. No railroad offset is assumed.

Overtime – Members are assumed to earn overtime equal to the following percentage of their rates of pay:

Years of Service	Rate
Under 25 years of service	17.00 %
25 to 29 years of service	20.00
30 or more years of service	23.00

Changes in Actuarial Assumptions Except as noted in Universal Assumption section, there are no further changes.

I. Actuarial Assumptions - MTA Long Island Rail Road Pension Plan/Plan for Additional Pensions

Salary Scale - Rates of pay are assumed to increase at a rate of 3.0% per annum.

Overtime/unused Vacation Pay - Earnings in each year increased by 65% for represented employees to account for overtime and by 20% in the year prior to assumed retirement and by 10% in the year prior to termination (other than retirement) for non-represented employees to account for unused vacation pay.

Termination - Withdrawal rates vary by age. Illustrative rates are shown below:

Age	Rate	Age	Rate
20	2.12 %	45	0.96 %
25	1.64	50	0.80
30	1.44	55	0.60
35	1.36	60	0.00
40	1.16	65	0.00

Retirement - Assumed retirement rate varies by year of eligibility.

First Year	40 %
Years 2–4	33
Years 5	37
Years 6–7	35
Years 8–9	33
Years 10–15	55
Years 16 and above	100

Terminated vested participants are assumed to retire upon first eligibility, or attained age if later.

Interest on Employee Contributions - Assumed to be 3.5% per year for future years.

Participant Data - Benefits under the Plan are frozen and based on information provided by MTA Headquarters, Consolidated Pensions.

Benefits Not Valued - Disability benefits since all active plan participants are eligible for retirement.

Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

J. Actuarial Assumptions - MTA Bus

Salary Scale for Non-represented Employees - Salaries are assumed to increase at 3.25% for Article 18 members and in accordance with the following schedule for other non-represented employees:

Years of Service	Rate of Increase	Years of Service	Rate of Increase
0	6.00 %	12	3.90 %
1	7.00	13	3.80
2	6.50	14	3.70
3	6.25	15	3.60
4	6.00	16	3.50
5 - 9	4.50	17	3.40
10	4.30	18	3.30
11	4.10	19+	3.25

Overtime - None

General Wage Increase (GWI) - The benefit level and contribution rate are assumed to increase 2.75% each year based on the anniversary of the last actual or assumed scheduled increase for TWU Local 100, ATU 1179, ATU 1181 and TSO represented employees. The benefit level for

ATU 1179, ATU 1181, and TSO represented employees are assumed to follow the same increase pattern as TWU Local 100.

Termination - Withdrawal rates vary by years of service, employee type and operating/non-operating distinction. Illustrative rates are shown below:

For represented employees:

Year of Service	Termination Rate	Year of Service	Termination Rate
0	14.00 %	5 - 9	2.25 %
1	6.00	10 - 14	1.75
2	3.00	15 - 19	1.25
3	2.75	20+	1.00
4	2.50		

For non-represented employees:

Year of Service	Operating	Non - Operating
0	13.00 %	8.50 %
1	6.00	8.50
2	3.50	7.50
3	3.00	6.50
4	2.50	5.00
5 - 9	2.25	3.00
10 - 14	1.75	2.00
15 - 19	1.25	1.50
20+	1.00	1.00/0.50 *

* 1% applies if less than age 50 and 0.5% applies if age 50 and older

Retirement - Rates vary by age, service, employee type, Tier, Operating/Non-operating distinction, and retirement eligibility. Rates apply upon benefit eligibility until age 79. Certain retirement age is 80. Terminated vested members are assumed to retire at first eligibility for an unreduced benefit. Illustrative rates are shown below:

For represented members:

Age	Years of Service at Retirement		
	<u><10</u>	<u>10-19</u>	<u>20+</u>
57	N/A	N/A	25.00 %
58-61	N/A	N/A	20.00
62-64	N/A	N/A	30.00
65 - 79	5.00	30.00	30.00

For certain former non-represented employees of Alliance Companies (Article 18):

Age	Retirement Rate
55-56	6 %
57-58	8
59	9
60-61	13
62	25
63-64	15
65	100

For non-grandfathered non-represented employees:

Tier	Operating/Non-operating	Age	<10	10-19	20	21-24	25	26+
4	Operating	55 - 56	N/A	N/A	N/A	N/A	40 %	30 %
4	Operating	57 - 61	N/A	N/A	N/A	N/A	40	25
4	Operating	62 - 79	5 %	15 %	30 %	20 %	40	30
4	Non-operating	57-79	5	10	25	25	25	25
6	Operating	55 - 56	N/A	N/A	N/A	N/A	40	30
6	Operating	57 - 62	N/A	N/A	N/A	N/A	40	25
6	Operating	63 - 79	N/A	15	30	20	40	30
6	Non-operating	55-59	N/A	0.5	1	1	1	1
6	Non-operating	60-61	N/A	1	2	2	2	2
6	Non-operating	62	N/A	3	6	6	6	6
6	Non-operating	63-79	N/A	10	25	25	25	25

For grandfathered non-represented employees:

For employees hired prior to January 1, 2017, retirement conditions are modified to reflect a single commencement date at the earliest eligible retirement date among former MTA Bus Article 14,15,16,17, and 19 provisions and MaBSTOA-style provisions. Retirement rates for these members reflect a phase-in of retirement rates used as of January 1, 2017 under the prior benefit structure and the retirement rates used under the current benefit structure.

Disability - Rates vary by age, employee type and apply at 10 or more years of service until eligibility for retirement for represented employees and until eligible for unreduced retirement and completion of 20 years of service for non-represented employees. Illustrative rates are shown below:

For represented employees:

Age	Disability Rate	Age	Disability Rate
20	0.250 %	45	0.678 %
25	0.270	50	0.827
30	0.292	55	1.145
35	0.314	60	1.552
40	0.440	64	1.938

For non-represented employees:

Age	Disability Rate	Age	Disability Rate
20	0.042 %	45	0.113 %
25	0.045	50	0.138
30	0.049	55	0.191
35	0.052	60	0.259
40	0.073	64	0.323

Marriage - 80% of members are assumed to be married with wives 3 years younger than males.

Interest on Employee Contributions - Future years assumed to be 0.25% greater than inflation or 2.5% per year for represented employees and for the accumulated balances as of December 31, 2016 for non-represented employees.

Benefits Not Valued - Former Article 15 represented members who may be eligible for reduced retirement at attainment of age 55 and completion of 20 years of service is expected to have an insignificant cost.

The \$2,500 post-retirement death benefit for represented members is not valued since premiums are paid outside of the Plan Trust.

The \$10,000 post-retirement death benefit for former Queens Surface, Jamaica and Triboro Bus Service non-represented Employees (former Article 15) is not valued since premiums are paid outside of the Plan Trust.

The accidental death and dismemberment benefit for former Queens Surface, Jamaica and Triboro Bus Service non-represented Employees (former Article 15) is not valued as the costs are paid outside of the Plan Trust.

Form of payment - Normal Form, except that all former Liberty Lines Bus non-represented employees (former Article 13) members are assumed to elect the lump sum payment option. Lump sums valued using lump sum mortality table published by the IRS and a 4.5% assumed interest rate.

Changes in Actuarial Assumptions - Except as noted in Universal Assumption section, there are no further changes.

7. CUSTODIAL AND OTHER PROFESSIONAL SERVICES

JP Morgan Chase Bank is the custodian and trustee of plan assets. JP Morgan Chase also provides cash receipt and cash disbursement services to the Plan. NEPC reviews the Plan's portfolio, the investment policies as stipulated by the Board of Managers and the performance of the Investment Managers. NEPC also provides audit services for the Plan's equity portfolios. Actuarial services were provided to the Plan by Milliman Inc.

8. SUBSEQUENT EVENTS

The Plan has evaluated all subsequent events through July 28th, 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 July 28th, 2025, there were no subsequent events that required recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

**METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS

(in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability:										
Service cost	\$ 242,997	230,704	220,423	213,674	213,495	173,095	162,273	148,051	138,215	124,354
Interest	541,036	515,016	485,878	455,230	427,672	387,193	358,118	335,679	308,009	288,820
Changes of benefit terms	10,126	349	-	-	-	-	61,890	76,511	73,521	6,230
Differences between expected and actual experience	85,003	23,934	95,172	20,656	92,019	35,935	75,744	(27,059)	86,809	121,556
Changes of assumptions	-	5,490	-	113,662	-	690,958	-	10,731	-	(76,180)
Benefit payments and withdrawals	(399,832)	(375,485)	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)
Net change in total pension liability	479,330	400,008	449,616	477,749	439,350	1,022,196	415,676	310,937	396,931	265,208
Total pension liability – beginning	8,277,409	7,877,401	7,427,785	6,950,036	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Total pension liability – ending (a)	8,756,739	8,277,409	7,877,401	7,427,785	6,950,036	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946
Plan fiduciary net position:										
Employer contributions	355,279	831,320	400,648	396,144	394,986	344,714	338,967	321,861	280,768	221,694
Member contributions	43,752	38,304	34,471	33,832	32,006	31,504	29,902	31,027	29,392	34,519
Net investment income	633,817	695,942	(464,023)	639,374	92,044	647,264	(150,422)	516,153	247,708	(45,122)
Benefit payments and withdrawals	(399,832)	(375,485)	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)
Administrative expenses & Transfer to investments	(4,801)	(4,660)	(4,334)	(3,513)	(3,660)	(3,408)	(3,152)	(4,502)	(3,051)	(1,962)
Net change in plan fiduciary net position	628,215	1,185,421	(385,095)	740,364	221,540	755,089	(27,054)	631,563	345,194	9,557
Plan fiduciary net position – beginning	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
Plan fiduciary net position – ending (b)	7,181,670	6,553,455	5,368,034	5,753,129	5,005,764	4,779,569	4,024,480	4,051,534	3,419,971	3,074,777
Employer's net pension liability – ending (a)-(b)	\$ 1,575,069	1,723,954	2,509,367	1,674,656	1,944,272	1,731,117	1,464,010	1,021,280	1,341,906	1,290,169
Plan fiduciary net position as a percentage of the total pension liability	82.01%	79.17%	68.12%	77.45%	72.03%	73.41%	73.33%	79.87%	71.82%	70.44%
Covered payroll	\$ 2,383,299	2,349,672	2,113,336	1,970,242	1,996,960	1,996,090	1,984,629	1,805,156	1,724,219	1,603,924
Employer's net pension liability as a percentage of covered payroll	66.09%	73.37%	118.85%	85.00%	97.36%	86.73%	73.77%	56.58%	77.83%	80.44%

In accordance with GASB No. 67, paragraph 50, such information was not readily available for periods prior to 2014.

2021 Plan fiduciary net position - beginning is adjusted for the Plan's 2020 Q4 Private Markets values.

**METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN**

SCHEDULE II

**Required Supplementary Information
Schedule of Employer Contributions
(in thousands)**

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of covered Payroll
2015	\$ 273,730	\$ 221,694	\$ 52,036	\$ 1,603,924	13.82%
2016	290,415	280,768	9,647	1,724,219	16.28%
2017	316,916	321,861	(4,945)	1,805,156	17.83%
2018	331,566	338,967	(7,401)	1,984,629	17.08%
2019	349,928	344,714	5,214	1,996,090	17.27%
2020	392,921	394,986	(2,065)	1,996,960	19.78%
2021	394,366	396,144	(1,778)	1,970,242	20.11%
2022	404,245	400,648	3,597	2,113,336	18.96%
2023	416,538	831,320	(414,782) *	2,349,672	35.38%
2024	434,841	355,279	79,562 **	2,383,299	14.91%

* Excess for 2023 reflects a prepaid contribution toward the 2024 Actuarially Determined Contribution.

** For 2024, MTA made contributions towards the 2025 actuarially determined contribution.

**METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Note to Schedule II:
The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan for are as follows:

Valuation Dates	January 1, 2024	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are 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, 15 years remaining for the Fresh start base including vacation pay adjustment base as of January 1, 2022; 15 years for other changes in actuarial assumptions and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are 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 for the Fresh start base of January 1, 2022, 15 years for the mortality change and the period specified in current valuation report for specific plan change bases. All bases are determined on a closed basis. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 18 years for the Fresh start base as of January 1, 2020 and period specified in current valuation report for specific plan change bases. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service, of the projected population for each group and further weighted by total present value of benefits for each group.	For FIL bases, 18 years for the Fresh start base as of January 1, 2020 and period specified in current valuation report for specific plan change bases. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary or service, of the projected population for each group and further weighted by total present value of benefits for each group.
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.50% for 2024, per annum, net of investment expenses	Net rate of 6.50% for 2023, per annum, net of investment expenses	Net rate of 6.50% for 2022, per annum, net of investment expenses	Net rate of 6.50% for 2021, per annum, net of investment expenses	Net rate of 6.50% for 2020, per annum, net of investment expenses
Inflation	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum	2.25% per annum
Railroad retirement wage base	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year
Mortality	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.
Salary increases	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees
Overtime	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Cost-of-living adjustments	60 % of inflation assumption or 1.35% per annum, if applicable	1.35% per annum (2)	1.35% per annum (2)	1.35% per annum (2)	1.35% per annum (2)
Provision for expenses	An average of the prior two years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost

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

(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Note to Schedule II:

The more significant actuarial assumptions and methods used in the calculation of employer contributions to the Plan for are as follows:

Valuation Dates	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015
Actuarial cost method	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)	Frozen initial liability (FIL) (1)
Amortization method	For FIL bases, period specified in current valuation report for specific plan change bases. Fresh start base as of January 1, 2020 will be determined based on the Plan's unfunded Entry Age Normal liability less amortization balances remaining plan change bases. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group	For FIL bases, period specified in current valuation report. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population for each group
Actuarial asset valuation method	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	Actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Interest rate	Net rate of 6.50% for 2019, per annum, net of investment expenses	Net rate of 7.0% for 2018, per annum, net of investment expenses	Net rate of 7.0% for 2017, per annum, net of investment expenses	Net rate of 7.0% for 2016, per annum, net of investment expenses	Net rate of 7.0% for 2015, per annum, net of investment expenses
Inflation	2.25% per annum	2.5% per annum	2.5% per annum	2.5% per annum	2.5% per annum
Railroad retirement wage base	3.25% per year	3.5% per year	3.5% per year	3.5% per year	3.0% per year
Mortality	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA	Based on experience of all MTA members reflecting mortality improvement on a generational basis using Scale AA
Separations other than for normal retirement	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.	Tables based on recent experience. Rates vary by age, years of service at retirement and Tier/Plan.
Salary increases	Varies by years of employment, and employee group; 2.75% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.0% General Wage Increases ("GWI") for TWU MTA Bus hourly employees	Varies by years of employment, and employee group; 3.5% for MTA Bus hourly employees
Overtime	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience	Tables based on recent experience
Cost-of-living adjustments	1.35% per annum (2)	1.375% per annum (2)	1.375% per annum (2)	1.375% per annum (2)	1.375% per annum (2)
Provision for expenses	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost	An average of the prior three years' administrative charges added to the normal cost

(1) Under this actuarial method, the initial liability charges added to the normal cost in the Unfunded Actuarial Accrued Liability (UAAL) due to plan provision and assumption changes.

(2) Assumes a long-term consumer price inflation assumption of 2.5% per annum, compounded annually.

**METROPOLITAN TRANSPORTATION AUTHORITY
DEFINED BENEFIT PENSION PLAN**

SCHEDULE III

**Required Supplementary Information
Schedule of Investment Returns**

The following table displays annual money-weighted rate of return, net of investment expense.

Fiscal Year Ending <u>December 31</u>	Net Money-Weighted <u>Rate of Return</u>
2015	(1.47%)
2016	7.97%
2017	14.94%
2018	(3.67%)
2019	16.06%
2020	2.05% *
2021	12.67%
2022	(8.01%)
2023	11.70%
2024	9.59%

* The Net Money-Weighted Rate of Return was revised from 1.91% to 2.05%, based on subsequent information received for the Plan's Private Market investments fourth quarter, in the first year of the adoption of GASB 84.

Calculation on Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2024.

INDEPENDENT ACCOUNTANT'S AGREED-UPON PROCEDURES REPORT

The Audit Committee of the
Metropolitan Transportation Authority

We have performed the procedures enumerated in the accompanying Exhibit A on the Metropolitan Transportation Authority (the "MTA") Office of the Inspector General's budget accountability for the year ended December 31, 2024 ("the subject matter"). The MTA Office of the Inspector General (the "IG") is responsible for the subject matter.

The MTA, the IG, and the Auditor General of the MTA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the specified parties in evaluating the subject matter.

We make no representation regarding the appropriateness of the procedures either for the purpose for which our report has been requested or for any other purpose. Accordingly, this report may not be suitable for either the purpose of which this report has been requested or for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the accompanying Exhibit A.

We were engaged by the MTA, the IG, and the Auditor General of the MTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the MTA, the IG, and the Auditor General of the MTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the MTA, the IG, and the Auditor General of the MTA, and is not intended to be, and should not be, used by anyone other than these specified parties.

AGREED-UPON PROCEDURES PERFORMED
IN CONNECTION WITH THE MTA IG'S
BUDGET ACCOUNTABILITY FOR THE
YEAR ENDED DECEMBER 31, 2024

July 28, 2025

EXHIBIT A

The procedures and the associated findings are as follows:

1. We utilized a random number generator to randomly select five employees from the MTA Headquarters - IG payroll register for the month of December 2024 and we compared each individual's salary to an approved Personnel Action Form obtained from the IG management ("management").

We found no exceptions as a result of the procedures.

2. We utilized a random number generator to randomly select two terminated employees from the listing of terminated employees for the year ended December 31, 2024 and obtained each individual's Personnel Action Form for completeness. We inspected the payroll register subsequent to each employee's termination and inspected these employees were removed from the payroll register.

We found no exceptions as a result of the procedures.

3. We compared the IG's total payroll per the payroll register for the month of December 2024 to the MTA's monthly expense report for the month of December 2024 and observed they agreed.

We found no exceptions as a result of the procedures.

4. We utilized a random number generator to randomly select five purchases made during the year from the IG's general ledger for the year ended December 31, 2024. For each purchase, we obtained from management the related requisitions and purchase orders and observed an approver's sign off.

We found no exceptions as a result of the procedures.

5. We utilized a random number generator to randomly select fifteen disbursements from the IG's General Fund for the year ended December 31, 2024 and compared the selected disbursements to supporting documentation including invoices, purchases orders and cancelled checks obtained from management. For each selected disbursement, we observed the reimbursement recorded agreed to the invoice, purchase order, and cancelled check and was also signed off by management as evidence of authorization.

We found no exceptions as a result of the procedures.

6. We utilized a random number generator to randomly select five petty cash vouchers from the IG's general ledger for the three months ended December 31, 2024, and obtained the respective voucher from management. For each selection, we observed the voucher was approved and signed off by management in accordance with IG Petty Cash Policy.

AGREED-UPON PROCEDURES PERFORMED
IN CONNECTION WITH THE MTA IG'S
BUDGET ACCOUNTABILITY FOR THE
YEAR ENDED DECEMBER 31, 2024

We found no exceptions as a result of the procedures.

7. We compared the cash balance per the Cash Inspector General Fund's bank reconciliation for the month of December 2024 to the Authority's general ledger and observed they both agreed.

We found no exceptions as result of the procedures.

8. We utilized a random number generator to randomly select five employee reimbursements from the IG listing of employees' reimbursements for the year ended December 31, 2024. We observed the reimbursements were supported by invoices, purchase orders, bank statements, reimbursement applications and refund requisitions provided by management. We also utilized a random number generator to randomly select five employee expense reports from the IG listing of employee expenses reports for the year ended December 31, 2024 and observed the expense reports were supported by invoices, purchase orders, and proof of payment such as bank statements.

We found no exceptions as a result of the procedures.

9. We obtained a listing of fixed asset additions for the year ended December 31, 2024 from management. We observed that one fixed asset addition was made during the year ended December 31, 2024. For the fixed asset addition, we obtained the respective invoice, purchase order, and payment support from management. We observed management sign off of approval on the purchase orders and agreed the amounts in the invoices to proof of payment such as bank statements.

We found no exceptions as a result of the procedures.

10. We inquired of management whether there were any fixed asset disposals made during the year ended December 31, 2024 for the IG, and management indicated there were none.
11. We recalculated the depreciation expense amount for all fixed assets with depreciation expense recorded in the IG's general ledger for the month of December 2024 that were in excess of \$1,000.

We found no exceptions as a result of the procedures.

12. We compared the IG's general ledger depreciation expense for the month of December 2024 to the MTA's general ledger and found them to be in agreement.

We found no exceptions as a result of the procedures.

13. We compared the IG's total monthly expense report to the MTA's total monthly expense report for the month of December 2024. We observed that there was a difference of \$18,881. We were informed the difference is a direct result of professional service contracts incurred during the year that are required for the MTA's year-end accrual process.
14. We obtained from management the IG's 2024 total expense budget and the actual total expenditures for the year ended December 31, 2024. We compared these reports and observed that total actual expenditures were less than the IG's 2024 total expense budget by \$3,868,182.

**Metropolitan
Transportation Authority**
(A Component Unit of the State of New York)

Independent Auditor's Review Report

Interim Financial Statements as of and
for the Three-Month Period Ended March 31, 2025

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(A Component Unit of the State of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

**AS OF MARCH 31, 2025 AND DECEMBER 31, 2024 AND FOR THE THREE-MONTH PERIODS
ENDED MARCH 31, 2025 AND 2024**

(\$ 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 INTERIM FINANCIAL STATEMENTS

Introduction

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

Management’s Discussion and Analysis

This MD&A provides a narrative overview and analysis of the financial activities of the Metropolitan Transportation Authority and its consolidated subsidiaries and affiliates (the “MTA” or “MTA Group”) as of March 31, 2025 and December 31, 2024 and for the three-month periods ended March 31, 2025 and 2024. For financial reporting purposes, the subsidiaries and affiliates of the MTA are blended component units. This management discussion and analysis is intended to serve as an introduction to the MTA Group’s consolidated interim financial statements. It provides an assessment of how the MTA Group’s position has improved or deteriorated and identifies the factors that, in management’s view, significantly affected the MTA Group’s overall financial position. It may contain opinions, assumptions, or conclusions by the MTA Group’s management that must be read in conjunction with, and should not be considered a replacement for, the consolidated interim financial statements.

The Consolidated Interim Financial Statements

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

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

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

The Fiduciary Funds Financial Statements

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

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

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

Notes to the Consolidated Interim Financial Statements

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

Required Supplementary Information

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

Supplementary Information - Combining Fiduciary Funds Financial Statements

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

Supplementary Information

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of March 31, 2025 and December 31, 2024 and for the three-month periods ended March 31, 2025 and 2024. An analysis of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, the information contained within the summaries of the consolidated interim financial statements and the various exhibits presented were derived from the MTA Group's consolidated interim financial statements.

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

Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, 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.

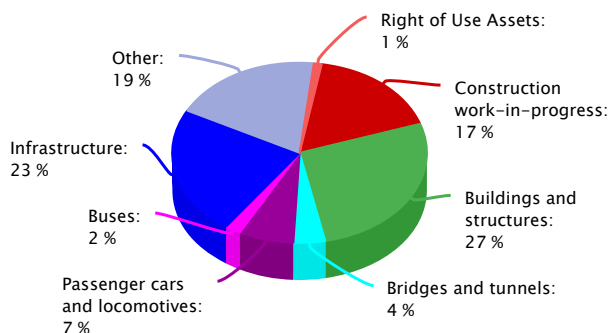
Deferred outflows of resources reflect: changes in fair values of hedging derivative instruments that are determined to be effective, unamortized loss on debt refunding and deferred outflows from pension and OPEB.

(In millions)

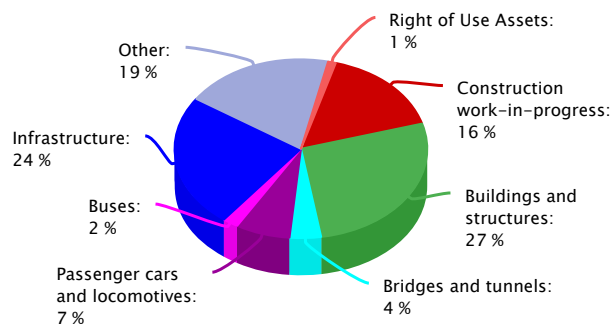
Capital assets — net (see Note 6)
Other assets
Total Assets
Deferred outflows of resources
Total assets and deferred outflows of resources

March 31, 2025	December 31, 2024	Increase / (Decrease)
\$ 94,711	\$ 94,353	\$ 358
20,698	17,537	3,161
115,409	111,890	3,519
8,279	8,343	(64)
<u>\$ 123,688</u>	<u>\$ 120,233</u>	<u>\$ 3,455</u>

Capital Assets, Net – March 31, 2025



Capital Assets, Net – December 31, 2024



Significant Changes in Assets and Deferred Outflows of Resources Include:**March 31, 2025 versus December 31, 2024**

- Net capital assets increased by \$358, or 0.4%. This change includes:
 - A net increase in construction in progress of \$1,297.
 - An increase in right-of-use assets of \$31.
 - A decrease in other assets of \$5.
 - These increases were offset by an increase in accumulated depreciation and amortization of \$928 and \$37, respectively. See Note 6 to the MTA's Consolidated Interim Financial Statements for further information.

Some of the more significant projects contributing to the increase were:

- Continued network expansion work for Penn Station Access.
 - 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 \$3,161, or 18.0%. The major items contributing to this change include:
 - An increase in investments of \$2,385, primarily due to TBTA's new bond issuances for Real Estate Transfer Tax Revenue bonds, PMT and Subordinate Revenue Bond Anticipation Notes.
 - A net increase in restricted and unrestricted cash of \$704 mainly from capital grants, revenue from Central Business District Tolling Program (CBDTP) and proceeds from mansion and internet tax.
 - A net increase in various current and non-current receivables of \$256, mainly due to accruals and timing of receipts of federal and state subsidies.
 - Offsetting these increases was a decrease in prepaid expenses of \$184.
 - Deferred outflows of resources decreased by \$64, or 0.8%, primarily attributed to decreases in the amortization of loss on debt refunding of \$74 and deferred outflows related to pensions of \$9, offset by increases in the fair value of derivative instruments of \$19 as a result of market movements.

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

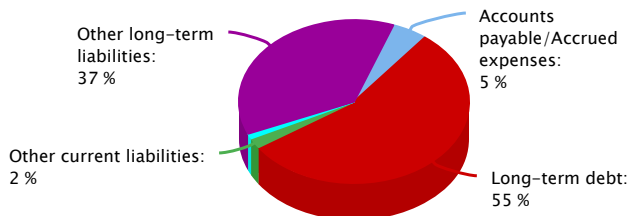
Current liabilities include: accounts payable, accrued expenses including current portion of compensated absences, current portion of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, the current portion of long-term lease liability, and other current liabilities.

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

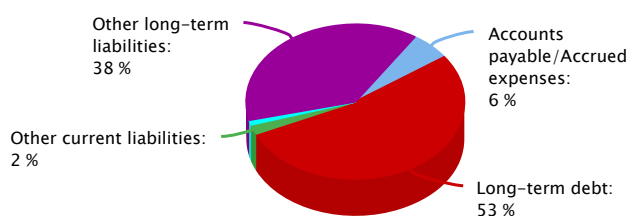
Deferred inflows of resources reflect unamortized gains on debt refunding and deferred inflows related to leases, pensions, and OPEB.

(In millions)	March 31, 2025	December 31, 2024	Increase / (Decrease)
Current liabilities	\$ 8,410	\$ 8,060	\$ 350
Non-current liabilities	85,787	82,996	2,791
Total liabilities	94,197	91,056	3,141
Deferred inflows of resources	8,979	8,983	(4)
Total liabilities and deferred inflows of resources	\$ 103,176	\$ 100,039	\$ 3,137

Total Liabilities – March 31, 2025



Total Liabilities – December 31, 2024



Significant Changes in Liabilities and Deferred Inflows of Resources Include:

March 31, 2025 versus December 31, 2024

- Current liabilities increased by \$350, or 4.3%. The increase was primarily due to:
 - A decrease in capital accruals of \$574.
 - A decrease in other accrued expenses of \$139.
 - A net decrease in employee related accruals of \$115.
 - A net decrease in other current liabilities of \$31.
 Offsetting the decreases were:
 - An increase in accrued interest of \$523, primarily due to additional bond issuances.
 - An increase in unearned revenues of \$330 due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.
 - An increase in accounts payable due to vendors of \$249 due to the timing of invoice processing and purchasing activity.
 - An increase in accrued expenses of \$107.
- Non-current liabilities increased by \$2,791, or 3.4%. This increase was mainly due to:
 - An increase in the non-current portion of long-term debt of \$2,731 mainly as a result of issuances of Payroll Mobility Tax Bond Anticipation Notes, Subordinate Revenue Bond Anticipation Notes and Real Estate Transfer Tax Revenue Bonds.
 - An increase of \$23 in contract retainage payable.
 - An increase of \$20 in estimated liability arising from injuries to persons.
 - An increase in derivative liabilities of \$15.
 - An increase in lease payable of \$11.
 - An increase in compensated absences of \$8.
 - An increase in financed purchase of \$3.
 Offsetting the increases were decreases in subscription based information technology arrangements of \$11, derivative liabilities with off market elements of \$7 and pollution remediation projects of \$1 and loan payable of \$1.
- Deferred inflows of resources decreased by \$4, or 0.0%.

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

(In millions)	March 31, 2025	December 31, 2024	Increase / (Decrease)
Net investment in capital assets	\$ 42,255	\$ 43,847	\$ (1,592)
Restricted for debt service	997	709	288
Restricted for claims	230	192	38
Restricted for other purposes	2,503	2,222	281
Unrestricted	(25,473)	(26,776)	1,303
Total Net Position	<u>\$ 20,512</u>	<u>\$ 20,194</u>	<u>\$ 318</u>

Significant Changes in Net Position Include:

March 31, 2025 versus December 31, 2024

On March 31, 2025, total net position increased by \$318, or 1.6%, when compared with December 31, 2024. This change is a result of net non-operating revenues of \$1,812 appropriations, grants and other receipts externally restricted for capital projects of \$1,332, which was offset by operating losses of \$2,826.

The net investment in capital assets decreased by \$1,592, or 3.6%. Funds restricted for debt service, claims and other purposes increased by \$607, or 19.4% in the aggregate, mainly due to scheduled debt service payments. Unrestricted net position increased by \$1,303, or 4.9%.

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

(In millions)	Three-Month Period Ended March 31, 2025	2024	Increase / (Decrease)
Operating revenues			
Passenger and tolls	\$ 1,962	\$ 1,734	\$ 228
Other	235	210	25
Total operating revenues	<u>2,197</u>	<u>1,944</u>	<u>253</u>
Non-operating revenues			
Grants, appropriations and taxes	1,778	1,514	264
Other	538	376	162
Total non-operating revenues	<u>2,316</u>	<u>1,890</u>	<u>426</u>
Total revenues	<u>4,513</u>	<u>3,834</u>	<u>679</u>
Operating expenses			
Salaries and wages	1,822	1,792	30
Retirement and other employee benefits	963	925	38
Postemployment benefits other than pensions	210	214	(4)
Depreciation and amortization	966	914	52
Other expenses	1,062	929	133
Total operating expenses	<u>5,023</u>	<u>4,774</u>	<u>249</u>
Non-operating expenses			
Interest on long-term debt	503	459	44
Other net non-operating expenses	1	1	-
Total non-operating expenses	<u>504</u>	<u>460</u>	<u>44</u>
Total expenses	<u>5,527</u>	<u>5,234</u>	<u>293</u>
Income (loss) before appropriations, grants and other receipts externally restricted for capital projects	(1,014)	(1,400)	386
Appropriations, grants and other receipts externally restricted for capital projects	1,332	833	499
Change in net position	318	(567)	885
Net position, beginning of period	20,194	17,247	2,947
Net position, end of period	<u>\$ 20,512</u>	<u>\$ 16,680</u>	<u>\$ 3,832</u>

Revenues and Expenses, by Major Source:

Period ended March 31, 2025 versus 2024

- Total operating revenues increased by \$253, or 13.0%. The increase was mainly due to increased ridership on trains and subways, as well as increased tolls from vehicle crossings. Fare and toll revenue had increases of \$66 and \$162, respectively. Other operating revenues increased by \$25 when compared with the same period in 2024 due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues increased by \$426, or 22.5%.
 - Grants, appropriations, and taxes increased by \$264 primarily due to increases in Payroll Mobility Tax subsidies of \$140, Urban Tax subsidies of \$38, Mansion Tax of \$36, Mortgage Recording Tax subsidies of \$27, Internet Sales Tax of \$11, MTA Aid Trust subsidies of \$9, NYC Assistance Fund of \$4 and Mass Transportation Trust Fund subsidies of \$2. These increases were offset by decreases in Operating Assistance - 18-B program of \$2 and Build America Bond subsidy of \$1.
 - Other non-operating revenues increased by \$162, primarily due to an increase of \$181 in FTA reimbursement for preventive maintenance for NYCT, an increase in operating subsidies recoverable from NYC of \$11 and an increase in station maintenance of \$1. Offsetting these increases were decreases in other net non-operating expenses of \$23 and from Connecticut Department of Transportation of \$8.
- Labor costs increased by \$64, or 2.2% due to a \$30 increase in salaries and wages and a net increase of \$34 in employee benefits, including post-retirement benefits.
- Non-labor operating costs increased by \$185, or 10.0%. The variance was primarily due to:
 - An increase in depreciation and amortization of \$52 primarily due to assets placed into service.
 - An increase in maintenance and other operating contracts of \$42.
 - An increase in paratransit service contracts of \$27.
 - An increase in electric power of \$22.
 - An increase in professional service contracts of \$20.
 - An increase in material and supplies of \$14.
 - An increase in other operating expenses of \$9.
 - An increase in claims of \$8.
 - An increase in fuel of \$1.

These increases were offset by the following decreases:

- A decrease in insurance of \$9.
- A decrease in pollution remediation projects of \$1.
- Total net non-operating expenses increased by \$44, or 9.6%, primarily due to an increase in interest on long-term debt as a result of higher long-term debt balances.
- Appropriations, grants and other receipts externally restricted for capital projects increased by \$499, or 59.9% mainly due to timing of requisitioning for Federal and State grants.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions

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

Preliminary MTA system-wide ridership for first quarter 2025 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The first quarter 2025 over above paid ridership during the first quarter of 2024 by 33 million (8.4%). For the first quarter of 2025 compared with the first quarter of 2024, MTA New York City

Transit subway paid ridership increased by 19.3 million trips (6.8%), MTA New York City Transit bus paid ridership increased by 9.5 million trips (12.4%), MTA Long Island Rail Road paid ridership increased by 1.5 million trips (8.7%), MTA Metro-North Railroad paid ridership increased by 892 thousand trips (5.9%), MTA Bus paid ridership increased by 1.9 million trips (9.8%), and MTA Staten Island Railway paid ridership increased by 1 thousand trips (0.2%). Paid vehicle traffic at Triborough Bridge and Tunnel Authority (“TBTA”) d/b/a MTA Bridges and Tunnels (“B&T”) facilities for the first quarter of 2025 was below 2019 levels by 4.7 million crossings (6.0%), and B&T traffic in the first quarter, compared with the first quarter of 2024, was down 1.1 million crossings (1.5%).

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”), decreased at an annualized rate of -0.3% in the first quarter of 2025, according to the most recent estimate released by the Bureau of Economic Analysis; in the fourth quarter of 2024, the revised RGDP increased 2.4 percent. The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports. The increase in consumer spending reflected increases in both services and goods. Within services, increases were widespread, led by spending on health care as well as housing and utilities. Within goods, an increase in nondurable goods was partly offset by a decrease in durable goods. The largest contributor to the increase in investment was private inventory investment, led by an increase in wholesale trade (notably, drugs and sundries).

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 first quarter of 2025, with the metropolitan area index increasing 4.0% while the national index increased 2.7% when compared with the first quarter of 2024. Regional prices for energy products increased 3.0% while national prices for energy products fell 0.9%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.0%, while nationally, inflation exclusive of energy products increased 3.0%. The New York Harbor spot price for conventional gasoline decreased by 11.3% from an average price of \$2.57 per gallon to an average price of \$2.08 per gallon between the first quarters of 2024 and 2025.

In its announcement on May 7, 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. The Committee would be 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’s assessments will take into account 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 first quarter of 2025 were higher than the first quarter of 2024 by \$30.9 million (41.7%). Average monthly receipts in the first quarter of 2025 were \$34.9 million (-45.1%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA’s Urban Tax receipts during the first quarter of 2025—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 \$33.2

million (35.1%) higher than receipts during the first quarter of 2024. Average monthly receipts in the first quarter of 2025 were \$31 million (-42.1%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

MTA Bridges and Tunnels – For the three months ended March 31, 2025, operating revenue from tolls totaled \$749.8, which was \$160.6, or 27.3%, higher than the three months of 2024. Paid traffic for the first quarter of 2025 totaled 77.3 million crossings, which was 1.2 million, or 1.5 % below the first quarter of 2024. This decrease was primarily due to one less calendar day in 2025 because 2024 was a leap year and the first significant monthly accumulation of snow in several years.

MTA New York City Transit – For the three months ended March 31, 2025, revenue from fares was \$867, an increase of \$48, or 5.8%, compared to March 31, 2024. For the same comparative period, total operating expenses were higher by \$116, or 3.9%, totaling \$3,083 for the three months ended March 31, 2025.

MTA Long Island Rail Road – Total operating revenue for the three months ended March 31, 2025 was \$161, which was higher by \$12, or 8.37%, compared to three months ended March 31, 2024. For the same comparative period, operating expenses were higher by \$40, or 6.6%, totaling \$644 for the three months ended March 31, 2025.

MTA Metro-North Railroad – For the three months ended March 31, 2025, operating revenues totaled \$157, an increase of \$6, or 3.8%, compared to March 31, 2024. During the same period, operating expenses increased by \$19, or 4.0%, to \$497. For the three months ended March 31, 2025, fare revenue increased by 4.5%, or \$146 compared to March 31, 2024. Passenger fares accounted for 93.21% and 92.58% of operating revenues in 2025 and 2024, respectively. The remaining revenue represents collection of rental income from stores in and around passenger stations and revenue generated from advertising.

The MTA receives the equivalent of four quarters of Metropolitan Mass Transportation Operating Assistance (“MMTOA”) receipts each year, with the state advancing the first quarter of each succeeding calendar year’s receipts in the fourth quarter of the current year. This results in little or no Metropolitan Mass Transportation Operating Assistance receipts being received during the first quarter of each calendar year. The MTA has made other provisions to provide for cash liquidity during this period. During April 2024, the State appropriated \$2.99 billion in MMTOA funds. There has been no change in the timing of the State’s payment of, or MTA’s receipt of, Dedicated Mass Transportation Trust Fund (“MTTF”) receipts, which MTA anticipates will be sufficient to make monthly principal and interest deposits into the Debt Service Fund for the Dedicated Tax Fund Bonds. The total MRT for the period ended March 31, 2025 was \$104 compared to \$77 at March 31, 2024.

Capital Programs

At March 31, 2025, \$32,001 had been committed and \$13,921 had been expended for the combined 2020-2024 Capital Programs and the 2020-2024 MTA Bridges and Tunnels Capital Program, \$31,093 had been committed and \$27,632 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and \$30,078 had been committed and \$28,718 had been expended for the combined 2010- 2014 MTA Capital Programs and the 2010-2014 MTA Bridges and Tunnels Capital Program, and \$24,114 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 million to support the Penn Station Access project. On July 27, 2022 the MTA Board approved an amendment to increase the 2020-2024 Capital Program by \$108 million to reflect addition of new projects, additional support for existing projects and changes to existing project budgets. The capital programs were subsequently submitted to the CPRB on August 1, 2022 and approved on August 30, 2022. On June 27, 2023, the MTA Board approved an amendment primarily to reflect \$678 million in budget transfers from the core agencies to support Network Expansion’s Penn Station Access project. The amendment to the capital programs was subsequently submitted to the CPRB, and deemed approved on July 31, 2023. The revised 2020-2024 MTA Bridges and Tunnels Capital Program totaling \$3,327 as last approved by the MTA Board on July 27, 2022, remain 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 million 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 deemed 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 deemed 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 deemed 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 deemed 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 deemed 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 million 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 \$11,203 in MTA bonds and PAYGO, \$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, \$906 from asset sale/leases, and \$274 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 deemed 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 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 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 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 deemed 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 deemed 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 million 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 March 31, 2025, 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 2025 MTA February Financial Plan

This Plan includes the 2024 Final Estimate, the 2025 Adopted Budget, and the 2025-2028 Financial Plan. Financials are unchanged from the November Plan, which was adopted by the MTA Board in December 2024. Minor technical adjustments with no material financial impact have been incorporated into this Plan. The February Plan also provides schedules detailing the monthly allocation of financials, headcount, and utilization based on the 2025 Adopted Budget for the purpose of reporting actual results to the MTA Board.

The February Plan continues to present a balanced budget annually through 2026. Detailed explanations of the programs and assumptions supporting this Plan can be found in the November Financial 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.

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.

The 2024 November Financial Plan was approved by the MTA Board at its December 2024 meeting and can be found at <https://www.mta.info/transparency/financial-information/financial-and-budget-statements> under 2024: MTA 2025 Budget and 2025-2028 Financial Plan Adoption Materials. Additional information can be found in the 2024 November Financial Plan under 2024: MTA 2025 Final Proposed Budget, November Financial Plan 2025-2028 (volumes 1 and 2).

More detailed information on the February Plan can be found in the MTA 2025 Adopted Budget - February Financial Plan 2025-2028 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 March 31, 2025, MTA has drawn down a total of \$4.46 billion in grant reimbursement for eligible operating and capital expenses. The balance of funds to be drawn down from all twenty-four grants is available to MTA for reimbursement of eligible expenses as requisitions are submitted by MTA and approved by FTA. Additional requisitions are in process. At MTA and Amtrak’s request, in April 2018, FTA transferred \$13.5 million of MTA’s emergency relief allocation to the Federal Railroad Administration (“FRA”) to allow Amtrak to execute a portion of MTA Long Island Rail Road’s Competitive Resilience scope.

Labor Update

In 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. [1]

At Metro-North, negotiations continued through 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[2]. 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.[3]

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 2024, 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] In January 2025, the MTA Board approved a similar agreement between Metro-North Railroad and approximately 734 members of the International Brotherhood of Electrical Workers. The agreement will cover the period September 1, 2019 through June 21, 2027. Like the ACRE agreements, the IBEW contract includes significant new work rule savings and improvements in operational efficiencies; and it includes the identical pattern of wage increases received by the ACRE employees over the same two rounds of bargaining. While those increases deviate from the pattern included in earlier railroad agreements during the current round of bargaining, the cost of wage increases exceeding those anticipated by the MTA Financial Plan will be fully offset by the recurrent savings and efficiencies of the new provisions.

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

[3] 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.

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF MARCH 31, 2025 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2024

(\$ In millions)

	Business-Type Activities	
	March 31, 2025	December 31, 2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	\$ 1,517	\$ 1,029
Cash restricted (Note 3)	967	751
Unrestricted investments (Note 3)	6,952	7,359
Restricted investments (Note 3)	3,196	2,495
Restricted investments held under financed purchase obligations (Notes 3 and 10)	96	95
Receivables:		
Station maintenance, operation, and use assessments	205	154
State and regional mass transit taxes	434	192
Mortgage Recording Tax receivable	31	32
State and local operating assistance	6	40
Other receivable from New York City and New York State	281	249
Due from Build America Bonds	1	-
Receivable from federal and state government	292	363
Other	1,247	1,127
Less allowance for doubtful accounts	(608)	(544)
Total receivables — net	1,889	1,613
Materials and supplies	789	788
Prepaid expenses and other current assets (Note 2)	621	805
Total current assets	16,027	14,935
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	16,369	15,072
Other capital assets (net of accumulated depreciation and amortization)	78,342	79,281
Unrestricted investments (Note 3)	2,999	920
Restricted investments (Note 3)	1,141	1,139
Restricted investments held under financed purchase obligations (Notes 3 and 10)	300	291
Other non-current receivables	207	211
Other non-current assets	24	41
Total non-current assets	99,382	96,955
TOTAL ASSETS	115,409	111,890
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	81	62
Loss on debt refunding (Note 7)	216	290
Deferred outflows related to pensions (Note 4)	2,156	2,165
Deferred outflows related to OPEB (Note 5)	5,826	5,826
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,279	8,343
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 123,688	\$ 120,233

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

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(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF MARCH 31, 2025 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2024

(\$ In millions)

	Business-Type Activities	
	March 31, 2025	December 31, 2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	\$ 950	\$ 701
Accrued expenses:		
Interest	807	284
Salaries, wages and payroll taxes	433	544
Current portion - compensated absences	748	745
Current portion — retirement and death benefits	25	32
Current portion — estimated liability from injuries to persons (Note 12)	1,030	1,037
Capital accruals	127	701
Other accrued expenses	1,028	1,060
Total accrued expenses	4,198	4,403
Current portion — loan payable (Note 7)	10	11
Current portion — long-term debt (Note 7)	1,453	1,472
Current portion — pollution remediation projects (Note 15)	35	35
Derivative fuel hedge liability (Note 17)	5	9
Unearned revenues	1,759	1,429
Total current liabilities	8,410	8,060
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	6,755	6,755
Estimated liability arising from injuries to persons (Note 13)	5,809	5,789
Net OPEB liability (Note 5)	20,229	20,229
Loan payable (Note 7)	50	51
Long-term debt (Note 7)	49,963	47,232
Lease payable (Note 8)	879	868
Subscription-Based Information Technology Arrangements (Note 9)	107	118
Financed purchase (Note 10)	186	183
Compensated absences	757	749
Pollution remediation projects (Note 15)	165	166
Contract retainage payable (Note 16)	523	500
Derivative liabilities (Note 7)	97	89
Other long-term liabilities (Note 16)	267	267
Total non-current liabilities	85,787	82,996
TOTAL LIABILITIES	94,197	91,056
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to leases (Note 8)	205	209
Deferred inflows related to pensions (Note 4)	335	335
Deferred inflows related to OPEB (Note 5)	8,439	8,439
TOTAL DEFERRED INFLOWS OF RESOURCES	8,979	8,983
NET POSITION:		
Net investment in capital assets	42,255	43,847
Restricted for debt service	997	709
Restricted for claims	230	192
Restricted for other purposes	2,503	2,222
Unrestricted	(25,473)	(26,776)
TOTAL NET POSITION	20,512	20,194
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 123,688	\$ 120,233

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

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(A Component Unit of the State of New York)

**CONSOLIDATED INTERIM STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**

(\$ In millions)

	Business-Type Activities	
	March 31, 2025	March 31, 2024
OPERATING REVENUES:		
Fare revenue	\$ 1,214	\$ 1,148
Vehicle toll revenue	748	586
Rents, freight, and other revenue	235	210
Total operating revenues	2,197	1,944
OPERATING EXPENSES:		
Salaries and wages	1,822	1,792
Retirement and other employee benefits	963	925
Postemployment benefits other than pensions (Note 5)	210	214
Electric power	150	128
Fuel	58	57
Insurance	1	10
Claims	99	91
Paratransit service contracts	168	141
Maintenance and other operating contracts	218	176
Professional service contracts	110	90
Pollution remediation projects (Note 15)	1	2
Materials and supplies	173	159
Depreciation and amortization (Note 2 and Note 6)	966	914
Other	84	75
Total operating expenses	5,023	4,774
OPERATING INCOME (LOSS)	(2,826)	(2,830)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	153	151
Payroll Mobility Tax subsidies	1,039	899
MTA Aid Trust Account subsidies	67	58
Internet sales tax subsidies	84	73
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	104	77
Urban Tax subsidies	124	86
Mansion Tax	107	71
Other subsidies:		
Operating Assistance - 18-B program	5	7
Build America Bond subsidy	1	2
New York City Assistance Fund	94	90
Total grants, appropriations and taxes	1,778	1,514
Connecticut Department of Transportation	\$ 58	\$ 66

(A Component Unit of the State of New York)

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

THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024

(\$ In millions)

	Business-Type Activities	
	March 31, 2025	March 31, 2024
Subsidies paid to Dutchess, Orange, and Rockland Counties	(1)	(1)
Interest on long-term debt (Note 2)	(503)	(459)
Station maintenance, operation and use assessments	51	50
Operating subsidies recoverable from NYC	140	129
Federal Transit Administration reimbursement	181	-
Other net non-operating revenues	108	131
Net non-operating revenues	1,812	1,430
(LOSS) / GAIN BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	(1,014)	(1,400)
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	1,332	833
CHANGE IN NET POSITION	318	(567)
NET POSITION— Beginning of period	20,194	17,247
NET POSITION — End of period	<u>\$ 20,512</u>	<u>\$ 16,680</u>

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

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(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(\$ In millions)

	Business-Type Activities	
	March 31, 2025	March 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	\$ 1,946	\$ 1,722
Rents and other receipts	335	326
Payroll and related fringe benefits	(3,084)	(3,104)
Other operating expenses	(935)	(918)
Net cash used by operating activities	(1,738)	(1,974)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	1,201	1,174
Operating subsidies from CDOT	60	43
Subsidies paid to Dutchess, Orange, and Rockland Counties	(8)	(8)
Other non-capital financing activities	6	2
Net cash provided by noncapital financing activities	1,259	1,211
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	908	1,905
MTA Bridges and Tunnels bond proceeds	2,671	2,438
MTA bonds refunded/reissued	(779)	(2,069)
MTA anticipation notes proceeds	-	500
Federal and local grants	1,007	606
Other capital financing activities	843	(208)
Payment for capital assets	(1,556)	(1,347)
Debt service payments	(63)	(280)
Internet and Mansion Tax	188	164
Receipts from leases	18	17
Payments related to leases	(26)	(24)
Net cash provided by capital and related financing activities	3,211	1,702
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(3,471)	(1,341)
Sales or maturities of long-term securities	3,756	1,268
Net purchases of short-term securities	(2,412)	(924)
Earnings on investments	99	102
Net cash used by investing activities	(2,028)	(895)
NET INCREASE IN CASH	704	44
CASH — Beginning of period	1,780	1,588
CASH — End of period	\$ 2,484	\$ 1,632

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

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(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(\$ In millions)

	Business-Type Activities	
	March 31, 2025	March 31, 2024
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY		
OPERATING ACTIVITIES:		
Operating loss (Note 2)	\$ (2,826)	\$ (2,830)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	966	914
Net increase / (decrease) in payables, accrued expenses, and other liabilities	74	(217)
Net (decrease) / increase in receivables	(118)	227
Net increase / (decrease) in materials and supplies and prepaid expenses	166	(68)
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (1,738)</u>	<u>\$ (1,974)</u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	\$ (91)	\$ (147)
Total Noncash investing activities	<u>(91)</u>	<u>(147)</u>
Noncash capital and related financing activities:		
Capital assets related liabilities	1,218	1,177
Interest expense for leases	17	36
Interest income from leases	4	6
Total Noncash capital and related financing activities	<u>1,239</u>	<u>1,219</u>
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 1,148</u>	<u>\$ 1,072</u>

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

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(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	\$10,625	\$10,985
Receivables:		
Employee loans	28,016	26,521
Participant and union contributions	3	-
Investment securities sold	3,404	1,810
Accrued interest and dividends	20,988	6,011
Other receivables	6,664	2,680
Total receivables	59,075	37,022
Investments at fair value/NAV:	-	-
Equity securities	5,040,195	3,750,308
Fixed income securities	4,057,500	2,093,852
Other Alternative investments*	3,325,092	3,475,825
Total Investments at fair value/NAV	12,422,787	9,319,985
Total assets	\$12,492,487	\$9,367,992
LIABILITIES:		
Accounts payable and accrued liabilities	\$6,665	\$6,319
Payable for investment securities purchased	27,381	9,992
Accrued benefits payable	615	76
Accrued postretirement death benefits (PRDB) payable	5,720	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	1,504	2,527
Other liabilities	987	1,082
Total liabilities	42,872	25,715
NET POSITION:		
Restricted for pensions	11,075,711	9,330,542
Restricted for postemployment benefits other than pensions	1,373,904	11,735
Restricted for other employee benefits	-	-
Total net position	12,449,615	9,342,277
Total liabilities and net position	\$12,492,487	\$9,367,992

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

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

(A Component Unit of the State of New York)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(\$ In thousands)

	Fiduciary Activities	
	December 31, 2024	December 31, 2023
ADDITIONS:		
Contributions:		
Employer contributions	\$ 1,497,809	\$ 3,439,246
Implicit rate subsidy contribution	66,606	62,445
Participant rollovers	4,216	-
Member contributions	68,087	63,744
Total contributions	<u>1,636,718</u>	<u>3,565,435</u>
Investment income:		
Net appreciation / depreciation in fair value of investments	937,028	1,092,168
Dividend income	111,106	110,796
Interest income	142,830	89,805
Less:		
Investment expenses	<u>76,119</u>	<u>81,759</u>
Investment income, net	<u>1,114,845</u>	<u>1,211,010</u>
Other additions:		
Total additions	<u>2,751,563</u>	<u>4,776,445</u>
DEDUCTIONS:		
Benefit payments and withdrawals	1,689,577	1,599,856
Implicit rate subsidy payments	66,606	62,445
Transfer to other plans	944	890
Administrative expenses	<u>6,389</u>	<u>5,916</u>
Total deductions	<u>1,763,516</u>	<u>1,669,107</u>
Net increase / (decrease) in fiduciary net position	988,047	3,107,338
NET POSITION:		
Restricted for Benefits:		
Beginning of year	<u>12,449,615</u>	<u>9,342,277</u>
End of year	<u>\$ 13,437,662</u>	<u>\$ 12,449,615</u>

See notes to the basic financial statements.

(A Component Unit of the State of New York)

**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS OF MARCH 31, 2025 AND DECEMBER 31, 2024 AND
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024**

(\$ In millions, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity — The Metropolitan Transportation Authority (“MTA”) was established in 1965, under Section 1263 of the New York Public Authorities Law, and is a public benefit corporation and a component unit of the State of New York (“NYS”) whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area.

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

Metropolitan Transportation Authority and Related Groups (Component Units)

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

The subsidiaries and affiliates, considered component units of the MTA, are operationally and legally independent of the MTA. These related groups enjoy certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, they are included in the MTA’s consolidated financial statements as blended component units because of the MTA’s financial accountability for these entities and they are under the direction of the MTA Board (a reference to “MTA Board” means the board of MTAHQ and/or the boards of the other MTA Group entities that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include these related groups in its financial statements. While certain units are separate legal entities, they do have legal capital requirements and the revenues of all of the related groups of the MTA are used to support the organizations as a whole. The components do not constitute a separate accounting entity (fund) since there is no legal requirement to account for the activities of the components as discrete accounting entities.

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

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including anticipated revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the period ended March 31, 2025 and 2024 totaled \$1.8 billion and \$1.5 billion, respectively.

Basis of Presentation - Fiduciary Funds – The fiduciary fund financial statements provide information about the funds that are used to report resources held in trust for retirees and beneficiaries covered by pension plans and other employee benefit trust funds of the MTA. Separate financial statements are presented for the fiduciary funds.

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

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

These fiduciary statements of the fiduciary funds are prepared using the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits. Both proprietary funds and fiduciary funds use the economic resources measurement focus. For reporting purposes, the financial results of the MNR Cash Balance Plan are not material and therefore not included in the fiduciary statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

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

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

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

Net Position – Restricted and Unrestricted – When both restricted and unrestricted resources are available for use, the MTA normally uses restricted resources first, and then unrestricted resources as needed, unless there are legal requirements to the contrary. The MTA does not have a formal policy with respect to the order in which unrestricted resources are to be used, therefore, in accordance with GASB Statement No. 54, the MTA’s unrestricted resources will be used in the following order: committed, assigned, and unassigned. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

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

Investments 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 on March 31, 2025 and December 31, 2024.

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

Materials and Supplies — Materials and supplies are valued at average cost, net of obsolescence reserve at March 31, 2025 and December 31, 2024 of \$278 and \$273, respectively.

Prepaid Expenses and Other Current Assets — Prepaid expenses and other current assets reflect advance payment of insurance premiums as well as 2024 and 2025 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, 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 MTA 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). Unexpired benefits that are more than likely to be used or settled at separation of service are recognized in the financial statements according to timing of estimated payment.

Pollution remediation projects — Pollution remediation costs have been expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (See Note 12). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the MTA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

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

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

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

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

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

Non-operating Revenues

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

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

- MRT-1 proceeds are initially used to pay MTAHQ’s operating expenses. Remaining funds, if any, are allocated 55% to certain transit operations and 45% to the commuter railroads operations. The commuter railroad portion is first used to fund the New York State Suburban Highway Transportation Fund in an amount not to exceed \$20 annually

(subject to the monies being returned under the conditions set forth in the governing statute if the Commuter Railroads are operating at a deficit).

- The first \$5 of the MRT-2 proceeds is transferred to the MTA Dutchess, Orange, and Rockland (“DOR”) Fund (\$1.5 each for Dutchess and Orange Counties and \$2 for Rockland County). Additionally, the MTA must transfer to each County’s fund an amount equal to the product of (i) the percentage by which each respective County’s mortgage recording tax payments (both MRT-1 and MRT-2) to the MTA increased over such payments in 1989 and (ii) the base amount received by each county as described above. The counties do not receive any portion of the September 1, 2005 increase in MRT-1 from 25 cents per \$100 of recorded mortgage to 30 cents. As of March 31, 2025, the MTA paid to Dutchess, Orange and Rockland Counties the 2024 excess amounts of MRT-1 and MRT-2 totaling \$9.5.
- In addition, MTA New York City Transit receives operating assistance directly from New York City through a mortgage recording tax at the rate of 0.625% of the debt secured by certain real estate mortgages and through a property transfer tax at the rate of one percent of the assessed value (collectively referred to as “Urban Tax Subsidies”) of certain properties.

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

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

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. MMTOA is recognized as revenue based upon reported amounts of taxes collected.

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. Revenue is recognized when received.

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

- A surcharge of \$2.75 on for-hire transportation trips provided by motor vehicles carrying passengers for hire (or \$2.50 in the case of taxicabs that are subject to the \$0.50 cents tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulance and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in New York City, in the Borough of Manhattan (the “Congestion Zone”), (2) originates anywhere in New York State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in New York State, or (4) originates anywhere in New York State, enters into the Congestion Zone while in transit, and terminates anywhere in New York State.
- A surcharge of \$0.75 cents for each person who both enters and exits a pool vehicle in New York State and who is picked up in, dropped off in, or travels through the Congestion Zone.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services. Congestion zone surcharges are recognized as revenue based upon reported amounts of surcharges collected.

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. Dedicated revenue is recognized as revenue based upon reported amounts of taxes collected.

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.

Revenue is recognized according to the calculated operating deficit and is adjusted when the annual bill is completed. The Service Agreement provides that final billings for each year be subject to audit by CDOT. The audits of 2024, 2023 and 2022 billings are in progress.

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

In 1995, New York City ceased reimbursing the MTA for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and New York City each began paying \$45 per annum to the MTA toward the cost of the program. In 2009, the State reduced their \$45 reimbursement to \$6.3. Beginning in 2010, the State increased their annual commitment to \$25.3 while New York City’s annual commitment remained at \$45. These commitments have been met by both the State and New York City for both 2023 and 2024. For the year ended December 31, 2024, the MTA received \$70.3 from the State and New York City combined, which include \$30.0 prepayment for the year 2025 from New York City.

Prior to April 1995, New York City was obligated to reimburse MTA New York City Transit for the transit police force. As a result of the April 1995 merger of the transit police force into the New York City Police Department, New York City no longer reimburses MTA New York City Transit for the costs of policing the Transit System on an ongoing basis since policing of the Transit System is being carried out by the New York City Police Department at New York City’s expense. MTA New York City Transit continues to be responsible for certain capital costs and support services related to such police activities, a portion of which is reimbursed by New York City. MTA New York City Transit received approximately 3.5 in the three months ended March 31, 2025 and 0.8 in the three months ended March 31, 2024 from New York City for the reimbursement of transit police costs.

MTAHQ bills MTA Metro-North Railroad through its consolidated services for MTA police costs in the New Haven line of which MTA Metro-North Railroad recovers approximately 65% from Connecticut Department of Transportation. The amounts billed for the periods ended March 31, 2025 and 2024 were 8.3 and 7.2, respectively. The amounts recovered for the periods ended March 31, 2025 and 2024 were approximately 5.4 and 4.7, respectively.

Federal law and regulations require a paratransit system for passengers who are not able to ride the buses and trains because of their disabilities. Pursuant to an agreement between New York City and the MTA, MTA New York City Transit, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with Disability Act of 1990. Services are provided by private vendors under contract with MTA New York City Transit. New York City reimburses MTA New York City Transit for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above or, an amount that is 20% greater than the amount paid by New York City for the preceding calendar year. Fare revenues and New York City’s reimbursement aggregated approximately 143.3 for the three months ended March 31, 2025 and 123.3 for the three months ended March 31, 2024.

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 retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of \$50 per occurrence with a \$50 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On March 31, 2025, the balance of the assets in this program was \$167.7.

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, 2025, 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 was procured through the commercial marketplace. Excess limits of \$9 was procured through FMTAC.

On March 1, 2025, 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 (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 policy was renewed as of May 1, 2025 for a period of thirty-six months.

Pension Plans — In accordance with the provisions of GASB 68, 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 75, and GASB Statement No. 85, *Omnibus* for the OPEB Plan, the MTA recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

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

3. CASH AND INVESTMENTS

Cash - The bank balances are insured up to \$250 thousand in the aggregate by the Federal Deposit Insurance Corporation (“FDIC”) for each bank in which funds are deposited. As of March 31, 2025, restricted cash, primarily for capital projects, totaled \$967.

Cash, including deposits in transit, consists of the following at March 31, 2025 and December 31, 2024 (in millions):

	March 31, 2025		December 31, 2024	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	\$ 581	\$ 569	\$ 319	\$ 317
Uninsured and not collateralized	1,903	1,873	1,461	1,443
Total Balance	<u>\$ 2,484</u>	<u>\$ 2,442</u>	<u>\$ 1,780</u>	<u>\$ 1,760</u>

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 statutes govern the MTA's investment policies. The MTA's uninsured and uncollateralized deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

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

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

The MTA had the following recurring fair value measurements as of March 31, 2025 and December 31, 2024 (in millions):

Investments by fair value level	March 31, 2025			December 31, 2024		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Debt Securities:						
U.S. treasury securities	\$ 13,395	\$ 12,045	\$ 1,350	\$ 10,806	\$ 9,674	\$ 1,132
U.S. government agency	192	-	192	278	-	278
Asset-backed securities	65	-	65	61	-	61
Commercial mortgage-backed securities	181	-	181	183	-	183
Foreign bonds	15	15	-	10	10	-
Corporate bonds	132	132	-	116	116	-
Tax Benefit Lease Investments:						
U.S. treasury securities	148	148	-	145	145	-
U.S. government agency	127	71	56	123	69	54
Repurchase agreements	308	308	-	459	459	-
Total investments by fair value level	<u>14,563</u>	<u>\$ 12,719</u>	<u>\$ 1,844</u>	<u>12,181</u>	<u>\$ 10,473</u>	<u>\$ 1,708</u>
Financed Purchases	121			118		
Total Investments	<u>\$ 14,684</u>			<u>\$ 12,299</u>		

Investments classified as Level 1 of the fair value hierarchy, totaling \$12,719 and \$10,473 as of March 31, 2025 and December 31, 2024, 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 \$248 and \$332, U.S. treasury securities totaling \$1,350 and \$1,132, asset-backed securities totaling \$65 and \$61, and commercial mortgage-backed securities totaling \$181 and \$183 as of March 31, 2025 and December 31, 2024, respectively, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by a third-party pricing service. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and indices. Fair value is defined as the quoted fair value on the last trading day

of the period. These prices are obtained from a third-party pricing service or our custodian bank.

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

All investments, other than the investments restricted for financed purchase obligations, are either insured or registered and held by the MTA or its agent in the MTA's name. Investments restricted for financed purchases are either held by MTA or its agent in the MTA's name or held by a custodian as collateral for MTA's obligation to make rent payments under financed purchase obligations. Investments had weighted average yields of 4.15% and 4.49% for the three months ended March 31, 2025 and year ended December 31, 2024, respectively.

Credit Risk — At March 31, 2025 and December 31, 2024, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in millions):

Quality Rating Standard & Poor's	March 31, 2025	Percent of Portfolio	December 31, 2024	Percent of Portfolio
A-1+	\$ -	0%	\$ 80	1%
AAA	313	2%	309	3%
AA+	56	0%	55	0%
AA	21	0%	19	0%
A	80	1%	73	1%
A-	66	0%	73	1%
BBB	55	0%	44	0%
Not Rated	357	3%	505	4%
U.S. Government	13,615	94%	11,023	90%
Total	14,563	100%	12,181	100%
Financed Purchases	121		118	
Total investment	<u>\$ 14,684</u>		<u>\$ 12,299</u>	

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

	March 31, 2025		December 31, 2024	
	Fair Value	Duration (in years)	Fair Value	Duration (in years)
(In millions)				
U.S. treasury securities	\$ 13,395	4.90	\$ 10,806	4.73
U.S. government agency	192	5.22	278	5.68
Tax benefit financed purchase investments	275	4.84	268	4.69
Repurchase agreement	308	-	459	-
Asset-backed securities ⁽¹⁾	65	3.00	61	2.77
Commercial mortgage-backed securities ⁽¹⁾	181	4.53	183	4.70
Foreign bonds ⁽¹⁾	15	6.13	10	6.51
Corporates ⁽¹⁾	132	5.69	116	5.49
Total fair value	14,563		12,181	
Modified duration		4.79		4.58
Investments with no duration reported	121		118	
Total investments	<u>\$ 14,684</u>		<u>\$ 12,299</u>	

⁽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 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 — 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 $\frac{1}{3}$ 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 $\frac{1}{3}$ of FAS; (b) performance of duty, which is payable if a participant is disabled in the performance of duty and is $\frac{1}{2}$ 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 $\frac{3}{4}$ 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:

- Tier 1 – 50 and 20 Plan
- Tier 2 – 55 and 25 Plan
- Tier 4 – 62 and 5 Plan (with Tier III Supplement)
- Tier 4 – 55 and 25 Plan (operating employees only)
- Tier 4 – 55 and 25 Plan (administrative employees only)
- Tier 4 – 57 and 5 Plan
- Tier 6 – 55 and 25 Plan (operating employees only)
- 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:

Year ended December 31,	2024	2023
(\$ in millions)	Actual Employer Contributions	Actual Employer Contributions
Additional Plan	\$ 75.0	\$ 140.4
MaBSTOA Plan	188.5	328.5
MNR Cash Balance Plan	0.0 *	0.0*
MTA Defined Benefit Plan	355.3	829.7
NYCERS	785.1	763.9
NYSLERS	22.2	14.1
Total	\$ 1,426.1	\$ 2,076.6

*MNR Cash Balance Plan's actual employer contributions for the periods ended March 31, 2025 and 2024 were \$12,589 (whole dollars) and \$4,463 (whole dollars), respectively.

Net Pension Liability

The MTA's net pension liabilities for each of the pension plans reported at December 31, 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

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:

Valuation Date:	LIRR Additional Plan		MaBSTOA Pension Plan		MNR Cash Balance Plan	
	January 1, 2023	January 1, 2022	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.	4.00%, net of investment expenses.	4.00%, net of investment expenses.
Salary Increases	3.00%	3.00%	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Not applicable	Not applicable
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%	2.25%	2.32%	2.40%
Cost-of-Living Adjustments	Not applicable	Not applicable	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	Not applicable	Not applicable

Valuation Date:	MTA Defined Benefit Pension Plan		NYCERS		NYSLERS	
	January 1, 2023	January 1, 2022	June 30, 2023	June 30, 2022	April 1, 2023	April 1, 2022
Investment Rate of Return	6.50%, net of investment expenses	6.50%, net of investment expenses	7.0% per annum, net of Investment Expenses	7.0% per annum, net of Investment Expenses	5.90% per annum, including inflation, net of investment expenses.	5.90% per annum, including inflation, net of investment expenses.
Salary Increases	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees.	Varies by years of employment, and employee group; 2.75% GWI increases for MTA Bus hourly employees.	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	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.50%	2.50%	2.90%	2.90%
Cost-of-Living Adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	AutoCOLA – 1.5% per annum Escalation – 2.5% per annum	AutoCOLA – 1.5% per 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 dated October 4, 2019 covering the period from January 1, 2012 - December 31, 2017, 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: Pri-2012 Employee mortality table with blue collar adjustments multiplied by 97% for rail males, 92% for MTA Bus and MaBSTOA 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).

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:

Asset Class	LIRR Additional Plan		MaBSTOA Pension Plan	
	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%
	<u>100.00%</u>		<u>100.00%</u>	
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		MNR Cash Balance Plan	
	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%	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%	-	-
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%	-	-
	<u>100.00%</u>		<u>100.00%</u>	
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		NYSLERS	
	Target Asset Allocation	Long - Term Expected Real Rate of Return	Target Asset Allocation	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%
	<u>100.00%</u>		<u>100.00%</u>	
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, Pension Plan	2024		2023	
	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	<u>\$ 1,200,887</u>	<u>\$ 711,781</u>	<u>\$ 489,106</u>	<u>\$ 4,685,055</u>	<u>\$ 3,810,475</u>	<u>\$ 874,580</u>

	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	<u>\$ 1,258,877</u>	<u>\$ 652,398</u>	<u>\$ 606,479</u>	<u>\$ 4,526,353</u>	<u>\$ 3,310,111</u>	<u>\$ 1,216,242</u>

	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	<u>\$ 262</u>	<u>\$ 253</u>	<u>\$ 9</u>	<u>\$ 8,277,409</u>	<u>\$ 6,553,455</u>	<u>\$ 1,723,954</u>

	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	<u>\$ 310</u>	<u>\$ 279</u>	<u>\$ 31</u>	<u>\$ 7,877,401</u>	<u>\$ 5,368,034</u>	<u>\$ 2,509,367</u>

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%	Discount	1% Increase	1%	Discount	1% Increase
	Decrease	Rate		Decrease	Rate	
	(5.5%)	(6.5%)	(7.5%)	(5.5%)	(6.5%)	(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

Measurement Date:	December 31, 2023			December 31, 2022		
	1%	Discount	1% Increase	1%	Discount	1% Increase
	Decrease	Rate		Decrease	Rate	
	(3.0%)	(4.0%)	(5.0%)	(3.0%)	(4.0%)	(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	22.075%	21.900%
MTA's proportionate share of the net pension liability	\$3,938,599	\$3,964,996

The following table presents the MTA's proportionate share of the net pension liability of NYSLERS based on the April 1, 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	0.299%	0.316%
MTA's proportionate share of the net pension liability	\$64,289	\$(25,856)

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	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(6.0%)	(7.0%)	(8.0%)	(6.0%)	(7.0%)	(8.0%)
NYCERS	\$6,382,217	\$3,938,599	\$1,876,193	\$6,309,639	\$3,964,996	\$1,984,590

Measurement Date:	March 31, 2024			March 31, 2023		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	(4.9%)	(5.9%)	(6.9%)	(4.9%)	(5.9%)	(6.9%)
NYSLERS	\$155,359	\$64,289	\$(11,810)	\$66,552	\$(25,856)	\$(103,150)

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

For the three months ended March 31, 2025 and year ended December 31, 2024, the MTA recognized pension expense related to each pension plan as follows (in \$ thousands):

Pension Plan	March 31, 2025	December 31, 2024
Additional Plan	18,239	\$58,880
MaBSTOA Plan	42,291	259,366
MNR Cash Balance plan	0	(12)
MTA Defined Benefit Plan	105,260	608,895
NYCERS	213,517	665,871
NYSLERS	5,536	23,325
Total	\$384,843	\$1,616,325

For the three-month period ended March 31, 2025 and year ended December 31, 2024, the MTA reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in \$ thousands):

For the Year Ended March 31, 2025	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan		MTA Defined Benefit Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 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 March 31, 2025	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	450,436	-	22,194	-	491,145	-
Total	\$ 1,030,998	\$ 231,280	\$ 65,272	\$ 28,196	\$ 2,155,465	\$ 334,508

For the Year Ended December 31, 2024	Additional Plan		MaBSTOA Plan		MNR Cash Balance Plan		MTA Defined Benefit Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 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	<u>\$ 42,276</u>	<u>\$ -</u>	<u>\$ 233,304</u>	<u>\$ 24,509</u>	<u>\$ 63</u>	<u>\$ -</u>	<u>\$ 783,552</u>	<u>\$ 50,523</u>

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	<u>\$ 1,040,483</u>	<u>\$ 231,280</u>	<u>\$ 65,272</u>	<u>\$ 28,196</u>	<u>\$ 2,164,950</u>	<u>\$ 334,508</u>

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.

Pension Plan	Recognition Period (in years)		
	Differences between expected and actual experience	Changes in proportion and differences between employer contributions and proportionate share of contributions	Changes in actuarial assumptions
Additional Plan	1.00	N/A	N/A
MaBSTOA Plan	6.20	N/A	6.20
MNR Cash Balance Plan	1.00	N/A	1.00
MTA Defined Benefit Plan	8.10	8.10	8.10
NYCERS	5.55	5.55	5.55
NYSLERS	5.00	5.00	5.00

For the three-month period ended March 31, 2025 and year ended December 31, 2024, \$491.1 and \$500.6 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:	Additional Plan	MaBSTOA Plan	MNR Cash Balance plan	MTA Defined Benefit Plan	NYCERS	NYSLERS	Total
	(in thousands)						
2024	\$ 7,218	\$ 75,413	\$ 5	\$ 216,736	\$ 116,924	\$ 8,834	\$ 425,130
2025	19,664	123,180	10	280,466	(42,342)	(3,268)	377,710
2026	10,140	86,844	14	238,182	509,498	13,635	858,313
2027	19,852	106,650	11	293,048	20,010	17,570	457,141
2028	-	(38)	-	89,346	29,079	-	118,387
Thereafter	-	(668)	-	52,142	-	-	51,474
	<u>\$ 56,874</u>	<u>\$ 391,381</u>	<u>\$ 40</u>	<u>\$ 1,169,920</u>	<u>\$ 633,169</u>	<u>\$ 36,771</u>	<u>\$ 2,288,155</u>

Deferred Compensation Program

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

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

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

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

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

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

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of \$20,500 dollars or \$27,000 dollars for those over age 50 for the year ended December 31, 2023. 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, 2024.

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

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

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

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

<u>Years of Service</u>	<u>Vested Percentage</u>
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:

<u>Years of Service</u>	<u>Vested Percentage</u>
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:

- i. Completing 5 years of service,
- ii. Attaining the Normal Retirement Age of 62 while in continuous employment, or
- iii. 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 accept rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

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

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Employer 401K contributions	<u>\$ 3,894</u>	<u>\$ 3,936</u>

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	<u>122,632</u>	<u>117,691</u>

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 \$944 and \$882 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of \$67 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. The advance contributions to the OPEB Trust in 2023 for a total of \$1,319 have been proportionately allocated to all agencies for use in future years.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB 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 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	<u>\$ 882,260</u>	<u>\$ 846,299</u>

(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).

Fiscal Year	NYSHIP Trend		TBTA No Rx Trend		Medicare Part B Trend	Dental/ Vision Trend
	< 65	> = 65	< 65	> = 65		
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%

(continued) Fiscal Year	NYSHIP Trend		TBTA No Rx Trend		Medicare Part B Trend	Dental/ Vision Trend
	< 65	> = 65	< 65	> = 65		
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%

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 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 (\$ in thousands):

	Total OPEB Liability	Plan Fiduciary Net Position	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	<u>(843,350)</u>	<u>1,362,169</u>	<u>(2,205,519)</u>
Balance as of December 31, 2023	<u>\$ 21,603,051</u>	<u>\$ 1,373,905</u>	<u>\$ 20,229,146</u>
	Total OPEB Liability	Plan Fiduciary Net Position	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	<u>(2,510,113)</u>	<u>11,652</u>	<u>(2,521,765)</u>
Balance as of December 31, 2022	<u>\$ 22,446,401</u>	<u>\$ 11,736</u>	<u>\$ 22,434,665</u>

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 \$1.32 billion and \$1.46 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):

	March 31, 2025		December 31, 2024	
	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	\$ 282,966	\$ 2,672,926
Changes of assumptions	2,156,494	3,329,443	2,156,494	3,329,443
Net difference between projected and actual earnings on OPEB plan investments	5,658	-	5,658	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,437,101	2,437,101	2,437,101	2,437,101
Employer contributions to the plan subsequent to the measurement of net OPEB liability	944,296	-	944,296	-
Total	<u>\$ 5,826,515</u>	<u>\$ 8,439,470</u>	<u>\$ 5,826,515</u>	<u>\$ 8,439,470</u>

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, \$944.3 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		<u>(705,493)</u>
		\$	<u><u>(3,557,250)</u></u>

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. 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.

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 assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-of-use assets consist of the following at December 31, 2023, December 31, 2024 and March 31, 2025 (in millions):

	Balance December 31, 2023 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2024	Additions / Reclassifications	Deletions / Reclassifications	Balance March 31, 2025
Capital assets not being depreciated:							
Land	\$ 331	\$ -	\$ -	\$ 331	\$ -	\$ -	\$ 331
Construction work-in-progress	13,835	7,534	6,628	14,741	1,300	3	16,038
Total capital assets not being depreciated	14,166	7,534	6,628	15,072	1,300	3	16,369
Capital assets being depreciated:							
Buildings and structures	35,047	2,095	124	37,018	1	-	37,019
Bridges and tunnels	4,649	122	-	4,771	-	-	4,771
Equipment:							
Passenger cars and locomotives	14,815	1,115	25	15,905	-	-	15,905
Buses	3,952	354	158	4,148	-	-	4,148
Infrastructure	36,077	1,743	10	37,810	-	-	37,810
Other	31,507	1,309	106	32,710	(6)	-	32,704
Total capital assets being depreciated	126,047	6,738	423	132,362	(5)	-	132,357
Less accumulated depreciation:							
Buildings and structures	10,540	727	103	11,164	182	-	11,346
Bridges and tunnels	895	181	1	1,075	45	-	1,120
Equipment:							
Passenger cars and locomotives	8,854	391	24	9,221	97	-	9,318
Buses	2,341	263	158	2,446	65	-	2,511
Infrastructure	14,539	1,069	5	15,603	266	-	15,869
Other	13,385	1,154	92	14,447	273	-	14,720
Total accumulated depreciation	50,554	3,785	383	53,956	928	-	54,884
Total capital assets being depreciated - net	75,493	2,953	40	78,406	(933)	-	77,473
Capital assets - net	89,659	10,487	6,668	93,478	367	3	93,842

	Balance December 31, 2023 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2024	Additions / Reclassifications	Deletions / Reclassifications	Balance March 31, 2025
Right of Use Assets being amortized:							
Leased buildings and structures	\$ 843	\$ 13	\$ -	\$ 856	\$ 22	\$ -	\$ 878
Leased equipment and vehicles	48	4	-	52	-	-	52
Leased other	10	-	-	10	-	-	10
Subscription-based IT arrangements	325	119	6	438	9	-	\$ 447
Total Right-of-Use Assets being amortized	1,226	136	6	1,356	31	-	1,387
Less accumulated amortization:							
Leased buildings and structures	156	55	-	211	14	-	225
Leased equipment and vehicles	39	7	-	46	1	-	47
Leased other	3	3	-	6	1	-	7
Subscription-based IT arrangements	134	91	7	218	21		239
Total accumulated amortization	332	156	7	481	37	-	518
Right-of-Use Assets being amortized – net	894	(20)	(1)	875	(6)	-	869
Total Capital Assets, including Right-of-Use Assets, net of depreciation and amortization	\$ 90,553	\$ 10,467	\$ 6,667	\$ 94,353	\$ 361	\$ 3	\$ 94,711

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

For certain construction projects, the MTA holds in a trust account marketable securities pledged by third-party contractors in lieu of cash retainages. At March 31, 2025 and December 31, 2024, these securities, which are not included in these interim financial statements, had a fair value of \$107.6 and \$101.2.

As of March 31, 2025, \$51.2 billion is unexpended from the MTA's Capital Program (2005-2024) and \$22.8 billion has been committed.

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.

7. LONG-TERM DEBT

(In millions)	Original Issuance	December 31, 2024	Issued	Retired	March 31, 2025
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	\$44,080	\$17,189	\$848	\$700	\$17,337
Dedicated Tax Fund Bonds					
1.86%–5.00% due through 2057	11,527	4,733	-	-	4,733
	55,607	21,922	848	700	22,070
Net unamortized bond premium	-	614	60	102	572
	<u>55,607</u>	<u>22,536</u>	<u>908</u>	<u>802</u>	<u>22,642</u>
TBTA:					
General Revenue Bonds					
1.00%–5.5% due through 2057	18,521	8,530	-	20	8,510
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	13,000	10,546	400	-	10,946
Subordinate BAN	500	-	500	-	500
Subordinate Revenue Bonds					
1.00%–5.5% due through 2032	4,066	242	-	-	242
Sales Tax Revenue Bonds					
3.73%–5.5% due through 2057	3,604	3,604	-	-	3,604
Real Estate Transfer Tax Revenue Bond	1,600	-	1,600	-	1,600
Second Subordinate BAN					
5.0% due through 2025	379	379	-	-	379
	41,670	23,301	2,500	20	25,781
Net unamortized bond premium	-	2,027	180	47	2,160
	<u>41,670</u>	<u>25,328</u>	<u>2,680</u>	<u>67</u>	<u>27,941</u>
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	756	-	7	749
Net unamortized bond premium	-	84	-	-	84
	<u>1,220</u>	<u>840</u>	<u>-</u>	<u>7</u>	<u>833</u>
 Total	 <u>\$98,497</u>	 <u>\$48,704</u>	 <u>\$3,588</u>	 <u>\$876</u>	 <u>\$51,416</u>
Current portion		\$1,472			\$1,453
Long-term portion		<u>\$47,232</u>			<u>\$49,963</u>

Details of the current portion of Long-Term debt at December 31, 2024 and March 31, 2025 are as follows:

<u>Current Portion - MTA</u>	<u>December 31, 2024</u>	<u>March 31, 2025</u>
Transportation Revenue Bonds	\$505	\$505
Dedicated Tax Fund Bonds	111	111
	<u>616</u>	<u>616</u>
<u>Current Portion - TBTA</u>		
General Revenue Bonds	366	347
PMT Bonds/ BAN	470	470
Sales Tax Revenue Bonds	2	2
Subordinate Revenue Bonds	18	18
	<u>856</u>	<u>837</u>
Total	<u>\$1,472</u>	<u>\$1,453</u>

(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 2024	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
	<u>83,310</u>	<u>23,529</u>	<u>4,344</u>	<u>5,337</u>	<u>22,536</u>
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	12,600	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 2064	3,604	1,954	1,650	-	3,604
Bond Anticipation Notes					
5.0% due through 2025	379	193	186	-	379
	30,626	21,582	4,493	2,774	23,301
Net unamortized bond premium	-	1,798	441	212	2,027
	<u>30,626</u>	<u>23,380</u>	<u>4,934</u>	<u>2,986</u>	<u>25,328</u>
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
	<u>1,220</u>	<u>881</u>	<u>-</u>	<u>41</u>	<u>840</u>
Total	<u>\$115,156</u>	<u>\$47,790</u>	<u>\$9,278</u>	<u>\$8,364</u>	<u>\$48,704</u>
Current portion		<u>\$2,678</u>			<u>\$1,472</u>
Long-term portion		<u>\$45,112</u>			<u>\$47,232</u>

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

<u>Current Portion - MTA</u>	<u>December 31, 2023</u>	<u>December 31, 2024</u>
Transportation Revenue Bonds	\$506	\$506
Dedicated Tax Fund Bonds	<u>111</u>	<u>111</u>
	617	617
<u>Current Portion - TBTA</u>		
General Revenue Bonds	366	347
PMT Bonds/ BAN	91	91
Subordinate Revenue Bonds	<u>18</u>	<u>18</u>
	475	456
Total	<u>\$1,092</u>	<u>\$1,073</u>

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 11, 2025, MTA redeemed \$7.220 Transportation Revenue Variable Rate Refunding Bonds, Series 2020B.

On March 27, 2025, MTA issued \$847.785 Transportation Revenue Refunding Fund Green Bonds, Series 2025A. Proceeds from the transaction were used to lock in a net present value savings of \$29.426 and refund \$201.355 bonds issued as Build America Bonds (BAB) and \$693.190 non-BAB Transportation Revenue Bonds. The Series 2025A Bonds were issued as fixed rate tax-exempt bonds with a final maturity of November 15, 2055.

MTA Transportation Revenue Bond Anticipation Notes — From time to time, MTA issues Transportation Revenue Bond Anticipation Notes (BANs) in accordance with the terms and provisions of the General Resolution described above to fund its transit and commuter capital needs. The interest rate payable on the notes depends on the maturity and market conditions at the time of issuance. The MTA Act requires MTA to refund its bond anticipation notes with bonds no later than five years from the issuance of the notes. As of March 31, 2025, MTA has not issued any Transportation Revenue BANs in 2025.

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.

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.

MTA Dedicated Tax Fund Bonds — as secured under MTA’s Dedicated Tax Fund Obligation Resolution adopted on March 26, 2002. The Dedicated Tax Fund Bonds are MTA’s special obligations payable solely from monies held in the Pledged Amounts Account of the MTA Dedicated Tax Fund. State law requires that the MTTF revenues and MMTOA revenues (described above in Note 2 under “Nonoperating Revenues”) be deposited, subject to appropriation by the State Legislature, into the MTA Dedicated Tax Fund. As of March 31, 2025, MTA has not issued any Dedicated Tax Fund Bonds in 2025.

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. As of March 31, 2025, there were \$0.132 of expenses related to the interest rate swap associated with the issuance, in 2025. The swap will mature in 2029.

MTA Bridges and Tunnels General Revenue Bonds — as secured under TBTA's General Resolution Authorizing General Revenue Obligations adopted on March 26, 2002. The General Revenue Bonds are MTA Bridges and Tunnels' general obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels. As of March 31, 2025, there have been no MTA Bridges and Tunnels General Revenue Bonds issued in 2025.

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.

MTA Bridges and Tunnels Subordinate Revenue Bonds — as secured under its 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations adopted on March 26, 2002. The Subordinate Revenue Bonds are MTA Bridges and Tunnels' special obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels after the payment of debt service on the MTA Bridges and Tunnels General Revenue Bonds described in the preceding paragraph. As of March 31, 2025, there have been no MTA Bridges and Tunnels Subordinate Revenue Bonds issued in 2025.

MTA Bridges and Tunnels Subordinate Revenue Bond Anticipation Notes — are issued in accordance with the terms and provisions of the 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations of MTA Bridges and Tunnels adopted on March 26, 2002, as supplemented, including as supplemented by the Multiple Credit and Series 2025 Supplemental Resolution Authorizing Obligations, Obligation Anticipation Notes and Refunding Obligations adopted by MTA Bridges and Tunnels on December 18, 2024. The purpose of the issuance of BANs or bonds under the aforementioned supplemental resolutions, in one or more series from time to time, as necessary is to finance: TBTA capital projects, or to retire such obligations when due, plus accrued interest, applicable issuance costs and any original issue discount; MTA transit or commuter capital programs (less amounts issued for such purposes under the MTA multiple credit supplemental resolution referenced above), or to retire such obligations when due, plus accrued interest, applicable issuance costs and any original issue discount; or refinance the costs of the CBDTP pursuant to a previously approved resolution of TBTA.

On February 6, 2025, MTA issued \$500 Triborough Bridge and Tunnel Authority Subordinate Revenue BANs, Series 2025A. Proceeds from the transaction will be used to finance existing approved 2020-2024 Capital Program transit and commuter projects and fund capitalized interest payments through May 15, 2026. The Series 2025A Notes were issued as fixed rate tax-exempt notes with a final maturity of February 1, 2028.

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. As of March 31, 2025, there have been no MTA Bridges and Tunnels Second Subordinate Bonds Anticipation Notes issued in 2025.

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. As of March 31, 2025, there have been no MTA or TBTA Payroll Mobility Tax Senior Lien Bonds issued in 2025.

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

On March 19, 2025, MTA issued \$400 TBTA Payroll Mobility Tax Bond Anticipation Notes, Series 2025A. Proceeds from the transaction were used to finance existing approved 2020-2024 Capital Program transit and commuter projects and fund capitalized interest payments through March 1, 2028. The Series 2025A Notes were issued as fixed-rate tax-exempt notes with a final maturity of March 1, 2028.

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. As of March 31, 2025, there have been no MTA Bridges and Tunnels Sales Tax Revenue Bonds issued in 2025.

Real Estate Transfer Tax Revenue Bonds (TBTA Capital Lockbox Fund) — issued under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Real Estate Transfer Tax Revenue Obligations (TBTA Capital Lockbox Fund) (TBTA RETT Resolution) adopted on December 18, 2024. The Real Estate Transfer Tax Revenue Bonds are MTA Bridges and Tunnels’ special, not general, obligations, payable solely from monies pledged therefor under the Obligations Trust Estate under the TBTA RETT Resolution derived primarily from Transfer Tax Receipts deposited into the Central Business District Tolling Capital Lockbox Fund and thereafter deposited into the Revenue Fund, and certain of the funds and accounts established under the TBTA RETT Resolution, including the Senior Lien Debt Service Reserve Fund.

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. The Series 2025A Bonds were issued as fixed rate tax-exempt bonds with a final maturity of December 1, 2059.

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, 2025, MTA effectuated the early mandatory redemption of a portion of the MTA Hudson Rail Yard Trust Obligations, Series 2020A maturing November 15, 2046 in the Principal Component of \$7.220.

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 \$50,037 as of March 31, 2025. 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 three months ended March 31, 2025, MTA refunding transactions decreased aggregate debt service payments by \$32 and provided an economic gain of \$29. For the three months ended March 31, 2024, MTA refunding transactions decreased aggregate debt service payments by \$200 and provided an economic gain of \$99. Details of bond refunding savings for the period ended March 31, 2025 and for the year ended December 31, 2024 are as follows (in millions):

Refunding Bonds Issued in 2025	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)	Net Present Value of Savings
MTA Transportation Revenue Refunding Green Bonds	2025A	3/27/2025	\$ 895	\$ 32	\$ 29
Total Bond Refunding Savings			<u>\$ 895</u>	<u>\$ 32</u>	<u>\$ 29</u>

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	\$ 1,094	\$ 200	\$ 99
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Bonds	2024C	7/10/2024	835	-17	2
Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds	2024A-2	8/21/2024	439	22	19
Metropolitan Transportation Authority Dedicated Tax Fund Refunding Green Bonds	2024B-2	10/9/2024	191	47	24
Metropolitan Transportation Authority Transportation Revenue Refunding Bonds	2024B	10/29/2024	524	75	59
Total Bond Refunding Savings			<u>\$ 3,083</u>	<u>\$ 327</u>	<u>\$ 203</u>

Unamortized losses related to bond refundings were as follows:

	December 31, 2023	(Gain)/ loss on refunding	2024 amortization	December 31, 2024	(Gain)/ loss on refunding	Current year amortization	March 31, 2025
MTA:							
Transportation Revenue Bonds	\$ 196	\$ (125)	\$ 34	\$ 105	\$ (54)	\$ (20)	\$ 31
Dedicated Tax Fund Bonds	126	31	(36)	121	-	(3)	118
	<u>322</u>	<u>(94)</u>	<u>(2)</u>	<u>226</u>	<u>(54)</u>	<u>(23)</u>	<u>149</u>
TBTA:							
General Revenue Bonds	78	-	(13)	65	(4)	7	68
Subordinate Revenue Bonds	(2)	-	1	(1)	-	-	(1)
	<u>76</u>	<u>-</u>	<u>(12)</u>	<u>64</u>	<u>(4)</u>	<u>7</u>	<u>67</u>
Total	<u>\$ 398</u>	<u>\$ (94)</u>	<u>\$ (14)</u>	<u>\$ 290</u>	<u>\$ (58)</u>	<u>\$ (16)</u>	<u>\$ 216</u>

Debt Service Payments — Future principal and interest debt service payments at March 31, 2025 are as follows:

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 617	\$ 1,010	\$ 836	\$ 1,097	\$ 1,453	\$ 2,107
2025	746	1,001	749	1,077	1,495	2,078
2026	711	952	1,231	1,036	1,942	1,988
2027	764	869	1,371	965	2,135	1,834
2028	802	832	759	920	1,561	1,752
2029-2033	5,042	3,677	4,076	4,199	9,118	7,876
2034-2038	4,110	2,845	3,129	3,486	7,239	6,331
2039-2043	3,248	1,981	3,113	2,640	6,361	4,621
2044-2048	3,855	1,050	3,505	1,865	7,360	2,915
2049-2053	2,268	320	3,376	1,039	5,644	1,359
2054-2058	656	21	1,528	434	2,184	455
Thereafter	-	-	1,364	141	1,364	141
Total	<u>\$ 22,819</u>	<u>\$ 14,558</u>	<u>\$ 25,037</u>	<u>\$ 18,899</u>	<u>\$ 47,856</u>	<u>\$ 33,457</u>

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 2012G* — 3.563% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015E* — 4.00% per annum.
- *Dedicated Tax Fund Variable Rate Refunding Bonds, Series 2008A* — 3.316% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread; and 4.00% per annum plus the current fixed floating rate note spread on the unhedged portion.
- *Dedicated Tax Fund Refunding Bonds, Subseries 2008B-3c* — 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001C* — 4.00% per annum.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2003B* — 4.00% per annum; and 4.00% per annum plus the current fixed floating rate note spread on Subseries 2003B-2.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2005A* — 4.00% per annum except from November 1, 2027 through November 1, 2030, 3.076% per annum taking into account the interest rate swap.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2005B* — 3.076% per annum based on the Initial Interest Rate Swaps plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2018E* — 4.00% per annum.

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

The Loans Payable debt service requirements at March 31, 2025 are as follows (in millions):

Year	Principal	Interest	Total
2024	\$ 10	\$ 3	\$ 13
2025	9	2	11
2026	9	2	11
2027	8	2	10
2028	6	1	7
2029-2033	15	2	17
2034-2038	2	0	2
Total	<u>\$ 59</u>	<u>\$ 12</u>	<u>\$ 71</u>
Current portion	\$ 10		
Long-term portion	49		
Total NYPA Loans Payable	<u>\$ 59</u>		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index (“SIFMA”) rate and is reset annually.

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebateable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. The arbitrage liability is payable to the federal government every five years. No accruals or payments were made during the periods ended March 31, 2025 and December 31, 2024.

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	Provider (Insurer)	Type of Facility	Exp. Date
Transportation Revenue	2002D-2a-1	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2005D-2b	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2002G-1g	TD Bank, N.A.	LOC	11/1/2026
Transportation Revenue	2005D-1	Truist Bank, N.A.	LOC	3/28/2029
Transportation Revenue	2005D-2	Bank of America, N.A.	LOC	11/12/2027
Transportation Revenue	2005E-1	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2005E-2	Bank of America, N.A.	LOC	12/8/2026
Transportation Revenue	2012G-1	Barclays Bank	LOC	7/17/2026
Transportation Revenue	2012G-2	TD Bank, N.A.	LOC	7/16/2029
Transportation Revenue	2012G-3	Royal Bank of Canada	LOC	12/10/2027
Transportation Revenue	2012G-4	Bank of America, N.A.	LOC	11/12/2027
Transportation Revenue	2015E-1	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2015E- ³	Bank of America, N.A.	LOC	11/5/2027
Transportation Revenue	2020B	Royal Bank of Canada	LOC	3/19/2027
Dedicated Tax Fund	2008A- ¹	TD Bank, N.A.	LOC	6/2/2028
Dedicated Tax Fund	2008A-2a	TD Bank, N.A.	LOC	11/1/2026
Dedicated Tax Fund	2008A-2b	PNC Bank	LOC	10/24/2025
Dedicated Tax Fund	2008B-3c	PNC Bank	LOC	10/24/2025
MTA Bridges and Tunnels General Revenue	2001C	Barclays Bank	LOC	6/22/2028
MTA Bridges and Tunnels General Revenue	2003B- ¹	U.S. Bank National Association	LOC	1/17/2028
MTA Bridges and Tunnels General Revenue	2005A	Barclays Bank	LOC	7/19/2028
MTA Bridges and Tunnels General Revenue	2005B-2a	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-2b	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B- ³	Bank of America, N.A.	LOC	6/22/2027
MTA Bridges and Tunnels General Revenue	2005B-4a	TD Bank, N.A.	LOC	12/13/2028
MTA Bridges and Tunnels General Revenue	2005B-4c	U.S. Bank National Association	LOC	1/7/2028
MTA Bridges and Tunnels General Revenue	2018E	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 March 31, 2025 and December 31, 2024, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2024 are as follows (in \$ millions):

Derivative Instruments - Summary Information as of March 31, 2025

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Hedge Type	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
				Synthetic Instrument /			
MTA Bridges and Tunnels Senior Revenue Bonds	2018E & 2003B (Citi 2005B)	SOFR Fixed Payer	Cash Flow	Dollar Offset	6/2/2005	\$ 173.700	\$ (4.793)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	521.100	(14.381)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	10.915	(0.245)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	5.000	(0.126)
MTA Dedicated Tax Fund Bonds	2008A	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	207.025	(5.815)
MTA Transportation Revenue Bonds	2002D-2	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(22.064)
MTA Transportation Revenue Bonds	2005D & 2005E	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	263.460	(14.061)
MTA Transportation Revenue Bonds	2012G	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	354.100	(21.597)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	SOFR Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	9.755	(0.055)
MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Bonds	2022E	SOFR Fixed Payer	Cash Flow	Regression	4/1/2016	85.305	(2.077)
Total						<u>\$ 1,830.360</u>	<u>\$ (85.214)</u>

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
				Synthetic Instrument/Dollar			
MTA Bridges and Tunnels Senior Revenue Bonds	2018E & 2003B (Citi 2005B)	SOFR Fixed Payer	Cash Flow	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						<u>\$ 1,858.135</u>	<u>\$ (66.163)</u>

	Changes In Fair Value Amount Classification (in millions)	Fair Value at March 31, 2025 Amount Classification (in millions)	Notional (in millions)
Government activities			
Cash Flow hedges:			
Pay-fixed interest rate swaps	Deferred outflow of resources \$(19.051)	Debt \$(85.214)	\$1,830.360

Swap Agreements Relating to Synthetic Fixed Rate Debt

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

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

Terms and Fair Values. The terms, fair values and counterparties of the outstanding swaps of MTA and MTA Bridges and Tunnels are reflected in the following tables (as of March 31, 2025).

Metropolitan Transportation Authority						
Related Bonds	Notional Amount as of March 31, 2025	Effective Date	Maturity Date	Terms	Counterparty and Ratings(S&P / Moody's / Fitch)	Fair Value as of March 31, 2025
TRB 2002D-2	\$ 200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% SOFR + 0.079%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	\$ (22.064)
TRB 2005D & 2005E	197.595	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.0767%	UBS AG (A+ / Aa2 / AA-)	(14.061)
TRB 2005E	65.865	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.0767%	AIG Financial Products ⁽¹⁾ (BBB+ / Baa2 / BBB+)	(3.515)
TRB 2012G	354.100	11/15/12	11/01/32	Pay 3.563%; receive 67% SOFR + 0.0767%	JPMorgan Chase Bank, NA (AA- / Aa2 / AA)	(21.597)
DTF 2008A	207.025	03/24/05	11/01/31	Pay 3.3156%; receive 67% SOFR + 0.0767%	Bank of New York Mellon (AA- / Aa2 / AA)	(5.815)
Total	\$ 1,024.585					\$ (67.052)

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

MTA Bridges and Tunnels						
Related Bonds	Notional Amount as of March 31, 2025	Effective Date	Maturity Date	Terms	Counterparty and Ratings (S&P / Moody's / Fitch)	Fair Value as of March 31, 2025
TBTA 2018E & 2003B ⁴	173.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	Citibank, N.A. (A+ / Aa3 / A+)	(4.793)
TBTA 2005B-2	173.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	JPMorgan Chase Bank, NA (AA- / Aa2 / AA)	(4.793)
TBTA 2005B-3	173.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	BNP Paribas North America (A+ / Aa3 / AA-)	(4.793)
TBTA 2005B-4	173.700	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.0767%	UBS AG (A+ / Aa2 / AA-)	(4.793)
TRB 2002G-1, PMT 2022E, TBTA 2005A & 2001C ^{2,5}	55.487 ³	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.0767%	U.S. Bank N.A. (A+ / A2 / A+)	(1.251) ³
TRB 2002G-1, PMT 2022E, TBTA 2005A & 2001C ^{2,5}	55.487 ³	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.0767%	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(1.251) ³
Total	805.774					(21.674)

1 Guarantor: BNP Paribas.

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

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

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

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

SOFR: Secured Overnight Financing Rate

TRB: Transportation Revenue Bonds

DTF: Dedicated Tax Fund Bonds

Risks Associated with the Swap Agreements

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

Credit Risk. The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Generally, MTA and MTA Bridges and Tunnels' swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA and MTA Bridges and Tunnels require its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ or Baa2/BBB levels), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "Collateralization/Contingencies"). As of March 31, 2025, all of the valuations were in liability positions to MTA and MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The following table shows, as of March 31, 2025, 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	\$727,800	39.74%
UBS AG	A+	Aa2	A+	372,295	20.33%
The Bank of New York Mellon	AA-	Aa2	AA	207,025	11.30%
Citibank, N.A.	A+	Aa3	A+	173,700	9.48%
BNP Paribas US Wholesale Holdings, Corp.	A+	Aa3	AA-	173,700	9.48%
U.S. Bank National Association	A+	A2	A+	55,487	3.03%
Wells Fargo Bank, N.A.	A+	Aa2	AA-	55,487	3.03%
AIG Financial Products Corp.	BBB+	Baa2	BBB+	65,865	3.60%
Total				\$1,831,359	99.99%

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 March 31, 2025, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was \$64.45 million; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of March 31, 2025, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was \$21.50 million; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

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

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

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

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

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

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

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

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

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

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

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

MTA				
(in millions)				
Period Ended March 31, 2025	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2025	70.8	34.8	(3.4)	102.2
2026	63.6	32.0	(3.1)	92.5
2027	55.9	29.6	(2.8)	82.7
2028	70.2	39.5	(2.5)	107.2
2029	95.9	37.8	(2.1)	131.6
2030-2034	729.7	391.9	(4.8)	1,116.8
2035-2039	93.5	18.5	(0.6)	111.4
2040-2041	42.2	2.3	-	44.5

MTA Bridges and Tunnels				
(in millions)				
Period Ended March 31, 2025	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.3)	54.3
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029	144.5	20.1	(4.9)	159.7
2030-2034	499.7	23.6	(5.2)	518.1
2035-2039	-	2.0	-	2.0

8. LEASES

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

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

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

As Lessor

MTA leases its land, buildings, station space, equipment, and right of way to other entities. These leases have terms between 1 year to 100 years, with payments required monthly, quarterly, semi-annually, or annually. As of March 31, 2025, the remaining lease terms are between 1 year to 86 years. In addition, MTA also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the March 31, 2025 and December 31, 2024 is presented below (in thousands):

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Lease Revenue	\$ 26,810	\$ 37,902
Interest Revenue	5,417	7,413
Other Variable Revenue	5,801	17,580

A summary of activity in lease receivable for the period ended March 31, 2025 and December 31, 2024 is presented below (in thousands):

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Balance – beginning of year	\$ 240,814	\$ 264,051
Additions/remeasurements	6,366	15,144
Receipts/Interest	<u>(15,131)</u>	<u>(38,381)</u>
Balance – end of year	232,049	240,814
Less current portion	<u>35,674</u>	<u>40,104</u>
Lease receivable noncurrent	<u>\$ 196,375</u>	<u>\$ 200,710</u>

MTA recognized revenue of \$0 and \$1,369 associated with residual value guarantees and termination penalties for each of March 31, 2025 and December 31, 2024, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to March 31, 2025, are as follows (in thousands):

<u>March 31, 2025</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$25,160	\$5,696	\$30,856
2025	41,152	6,390	47,542
2026	33,147	5,187	38,334
2027	27,596	4,233	31,829
2028	12,634	3,702	16,336
2029-2033	24,463	14,734	39,197
2034-2038	7,040	12,065	19,105
2039-2043	4,168	11,088	15,256
Thereafter	56,689	60,645	117,334
Total	<u>\$232,049</u>	<u>\$123,740</u>	<u>\$355,789</u>

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 March 31, 2025, the remaining lease terms are between 1 year to 69 years.

The amount of lease expense recognized for variable payments not included in the measurement of lease liability were \$5,039 and \$15,360 for March 31, 2025 and December 31, 2024 respectively. MTA recognized \$0 and \$0 expense attributable to residual value guarantees and termination penalties for the three months ended March 31, 2025 and for the year ended December 31, 2024 respectively.

A summary of activity in lease liability for March 31, 2025 and December 31, 2024 is presented below (in thousands):

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Balance – beginning of year	\$911,629	\$941,036
Additions/remeasurements	21,681	14,978
Receipts/Interest	(13,922)	(44,385)
Balance – end of year	919,388	911,629
Less current portion	40,801	43,501
Lease liability noncurrent	<u>\$878,587</u>	<u>\$868,128</u>

The principal and interest requirements to maturity for the lease liability subsequent to March 31, 2025, are as follows (in thousands):

<u>March 31, 2025</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 29,822	\$ 39,819	\$ 69,641
2026	41,261	51,963	93,224
2027	33,620	50,832	84,452
2028	31,667	49,809	81,476
2029	36,660	48,608	85,268
2030 - 2034	212,955	218,467	431,422
2035 - 2039	154,333	169,953	324,286
2040 - 2044	154,954	114,978	269,932
Thereafter	224,116	88,616	312,732
Total	<u>\$ 919,388</u>	<u>\$ 833,045</u>	<u>\$ 1,752,433</u>

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 12 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were \$1,492 and \$12,770 for the period ended March 31, 2025 and year ended December 31, 2024, respectively. MTA recognized \$0 and \$0 expense attributable to termination penalties and impairment for the period ended March 31, 2025 and year ended December 31, 2024, respectively.

A summary of activity in SBITA liability for the period ended March 31, 2025 and year ended December 31, 2024 is presented below (in thousands):

	March 31, 2025	December 31, 2024
Balance – beginning of year	\$ 176,635	\$ 138,110
Additions / remeasurements	8,862	113,874
Payments/Interest	(13,706)	(75,349)
Balance – end of year	171,791	176,635
Less current portion	64,931	58,940
SBITA liability noncurrent	<u>\$ 106,860</u>	<u>\$ 117,695</u>

The principal and interest requirements to maturity for the Subscription-Based Information Technology Arrangements liability subsequent to March 31, 2025, are as follows:

	March 31, 2025	Principal	Interest	Total
2025	\$	53,209	\$ 5,769	\$ 58,978
2026		47,946	5,265	53,211
2027		32,871	3,246	36,117
2028		5,132	1,808	6,940
2029		3,930	1,605	5,535
2030 - 2034		22,831	4,383	27,214
2035-2036		5,872	181	6,053
Total	\$	<u>171,791</u>	<u>\$ 22,257</u>	<u>\$ 194,048</u>

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 87. 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 87, the Two Broadway office building lease has been reclassified as a right-of-use asset with its corresponding lease liability and excluded from the schedule below. See footnote 8 for additional information.

Financed Purchases Schedule
For the period ended March 31, 2025

Description	December 31, 2024	Increase	Decrease	March 31, 2025
Met Life	8	-	-	8
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	43	3	-	46
Bank of America Equity	16	-	-	16
Met Life Equity	75	-	-	75
Total MTA Financed Purchase	\$ 183	\$ 3	\$ -	\$ 186
Long Term Portion Financed Purchase	<u>\$ 183</u>			<u>\$ 186</u>

Financed Purchases Schedule
For the Year Ended December 31, 2024

Description	December 31, 2023	Increase	Decrease	December 31, 2024
Met Life	8	-	-	8
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	41	2	-	43
Bank of America Equity	16	-	-	16
Met Life Equity	70	5	-	75
Total MTA Financed Purchase	\$ 176	\$ 7	\$ -	\$ 183
Long Term Portion Financed Purchase	<u>\$ 176</u>			<u>\$ 183</u>

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 87.

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

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

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

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

Minimum rent receipts for ERY and WRY Ground Leases are as follows as of March 31, 2025:

Year	ERY	WRY	Total
2025	\$ 6	\$ 36	\$ 42
2026	6	36	42
2027	6	36	42
2028	7	37	44
2029	7	40	47
Thereafter	2,422	14,131	16,553
Total	<u>\$ 2,454</u>	<u>\$ 14,316</u>	<u>\$ 16,770</u>

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.

A summary of activity indicated as net increase or decrease in compensated absences liability for the three-month period ended March 31, 2025 and year ended December 31, 2024 is presented below (in thousands):

	March 31, 2025	December 31, 2024
Balance - beginning of year	\$1,493,904	\$1,452,403
Net adjustment	10,774	41,501
Balance - end of year	1,504,678	1,493,904
Less: current portion	748,094	745,036
Compensated absences liability - noncurrent	<u>\$756,584</u>	<u>\$748,868</u>

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 period ended March 31, 2025 and year ended December 31, 2024 is presented below (in millions):

	March 31, 2025	December 31, 2024
Balance - beginning of year	\$ 6,826	\$ 5,754
Activity during the year:		
Current year claims and changes in estimates	237	1,721
Claims paid	(224)	(649)
Balance - end of year	6,839	6,826
Less current portion	(1,030)	(1,037)
Long-term liability	<u>\$ 5,809</u>	<u>\$ 5,789</u>

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 \$0 and \$2 for the periods ended March 31, 2025 and 2024, respectively. A summary of the activity in pollution remediation liability at March 31, 2025 and December 31, 2024 were as follows:

	March 31, 2025	December 31, 2024
Balance at beginning of year	\$ 201	\$ 182
Current year expenses/changes in estimates	-	52
Current year payments	(1)	(33)
Balance at end of year	200	201
Less current portion	35	35
Long-term liability	<u>\$ 165</u>	<u>\$ 166</u>

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 periods ended March 31, 2025 and December 31, 2024 are presented below:

	Balance December 31, 2023*	Additions	Reductions	Balance December 31, 2024	Additions	Reductions	Balance March 31, 2025
Non-current liabilities:							
Contract retainage payable	\$ 449	\$ 51	\$ -	500	\$ 23	\$ -	\$ 523
Other long-term liabilities	274	-	(7)	267	-	-	267
Total non-current liabilities	<u>\$ 723</u>	<u>\$ 51</u>	<u>\$ (7)</u>	<u>\$ 767</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ 790</u>

* Effective January 1, 2023, the MTA adopted GASB 101 using the retrospective approach. Refer to 2024 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 twenty-four (24) active ultra-low sulfur diesel ("ULSD") hedges in whole dollars:

Counterparty	Goldman Sachs	JPMorgan	Goldman Sachs	Cargill	Goldman Sachs	JPMorgan	Cargill	BOA Merrill
Trade Date	4/24/2023	5/30/2023	6/27/2023	7/28/2023	8/29/2023	9/26/2023	10/30/2023	11/27/2023
Effective Date	4/1/2024	5/1/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024
Termination Date	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025
Price/Gal	\$2.4357	\$2.2500	\$2.2942	\$2.5468	\$2.5697	\$2.6525	\$2.5798	\$2.4914
Original Notional Quantity	2,462,350	2,636,717	2,636,709	2,636,706	2,636,714	2,636,696	2,636,708	2,636,707

Counterparty	Cargill	Cargill	Goldman Sachs	Cargill	Goldman Sachs	Cargill	Cargill	Cargill
Trade Date	12/27/2023	1/30/2024	2/28/2024	3/27/2024	4/29/2024	5/29/2024	6/27/2024	7/30/2024
Effective Date	12/1/2024	1/1/2025	2/1/2025	3/1/2025	4/1/2025	5/1/2025	6/1/2025	7/1/2025
Termination Date	11/30/2025	12/31/2025	1/31/2026	2/28/2026	3/31/2026	4/30/2026	5/31/2026	6/30/2026
Price/Gal	\$2.4289	\$2.4291	\$2.3965	\$2.4441	\$2.4632	\$2.4272	\$2.4759	\$2.3380
Original Notional Quantity	2,636,716	2,636,709	2,636,722	2,168,753	2,329,828	2,535,018	2,535,006	2,535,001

Counterparty	Cargill	Cargill	Goldman Sachs	Goldman Sachs	Goldman Sachs	Goldman Sachs	BOA Merrill	Cargill
Trade Date	8/28/2024	9/26/2024	10/31/2024	11/26/2024	12/23/2024	1/28/2025	2/24/2025	3/27/2025
Effective Date	8/1/2025	9/1/2025	10/1/2025	11/1/2025	12/1/2025	1/1/2026	2/1/2026	3/1/2026
Termination Date	7/31/2026	8/31/2026	9/30/2026	10/31/2026	11/30/2026	12/31/2026	1/31/2027	2/28/2027
Price/Gal	\$2.2900	\$2.2105	\$2.2460	\$2.1952	\$2.1568	\$2.2255	\$2.2142	\$2.1770
Original Notional Quantity	2,535,006	2,535,002	2,535,017	2,535,018	2,535,019	2,535,012	2,535,003	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 MTA will take delivery of the fuel. As of March 31, 2025, the total outstanding notional value of the ULSD contracts was -47.1 million gallons with a positive fair value of \$5.2. 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).

		Metro - North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
March 31, 2025	MTA						
Current assets	\$ 12,531	\$ 510	\$ 486	\$ 928	\$ 1,716	\$ (144)	\$ 16,027
Capital assets	13,948	7,869	10,972	53,608	8,314	-	94,711
Other Assets	28,732	56	59	36	3,014	(27,226)	4,671
Intercompany receivables	(147)	272	221	3,316	12,553	(16,215)	-
Deferred outflows of resources	2,322	618	888	4,036	462	(47)	8,279
Total assets and deferred outflows of resources	\$ 57,386	\$ 9,325	\$ 12,626	\$ 61,924	\$ 26,059	\$ (43,632)	\$ 123,688
Current liabilities	\$ 3,765	\$ 294	\$ 300	\$ 2,252	\$ 1,864	\$ (65)	\$ 8,410
Non-current liabilities	27,749	2,569	3,701	23,490	28,289	(11)	85,787
Intercompany payables	15,218	158	61	447	428	(16,312)	-
Deferred inflows of resources	847	747	1,165	5,802	416	2	8,979
Total liabilities and deferred inflows of resources	\$ 47,579	\$ 3,768	\$ 5,227	\$ 31,991	\$ 30,997	\$ (16,386)	\$ 103,176
Net investment in capital assets	\$ (12,786)	\$ 7,634	\$ 10,889	\$ 53,099	\$ (16,085)	\$ (496)	\$ 42,255
Restricted	2,830	-	-	-	1,392	(492)	3,730
Unrestricted	19,763	(2,077)	(3,490)	(23,166)	9,755	(26,258)	(25,473)
Total net position	\$ 9,807	\$ 5,557	\$ 7,399	\$ 29,933	\$ (4,938)	\$ (27,246)	\$ 20,512
For the period ended March 31, 2025							
Fare revenue	\$ 47	\$ 146	\$ 154	\$ 867	\$ -	\$ -	\$ 1,214
Vehicle toll revenue	-	-	-	-	750	(2)	748
Rents, freight and other revenue	17	11	7	203	8	(11)	235
Total operating revenue	64	157	161	1,070	758	(13)	2,197
Total labor expenses	360	295	376	1,900	64	-	2,995
Total non-labor expenses	111	112	126	634	91	(12)	1,062
Depreciation and amortization	124	90	142	549	62	(1)	966
Total operating expenses	595	497	644	3,083	217	(13)	5,023
Operating (deficit) surplus	(531)	(340)	(483)	(2,013)	541	-	(2,826)
Subsidies and grants	110	-	-	84	1	(95)	100
Tax revenue	1,363	-	-	139	-	176	1,678
Interagency subsidy	312	226	174	74	-	(786)	-
Interest expense	(344)	(2)	(1)	(27)	(129)	-	(503)
Other	543	64	2	188	(313)	53	537
Total non-operating revenues (expenses)	1,984	288	175	458	(441)	(652)	1,812
Gain (Loss) before appropriations	1,453	(52)	(308)	(1,555)	100	(652)	(1,014)
Appropriations, grants and other receipts externally restricted for capital projects	(235)	109	190	709	(269)	828	1,332
Change in net position	1,218	57	(118)	(846)	(169)	176	318
Net position, beginning of period	8,589	5,500	7,517	30,779	(4,769)	(27,422)	20,194
Net position, end of period	\$ 9,807	\$ 5,557	\$ 7,399	\$ 29,933	\$ (4,938)	\$ (27,246)	\$ 20,512
For the period ended March 31, 2025							
Net cash provided by / (used by) operating activities	\$ 190	\$ (286)	\$ (267)	\$ (1,480)	\$ 504	\$ (399)	\$ (1,738)
Net cash provided by / (used by) non-capital financing activities	1,376	291	259	1,788	1,436	(3,891)	1,259
Net cash (used by) / provided by capital and related financing activities	(82)	(9)	18	(39)	352	2,971	3,211
Net cash (used by) / provided by investing activities	(1,054)	-	-	(288)	(2,005)	1,319	(2,028)
Cash at beginning of period	1,482	26	6	66	200	-	1,780
Cash at end of period	\$ 1,912	\$ 22	\$ 16	\$ 47	\$ 487	\$ -	\$ 2,484

	Metro-North		Long Island	New York	Triborough		Consolidated
	MTA	Railroad	Railroad	City Transit	Bridge and Tunnel	Eliminations	Total
December 31, 2024				Authority	Authority		
Current assets	\$ 11,538	\$ 580	\$ 569	\$ 998	\$ 3,123	\$ (1,873)	\$ 14,935
Capital assets	13,916	7,843	11,006	53,277	8,311	-	94,353
Other Assets	28,933	57	61	38	94	(26,581)	2,602
Intercompany receivables	34	261	234	4,005	11,398	(15,932)	-
Deferred outflows of resources	2,379	618	888	4,036	477	(55)	8,343
Total assets and deferred outflows of resources	\$ 56,800	\$ 9,359	\$ 12,758	\$ 62,354	\$ 23,403	\$ (44,441)	\$ 120,233
Current liabilities	\$ 3,644	\$ 398	\$ 316	\$ 2,335	\$ 1,843	\$ (476)	\$ 8,060
Non-current liabilities	27,647	2,572	3,702	23,437	25,661	(23)	82,996
Intercompany payables	16,072	141	56	-	251	(16,520)	-
Deferred inflows of resources	848	748	1,167	5,803	417	-	8,983
Total liabilities and deferred inflows of resources	\$ 48,211	\$ 3,859	\$ 5,241	\$ 31,575	\$ 28,172	\$ (17,019)	\$ 100,039
Net investment in capital assets	\$ (13,682)	\$ 7,601	\$ 10,921	\$ 52,792	\$ 2,206	\$ (15,991)	\$ 43,847
Restricted	2,670	-	-	-	1,902	(1,449)	3,123
Unrestricted	19,601	(2,101)	(3,404)	(22,013)	(8,877)	(9,982)	(26,776)
Total net position	\$ 8,589	\$ 5,500	\$ 7,517	\$ 30,779	\$ (4,769)	\$ (27,422)	\$ 20,194
For the period ended March 31, 2024							
Fare revenue	\$ 43	\$ 140	\$ 145	\$ 820	\$ -	\$ -	\$ 1,148
Vehicle toll revenue	-	-	-	-	589	(3)	586
Rents, freight and other revenue	13	11	3	186	6	(9)	210
Total operating revenue	56	151	148	1,006	595	(12)	1,944
Total labor expenses	336	297	362	1,861	70	5	2,931
Total non-labor expenses	115	100	107	573	49	(15)	929
Depreciation and amortization	111	82	135	533	55	(2)	914
Total operating expenses	562	479	604	2,967	174	(12)	4,774
Operating (deficit) surplus	(506)	(328)	(456)	(1,961)	421	-	(2,830)
Subsidies and grants	(97)	-	-	86	(2)	112	99
Tax revenue	1,296	-	-	649	-	(530)	1,415
Interagency subsidy	353	150	273	92	-	(868)	-
Interest expense	(306)	(2)	(1)	(34)	(114)	(2)	(459)
Other	41	68	-	6	(61)	321	375
Total non-operating revenues (expenses)	1,287	216	272	799	(177)	(967)	1,430
Gain (Loss) before appropriations	781	(112)	(184)	(1,162)	244	(967)	(1,400)
Appropriations, grants and other receipts externally restricted for capital projects	(519)	78	194	227	(294)	1,147	833
Change in net position	262	(34)	10	(935)	(50)	180	(567)
Net position, beginning of the period	6,840	5,236	7,721	29,020	(3,950)	(27,620)	17,247
Net position, end of period	\$ 7,102	\$ 5,202	\$ 7,731	\$ 28,085	\$ (4,000)	\$ (27,440)	\$ 16,680
For the period ended March 31, 2024							
Net cash (used in) / provided by operating activities	\$ (302)	\$ (197)	\$ (387)	\$ (1,521)	\$ 433	\$ -	\$ (1,974)
Net cash provided by / (used in) non-capital financing activities	1,572	195	387	1,689	1,995	(4,627)	1,211
Net cash (used in) / provided by capital and related financing activities	(1,624)	3	11	(262)	(115)	3,689	1,702
Net cash provided by / (used in) investing activities	324	-	-	98	(2,255)	938	(895)
Cash at beginning of period	1,530	21	5	23	9	-	1,588
Cash at end of period	\$ 1,500	\$ 22	\$ 16	\$ 27	\$ 67	\$ -	\$ 1,632

19. SUBSEQUENT EVENTS

On April 9, 2025, MTA issued \$800 TBTA Payroll Mobility Tax Bond Anticipation Notes, Subseries 2025B-1 & 2025B-2. Proceeds from the transaction will be used to finance existing approved transit and commuter projects and fund capitalized interest payments through November 15, 2027. The Subseries 2025B-1 Notes were issued as fixed-rate tax-exempt notes with a final maturity of March 15, 2027. The Subseries 2025B-2 Notes were issued as a fixed-rate tax-exempt notes with a final maturity of March 15, 2029.

On April 29, 2025, MTA executed a 2,534,997 gallon ultra-low sulfur diesel fuel hedge at an all-in price of \$2.075 (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 \$500 and the maturity date of May 1, 2026. 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. The Authority expects to use the loan proceeds to finance transit and commuter projects in the 2020-2024 Capital Program.

On May 9, 2025, the New York State Legislature increased the aggregate amount of debt that the MTA and MTA Bridges and Tunnels can issue to fund approved transit and commuter capital programs by \$25,400, from \$90,100 to \$115,500.

On May 29, 2025, MTA executed a 2,535,018 gallon ultra-low sulfur diesel fuel hedge at an all-in price of \$2.048 (whole dollars) per gallon. The hedge covers the period from May 2026 through April 2027.

On June 9, 2025, MTA extended its irrevocable direct-pay LOC issued by TD Bank, N.A. associated with Dedicated Tax Fund Variable Rate Refunding Bonds, Subseries 2008A-1 for three years to June 2, 2028.

On June 13, 2025, Moody's Ratings upgraded to A2 from A3 the rating on the \$17,100 of outstanding Transportation Revenue Bonds, and revised the outlook to stable from positive.

On June 25, 2025, MTA executed a 2,535,006 gallon ultra-low sulfur diesel fuel hedge at an all-in price of \$2.1496 (whole dollars) per gallon. The hedge covers the period from June 2026 through May 2027.

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%

REQUIRED SUPPLEMENTARY INFORMATION
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%

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	96.48%	90.00%	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%

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%

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	2023	2022	2021	2020	2019	2018	2017	2016	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*	\$ 3,470,339	\$ 3,411,116	\$ 3,479,187	\$ 3,571,746	\$ 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	104.171%	115.464%	113.963%	39.895%	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	2023	2022	2021	2020	2019	2018	2017	2016	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*	\$ 160,810	\$ 115,946	\$ 101,385	\$ 106,047	\$ 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	32.505%	55.447%	-25.503%	0.295%	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 from 2021 to 2023 to represent the plan fiscal year.

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**Schedule of the MTA's Contributions for All Pension Plans for the Year Ended December 31,****(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:	97% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 100% of the rates from the RP-2000 Healthy Annuitant mortality table for females, both 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, both 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, both 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

		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.	

REQUIRED SUPPLEMENTARY INFORMATION

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

MTA Defined Benefit Plan (continued from previous page)			
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 Unfunded.
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 Year 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 Unfunded.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfunded.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfunded.
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 Unfunded.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfunded.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfunded.	Increasing Dollar for Initial Unfunded; Level Dollar for Post 2010 Unfunded.
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:	2.90%	2.70%	2.70%
Cost-of-Living Adjustments:	1.5% 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	3.80%
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)	\$ 944,296	\$ 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	12.30%	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
Measurement date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Discount rate	3.26%, net of expenses	3.72%, net of expenses	2.06%, net of expenses	2.12%, net of expenses
Inflation	2.31%	2.33%	2.30%	2.25%
Actuarial cost method	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
Normal cost increase factor	4.25%	4.25%	4.25%	4.25%
Investment rate of return	4.25%	3.72%	2.06%	2.12%
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.
Valuation date	July 1, 2019	July 1, 2017	July 1, 2017	
Measurement date	December 31, 2019	December 31, 2018	December 31, 2017	
Discount rate	2.74%, net of expenses	4.10%, net of expenses	3.44%, net of expenses	
Inflation	2.25%	2.50%	2.50%	
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	
Normal cost increase factor	4.50%	4.50%	4.50%	
Investment rate of return	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.	

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION**Pension And Other Employee Benefit Trust Funds****Combining Statement of Fiduciary Net Position as of December 31, 2024**

(\$ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	Total
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post- employment Benefits Plan	
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

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

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 Fiduciary Net Position as of December 31, 2023**

(\$ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	Total
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post- employment Benefits Plan	
ASSETS:					
Cash	\$6,594	\$696	\$3,695	\$-	\$10,985
Receivables:					
Employee loans	-	-	26,521	-	26,521
Investment securities sold	-	175	1,635	-	1,810
Accrued interest and dividends	3,786	400	1,787	38	6,011
Other receivables	2,657	23	-	-	2,680
Total receivables	6,443	598	29,943	38	37,022
Investments at fair value/NAV:					
Equity securities	2,181,725	230,417	1,338,166	-	3,750,308
Fixed income securities	1,278,338	135,008	680,506	-	2,093,852
Other Alternative investments*	1,906,886	286,586	1,270,655	11,698	3,475,825
Total Investments at fair value/NAV	5,366,949	652,011	3,289,327	11,698	9,319,985
Total assets	\$5,379,986	\$653,305	\$3,322,965	\$11,736	\$9,367,992
LIABILITIES:					
Accounts payable and accrued liabilities	\$5,607	\$238	\$474	\$-	\$6,319
Payable for investment securities purchased	5,789	611	3,592	-	9,992
Accrued benefits payable	-	-	75	1	76
Accrued postretirement death benefits (PRDB) payable	-	-	5,719	-	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	2,527	-	2,527
Other liabilities	557	59	466	-	1,082
Total liabilities	11,953	908	12,853	1	25,715
NET POSITION:					
Restricted for pensions	5,368,034	652,397	3,310,111	-	9,330,542
Restricted for postemployment benefits other than pensions	-	-	-	11,735	11,735
Total net position	5,368,034	652,397	3,310,111	11,735	9,342,277
Total liabilities and net position	\$5,379,987	\$653,305	\$3,322,964	\$11,736	\$9,367,992

See Independent Auditor's 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, 2024**

(\$ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	Total
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post- employment Benefit Plan	
ADDITIONS:					
Contributions:					
Employer contributions	\$ 355,279	\$ 74,956	\$ 189,884	\$ 877,690	\$ 1,497,809
Implicit rate subsidy contribution	-	-	-	66,606	66,606
Participant rollovers	4,216	-	-	-	4,216
Member contributions	39,536	45	28,506	-	68,087
Total contributions	399,031	75,001	218,390	944,296	1,636,718
Investment income:					
Net appreciation / depreciation in fair value of investments	555,464	50,777	318,669	12,118	937,028
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	44,234	4,528	26,520	837	76,119
Investment income, net	633,817	57,553	364,653	58,822	1,114,845
Total additions	1,032,848	132,554	583,043	1,003,118	2,751,563
DEDUCTIONS:					
Benefit payments and withdrawals	398,888	133,794	279,205	877,690	1,689,577
Implicit rate subsidy payments	-	-	-	66,606	66,606
Transfer to other plans	944	-	-	-	944
Administrative expenses	4,801	915	529	144	6,389
Total deductions	404,633	134,709	279,734	944,440	1,763,516
Net increase / (decrease) in fiduciary net position	628,215	(2,155)	303,309	58,678	988,047
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	\$ 7,181,669	\$ 709,626	\$ 4,113,785	\$ 1,432,582	\$ 13,437,662

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	Total
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post- employment Benefit Plan	
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
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	<u>\$ 6,553,454</u>	<u>\$ 711,781</u>	<u>\$ 3,810,476</u>	<u>\$ 1,373,904</u>	<u>\$ 12,449,615</u>

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 PERIOD ENDED MARCH 31, 2025

(\$ in millions)

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	\$ 1,183	\$ 1,214	\$ 31
Vehicle toll revenue	591	748	157
Other operating revenue	229	235	6
Total revenue	2,003	2,197	194
OPERATING EXPENSES:			
Labor:			
Payroll	1,755	1,538	(217)
Overtime	269	284	15
Health and welfare	511	442	(69)
Pensions	417	381	(36)
Other fringe benefits	348	290	(58)
Postemployment benefits	236	210	(26)
Reimbursable overhead	-	(150)	(150)
Total labor expenses	3,536	2,995	(541)
Non-labor:			
Electric power	146	150	4
Fuel	61	58	(3)
Insurance	6	1	(5)
Claims	104	99	(5)
Paratransit service contracts	143	168	25
Maintenance and other operating contracts	253	218	(35)
Professional service contract	210	110	(100)
Pollution remediation project costs	2	1	(1)
Materials and supplies	190	173	(17)
Other business expenses	74	84	10
Total non-labor expenses	1,189	1,062	(127)
Depreciation and amortization	911	966	55
Other Expenses Adjustment	43	-	(43)
Total operating expenses	5,679	5,023	(656)
NET OPERATING LOSS	\$ (3,676)	\$ (2,826)	\$ 850

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED SUBSIDY ACCRUAL RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2025

(\$ in millions)

	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Accrued Subsidies				
Mass transit trust fund subsidies	\$ 152	\$ 153	\$ 1	{1}
Mortgage recording tax 1 and 2	96	104	8	{1}
MRT transfer	0	(1)	(1)	{1}
Urban tax	96	124	28	{1}
State and local operating assistance	7	5	(2)	{1}
Station maintenance	0	51	51	{1}
Connecticut Department of Transportation (CDOT)	71	58	(13)	{1}
Subsidy from New York City for MTA Bus and SIRTOA	142	140	(2)	{1}
Build American Bonds Subsidy	0	1	1	{1}
Mobility tax	1,055	1,106	51	{1}
Assistance Fund (For hire vehicle)	92	94	2	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	83	107	24	{1}
Internet Marketplace Tax	83	84	1	{1}
Transfer to Central Business District Capital Lockbox	(277)	0	277	{1}
Other non-operating income	32	289	257	{2}
Total accrued subsidies	1,632	2,315	683	
Net operating deficit before subsidies and debt service	(3,676)	(2,826)	850	
Debt Service	310	(503)	(813)	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	\$ (1,734)	\$ (1,014)	\$ 720	

{1} The Financial Plan records on a cash basis while the Financial Statement records on an accrual basis.

{2} The Financial Plan records do not include other non-operating income or changes in fair value.

{3} Timing of receipt in the Financial Plan.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF FINANCIAL PLAN TO FINANCIAL STATEMENTS RECONCILIATION

RECONCILING ITEMS

FOR THE PERIOD ENDED MARCH 31, 2025

(\$ in millions)

Financial Plan Actual Operating Loss at March 31, 2025	<u>\$ (3,676)</u>
The Financial Plan Actual Includes:	
1 Lower Other operating revenue	194
2 Higher labor expense primarily from higher payroll expense projections	541
3 Higher non-labor expense primarily from higher professional service contract expense	127
4 Other expense adjustments	<u>(12)</u>
Total operating reconciling items	<u>850</u>
Financial Statements Operating Loss at March 31, 2025	<u>\$ (2,826)</u>
Financial Plan Deficit after Subsidies and Debt Service	(1,734)
The Audited Financial Statements Includes:	
1 Debt service bond principal payments	(813)
2 Adjustments for non-cash liabilities:	
The Financial Statement includes:	
3 Higher subsidies and other non-operating revenues and expenses	683
4 Total operating reconciling items (from above)	<u>850</u>
Financial Statement Loss Before Capital Appropriations	<u>\$ (1,014)</u>

MTA ENTERPRISE RISK MANAGEMENT PROGRAM

Mid Year Status Report to
the Audit Committee – July
2025

Presented by MTA Corporate Compliance



Board's Role & Responsibilities

Public Authorities Law 2931 states “The governing board of each covered authority shall:

1. establish and maintain for the authority guidelines for a system of internal controls that are in accordance with this article and internal control standards...”
2. establish and maintain for the authority a system of internal control and a program of internal control review.
3. make available to each member, officer and employee a clear and concise statement of the generally applicable managerial policies and standards
4. designate an internal control officer, who shall report to the head of the authority,
5. implement education and training efforts



Elements: Enterprise Risk Management

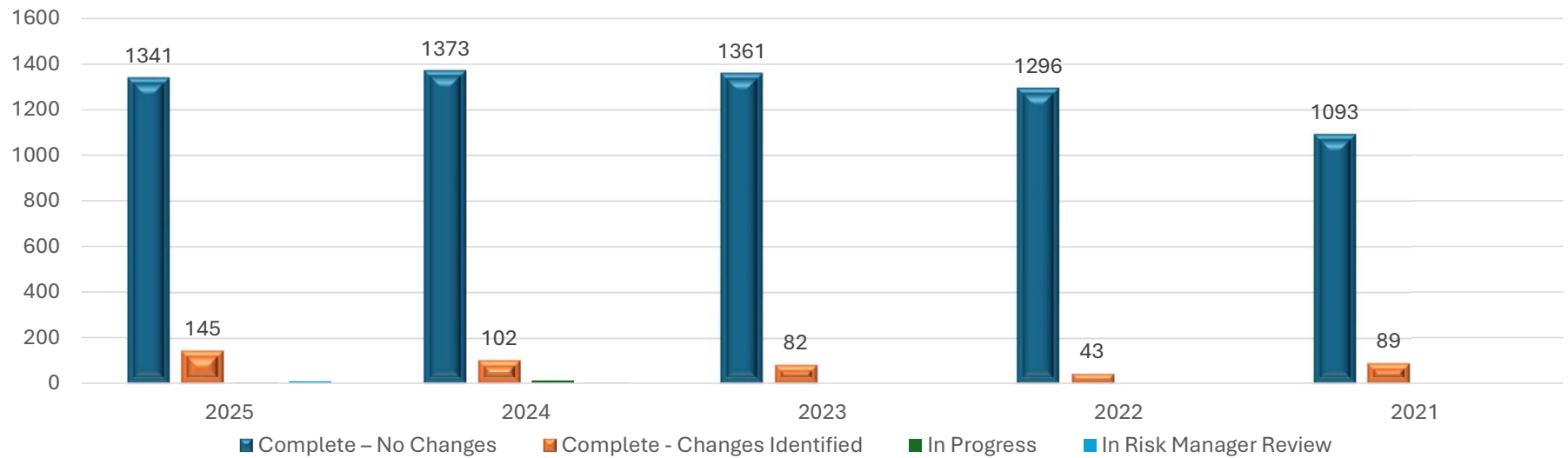
Enterprise Risk Assessment

Control Self Assessment

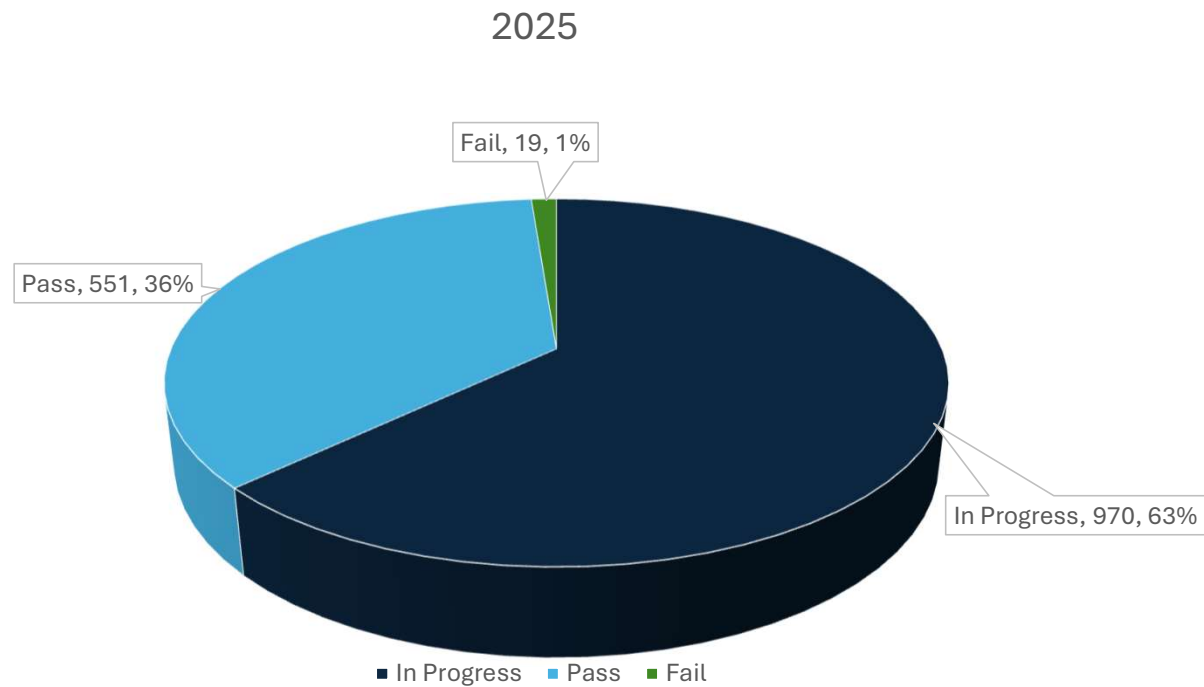
Issues Management

Policy Lifecycle Management

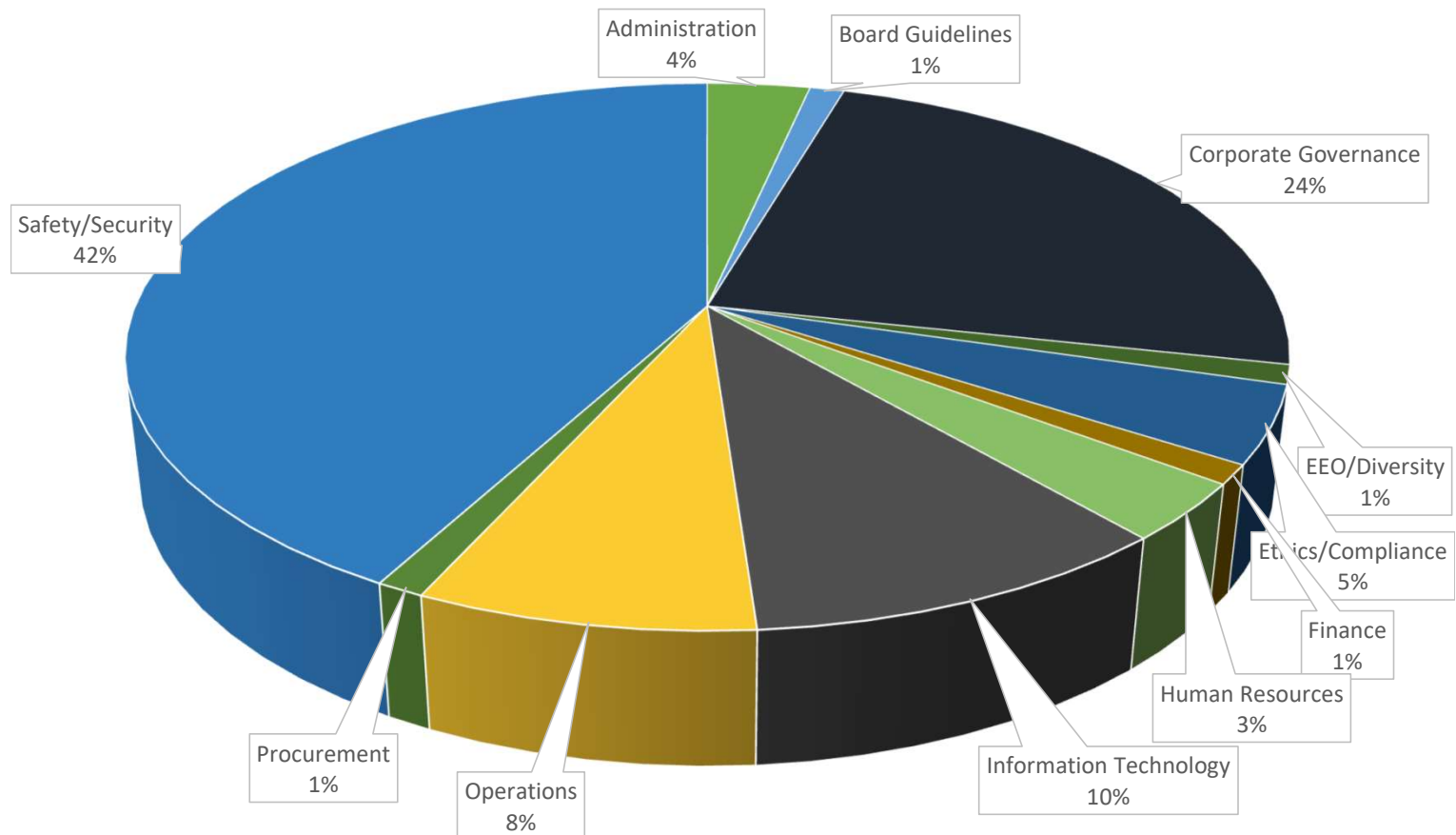
Risk Assessments By Status



Internal Control Testing



Policy Lifecycle Management



Policies
reviewed 2024
by Domain

ERM: Enterprise- Wide Risks

Risk Process

Cyber Security

Infrastructure and Equipment Maintenance

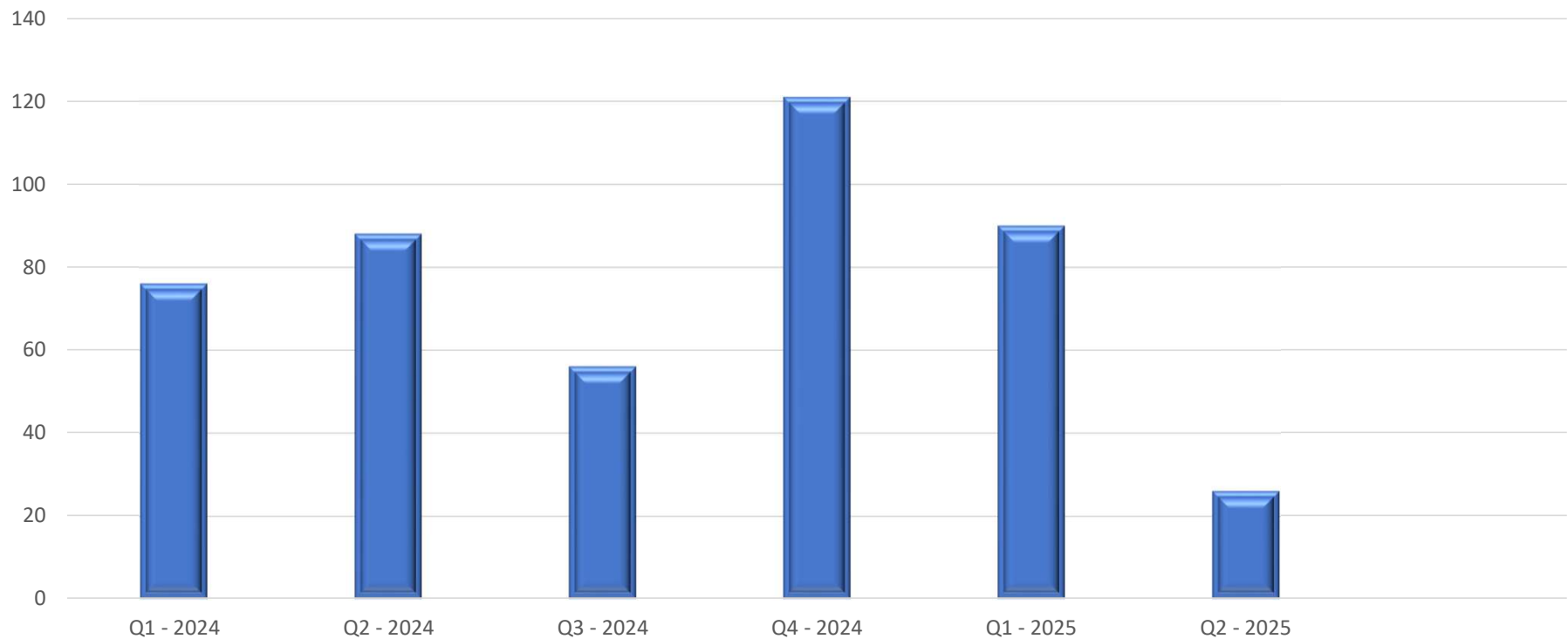
Reputational

Safety - Employee and Customer

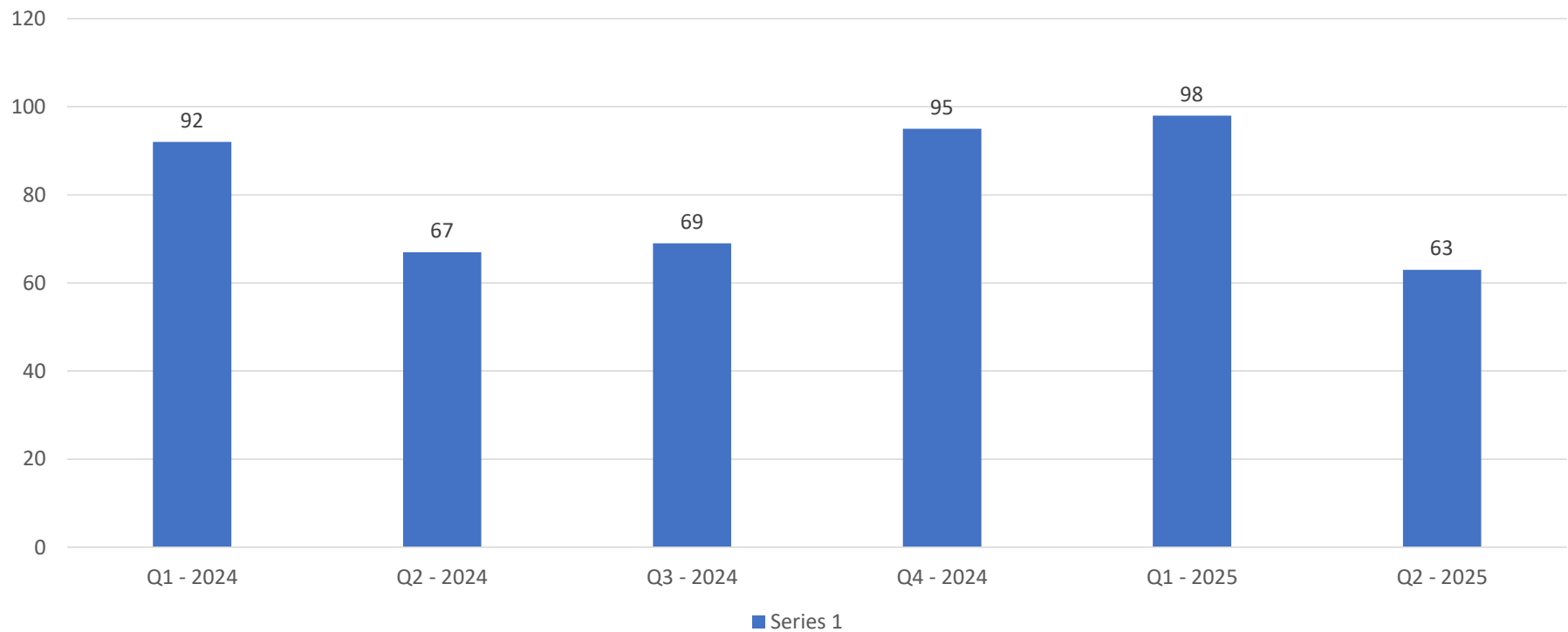
Security

Succession Planning

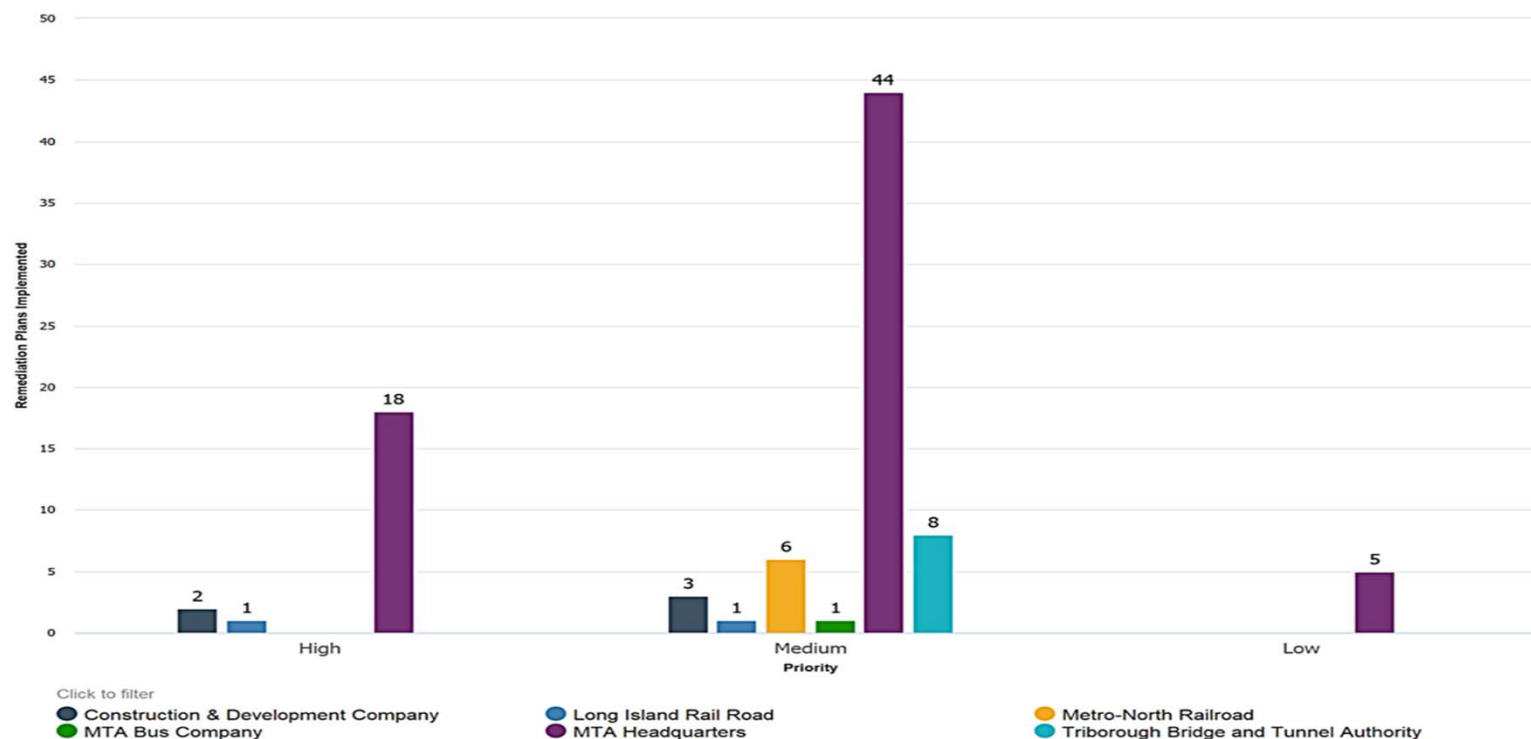
Issue Management: Remediation Plans Creation Trending by Quarter



Issue Management: Remediation Plans Closure Trending by Quarter



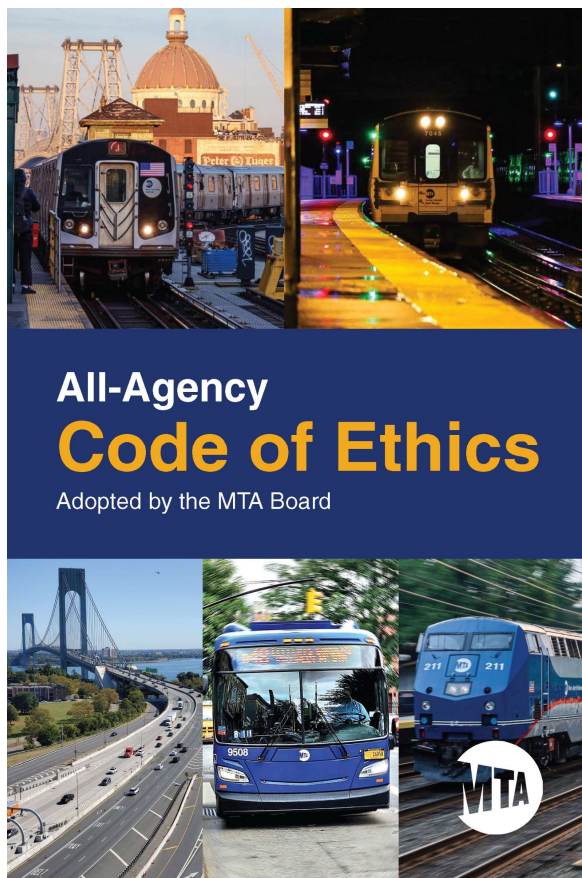
Remediation Plans Implemented Awaiting Closure By Agency & Priority



MTA ETHICS & COMPLIANCE PROGRAM

Annual Report to the Audit Committee – July 2025

Presented by MTA Corporate Compliance



How do we Build Trust

Commitment to Ethical Standards

Encourage Employees to Do the Right Thing Even When Difficult

Treating the Code not as a Set of Rules but as a Guide to Acting Ethically

Fostering Atmosphere to Seek Assistance and to Speak up

Code of Ethics - Building Trust

The Metropolitan Transportation Authority is committed to conducting all our activities with integrity consistent with our Code of Ethics. The adherence to a strict Code of Ethics is central to gaining and keeping the trust of our stakeholders.

This Code of Ethics is our combined commitment to all our stakeholders that we will conduct ourselves in a manner to maintain and build the public trust. Our ethical standards are based upon doing the right thing even when it is difficult or unpopular. Our Code of Ethics is a guide, therefore as an Employee of the MTA you are expected not only to comply with the letter of the Code but its spirit as well.

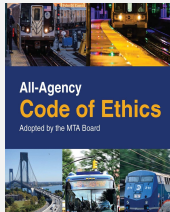
We must foster an atmosphere that encourages Employees to seek assistance if faced with ethical dilemmas and to be alert to potential ethical issues. **I encourage you to speak up if you see something that does not seem right.**

If you have an ethics-related question, you should reach out to MTA Corporate Compliance for guidance.

Lamond W. Kears

Chief Ethics, Risk and Compliance Officer

IN REVIEW

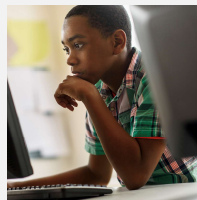


MTA Code of Ethics Celebrated 20th Anniversary



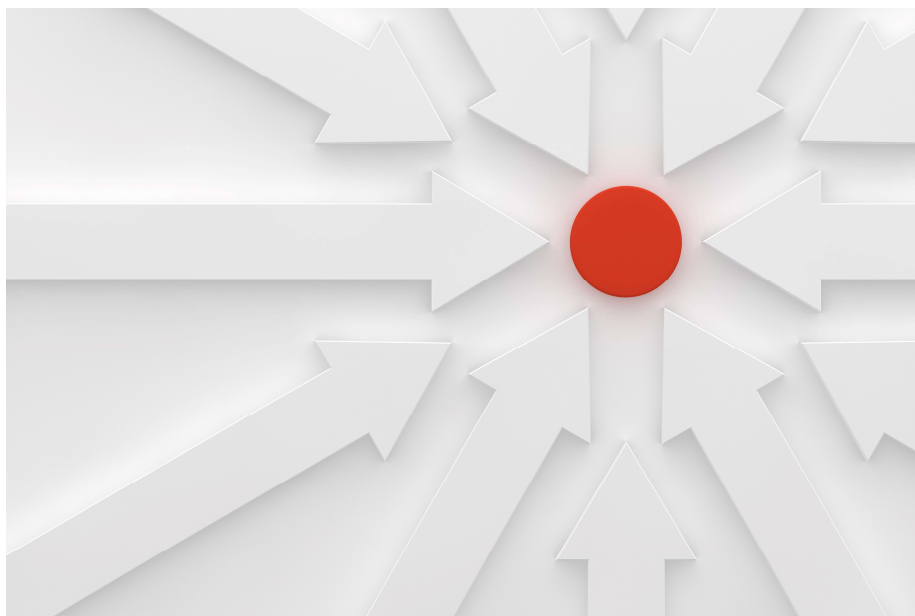
Established New Conflict of Interest Certifications in Archer

1. Various Types Conflict of Interest
2. Outside Activities



Launched New On-Demand Ethics Training

Matters HANDLED



2.4k

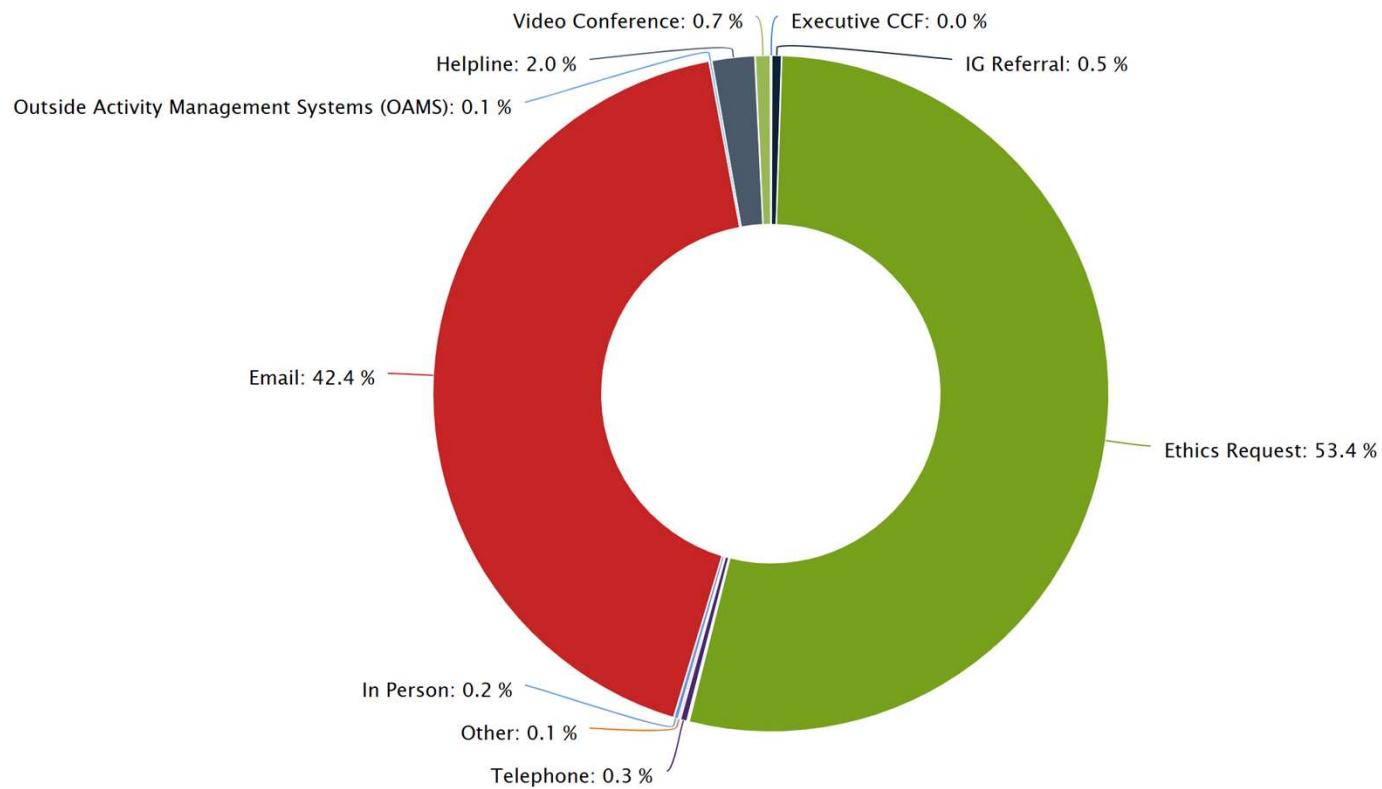
2024

1.1k

2025

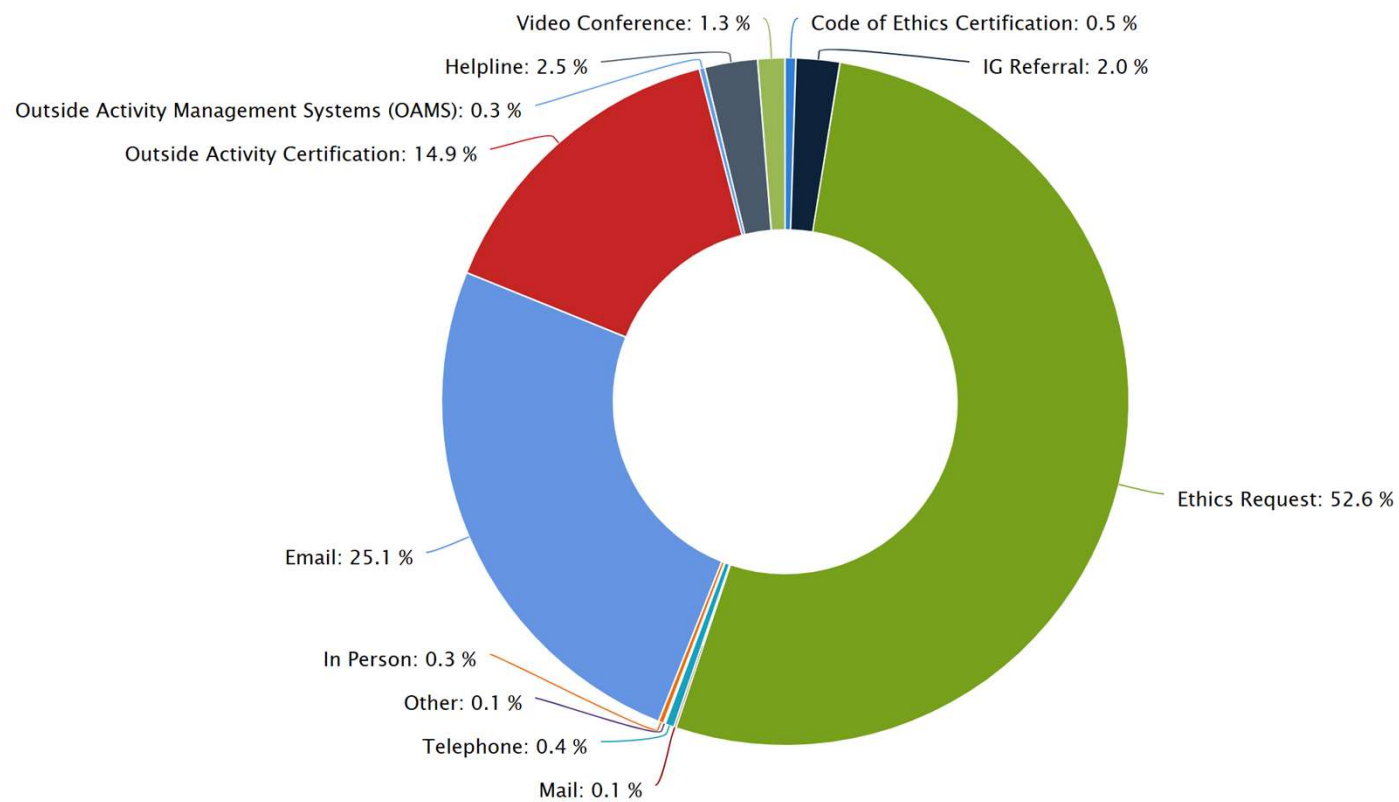
Matters: By Source

2024

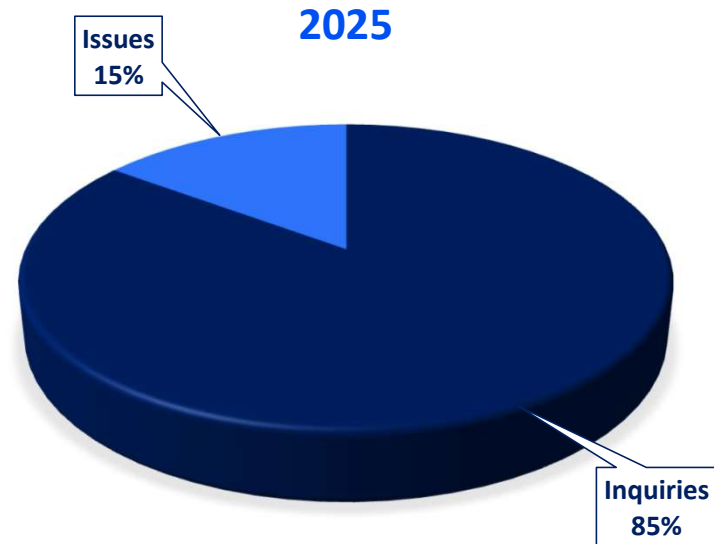
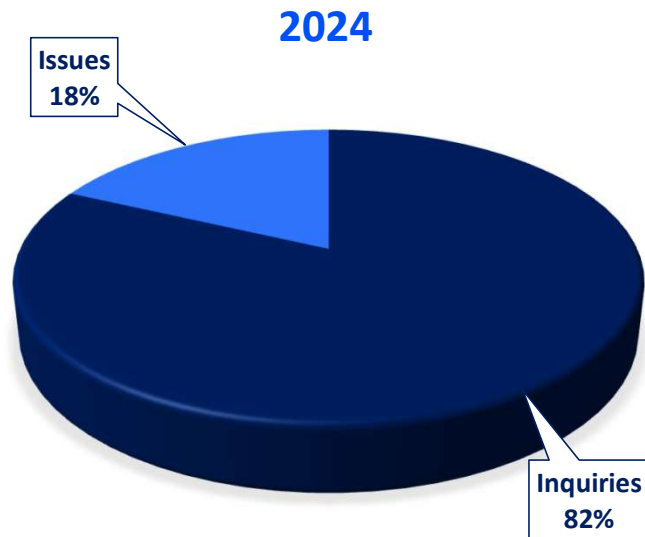


Matters: By Source

2025

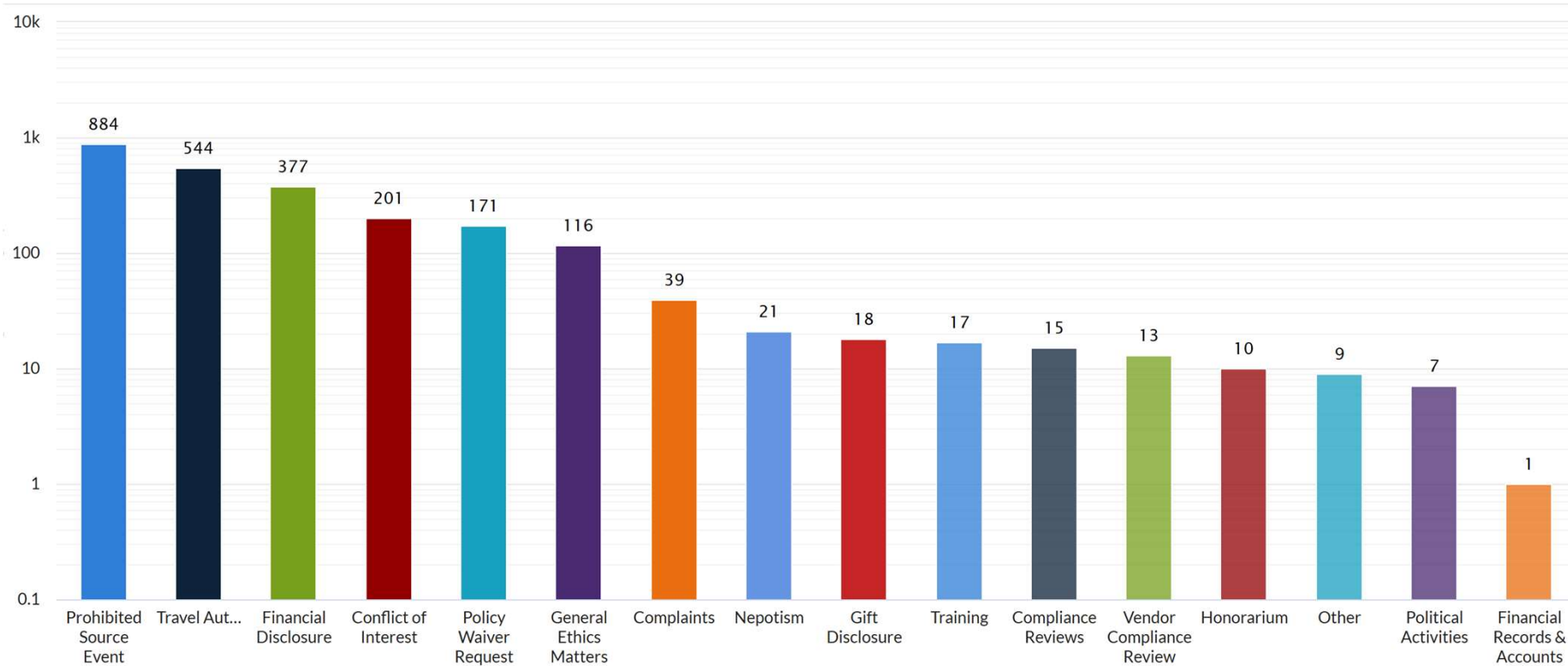


Matters: Issues Versus Inquiries



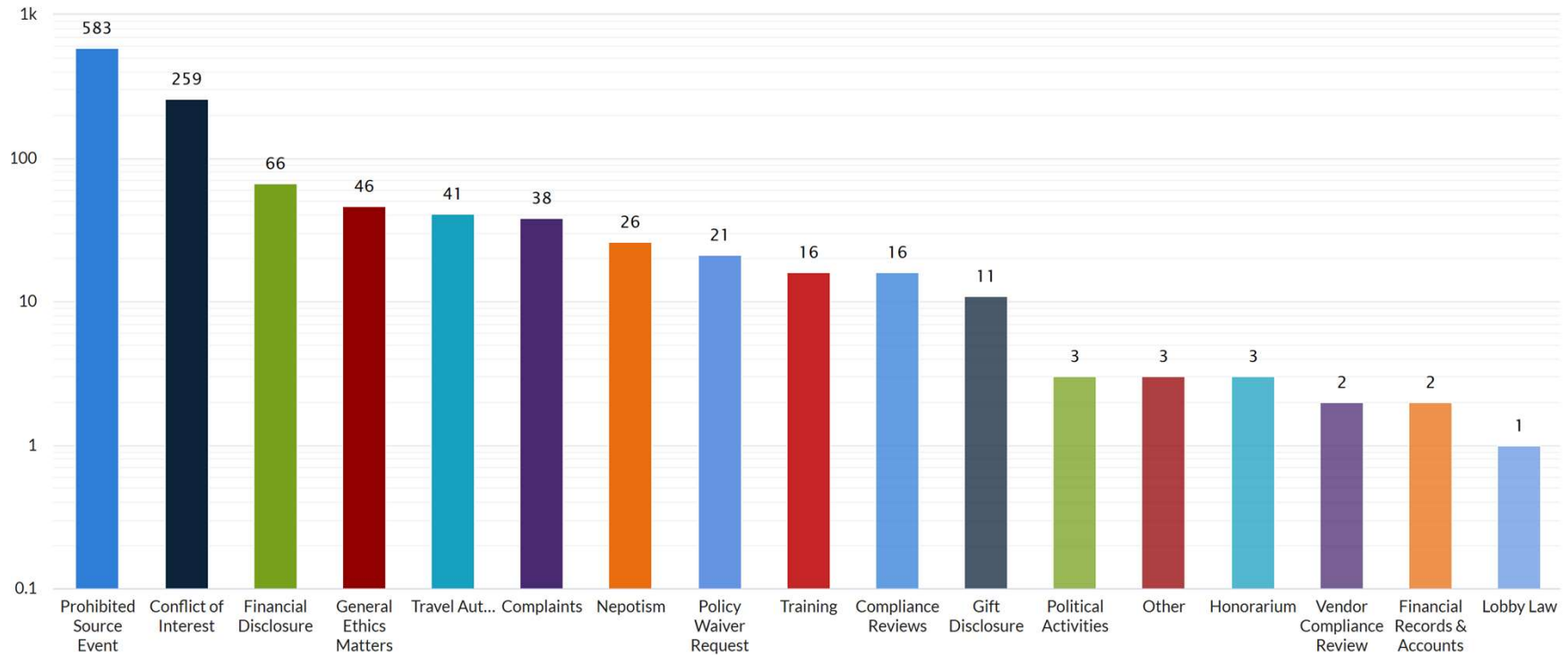
Matters: By Category

2024

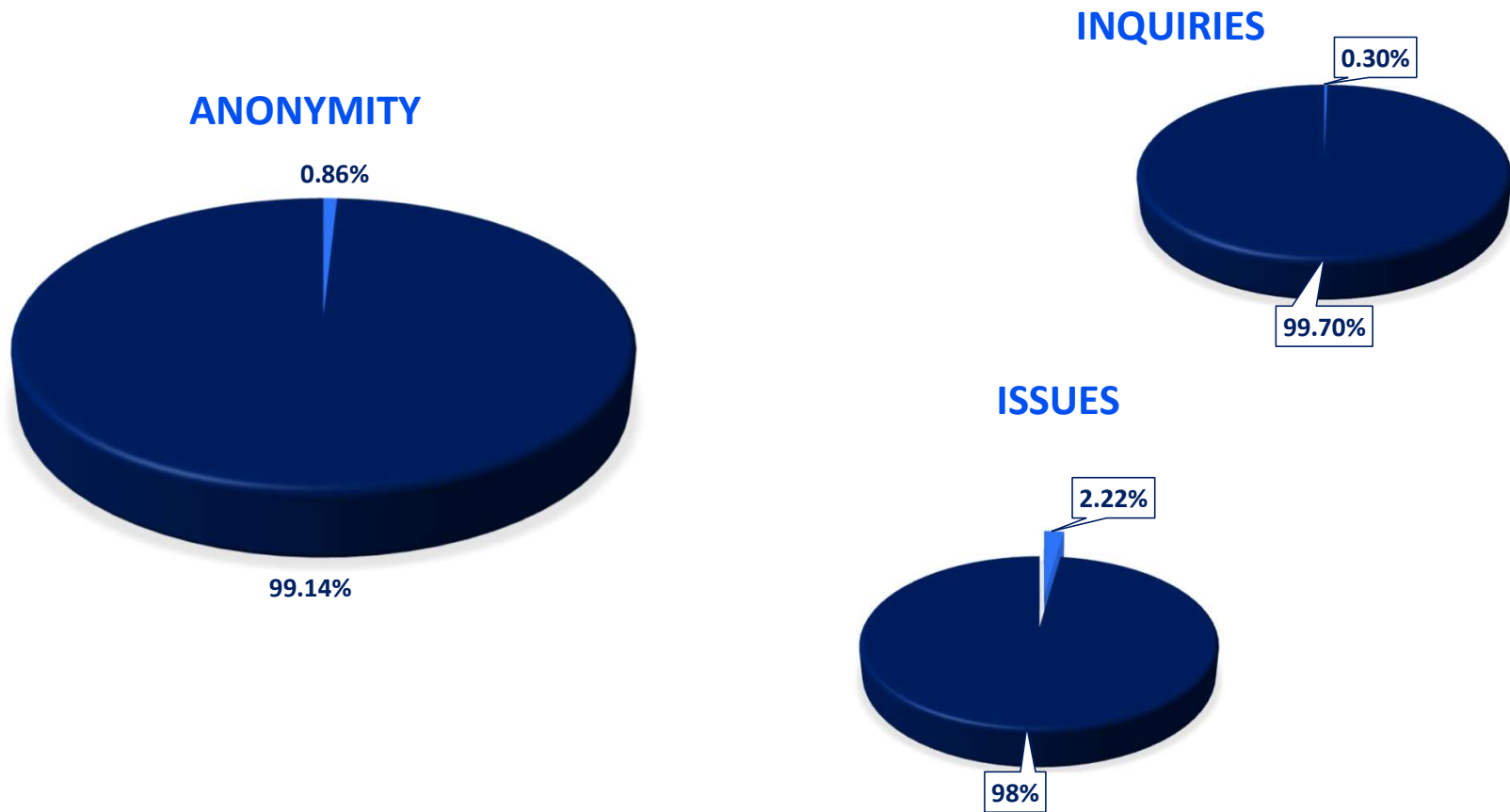


Matters: By Category

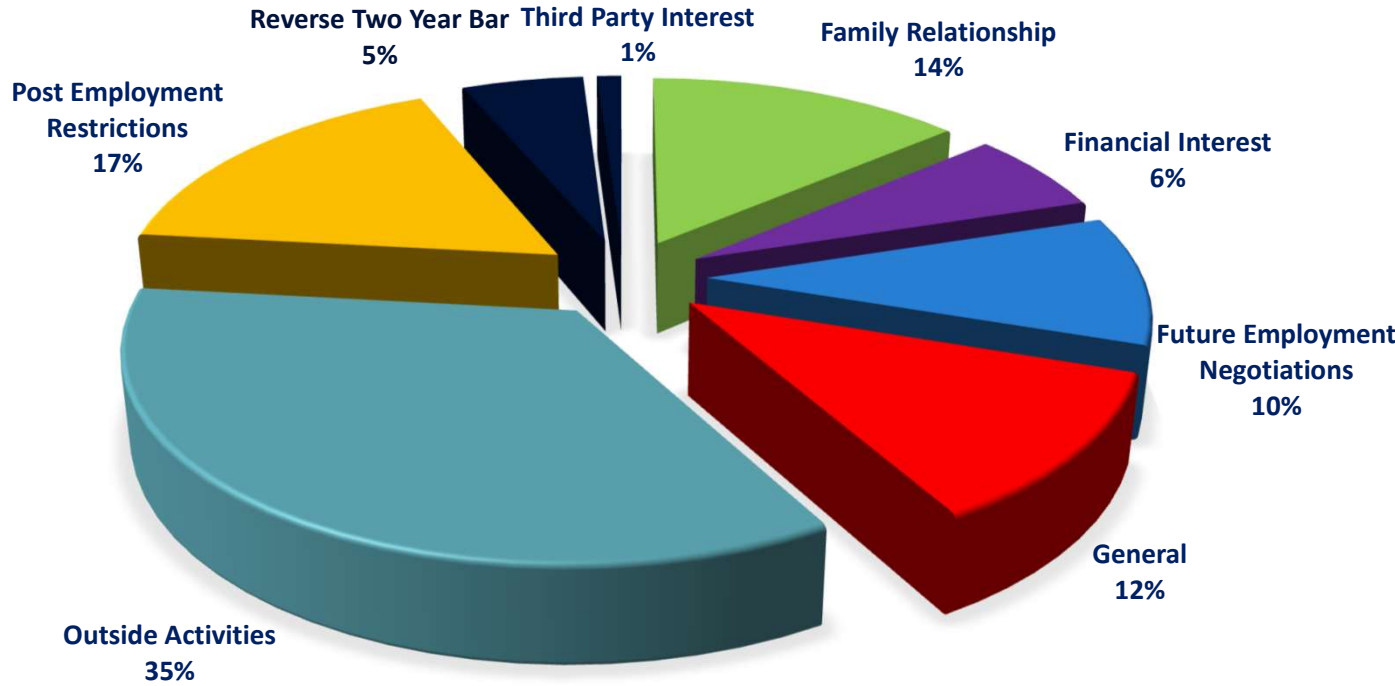
2025



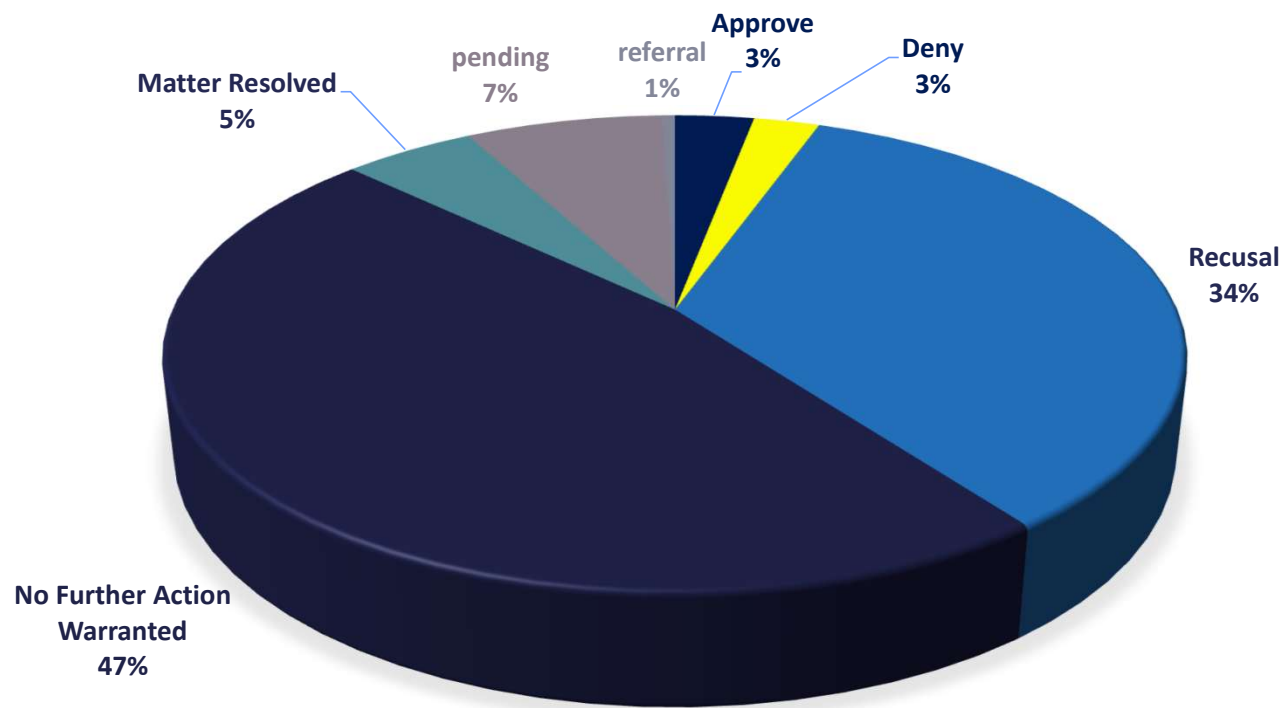
Matters: By Request for Anonymity 2024



Conflict of Interests (“COI”) by Type



Conflict of Interests (“COI”) Resolutions



COI Outside Activity Requests Submitted

MTA Outside Activity Management System 2024

Triborough Bridge and Tunnel Authority	7
MTA Bus Company	19
Metro-North Railroad	83
Long Island Rail Road	84
Construction & Development Company	141
New York City Transit Authority	214
MTA Headquarters	248

797
2024

701
2025

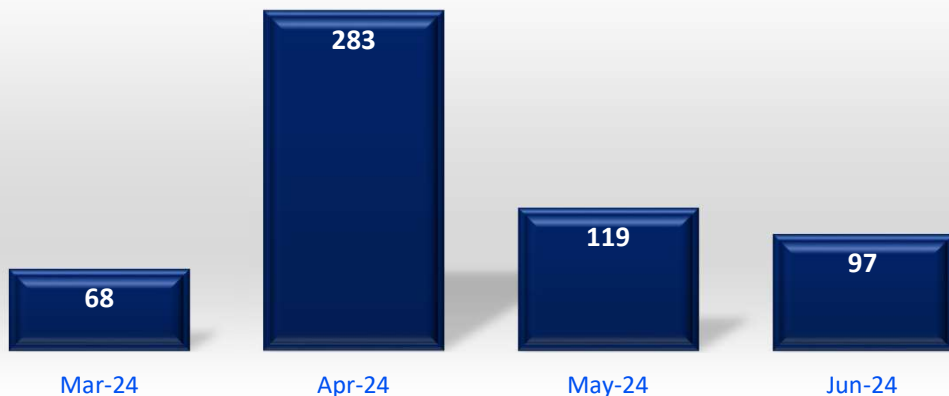
COI Outside Activity Certifications

- Outside Activity Certifications in Archer Launch April 2025

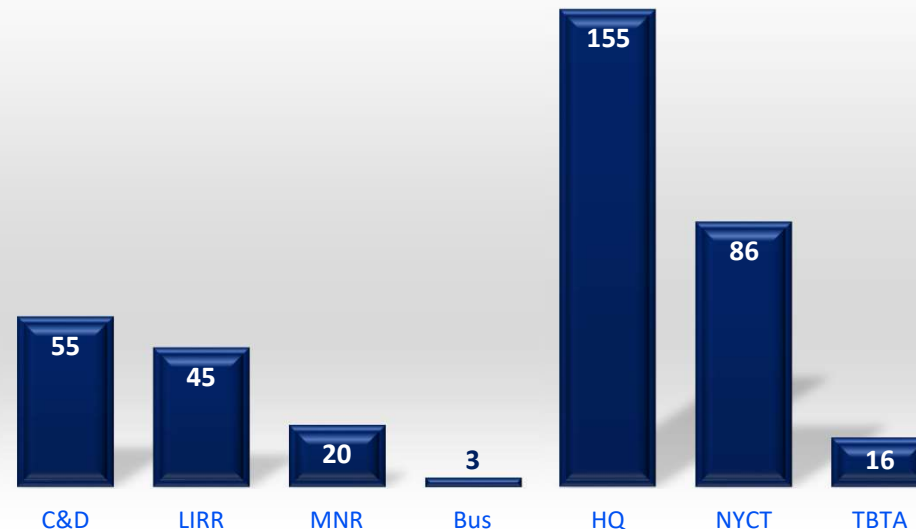
Allows Compliance to track responses and identify Employees who may need to submit an Outside Activity Request

Trust but Verify: the certifications are linked to Outside Activity Management System. Employees cannot complete certification without identifying approved outside activity.

Increase in OAR Submitted



Voluntary Disclosure: 380



A blurred background image showing a person's hand raised in a meeting or training session, with other people visible in the background.

Ethics Training

- Live Ethics Training
- On Demand Ethics Training
- New Employee Orientation
- MNR Management Training
- C&D Training regarding Consultant Relationships & Gifts
- MTA Police Orientation

Ethics Training Live and On Demand



2.8k

2024

10.6k

2025

Communications

MTA ETHICS & COMPLIANCE PORTAL

MTA Corporate Compliance | Ethics and Compliance

Welcome to the Ethics and Compliance Portal

Ethics and Compliance Management

My Code of Ethics & Conflict of Interest Certification

Certification ID	Certification Date	Certification Status
CCOE-534310	8/15/2022	Complete

Page 1 of 1 (1 records)

My Enterprise Policy Certifications

Certification ID	Certification Date	Certification Status
EPC-395281	12/16/2020	Complete
EPC-383422	10/12/2020	Complete

Page 1 of 1 (2 records)

My Outside Activity Certifications

No Records Found

Ethics & Compliance Quick Links

- Create Honorarium Request
- Create Policy Waiver Request
- Request Prohibited Event / Travel Approval
- Request Travel Only Approval (MTA Funds / No Events)
- Submit Gift Disclosure
- Submit Conflict of Interest Disclosure
- Submit Outside Activity Approval Request

Ethics & Compliance Information Center

- Policy Portal
- Outside Activity Management System Guide
- Financial Disclosure Filing Instructions
- MTA Ethics Training Factsheet
- Ethics Helpline: 888-U-ASK-MTA

Ethics Training Registration

2024 Schedule
Training Dates:
AM Class 10AM-12PM / PM Class 2PM-4PM

Wednesday, July 17, 2024 AM Class	Click here to register
Thursday, July 18, 2024 PM Class	Click here to register
Wednesday, August 14, 2024 AM Class	Click here to register
Thursday, August 15, 2024 PM Class	Click here to register
Wednesday, September 11, 2024 AM Class	Click here to register
Thursday, September 12, 2024 PM Class	Click here to register

Additional courses will be added monthly

My Ethics Training Status

Last Training ID	Full Name	Attendee BSC ID	Certification Status	Last Training Completion date	Next Training Due Date
ETC - 9516	Lamond Kears		Complete	10/18/2023	10/17/2025

Page 1 of 1 (1 records)

My Outside Activity Management System (OAMS)

Tracking ID	Date of Request	Policy Maker	Status
OAMS-753297	7/15/2024 6:19 AM	Non Policy Maker	Awaiting Supervisor Approval
OAMS-753250	7/15/2024 1:55 PM	Policy Maker	Awaiting Additional

POWERED BY ARCHER

MTA Ethics & Compliance Portal



Questions

Memorandum



Metropolitan Transportation Authority

State of New York

Date: July 16, 2025

To: Audit Committee Financial Disclosure Statement

From: Lamond W. Kearsse, Chief Ethics, Risk & Compliance Officer

Re: Annual Report on 2024 Financial Interest Reporting Compliance

At its January 1992 meeting, this Committee requested an annual report regarding compliance by MTA Headquarters and its Agencies ("MTA") with the financial interest reporting requirements established by Public Officers Law and the MTA All Agency Code of Ethics.

Pursuant to MTA's Code of Ethics and Public Officers Law §73-a, each year MTA identifies those employees who are required to file a Financial Disclosure Statement based upon earning in excess of the statutory amount and those employees who are designated policy makers. This information is sent to Commission on Ethics and Lobbying in Government ("Commission"). Employees in these categories receive notices from the Commission that they are required to complete a Financial Disclosure Statement which must be returned to the Commission by the statutory deadline of May 15.

At its January 1996 board meeting, the Board authorized and directed the Chairman or his designees to actively assist the Commission in its enforcement of the State's financial disclosure reporting requirements and to impose disciplinary action in appropriate cases.

In accordance with the Board's directive, and in order to reinforce in the minds of all MTA employees the MTA's commitment to compliance with the State's financial disclosure requirements, the annexed memoranda regarding compliance with financial disclosure was sent to all MTA employees and Board Members concurrently with the notice from the Commission.

The MTA will also continue actively to assist the Commission in its enforcement of the law. This year the MTA has approximately 7,300 filers. MTA Corporate Compliance will be monitoring compliance closely in the coming year.

Memorandum



Metropolitan Transportation Authority

State of New York

Date: April 17, 2025

To: All MTA Financial Disclosure Statement Filers

From: Lamond W. Kearsse, Chief Compliance Officer

Re: Financial Disclosure Statement – Covering Calendar Year 2024

The Commission on Ethics and Lobbying in Government (“COELIG”) emailed notices regarding the New York State Annual Financial Disclosure Statement for calendar year 2024, to applicable employees. All employees who have been designated FDS filers have an obligation to file a Financial Disclosure Statement with COELIG. This statement, whether completed on-line or hard copy, should be filled out carefully and thoughtfully and filed with COELIG **no later than Thursday, May 15, 2025** pursuant to COELIG’s instructions.

I urge all employees to review our MTA All Agency Code of Ethics. A copy of the code can be found on [MTA’s Ethics and Compliance Portal](#), Internet or obtained from MTA Corporate Compliance. As you complete your financial disclosure form, you should be aware of any or actual potential conflicts of interest that you may need to report.

There is no exemption from filing for anyone who is away from work for any part of the calendar year or is working a reduced work schedule. New employees that are required to file, who commence service after the MTA submits its written list of financial filers, are required to file within 30 days of notification from COELIG.

As you know, COELIG is authorized to enforce the State’s ethics and financial reporting laws, which include the ability to impose a civil penalty up to \$40,000 or to seek prosecution as Class A misdemeanor violations of those laws. Pursuant to Board guidelines, in addition to providing its full cooperation and assistance to COELIG in its enforcement of the law, the MTA will impose such disciplinary action as may be appropriate in the case of violations.

Again, this year COELIG may assess penalties for filings received after the statutory deadline. To avoid late fines and possible disciplinary action, your statement must be received by COELIG **no later than May 15, 2025**.

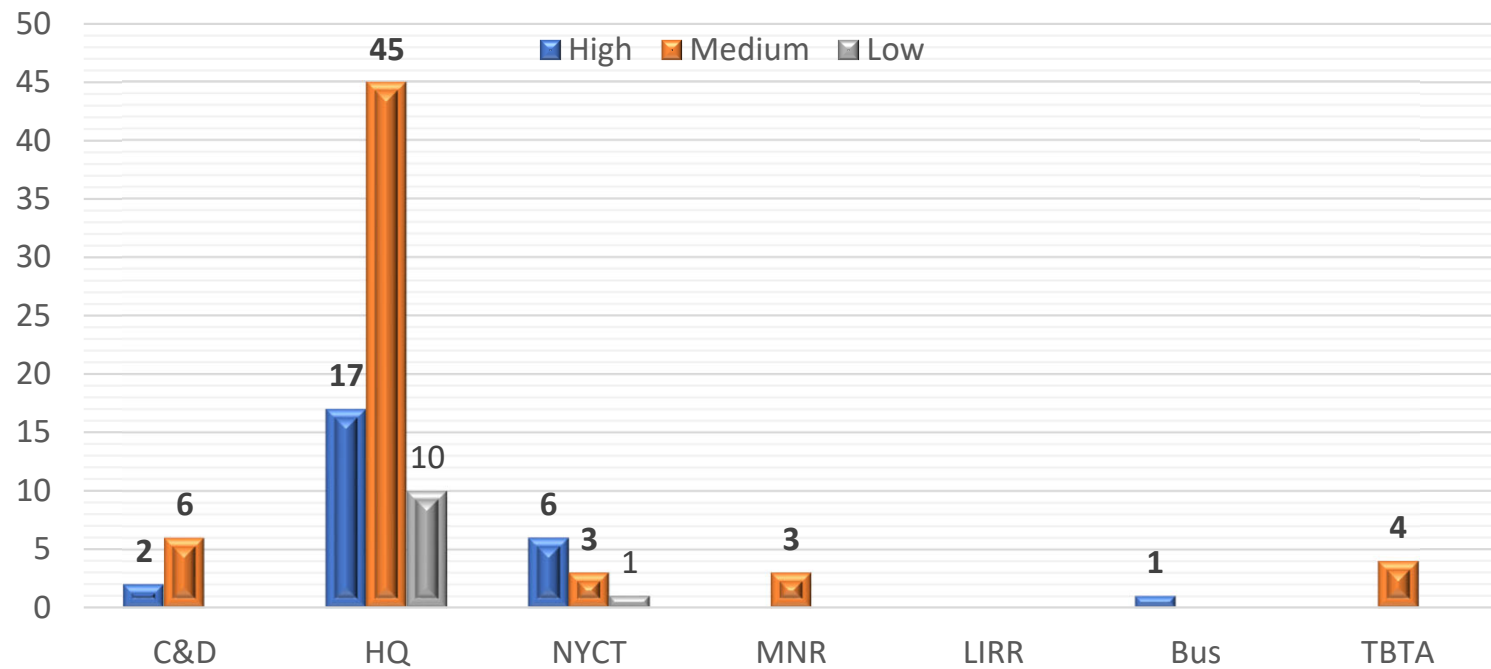
Should you find yourself in a situation that raises any question as to your obligations concerning conflicts of interest or whether you are required to file a financial disclosure statement with COELIG, I encourage you to contact the Ethics Helpline at 888 U-ASK-MTA (888-827-5682) for guidance.

MTA CORPORATE COMPLIANCE

Remediation Plans Monitoring Six Months Past Due

Report to the Audit Committee
July 2025

Remediation Plans Six Months Past Due by Agency & Priority





MTA AUDIT SERVICES

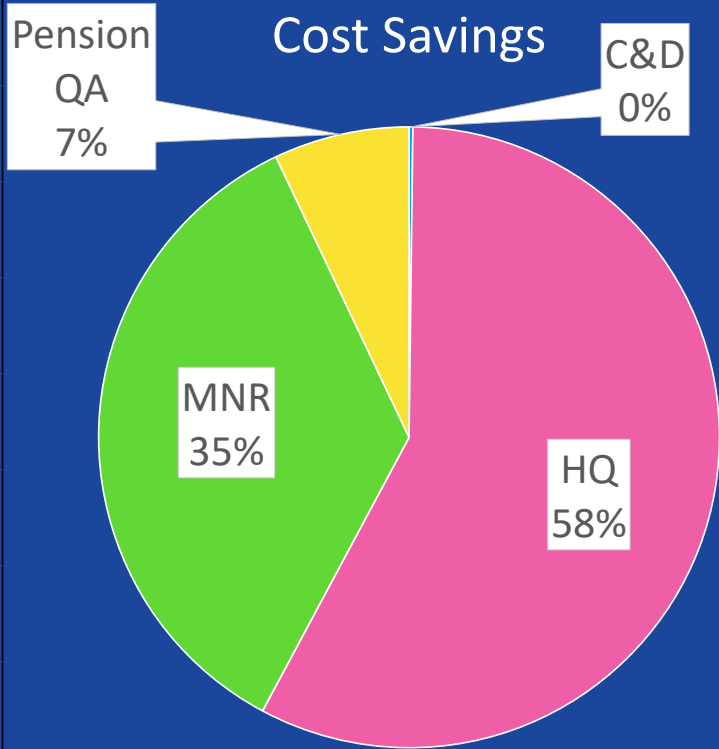
Mid-Year Updates and Audit Plan Status

July 28, 2025



**Metropolitan
Transportation
Authority**

Financial, Operational, and Technology Audits



39

Completed
Audits

106

Findings with
Recommendations

\$4.5M

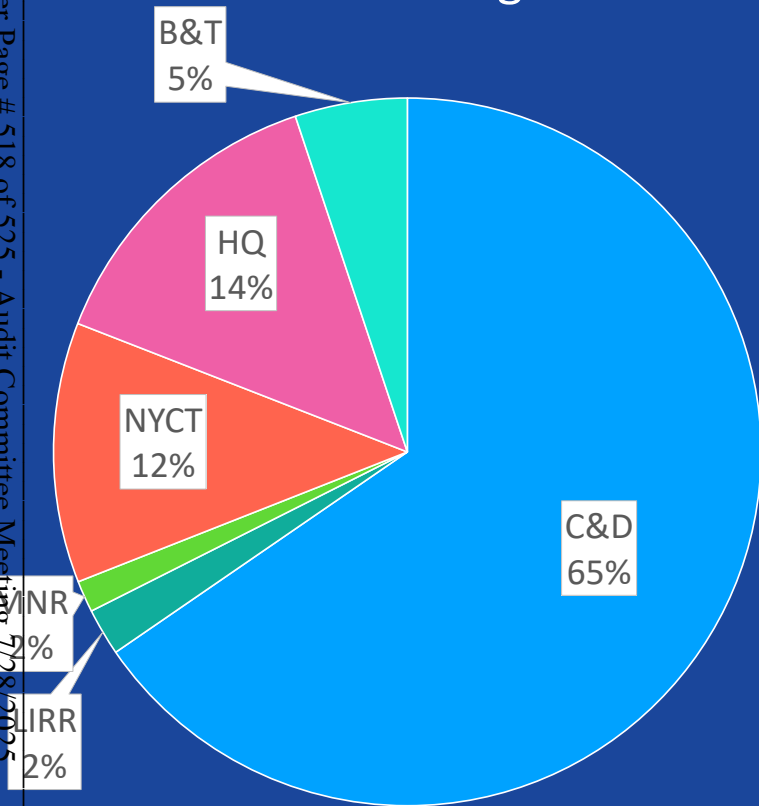
Cost Savings
Identified

\$174k

Cost Savings
per Audit

Contract Reviews and Audits

Cost Savings



59

Completed
Audits

389

Pre-Award
Reviews

\$270.8M

Dollars Audited

\$9.5M

Questioned
Costs

\$7.6M

Estimated Costs
to be Recovered



Sandy Audit Unit (Since 2013)

\$4.5B

Grant
Expenditures

\$584M

Costs Audited

\$66.6M

Cost Adjustments

165

Projects

442

Recommendations

\$404k

Adjustments per
project



Audit Highlights

IT Assets/Mobile Devices

Operating Contracts (Homeless Outreach)

Bus Depot Operations

Cost Proposals – Sole Source
Procurements and Impact
Claims



2025 Audit Areas

Service Delivery (cleaning, maintenance)

Revenue (ticket offices, on-board)

Procurement (services contracts)

People (sick leave, FMLA)

- Finance (pensions, overtime, treasury)
- Capital Program (Sandy, prevailing wages)
- Safety (training, incident reporting)
- Technology (cybersecurity)



Process Improvement & Transformation

- Support Employees
- Find Efficiencies
- Expand Value

Progress so far...

- Process Streamline Kickoff
- Employee Tours
- Streamlined Reports
- Digitized Processes
- Auditor of the Quarter
- Career Conversations
- Mentorship Program





... and still to come

- Implement Audit Dashboard
- Opportunity for Collaboration
- Additional Training



Looking Ahead

- Prioritize Audits with input from Agency Presidents
- Work towards achieving MTA's Strategic Priorities
- Coordinate with External Stakeholders
- Continue Process Improvement Initiatives