Metropolitan Transportation Authority

Audit Committee Meeting

May 2024

Committee Members

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

Audit Committee Meeting

Monday, 5/20/2024
12:30 - 1:15 PM ET

MTA Board Room - 20th Floor
2 Broadway

1. PUBLIC COMMENTS

2. APPROVAL OF MINUTES

3. AUDIT COMMITTEE WORK PLAN

4. MANAGEMENT REVIEW OF MTA CONSOLIDATED FINANCIAL STATEMENTS

5. DRAFT 2023 AUDITED FINANCIAL STATEMENTS

6. DRAFT 2023 INVESTMENT COMPLIANCE REPORT

7. OPEN AUDIT RECOMMENDATIONS

MINUTES OF MEETING
AUDIT COMMITTEE OF THE BOARD
MONDAY, JANUARY 29, 2024 – 12:00 P.M.
RONAN BOARD ROOM – 20TH FLOOR
2 BROADWAY

The following were present:

<u>Honorable:</u>
Jamey Barbas
Lisa Sorin
David Jones

M. Woods – MTA
P. Richardson - MTA
D. Jurgens - MTA
K. Willens – MTA
J. McGovern – MTA
L. Kearse - MTA
J. Strohmeyer - Deloitte
K. Makiakis - Deloitte
M. Tartaglia - Deloitte
P. Zurita - Deloitte
A. Sharma - Deloitte

Also in attendance were
J. Patel - MTA
P. Graves - MTA

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1. <u>PUBLIC COMMENTS PERIOD</u>

There were no public speakers.

2. <u>APPROVAL OF MINUTES</u>

The minutes of the October 23, 2023, Audit Committee meeting were approved.

3. <u>AUDIT COMMITTEE WORK PLAN</u>

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

A motion was made and seconded to accept the 2024 Audit Committee Work Plan.

4. <u>INDEPENDENT ACCOUNTANT'S REVIEW REPORT – 3rd QUARTER 2023</u>

In her opening remarks, the Audit Committee Chair (Jamey Barbas) stated that Jill Strohmeyer, Managing Director, Deloitte will present the results of their review of the 3rd Quarter 2023 MTA Consolidated Interim Financial Statements. However, before Strohmeyer's presentation, Jim McGovern, Acting Deputy Chief noted one correction on the materials presented in the Committee Book (on Master Page #23 of the Committee Book). He indicated that it was a labeling error on the Income Statement and that it had no impact on the MD&A or on the comparison to the prior year's numbers. Next, Strohmeyer gave her presentation and stated that Deloitte is currently in the process of completing its quarterly review procedures for the MTA's Consolidated Interim Financial Statements for the nine-month period ended September 30, 2023. A review of interim financial information is less in scope than an audit and their procedures primarily consist of analytical procedures and making inquiries of management and those responsible for the information that is contained within the statements. Based on their review, other than the change just discussed by Jim McGovern, Deloitte was not aware of any material modifications that should be made to these interim financial statements for them to be in accordance with accounting principles generally accepted in the United States.

A motion was made and seconded to accept the 3rd Quarter 2023 Consolidated Financial Statements. As required by the State Budget Office, the 3rd Quarter 2023 financial statements will be brought to the full Board on Wednesday for a vote with a recommendation to approve from the Audit Committee members.

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

5. ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL GUIDELINES

In her opening remarks, the Audit Committee Chair (Jamey Barbas) stated that Lamond Kearse, MTA Chief Compliance Officer, will brief the committee on selected aspects of the Enterprise Risk Management (ERM) program and agency compliance with the MTA's Internal Control Guidelines. Kearse proceeded to reference a slide in the Committee Book that provided a breakdown of the entire structure of the MTA and noted that the bulk of the work in ERM focuses on operational issues at the agencies. In 2023, they conducted over 1,400 risk assessments and the number of risk assessments performed by Corporate Compliance has been increasing over the past several years. In terms of changes, there were 82 changes in 2023 noted by the various agencies and departments. In 2023, they also performed 1,365 Controlled Self Assessments, of which 1,298 passed and 67 of those failed. Kearse then presented a slide that illustrated the percentage of the 67 deficiencies broken out by significance. He noted that this slide is misleading since there was only one deficiency deemed to be material (the chart indicates that 7% of the 67 deficiencies were material). This material deficiency involved Personal Protective Equipment (PPE) and that lists of names and titles were not being updated in a timely manner (secondary controls). Although the updating of the lists is not a primary control, because the deficiency involves safety and PPE, it automatically became "material" in the view of Corporate Compliance. With respect to Remediation Plans, they continue to see the plans being opened. During the fourth quarter of 2023, a total of 97 Remediation Plans were opened and 105 were closed indicating that the agencies have been actively addressing the Remediation Plans.

Committee member Lisa Sorin inquired about the remedy or process to cure the 67 Controlled Self Assessments that failed. In response, Kearse stated depending on the level of significance, that a Remediation Plan will be created and tracked in the automated system.

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

6. INTERNAL CONTROL ACT

In her opening remarks, the Audit Committee Chair (Jamey Barbas) stated that Lamond Kearse, MTA Chief Compliance Officer, will present the results of the all-agency internal control reports issued to the New York City Division of Budget as required by the Government Accountability Audit and Internal Control Act. Kearse advised the Committee that they continue to work with the authority Budget Office in terms of compliance with the requirements of the Internal Control Act and the MTA is fully compliant with all the requirements. In summary, the Board has issued the required guidelines, risk assessments and control testing are being done, and they are actively involved in training and education efforts.

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

7. 2023 AUDIT PLAN STATUS AND 2024 AUDIT PLAN

The Auditor General (Michele Woods) briefed the Audit Committee on the activities and accomplishments in 2023. She first stated that the mission of MTA Audit Services (MTA Audit) is to provide insightful, proactive, and future focus quality results while promoting governance considering risks and controls and identifying organizational improvements. Woods then thanked her Direct Reports: Darren Jurgens and Phyllis Richardson, as well as the entire audit staff for the results achieved in 2023. During the year, MTA Audit completed 81 operational and assurance audits and these audits identified 149 findings and the audit teams made recommendations to improve internal controls and compliance with established processes while reducing risk. MTA Audit identified potential operating cost savings and efficiency opportunities of $17.5 million, which included opportunities to reduce costs, avoid unnecessary expenditures, or otherwise enhance revenue collection. These audit recommendations are tracked in the compliance Governance, Risk and Control System to ensure that they are properly implemented. Also, 957 audit reviews related to capital projects were completed. This work included reviews of cost proposals, interim reviews, closeout audits, and audits of claims to ensure that contract billings were appropriate. Third-party questioned were $54.9 million and our past experience has demonstrated an 80% recovery rate for these questioned costs. Some of the significant operational audits this year included reviews of professional service contracts, personal actions, and accounts payable. Capital contract auditors worked with project management to review Additional Work Orders, claims, and performed some final audits of projects that were completed during the year. In 2013, with approval from the Audit Committee, the Sandy Oversight Committee was established in cooperation with the MTA Inspector General, to perform independent integrity monitoring services for those projects which received FTA Emergency Funding related to Hurricane Sandy. The Sandy Audit Unit continued to perform assurance audits and report the results to the FTA on a quarterly basis. Since this unit was established in 2013, it has completed 154 projects, made 404 recommendations, and identified cost adjustments of approximately $67 million. As required by the grant funding agreement, MTA Audit will continue to perform audits of ongoing Sandy Projects and is committed to following up on all recommendations until they are fully implemented. The Pension Quality Assurance function was established in 2013 at the request of HQ management. This group reviews the pension calculations of the Defined Benefit Plans for Metro-North, MTA Police, MTA Bus and for Long Island Rail Road’s open and closed plans. They provide Pension Management with the results of their reviews daily, so that corrections can be made prior to the original pension payments being processed. Quarterly reports summarizing the QA results are also provided to Pensions Management to identify trends and areas for reinstruction. In 2023, the Pension QA Group reviewed over 1,400 pension calculations and identified 205 errors which included 75 with a financial impact of approximately $4 million. With respect to the On-Board Program, the audit team performed over 6,400 tests this year to ensure that conductors are collecting the correct fare and that they are following standard operating procedures. The results of these tests were reported to agency management who utilize the information to estimate the rate of (i) fares not collected and (ii) improper fare collected. Information from the observations also allows management the opportunity to adjust resources where needed.

The Auditor General then referenced a slide in the Committee Book on Peer Review. MTA Audit follows the standards of the Institute of Internal Auditors and is required to receive an external peer review every five years as outlined in the IIA’s Internal Professional Standards Framework. To fulfill this requirement, the peer review assesses an audit organization’s design and operating effectiveness of its internal control, quality control system, adherence to policies procedures, and applicable auditing standards. In the fourth quarter of 2023, the Association of Local Government Auditors (ALGA) performed a peer review of MTA Audit. ALGA confirmed that MTA Audit’s internal quality control system was adequately designed and working as intended and noted areas where the department excelled. Specifically, as it relates to audit coverage, planning, staffing, and communications of all the results. The Peer Review team had one suggestion for improvement with respect to documenting the independence of staff. Internal policies already included a requirement for staff independence, but this was not documented on each project in the workpapers. In response, immediate action was taken to update the audit planning process to require specific documentation of the auditor's independence in the workpapers. The next peer review will be performed in 2028.

The Auditor General then provided a summary of the proposed 2024 Audit Plan which has been discussed with each of the Agency Presidents and the MTA Tower Leads for their input. The foundation of the Audit Plan was developed through a formal risk assessment that is performed in accordance with the Institute of Internal Auditor Standards. The planning process began in September, and it takes several months to complete, resulting in a comprehensive risk assessment, which is fully documented. Consistent with prior years, the risk assessment sources include financial data, an assessment of the nature of operations, control activities and previous audit results. A total of 82 management interviews were conducted which identified 156 potential audits. Audit suggestions were prioritized, and a proposed Audit Plan was developed for 2024 that includes 91 operational/assurance audits. The Auditor General met with the agency Presidents and Tower Leads to discuss and finalize the proposed plan to ensure that the areas of greatest risk will have appropriate audit coverage. The Auditor General also went over this information with the MTA Chair. The Auditor General then referenced a slide in the Committee Book, which is a snapshot of where some of the 91 audits are broken out by each business function. Some of the intended audit coverage by select business functions is highlighted below:

- **Service Delivery** - State of Good Repair,
- **Finance** - Cost Savings Initiatives, Timekeeping, Oversight and Assignment of Overtime, and MTA Police Comp Time,
- **Safety** – Accident/Incident Reporting,
- **Human Resources** – Hiring, Employee Availability, and Health Benefits,
- **Capital Program** - Third-Party Reviews of Capital Contracts, Sandy Program, and New York City Engineering Audit Office reviews (which are required for any projects that have city funding). Procurement audits will continue to ensure that the MTA spends its resources effectively and efficiently and in accordance with the contract terms and conditions.
- **Technology** – Network, Cyber Security, Disaster Recovery and Application Reviews.

The Auditor General referenced a slide in the Committee Book that showed a visual representation of how the resources associated with assurance audits will be allocated during the year. MTA Headquarter resource allocation is higher than it was in prior years primarily due to the increase in consolidated functions. Another slide referenced showed the percentage of time spent within the department, broken out as follows: management & administration (the executive team plus the Directors), assurance/operational audits, capital audits, Pension QA, and the On-Board Revenue functions. In 2024, MTA Audit will focus its efforts to support the initiatives of the MTA to improve efficiency and effectiveness of operations and will also continue to support agency wide operational goals with respect to cost savings initiatives and evaluate contractor performance. Lastly, MTA Audit will also continue to coordinate its audit activities with the MTA Chief Compliance Office and various external audit entities: Deloitte (the external auditors), City and State Comptroller, and MTA Inspector General. MTA Audit will also coordinate with the Office of Construction Oversight as this unit now reports through the MTA Auditor General. The Auditor General reminded the Committee members that they have previously been provided with a copy of the operational Audit Plan that lists all the 91 planned operational audits.

A motion was made and seconded to accept the proposed 2024 Audit Plan.

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

8. OPEN AUDIT RECOMMENDATIONS

The Chief Compliance Officer (Lamond Kearse) briefed the Committee on the implementation status of prior audit recommendations. Kearse first reminded the Committee members that at this Board's request, Corporate Compliance has been monitoring for several years now the Remediation Plans in terms of whether any are going six-months past their original implementation date. To be fully transparent, Kearse noted that Corporate Compliance focuses on whether the agencies are closing their Remediation Plans and is not concerned as to whether there are circumstances beyond their control. Nonetheless, the key takeaway is that on an ongoing basis, Corporate Compliance is monitoring the Remediation Plans and communicating with the agencies to ensure that they are getting closed. Kearse then referenced a slide in the Committee Book that showed the number of Remediation Plans that are past due and noted that 16 (high-priority) Remediation Plans are six-months past due. Lastly, Kearse noted that this is a rolling process, in that as remediation plans are closed, new ones are being opened and becoming due.

Committee member Lisa Sorin asked for clarification about why the largest numbers in the presentation fall under the MTA Headquarters. In response, the Auditor General (Michele Woods) noted that with transformation, a lot of functions (such as Procurement, etc.) have been consolidated under MTA Headquarters.

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

9. MOTION TO ADJOURN

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

Respectfully submitted,

Michele Woods
Auditor General

2024 AUDIT COMMITTEE WORK PLAN

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

II. SPECIFIC AGENDA ITEMS

January 2024

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

May 2024

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

July 2024

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

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

<u>October 2024</u>

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

2024 AUDIT COMMITTEE WORK PLAN

I. RECURRING AGENDA ITEMS

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

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

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

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

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

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

II. SPECIFIC AGENDA ITEMS

JANUARY 2024

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

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

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

MTAAS 2023/2024 Audit Plans

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

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

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

MAY 2024

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

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

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

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

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

JULY 2024

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

Pension Audits

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

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

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

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

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

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

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

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

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

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

OCTOBER 2024

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

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

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

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

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

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

Annual Audit Committee Report

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

MTA
CONSOLIDATED
FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

MANAGEMENT'S REVIEW

AUDIT COMMITTEE MEETING

MAY 20, 2024

MTA COMPONENT UNITS

- The MTA is comprised of the following reporting entities:

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

MTA CONSOLIDATED FINANCIAL STATEMENTS

- The MTA's Financial Statements are prepared in conformity with Generally Accepted Accounting Principles in the United States (GAAP) using accounting standards established by the Government Accounting Standards Board (GASB). They include 6 sections as follows:

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

NEW GASB ACCOUNTING STANDARDS

GASB #	Title	Effective Date
	Evaluated without an effect on the Financial Statements	(Implemented) Fiscal year 2023
GASB 94	***Public-Private and Public-Public Partnerships and Availability Payment Arrangements***	
GASB 99	***Omnibus 2022***	
GASB 96	***Subscription-Based Information Technology Arrangements*** provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.	(Implemented) Fiscal year 2023
GASB 100	***Accounting Changes and Error Corrections***	Fiscal Year 2024
GASB 101	***Compensated Balances***	
GASB 102	***Certain Risk Disclosures***	

GASB 96 IMPACT TO THE 2022 FINANCIAL STATEMENTS

($'s in Millions)	DECEMBER 31, 2022		
	As Previously Stated	GASB 96 Impact	Restated
Assets Net Increases:			
Other Capital Assets (net)	$64,578	$133	$64,711
Total Net Increases	**$64,578**	**$133**	**$64,711**
Liabilities and Deferred Inflows Net Increases:			
Other Accrued Expenses	$796	$46	$842
Other Liabilities	85,375	35	85,410
Total Net Increases	**$86,171**	**$81**	**$86,252**
Operating Revenues	**$7,005**	**$0**	**$7,005**
Operating Expenses	**18,421**	**(54)**	**18,367**
Interest Income/Expense	**(1,904)**	**(2)**	**(1,906)**
Change in Net Position	**$16,917**	**$52**	**$16,969**

MTA CONSOLIDATED STATEMENT OF NET POSITION FOR YEARS ENDED 12/31/2023 & 12/31/2022

($'s in Millions)	DECEMBER 31, 2023	DECEMBER 31, 2022
		(Restated)
ASSETS		
Cash & Investments	$ 12,473	$ 18,659
Accounts Receivables (Net)	1,664	1,510
Capital Assets (Net)	90,561	87,639
Other Assets	1,581	969
TOTAL ASSETS	106,279	108,777
DEFERRED OUTFLOWS OF RESOURCES	9,672	8,274
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 115,951**	**$ 117,051**
LIABILITIES		
Long-term debt	47,790	51,293
Post employment benefits other then pension	22,435	24,956
Net Pension Liability	8,335	6,923
Liability for injury claims	5,754	5,435
Other liabilities	8,261	7,401
TOTAL LIABILITIES	92,575	96,008
DEFERRED INFLOWS OF RESOURCES	6,076	4,074
NET POSITION	17,300	16,969
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	**$ 115,951**	**$ 117,051**

MTA CONSOLIDATED FINANCIAL STATEMENTS

ASSETS & DEFERRED OUTFLOWS

$'s in Millions	DECEMBER 31,		CHANGE	
	2023	2022 (Restated)	$	%
CASH & INVESTMENTS	$12,473	$18,659	($6,186)	-33%
RECEIVABLES	1,664	1,510	154	10%
CAPITAL ASSETS (NET)	90,561	87,639	2,922	3%
OTHER ASSETS	1581	969	612	63%
TOTAL ASSETS	**$106,279**	**$108,777**	**($2,498)**	-2%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$9,672**	**$8,274**	**$1,398**	17%

- Cash & Investments decreased $6,186 primarily due to $3.0 billion repayment of principal and interest on MTA Payroll Mobility Tax Bond Anticipation Notes, $1.3 billion transferred to the MTA OPEB Plan Trust and $639 of pension prepayments to the MTA-Sponsored Pension Plans.
- Capital assets increased $2,922 as a result of capital additions of $6,343, offset by net accumulated depreciation of $3,421. Grand Central Madison Terminal was placed in service in January of 2023 resulting in an increase of accumulated depreciation for $102.
- Total deferred outflows of resources increased $1,398 due primarily to the $1.3 billion transfer to the OPEB Plan Trust and pension actuarial adjustments for projected and actual earnings on pension plan investments.

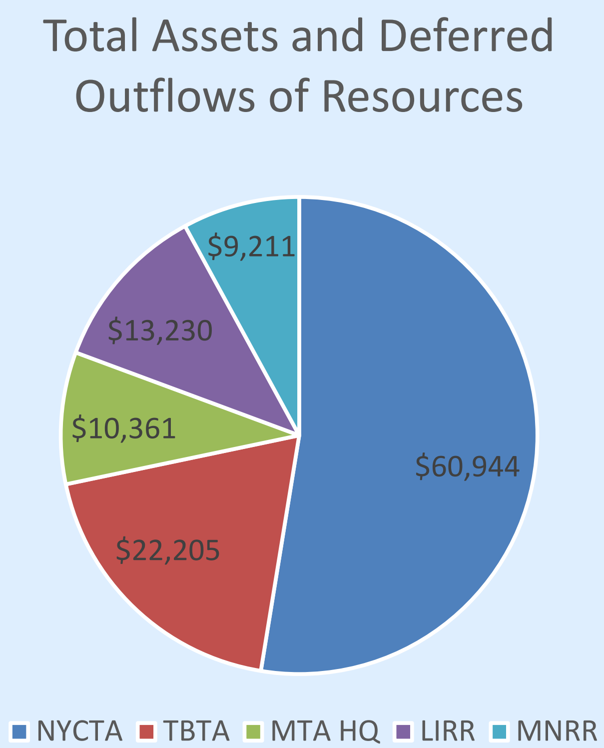
MTA CONSOLIDATED FINANCIAL STATEMENTS

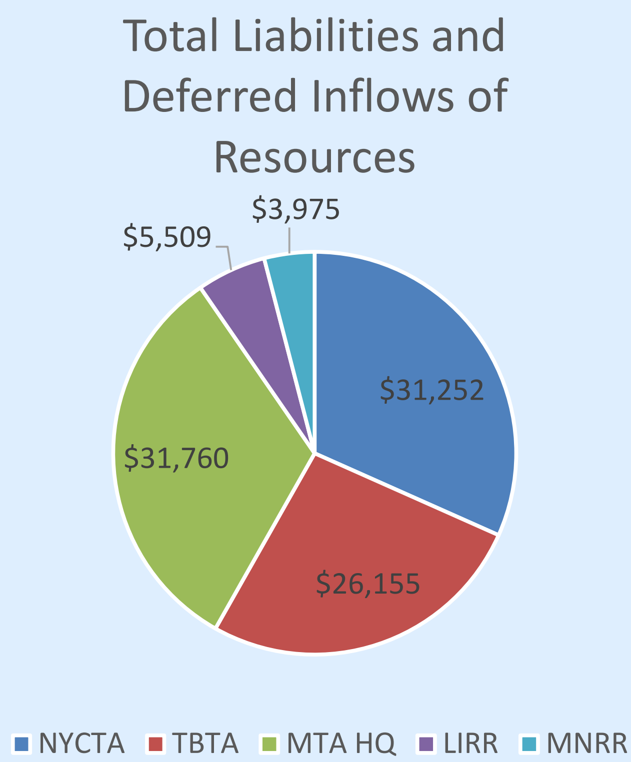
LIABILITIES & DEFERRED INFLOWS

$'s in Millions	DECEMBER 31, 2023	DECEMBER 31, 2022 (Restated)	CHANGE $	CHANGE %
LONG-TERM DEBT	$47,790	$51,293	($3,503)	-7%
OTHER POST EMPLOYMENT BENEFITS	22,435	24,956	(2,521)	-10%
NET PENSION LIABILITIES	8,335	6,923	1,412	20%
LIABILITIES FOR INJURY CLAIMS	5,754	5,435	319	6%
OTHER LIABILITIES	8,261	7,401	860	12%
TOTAL LIABILITIES	**$92,575**	**$96,008**	**($3,433)**	-4%
TOTAL DEFERRED INFLOWS OF RESOURCES	**$6,076**	**$4,074**	**$2,002**	49%

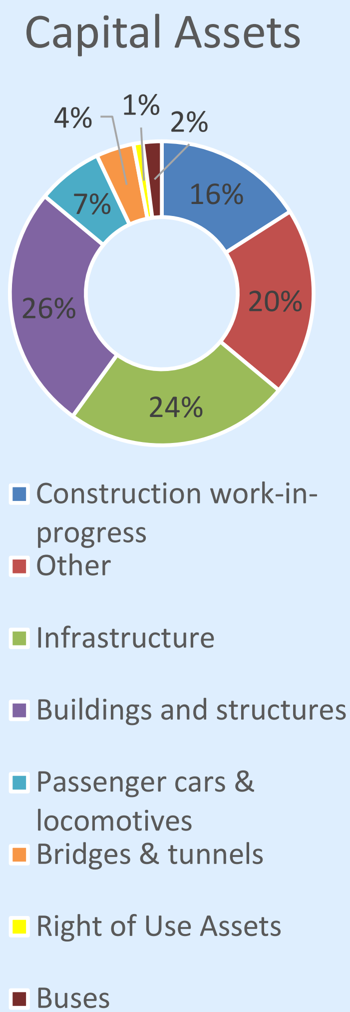
- Long-term debt decreased $3,503 due primarily to the redemption of MTA Payroll Mobility Tax Bond Anticipation Notes.
- OPEB liability decreased $2,521 primarily due to changes in actuarial assumptions.
- Net Pension liability increased $1,412 due to changes in the actuarial valuation primarily as a result of an actuarial loss on the market value of plan assets.
- Total Deferred Inflows of resources increased $2,002 primarily due to the OPEB change in actuarial assumptions.

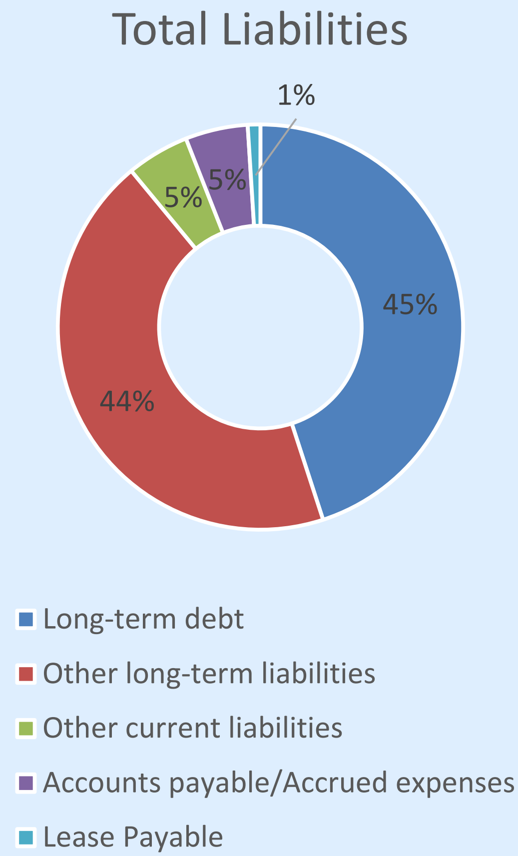
Assets & Liabilities by Agency





Capital Assets & Liabilities





MTA CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

($'s in Millions)

	DECEMBER 31,		CHANGE	
	2023	**2022 (Restated)**	**$**	**%**
OPERATING REVENUES	$7,863	$7,005	$ 858	12%
OPERATING EXPENSES	(19,815)	(18,367)	(1,448)	-8%
OPERATING DEFICIT	**(11,952)**	**(11,362)**	**(590)**	**-5%**
SUBSIDIES & TAX REVENUES	10,213	16,485	(6,272)	-38%
LESS: INTEREST EXPENSE	(1,838)	(1,906)	68	4%
SURPLUS/(DEFICIT) BEFORE CAPITAL GRANTS & APPROPRIATIONS	**(3,577)**	**3,217**	**(6,794)**	**211%**
CAPITAL GRANTS & APPROPRIATIONS	3,908	4,611	-703	-15%
CHANGE IN NET POSITION	**331**	**7,828**	**-7,497**	**-96%**
NET POSITION - BEGINNING OF YEAR	16,969	9,141	7,828	86%
NET POSITION - END OF YEAR	**$17,300**	**$16,969**	**$331**	**2%**

MTA CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

($'s in Millions)

	DECEMBER 31,		CHANGE	
	2023	2022 (Restated)	$	%
Net Cash from Operating Activities	$ (8,018)	$ (5,818)	$ (2,200)	-38%
Net Cash from Non-Capital Financing Activities	8,591	19,430	(10,839)	-56%
Net Cash from Capital & Related Financing Activities	(7,478)	(9,635)	2,157	-22%
Net Cash from Investing Activities	7,553	(3,819)	11,372	298%
Net Change in Cash	648	158	490	310%
Cash - Beginning of Year	940	782	158	20%
Cash - End of Year	**$ 1,588**	**$ 940**	**$ 648**	**69%**

- Net Cash from Non-Capital Financing Activities decreased $10,839 primarily due to CRRSAA and ARPA funds received in 2022.
- Net Cash from Investing Activities increased $11,372 due to the redemption of MTA Payroll Mobility Tax Bond Anticipation Notes of $3.0 billion and the timing of net investments sales and purchases compared to 2022.

MTA CONSOLIDATED FINANCIAL STATEMENTS FOOTNOTES

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

Metropolitan Transportation Authority

(A Component Unit of the State of New York)

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

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METROPOLITAN TRANSPORTATION AUTHORITY

(A Component Unit of the State of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

($ In Millions, except as noted)

FINANCIAL REPORTING ENTITY

The Metropolitan Transportation Authority ("MTA" or "MTA Group") was established under the New York Public Authorities Law and is a public benefit corporation and a component unit of the State of New York whose mission is to continue, develop, and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area. The financial reporting entity consists of subsidiaries and affiliates, considered component units of the MTA, because the Board of the MTA serves as the overall governing body of these related entities.

The Reporting entity includes:

(1) the MTA is comprised of the following:

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

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

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

- Pension Trust Funds:
  - MTA Defined Benefit Pension Plan
  - The Long Island Rail Road Company Plan for Additional Pensions ("Additional Plan")

  - Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA Plan")
  - Metro-North Commuter Railroad Cash Balance Plan ("MNR Cash Balance Plan")
- Other Employee Benefit Trust Funds
  - MTA Other Postemployment Benefits Plan ("OPEB Plan")

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

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

Management's Discussion and Analysis

This MD&A provides a narrative overview and analysis of the financial activities of the Metropolitan Transportation Authority and its consolidated subsidiaries and affiliates (the "MTA" or "MTA Group") as of and for the years ended December 31, 2023 and 2022. For financial reporting purposes, the subsidiaries and affiliates of the MTA are blended component units. This management discussion and analysis is intended to serve as an introduction to the MTA Group's consolidated financial statements. It provides an assessment of how the MTA Group's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the MTA Group's overall financial position. It may contain opinions, assumptions, or conclusions by the MTA Group's management that must be read in conjunction with, and should not be considered a replacement for, the consolidated financial statements.

The Consolidated Financial Statements

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

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

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

The Fiduciary Funds Financial Statements

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

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

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

Notes to the Consolidated Financial Statements

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

Required Supplementary Information

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

Supplementary Information - Combining Fiduciary Funds Financial Statements

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

Supplementary Information

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

CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of and for the years ended December 31, 2023 and 2022. An analysis of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, the information contained within the summaries of the consolidated financial statements and the various exhibits presented were derived from the MTA Group's consolidated financial statements.

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

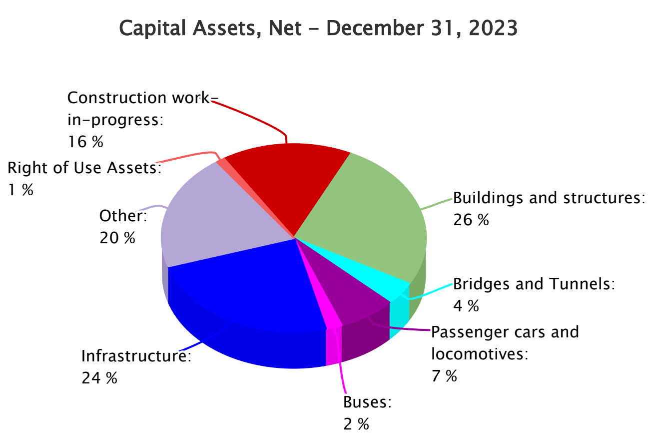
Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives and right-of-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use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

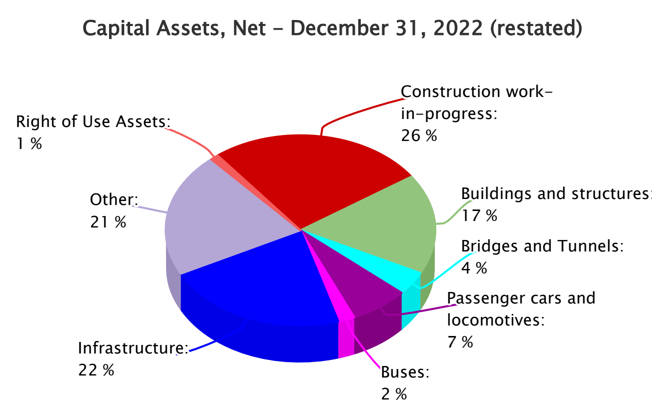
Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables, and receivables from New York State. This also includes the receivable from leases of MTA's land, building, station concession, equipment, and right-of-way to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

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

(In millions)	December 31, 2023	December 31, 2022 (Restated)	December 31, 2021	Increase / (Decrease) 2023 - 2022	Increase / (Decrease) 2022 - 2021 (Restated) *
Capital assets — net (see Note 6)	$ 90,561	$ 87,639	$ 84,400	$ 2,922	$ 3,239
Other assets	15,718	21,138	20,355	(5,420)	783
Total Assets	106,279	108,777	104,755	(2,498)	4,022
Deferred outflows of resources	9,672	8,274	7,863	1,398	411
Total assets and deferred outflows of resources	$ 115,951	$ 117,051	$ 112,618	$ (1,100)	$ 4,433

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.





Significant Changes in Assets and Deferred Outflows of Resources Include:

***December 31, 2023* versus December 31, 2022**

- Net capital assets increased at December 31, 2023 by $2,922 or 3.3%. There was an increase in buildings and structures of $9,774, and increase in infrastructure of $3,439 primarily due to the completion and capitalization primarily due to the completion and capitalization of Grand Central Madison Terminal in January 2023, an increase in other capital assets of $1,028 for elevator and escalator replacements, station renewal and accessibility projects, IT software and police radios, an increase in passenger cars and locomotives of $335, an increase in right-to-use assets of $246, and an increase in bridges and tunnels of $228. These increases were offset by a decrease in land and construction in progress of $8,671, primarily due to the completion and capitalization of Grand Central Madison Terminal in January 2023, a net increase in accumulated depreciation and amortization of $3,422, and a decrease in buses of $35. See Note 6 to the MTA's Consolidated Financial Statements for further information.

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

- Infrastructure work including:
  - Repairs and improvements of all MTA Bridge and Tunnels' facilities.
  - Construction of a third track between Floral Park and Hicksville by MTA Long Island Railroad.
  - Major safety and LIRR-infrastructure improvements including new track interlockings, 5 full station rehabilitations, 4 full bridge replacements and 3 bridge modifications.
  - Continued improvements to MTA Metro-North Railroad primarily for station rehabilitation and construction work for various projects relating to signals, depots and yards and track and structures.
  - Subway and bus real-time customer information and communications systems.
  - Continued structural rehabilitation and repairs of the ventilation system at various facilities.
  - Ongoing work by MTA New York City Transit to make stations fully accessible and structurally reconfigured in accordance with the Americans with Disability Act ("ADA") standards.

- Other assets decreased by $5,420, or 25.6%. The major items contributing to this change include:
  - A net decrease in cash and investments of $6,186, primarily due to decreases in unrestricted current investments of $3,416 and non-current unrestricted and restricted investments of $4,366, primarily due to repayment of principal and interest on Payroll Mobility Tax Bond Anticipation Notes, Series 2020A, $1.3 billion transferred to the MTA OPEB Plan Trust and $639 of pension prepayments to the MTA-Sponsored Pension Plans.

Offsetting these decreases were:

- A net increase in other current and noncurrent assets of $444, primarily as a result of prepaying $639 of pension contributions for the years 2024 and 2025.
- A net increase of $322 in current and non-current receivables from various federal and state government subsidies due to timing of receipts and due to a $150 accrual of the remaining one-time subsidy of $300 from the New York State General Fund.
- Deferred outflows of resources increased by $1,398, or 16.9%. This increase was primarily due to to the $1,319 transfer to the OPEB Plan Trust and pension actuarial adjustments for projected and actual earnings on pension plan investments in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.
- Offsetting the increases were decreases in the deferred outflows related to unamortized losses on refundings of $142.

December 31, 2022 versus December 31, 2021

- Net capital assets increased at December 31, 2022 by $3,172 or 3.7%. There was an increase in buildings and structures of $2,789, an increase in infrastructure of $2,120, an increase in other capital assets of $1,326, an increase in bridges and tunnels of $253, an increase in passenger cars and locomotives of $155, an increase in buses of $120, an increase in land of $82, and an increase in right-of-use assets of $246, of which $82 were new additions during 2022 as a result of the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements.* This was offset by a net increase in accumulated depreciation of $2,896, an increase in amortization of $84 and a decrease in construction in progress of $780. See Note 6 to the MTA's Consolidated Financial Statements for further information. Some of the more significant projects contributing to the net increase included:
  - Continued progress on the East Side Access, Second Avenue Subway and the subway action plan.

- Infrastructure work including:
  - Repairs and improvements of all MTA Bridge and Tunnels' facilities.
  - Construction of a third track between Floral Park and Hicksville by MTA Long Island Railroad.
  - Improvements to MTA Long Island Railroad's road-assets, replacement of signal power lines, various right-of-way enhancements and upgrades of radio communications.
  - Continued improvements to MTA Metro-North Railroad stations, tracks and structures, power rehabilitation of substations, and security.
  - Subway and bus real-time customer information and communications systems.
  - Continued structural rehabilitation and repairs of the ventilation system at various facilities.
  - Continued passenger station rehabilitation for Penn Station and East Side Access Passenger station.
  - 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 $783, or 3.8%. The major items contributing to this change include:
  - An increase in cash and investments of $4,172 primarily due to the timing of proceeds received from the American Rescue Plan Assistance grants.
  - An increase in various other current assets and noncurrent assets of $72.

  Offsetting these increases was:
  - A $3,461 net decrease in current receivables, primarily due to no funding in 2023 for Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") funds received during 2022 which were accrued for in 2021.

- Deferred outflows of resources increased by $411, or 5.2%. This was due to an increase of $886 related to OPEB and pensions, primarily due to change in assumptions offset by a decrease in deferred outflows related to pensions based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, Accounting and Financial Reporting for Pensions, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Offsetting this increase were decreases in the fair value of derivative instruments of $275 and deferred outflows for unamortized losses on refundings of $200.

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

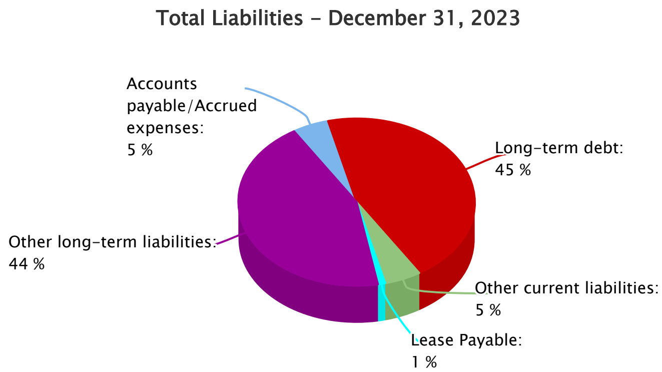
Current liabilities include: accounts payable, accrued expenses, current portion of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, the current portion of long-term lease liability, and other current liabilities. This also includes the current portion of long-term SBITA liability as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Refer to Note 2 for additional information.

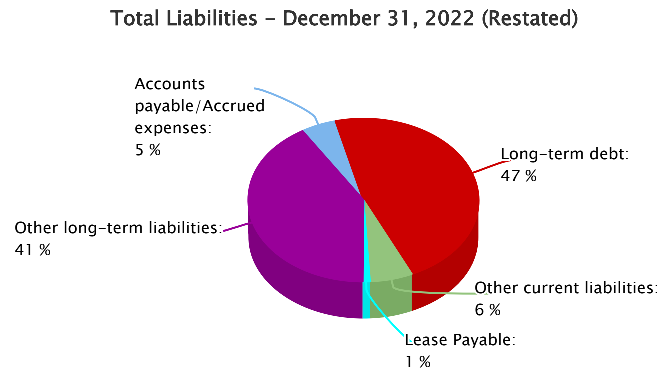
Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liability, and other non-current liabilities. This also includes long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Refer to Note 2 for additional information.

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

(In millions)	December 31, 2023	December 31, 2022 (Restated)	December 31, 2021	Increase/(Decrease) 2023 - 2022	Increase/(Decrease) 2022 - 2021 (Restated) *
Current liabilities	$ 9,865	$ 10,598	$ 13,600	$ (733)	$ (3,002)
Non-current liabilities	82,710	85,410	84,775	(2,700)	635
Total liabilities	92,575	96,008	98,375	(3,433)	(2,367)
Deferred inflows of resources	6,076	4,074	5,102	2,002	(1,028)
Total liabilities and deferred inflows of resources	$ 98,651	$ 100,082	$ 103,477	$ (1,431)	$ (3,395)

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.





Significant Changes in Liabilities and Deferred Inflows of Resources Include:

***December 31, 2023* versus December 31, 2022**

- Current liabilities decreased by $733, or 6.9%. The decrease was primarily due to:
  - A net decrease in the current portion of long-term debt of $1,596, primarily from the redemption of $3.7 billion of Bond Anticipation Notes, including $2.9 billion which were originally placed under the Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF"). Offsetting the redemptions were increases from refunding of certain long-term debt.
  - An decrease in interest payable of $108, mainly due to timing of interest payments on long-term debt.

Offsetting increases were:

  - An increase in unearned revenue of $657 due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.
  - An increase in the current portion of estimated liabilities from injuries of $151.
  - An increase in capital accruals of $110 due to continued work on existing and new capital projects.
  - Net increases in accounts payable, accrued expenses and other current liabilities of $53.

- Non-current liabilities decreased by $2,700, or 3.2%. This decrease was mainly due to:
  - A decrease in post retirement benefits other than pensions of $2,521 mainly due to a change in assumptions, offset by an increase in net pension liability of $1,412 attributable to changes in the actuarial valuation primarily as a result of an actuarial loss on the market value of plan assets.
  - A decrease in the non-current portion of long-term debt of $1,907 due to reclassification from non-current to current.

Offsetting increases were:

  - An increase of $168 in estimated liability arising from injuries to persons.
  - An increase of $67 related to liabilities under GASB 96, *Subscription-Based Information Technology Arrangements,* and an increase of $63 in lease payable.
  - A net increase in other non-current liabilities of $29.

- Deferred inflows of resources increased by $2,002, or 49.1%, primarily due to an increase in deferred inflows related to OPEB of $2,703 due to changes in actuarial calculations for OPEB as required by GASB Statement No. 75, offset by a decrease in deferred inflows related to pensions of $626 as a result of changes in the actuarially determined calculations for the pension plans as required by GASB Statement No. 68, a decrease in other deferred inflows from leases of $68 and a decrease in unamortized bond refunding of $7.

December 31, 2022 versus December 31, 2021

- Current liabilities decreased by $3,002, or 22.1%. The decrease was primarily due to:
  - A decrease in the current portion of long-term debt of $3,269, primarily from the redemption of MTA Grant Anticipation Notes and MTA Bond Anticipation Notes.
  - Net decreases in accounts payable, accrued expenses and other current liabilities of $186, of which $46 relates to GASB 96, *Subscription-Based Information Technology Arrangements* implementation.

  Offsetting increases were:
  - An increase in unearned revenue of $377 due to timing of New York State's funding towards the MTA Capital Program and processing of capital payments.
  - An increase in interest payable of $76, mainly due to timing of interest payments on long-term debt.
- Non-current liabilities increased by $635, or 0.7%. This increase was mainly due to:
  - An increase in net pension liability and post retirement benefits other than pensions of $2,571 due to changes in the actuarial valuation primarily as a result of a decrease in net plan investments.
  - An increase of $311 in estimated liability arising from injuries to persons.

  Offsetting decreases were:
  - A net decrease in the non-current portion of long-term debt of $1,938 due to redemptions and maturities.
  - Decreases in derivative liabilities of $248 resulting mainly from changes in market valuation and a reduction in the notional amount of derivative contracts.
  - A net decrease in other various non-current liabilities of $61, of which $35 relates to GASB 96, *Subscription-Based Information Technology Arrangements* implementation.
- Deferred inflows of resources decreased by $1,028, or 20.1%, primarily due to a decrease in deferred inflows related to pensions of $1,939 as a result of changes in the actuarially determined calculations for the pension plans as required by GASB Statement No. 68, an increase in deferred inflows related to OPEB of $962 due to changes in actuarial calculations for OPEB as required by GASB Statement No. 75, and a decrease in other deferred inflows from leases of $44.

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

(In millions)	December 31, 2023	December 31, 2022 (Restated)	December 31, 2021	Increase/(Decrease) 2023 - 2022	Increase/(Decrease) 2022 - 2021 (Restated) *
Net investment in capital assets	$ 41,341	$ 34,885	$ 29,885	$ 6,456	$ 5,000
Restricted for debt service	875	381	1,039	494	(658)
Restricted for claims	275	192	225	83	(33)
Restricted for other purposes	2,443	4,491	1,346	(2,048)	3,145
Unrestricted	(27,634)	(22,980)	(23,354)	(4,654)	374
Total Net Position	$ 17,300	$ 16,969	$ 9,141	$ 331	$ 7,828

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes in Net Position Include:

December 31, 2023 versus December 31, 2022

At December 31, 2023, total net position increased by $331, or 2.0%, when compared with December 31, 2022. This change is a result of net non-operating revenues of $8,375 and appropriations, grants and other receipts externally restricted for capital projects of $3,908, which was offset by operating losses of $11,952.

The net investment in capital assets increased by $6,456, or 18.5%. Funds restricted for debt service, claims and other purposes decreased by $1,471, or 29.% in the aggregate, mainly due to a decrease in funds restricted for other purposes of $2,048, offset by an increase in funds restricted for debt service and claims of $577 . Unrestricted net position decreased by $4,654, or 20.3%.

December 31, 2022 versus December 31, 2021

At December 31, 2022, total net position increased by $7,828, or 85.6%, when compared with December 31, 2021. This change is a result of net non-operating revenues of $14,581 and appropriations, grants and other receipts externally restricted for capital projects of $4,611, which was offset by operating losses of $11,416. The total net position includes a restatement of $52 as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Refer to footnote 2 for additional information.

The net investment in capital assets increased by $5,000, or 16.7%. Funds restricted for debt service, claims and other purposes increased by $2,454, or 94.% in the aggregate, mainly due to an increase in funds restricted for other purposes of $3,145, offset by a decrease in funds restricted for debt service of $658. Unrestricted net position increased by $374, or 1.6%.

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

(In millions)	December 31, 2023	December 31, 2022 (Restated)	December 31, 2021	Increase/(Decrease) 2023 - 2022	Increase/(Decrease) 2022 - 2021 (Restated) *
Operating revenues					
Passenger and tolls	$ 7,073	$ 6,356	$ 5,218	$ 717	$ 1,138
Other	790	649	561	141	88
Total operating revenues	7,863	7,005	5,779	858	1,226
Non-operating revenues					
Grants, appropriations and taxes	8,460	8,419	7,761	41	658
Other	1,773	8,084	5,476	(6,311)	2,608
Total non-operating revenues	10,233	16,503	13,237	(6,270)	3,266
Total revenues	18,096	23,508	19,016	(5,412)	4,492
Operating expenses					
Salaries and wages	7,036	6,578	6,204	458	374
Retirement and other employee benefits	3,581	2,890	2,264	691	626
Postemployment benefits other than pensions	1,471	1,892	1,865	(421)	27
Depreciation and amortization	3,704	3,417	3,218	287	199
Other expenses	4,023	3,590	3,272	433	318
Total operating expenses	19,815	18,367	16,823	1,448	1,544
Non-operating expenses					
Interest on long-term debt	1,838	1,906	1,811	(68)	95
Other net non-operating expenses	20	18	13	2	5
Total non-operating expenses	1,858	1,924	1,824	(66)	100
Total expenses	21,673	20,291	18,647	1,382	1,644
Loss before appropriations, grants and other receipts externally restricted for capital projects	(3,577)	3,217	369	(6,794)	2,848
Appropriations, grants and other receipts externally restricted for capital projects	3,908	4,611	3,789	(703)	822
Change in net position	331	7,828	4,158	(7,497)	3,670
Net position, beginning of year	16,969	9,141	4,983	7,828	4,158
Restatement of beginning net position -					
Net position, end of year	$ 17,300	$ 16,969	$ 9,141	$ 331	$ 7,828

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Revenues and Expenses, by Major Source:

Years ended December 31, 2023 versus 2022

- Total operating revenues increased by $858, or 12.2%. The increase was mainly due to increased ridership and fares on trains, subways and buses as well as increased tolls from vehicle crossings. Fare and toll revenues had increases of $634 and $83, respectively. Other operating revenues increased by $141, when compared with the same period in 2022, due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues decreased by $6,270, or 38.%.
  - FTA reimbursements decreased by $6,936, primarily due to decreased funding from the Federal government's American Rescue Plan Act ("ARPA") to support operations. This was offset by an increase in operating subsidies from New York City of $345, an increase in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $17 and a net increase in other net non-operating revenues of $263.

- Grants, appropriations, and taxes increased by $41 primarily due to increases in subsidies for Metropolitan Mass Transportation Operating Assistance of $481, Payroll Mobility Tax of $237, Operating Assistance - 18B Program of $38, New York City Assistance Fund of $20, and MTA Aid Trust and Mass Transportation Trust Fund subsidies of $8. Offsetting these increases were decreases in Mortgage Recording Tax of $277, Urban Tax subsidies of $293, Mansion Tax of $168, Build America Bond Subsidy of $3, and Internet Sales Tax of $2.

- Labor costs increased by $728, or 6.4%. The major changes within this category are:
  - Retirement and employee benefits increased by $691 primarily due to changes in the actuarial valuation for pensions under GASB Statement No. 68.
  - Salaries and wages increased by $458 mainly due to an increase in headcount coupled with wage adjustments.
  - Postemployment benefits other than pensions decreased by $421 due to changes in the actuarial valuation for OPEB.
- Non-labor operating costs increased by $720, or 10.3%. The variance was primarily due to:
  - An increase in depreciation and amortization of $287, primarily due to Grand Central Madison Terminal being placed in service in January 2023.
  - An increase in paratransit service contracts of $105 primarily due to increased ridership.
  - An increase in maintenance and other operating contracts by $104.
  - An increase in professional service contracts of $108 and materials and supplies of $80, mainly due to higher maintenance and repairs requirements.
  - A net increase in other various expenses of $139 due to changes in operational requirements.
  - A decrease in electric power of $46 and fuel of $57, primarily due to lower than projected rates and lower consumption.
- Total net non-operating expenses decreased by $66, or 3.4% primarily due to a decrease in interest on long-term debt of $68.
- Appropriations, grants and other receipts externally restricted for capital projects decreased by $703, or 15.2%, mainly due to timing in the availability of Federal and State grants for capital projects.

Years ended December 31, 2022 versus 2021

- Total operating revenues increased by $1,226, or 21.2%. The increase was mainly due to increased ridership on trains and subways, as well as increased tolls from vehicle crossings. Fare and toll revenue had increases of $976 and $162, respectively. Other operating revenues increased by $87 when compared with the same period in 2021 due to higher advertising revenues and higher paratransit reimbursement subsidy.
- Total non-operating revenues increased by $3,266, or 24.7%.

  - Other subsidies increased by $2,608, primarily due to $6,967 from the Federal government's American Rescue Plan Act ("ARPA") to support operations. In 2021, the MTA reported $4,114 from the Federal government's Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA"). There was an increase in operating subsidies from New York City of $52. These increases were offset by a decrease in other net non-operating revenues of $249 and a decrease in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $44.

  - Grants, appropriations, and taxes increased by $658 primarily due to an increase in Metropolitan Mass Transportation Operating Assistance of $354, ,an increase in Urban Tax of $144, an increase in Mansion Tax of $119, an increase in New York City Assistance Fund of $92, an increase in Payroll Mobility Tax of $24, and an increase in Mass Transportation Trust Fund from New York State of $14. This was offset by a decrease in Mortgage Recording Tax of $37, a decrease in Operating Assistance of $37, a decrease in Internet Sales Tax of $14, and a decrease in Build America Bond Subsidy of $1.
- Labor costs increased by $1,027, or 9.9%. The major changes within this category are:

  - Retirement and employee benefits increased by $626 primarily due to changes in the actuarial valuation for pensions under GASB Statement No. 68.

  - Salaries and wages increased by $374 mainly due to an increase in headcount coupled with wage adjustments.

  - Postemployment benefits other than pensions increased by $27 due to changes in the actuarial valuation for OPEB.
- Non-labor operating costs increased by $517, or 8.0%. The variance was primarily due to:
  - An increase in depreciation and amortization of $199, due to more assets placed in service in the current year. This increase also includes $56 related to the implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements.*

- An increase in electric power of $126 and fuel of $120 due to higher rates and consumption.
- An increase in material and supplies of $75, mainly due to higher maintenance and repairs requirements.
- An increase in paratransit service contracts of $66 primarily due to increased ridership.
- An increase in maintenance and other operating contracts by $21.
- A net decrease in other various expenses of $90, primarily due to a reduction in professional fees of $110 from the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements.

- Total net non-operating expenses increased by $100, or 5.5% primarily due to an increase in interest on long-term debt, including $15 due to interest on leases from adoption of GASB Statement No. 87, *Leases*, and $2 from the implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements*.
- Appropriations, grants and other receipts externally restricted for capital projects increased by $822, or 21.7%, mainly due to timing in the availability of Federal and State grants for capital projects.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions

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

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 21.8 million trips (7.8%), MTA New York City Transit bus paid ridership decreased by 7 million trips (-8%), MTA Long Island Rail Road paid ridership increased by 3.2 million trips (22.3%), MTA Metro-North Railroad paid ridership increased by 2.3 million trips (16.5%), MTA Bus paid ridership decreased by 192 thousand trips (-0.9%), and MTA Staten Island Railway paid ridership increased by 52 thousand trips (9.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

MTA Bridges and Tunnels - For the twelve months ended December 31, 2023, operating revenue from tolls totaled $2,419, which was $87, or 3.73%, higher than the twelve months of 2022. Total crossings in 2023 were 335.1 million versus 326.3 million crossings in 2022, an increase of 2.7%.   Traffic continued to recover from the impacts of the Covid-19 pandemic but is still below pre-pandemic levels.

MTA New York City Transit - Total revenue from fares was $3,349 in 2023, an increase of $398 or 13.5% from 2022. Total ridership was 1,504 million, an increase of 138 or 10.1% from 2022. Total operating expenses, including depreciation, other post-employment benefits and environmental remediation expenses, were $12,341 in 2023, an increase of $550 or 4.6%.

MTA Long Island Rail Road – Total operating revenue for the twelve months ended December 31, 2023 was $604, which was higher by $112, or 22.76%, compared to twelve months ended December 31, 2022. For the same comparative period, operating expenses were higher by $297, or 13.8%, totaling $2,454 for the twelve months ended December 31, 2023.

MTA Metro-North Railroad – For the twelve months ended December 31, 2023, operating revenues totaled $606, an increase of $119, or 24.4%, compared to December 31, 2022. During the same period, operating expenses increased by $122, or 6.63%, to $1,962. Passenger fares accounted for 92.16% and 91.97% of operating revenues in 2023 and 2022, respectively. The remaining revenue represents rental income from retail businesses in and around passenger stations and from advertising revenues.

The MTA receives the equivalent of four quarters of Metropolitan Mass Transportation Operating Assistance ("MMTOA") receipts each year, with the state advancing the first quarter of each succeeding calendar year's receipts in the fourth quarter of the current year. This results in little or no Metropolitan Mass Transportation Operating Assistance receipts being received during the first quarter of each calendar year. The MTA has made other provisions to provide for cash liquidity during this period. During April 2022, the State appropriated $2.6 billion in MMTOA funds. There has been no change in the timing of the State's payment of, or MTA's receipt of, Dedicated Mass Transportation Trust Fund ("MTTF") receipts, which MTA anticipates will be sufficient to make monthly principal and interest deposits into the Debt Service Fund for the Dedicated Tax Fund Bonds. The total MRT for the year ended December 31, 2023 was $345.8 compared to $622.90 at December 31, 2022.

Capital Programs

At December 31, 2023, $25,549 had been committed and $7,668 had been expended for the 2020-2024 MTA Bridges and Tunnels Capital Program, $30,806 had been committed and $25,352 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and $29,601 had been committed and $27,970 had been expended for the combined 2010- 2014 MTA Capital Programs and the 2010-2014 MTA Bridges and Tunnels Capital Program, and $24,110 had been committed and $23,989 had been expended for the combined 2005-2009 MTA Capital Programs and the 2005-2009 MTA Bridges and Tunnels Capital Program.

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

2020-2024 Capital Program – Capital programs totaling $54,799 covering the years 2020-2024 for: (1) the commuter railroad operations of the MTA conducted by MTA Long Island Rail Road and MTA Metro-North Railroad (the "2020–2024 Commuter Capital Program"), (2) the transit system operated by MTA New York City Transit and its subsidiary, MaBSTOA, the MTA Bus Company, and the rail system operated by MTA Staten Island Railway (the "2020–2024 Transit Capital Program") were originally approved by the MTA Board on September 25, 2019. The capital programs were subsequently submitted to the Capital Program Review Board ("CPRB") on October 1, 2019 and approved on January 1, 2020. The capital program for the toll bridges and tunnels operated by MTA Bridges and Tunnels (the "2020–2024 MTA Bridges and Tunnels Capital Program") was approved by the MTA Board on September 25, 2019 and was not subject to CPRB approval. On December 15, 2021, the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $535 million to support the Penn Station Access project. On July 27, 2022 the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $108 million to reflect addition of new projects, additional support for existing projects and changes to existing project budgets. The capital programs were subsequently submitted to the CPRB on August 1, 2022 and approved on August 30, 2022. On June 27, 2023, the MTA Board approved an amendment primarily to reflect $678 million in budget transfers from the core agencies to support Network Expansion's Penn Station Access project. The amendment to the capital programs was subsequently submitted to the CPRB, and deemed approved on July 31, 2023. The revised 2020-2024 MTA Bridges and Tunnels Capital Program totaling $3,327 as last approved by the MTA Board on July 27, 2022, remains unchanged and is not subject to CPRB approval.

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

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

On April 20, 2016, the MTA Board approved revised capital programs for the years covering 2015-2019. The revised capital programs provided for $29,456 in capital expenditures. On May 23, 2016, the CPRB 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 does not change the Program's budget at $33,913, as last approved.

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

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

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

On August 27, 2013, the CPRB 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.

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

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

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

As last amended by the MTA Board, the 2005–2009 MTA Capital Programs and the 2005–2009 MTA Bridges and Tunnels Capital Program, provided for $24,353 in capital expenditures. By June 30, 2023, the 2005-2009 MTA Capital Programs budget increased by $634 primarily due to the receipt of new American Recovery and Reinvestment Act (“ARRA”) funds and additional New York City Capital funds for MTA Capital Construction work still underway. Of the $24,353 provided in capital expenditures, $11,515 relates to ongoing repairs of, and replacements to the transit system operated by MTA New York City Transit and MaBSTOA and the rail system operated by MTA Staten Island Railway; $3,723 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $166 relates to certain interagency projects; $7,671 relates generally to the expansion of existing rail networks for both the transit and commuter systems to be managed by the MTA Capital Construction Company (including the East Side Access, Second Avenue Subway and No.7 subway line) and a security program throughout MTA’s transit network; $1,127 relates to the ongoing repairs of, and replacements to, bridge and tunnel facilities operated by MTA Bridges and Tunnels; and $152 relates to capital projects for the MTA Bus.

The combined funding sources for the MTA Board-approved 2005–2009 MTA Capital Programs and 2005– 2009 MTA Bridges and Tunnels Capital Program include $11,189 in MTA and MTA Bridges and Tunnels Bonds (including funds for

LaGuardia Airport initiative), $1,450 in New York State general obligation bonds approved by the voters in the November 2005 election, $7,776 in Federal Funds, $2,823 in City Capital Funds, and $1,114 from other sources.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2023 MTA November Financial Plan

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

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100 for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1.15 billion through the Plan period.

During 2023, MTA operating agencies identified and have been implementing numerous operating efficiencies initiatives will result in $1.95 billion in savings over the Plan period, with $1.88 billion impacting MTA and an additional $71 impacting the CDOT subsidy for Metro-North's Connecticut service. This expands on the July Plan initiatives, which identified savings of $921 to the MTA and also lowered the CDOT subsidy by $46. The November Plan recognizes an additional $958 in savings over the Plan period, along with a further reduction in the CDOT subsidy by $25. Among the actions identified in the July and November Plans:

New York City Transit (NYCT) is working toward improving employee availability across all divisions, with efforts targeting critical job titles in the Division of Subways and Division of Buses to reduce positions and overtime related to backfilling shifts ($341). In addition, overtime assignments will be strategically managed, ensuring compliance with timekeeping rules and reducing overtime hours in targeted functions ($68).

The Division of Subways at NYCT, working with their Operations, Maintenance and Procurement stakeholders, is addressing critical station and infrastructure cleaning previously handled via more costly third-party contracts ($204); has adjusted the car equipment maintenance approach ($203); is obtaining efficiencies in rail material acquisition ($61); is implementing energy efficient initiatives throughout stations, yards and on subway cars ($60); is reorganizing terminal station car cleaning ($25) and is lengthening crew tours for more efficient train operations staffing ($8).

The Division of Buses at NYCT has identified changes to bus maintenance schedules utilizing predictive maintenance tools ($35); and improved analysis of vehicle condition and performance to allow for better maintenance planning ($25). Aligned with these operational efficiencies are the bus lane violation revenues and unscheduled bus operation overtime savings related to the Automated Bus Lane Enforcement (ABLE) measures through camera installation on additional buses and expanded enforcement, as permitted through the State 2023-24 Enacted Budget ($80). Paratransit trip-booking improvements utilizing self-service functionality will create savings and provide a better Paratransit customer experience ($16).

Long Island Rail Road and Metro-North Railroad have been working together over the past year to identify and incorporate industry best practices in their equipment shops as well as scheduling work along the rail right-of-way. Shop-specific practices are being adjusted for more efficient workflow to reduce the impacts of unplanned events ($87). Improved rail equipment scheduling for required maintenance and inspections along with ensuring proper staffing at shop locations will result in reductions to overtime ($77). Equipment and crew are being more efficiently scheduled to match with demand ($50). Both railroads are working to ensure appropriate inventory is available for required maintenance ($151). Management oversight of operating contracts is better aligning third-party services at work locations along the right-of-way ($46).

Bridges and Tunnels reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions($103).

The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. Savings targets have been fully met through 2024, with unidentified savings totaling $218 from 2025 through 2027 remaining below-the-line in the November Plan.

The November Plan includes several financial plan re-estimates:

- Include a $100 Farebox Revenue Loss Provision in 2024 to account for short-term fare evasion impacts on farebox revenue.
- Incorporates into Agency financial plans revised wage assumptions and safety and security initiatives that were included below-the-line in the July Plan.
- One-time State aid of $300 in 2023, included in the NYS 2023-24 Enacted Budget to address the extraordinary impact of the COVID pandemic on MTA operating revenues, will be made in two equal $150 disbursements to MTA, at the end of 2023 and at the end of the first quarter of 2024.
- Subsidies are lower by $138 over the Plan period. The 2023 Payroll Mobility Tax forecast is reduced by $44 to reflect year-to-date shortfalls in receipts. Receipts from the For-Hire Vehicle Surcharge have been reduced by $109 over the Plan period, reflecting slower growth than had been previously projected. Collectively, receipts from the Mortgage Recording Tax, the Urban Taxes and MTA Aid are $15 favorable in 2023, reflecting receipts through October.
- Initial inclusion of operating revenue and expenses related to Metro-North's Penn Station Access train service, which is scheduled to commence in 2027.
- Reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by $55. B&T continues to ramp up its toll collection efforts.
- Dramatic increases in interest rates have propelled MTA-wide investment income to be a substantial source of revenue to subsidize operations. Based on current investment returns, investment income increases have been conservatively forecast to exceed the July Plan forecast by $148 over the Plan period.
- Adjustment to reflect the delayed receipt of COVID expense reimbursement from FEMA.
- Adjustments in the timing of Committed to Capital operating funds.
- Use of $17 over the Plan period from the OPEB Trust. The July Plan anticipated use of $258 over the Plan period.
- Reduce the 2024 projection of the Central Business District Tolling Program's net revenue from $600 to $400, reflecting a more conservative first year estimate given timing risks.

Other local subsidy resources which were freed up from the receipt of Federal reimbursement for COVID losses will be applied to close remaining annual deficits. The Plan assumes $1.37 billion of resources will be used to close the 2023 deficit and followed by $220 in 2024; resources are not expected to be needed for 2025 and 2026, with the remaining $469 used to balance 2027. The timing change is primarily due to the delay in the receipt of FEMA reimbursement of COVID-related expenses.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info.

Tropical Storm Sandy Update

The total allocation of emergency relief funding from the Federal Transit Administration ("FTA") to MTA in connection with Superstorm Sandy to date is $5.83 billion, including $1.599 billion allocated on September 22, 2014, through a competitive resiliency program. A total of $5.81 billion in FTA Emergency Relief Funding has been executed: seven repair/local priority resiliency grants totaling $4.55 billion and seventeen competitive resiliency grants totaling$1.26 billion. As of December 31, 2023, MTA has drawn down a total of $4.27 billion in grant reimbursement for eligible operating and capital expenses. The balance of funds to be drawn down from all twenty-four grants is available to MTA for reimbursement of eligible expenses as requisitions are submitted by MTA and approved by FTA. Additional requisitions are in process. At MTA and Amtrak's request, in April 2018, FTA transferred $13.5 of MTA's emergency relief allocation to the Federal Railroad Administration ("FRA") to allow Amtrak to execute a portion of MTA Long Island Rail Road's Competitive Resilience scope.

Labor Update

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

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

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

MTA Long Island Rail Road – At the end of the fourth quarter of 2023, MTA Long Island Rail Road has approximately 7,452 employees. Approximately 6,696 of these employees are represented by 8 different unions in 19 bargaining units. Long Island Rail Road has settled agreements with nearly all of its bargaining groups along the lines of the 2019-2023 TWU agreement. On June 15, 2023, these agreements became amendable and, shortly afterwards, LIRR commenced labor negotiations towards successor agreements. Such an agreement was reached between the railroad and the Sheet Metal, Air, Rail and Transportation Workers – (SMART TD), which represents approximately 2943 employees in Maintenance of Way titles - such as Track Foremen, Trainmen, Welders, Special Service Attendants, Supervisors and Carmen, among others – who constitute more than 40% of the railroad's entire represented population. In December, the agreement was approved by the MTA Board, becoming the first railroad agreement reached since passage in July of the 2023-2026 TWU Local 100 agreement, which tipped off the current round of collective bargaining.

The agreement with SMART-TD is consistent with the MTA Financial Plan and meets the objective of realizing similar savings and costs as those obtained in the 2023-2026 TWU agreement, but by different means. The agreement with SMART-TD runs from June 16, 2023 through August 15, 2026 (38 months) and provides wage increases of 3.0%, 3.0% and 3.50%, effective each June 16, with no $3000 Bonus. The final increase (3.5%) is 0.25% higher than Financial Plan expectations, but actually matches the corresponding wage increase in the TWU agreement. The additional cost, compared with the Financial Plan, is partly offset by a 2-month extension of the contract period.

The proposed agreement will achieve savings partly by increasing the health insurance contributions of newly hired members from the current 2% of straight-time wages to 3%. Additional savings may be obtained by the reform of work rules, with discussions to commence after ratification of this agreement, with either party able to request assistance through the National Mediation Board. Also, since certain benefits provided in the 2023-2026 TWU agreement were unavailable to the railroad employees, the SMART-TD agreement includes, as a distinct provision, the conversion of existing Dental & Vision plan coverage to the coverage provided LIRR managers, effective January 1, 2025. In total, the agreement has been designed to match the net costs expected in the MTA Financial Plan.

MTA Metro-North Railroad – As of December 31, 2023, Metro-North Railroad employs approximately 6,236 people. Among these are approximately 5,324 employees represented by ten different unions.

In the fourth quarter of 2023, two labor agreements were reached with bargaining units that were among the few remaining without full settlement for the previous (2019-2023) round of collective bargaining. First, the railroad reached agreement with more than 600 Carmen, Coach Cleaners, Service Worker Attendants, and other titles represented by the Transport Workers Union, Locals 2001 and 2055 (TWU). The agreement covers the 50-month period from September 1, 2019 through October 31, 2023; and it provides the same series of wage increases common to all other railroad agreements over that period: 2.0% for 2019, 2.25% for 2020, 2.5% for 2021 and 2.75% for 2022. The inclusion of a two-month contract extension partly offsets the costs of this agreement.

The second Metro-North agreement reached in the fourth quarter was with the Association of Commuter Rail Employees, Division 166 (ACRE 166), which represents approximately 300 Signalmen and Signal Maintainers. The agreement, ratified by the Board in December, covers the 26-month period from August 2, 2021 through October 1, 2023 and will bring the union up to date and poised for the current round of bargaining. The settled wage pattern is the same as established in every other railroad agreement reached since June 2021, providing a 2.5% general wage increase for 2022 and a 2.75% increase for 2023. To partly offset the cost of these wage increases and to maintain consistency with the MTA's financial plan, the agreement includes a 2-month contract extension as its only other financially impactful provision.

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

Labor agreements with many 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 or will become amendable in the first quarter of 2024, almost all of the railroad's represented employees will be looking forward to new agreement terms at the start of the new year.

MTA Headquarters – As of December 31, 2023, MTA Headquarters employs approximately 5,195 people, of whom 3,470 are union members[1]. In December, the MTA Board approved a single labor agreement for MTA Headquarters. The new agreement covers approximately 26 active members of the Commanding Officers Association at MTA Police Department whose previous agreement expired on October 15, 2018. It will run the 5-year 6-month period from October 15, 2018 through April 14, 2024 and has been negotiated to align closely with the much larger agreement—ratified by the MTA Board in October 2022-- between the Police Department and the Police Benevolent Association (PBA). Like the PBA settlement, the proposed COA agreement includes wage increases of 12.59% over 2018 levels; and a one-time $500 lump sum payment per member. Effective upon full and final ratification, the agreement includes a Productivity Pay provision analogous to the $5000 increases received by all members of the PBA; however, for COA, the increase amounts are different and will apply only to certain ranks. The total cost of these productivity payments amounts to approximately $120,000 annually. The costs of the whole agreement will be partly offset by significant savings resulting from new productivity measures and from a 6-month contract extension. With the passage of the COA agreement, all major MTA HQ unions are under effective labor agreements at the end of the fourth quarter.

MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority – As of December 31, 2023, MTA New York City Transit and MaBSTOA currently employs approximately 47,434 people, 46,168 of whom are represented by 14 unions with 23 bargaining units. At the end of the fourth quarter, all NYCT/MaBSTOA unions that typically follow the TWU pattern have reached agreements in alignment with the 2019-2023 deal and are either under such effective agreements; or are looking for new terms for the ensuing period. For unions in the latter category, subsequent agreement terms are expected to align with the new TWU Local 100 agreement.

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

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

MTA Bus Company – As of December 31, 2023, MTA Bus Company has 3,779 employees, approximately 3,650 of whom are represented by three different unions (now including the United Transit Leadership Organization) and five bargaining units. The largest of these is TWU Local 100, whose more than 2,000 members were co-parties to the agreement approved by the MTA Board in July 2023 and whose current agreement will run through May 15, 2026.

In October, the MTA Board approved an agreement between the MTA Bus Company and the Transport Workers Union, Local 106, Transit Supervisors Organization (TSO) MTA Bus Unit, covering approximately 304 employees. The agreement spans the 48-month period from January 1, 2021 through December 31, 2024. Like the earlier TSO agreements approved by the Board, the proposed agreement includes general wage increases of 2.0% in the first year, 2.25% in the second year, 2.5% in the third year, and 2.75% in the fourth year.

Other benefits in common with the prior TSO agreements include two weeks of paid Maternity/Paternity Leave, an enhancement of Death Benefits and additional commutation pass privileges. The costs associated with these benefits will be offset through health and welfare savings initiatives similar to those in the prior TSO Agreements, including a change in employee medical coverage that will affect a transition from NYSHIP to the Hourly Health Plan. Aside from certain grandfathering provisions, members of TSO's MTA Bus unit will no longer be eligible to participate in NYSHIP and will remain in the Hourly Health Plan upon promotion to a Supervisory position and into retirement. This measure has the additional benefit of providing consistency in health benefit coverage between the hourly and supervisory unions, and it facilitates future pattern bargaining in which changes to the health plan of TWU Local 100 partly determine the pattern.

The agreement also rectifies a wage disparity between members of TSO at the MTA Bus Company and their counterparts in similar titles at MaBSTOA. Previous collective bargaining efforts made significant strides in addressing this disparity by funding incremental compensation improvements through changes in employee benefits and working conditions. However, prior to the new settlement, there remained a gap, and this agreement addresses that by equalizing the rates of pay for all titles in the bargaining unit to those in like titles at MaBSTOA. To cover the costs of the targeted salary adjustments, several productivity measures will be instituted. Generally, these measures are intended to achieve efficiencies by improving flexibility in the deployment of labor resources. With Board approval of this agreement in the fourth quarter, all unions at MTA Bus Company have settled agreements corresponding to the 2019-2023 period.

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

MTA Bridges and Tunnels – As of December 31, 2023, MTA Bridges and Tunnels has 908 employees, approximately 686 of whom are represented by three different labor unions (four bargaining units). In the fourth quarter, no new labor agreements were approved by the MTA Board, and three of the Authority's four unions have expired agreements as of December 31 – the exception being B&T's agreement (effective through September 14, 2024) with approximately 300 Maintainers represented by AFSCME DC 37 Local 1931.

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

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

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(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2023 AND 2022

($ in millions)

	Business-Type Activities	
	December 31, 2023	**December 31, 2022 (Restated)**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	$ 782	$ 403
Cash restricted (Note 3)	806	537
Unrestricted investments (Note 3)	6,143	9,559
Restricted investments (Note 3)	2,610	1,682
Restricted investments held under financed purchase obligations (Notes 3 and 10)	95	101
Receivables:		
Station maintenance, operation, and use assessments	149	113
State and regional mass transit taxes	364	158
Mortgage Recording Tax receivable	24	39
State and local operating assistance	5	10
Other receivable from New York City and New York State	204	180
Due from Build America Bonds	-	3
Receivable from federal and state government	203	81
Other	909	904
Less allowance for doubtful accounts	(499)	(372)
Total receivables — net	1,359	1,116
Materials and supplies	738	681
Prepaid expenses and other current assets (Note 2)	819	217
Total current assets	13,352	14,296
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	14,256	22,928
Other capital assets (net of accumulated depreciation and amortization)	76,305	64,711
Unrestricted investments (Note 3)	451	2,496
Restricted investments (Note 3)	1,302	3,623
Restricted investments held under financed purchase obligations (Notes 3 and 10)	284	258
Other non-current receivables	305	384
Receivable from New York State	-	10
Other non-current assets	24	71
Total non-current assets	92,927	94,481
TOTAL ASSETS	106,279	108,777
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	108	109
Loss on debt refunding (Note 7)	398	540
Deferred outflows related to pensions (Note 4)	3,799	3,181
Deferred outflows related to OPEB (Note 5)	5,367	4,444
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,672	8,274
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 115,951	$ 117,051

See notes to the consolidated financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF NET POSITION

AS OF DECEMBER 31, 2023 AND 2022

($ in millions)

	Business-Type Activities	
	December 31, 2023	**December 31, 2022 (Restated)**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 571	$ 480
Accrued expenses:		
Interest	285	393
Salaries, wages and payroll taxes	467	525
Vacation and sick pay benefits	1,163	1,106
Current portion — retirement and death benefits	30	31
Current portion — estimated liability from injuries to persons (Note 12)	718	567
Capital accruals	664	554
Other Accrued expenses	798	842
Total accrued expenses	4,125	4,018
Current portion — loan payable (Note 7)	10	12
Current portion — long-term debt (Note 7)	3,204	4,800
Current portion — pollution remediation projects (Note 14)	40	40
Derivative fuel hedge liability (Note 16)	10	-
Unearned revenues	1,905	1,248
Total current liabilities	9,865	10,598
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	8,335	6,923
Estimated liability arising from injuries to persons (Note 12)	5,036	4,868
Net OPEB liability (Note 5)	22,435	24,956
Loan payable (Note 7)	61	71
Long-term debt (Note 7)	44,586	46,493
Lease payable (Note 8)	900	833
Subscription-Based Information Technology Arrangements (Note 9)	98	35
Financed purchase (Note 10)	176	170
Pollution remediation projects (Note 14)	142	116
Contract retainage payable (Note 15)	449	435
Derivative liabilities (Note 7)	133	144
Other long-term liabilities (Note 15)	359	366
Total non-current liabilities	82,710	85,410
TOTAL LIABILITIES	92,575	96,008
DEFERRED INFLOWS OF RESOURCES:		
Gain on debt refunding	17	24
Deferred inflows related to leases (Note 8)	232	300
Deferred inflows related to pensions (Note 4)	429	1,055
Deferred inflows related to OPEB (Note 5)	5,398	2,695
TOTAL DEFERRED INFLOWS OF RESOURCES	6,076	4,074
NET POSITION:		
Net investment in capital assets	41,341	34,885
Restricted for debt service	875	381
Restricted for claims	275	192
Restricted for other purposes	2,443	4,491
Unrestricted	(27,634)	(22,980)
TOTAL NET POSITION	17,300	16,969
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 115,951	$ 117,051

See notes to the consolidated financial statements. (Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

($ in millions)

	Business-Type Activities	
	December 31, 2023	December 31, 2022 (Restated)
OPERATING REVENUES:		
Fare revenue	$ 4,658	$ 4,024
Vehicle toll revenue	2,415	2,332
Rents, freight, and other revenue	790	649
Total operating revenues	7,863	7,005
OPERATING EXPENSES:		
Salaries and wages	7,036	6,578
Retirement and other employee benefits	3,581	2,890
Postemployment benefits other than pensions (Note 5)	1,471	1,892
Electric power	510	556
Fuel	226	283
Insurance	32	9
Claims	395	374
Paratransit service contracts	517	412
Maintenance and other operating contracts	784	680
Professional service contracts	552	444
Pollution remediation projects (Note 14)	51	26
Materials and supplies	641	561
Depreciation and amortization (Note 2 and Note 6)	3,704	3,417
Other	315	245
Total operating expenses	19,815	18,367
OPERATING LOSS	(11,952)	(11,362)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	604	597
Metropolitan Mass Transportation Operating Assistance subsidies	2,838	2,601
Payroll Mobility Tax subsidies	2,513	2,032
MTA Aid Trust Account subsidies	265	264
Internet sales tax subsidies	329	331
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	346	623
Urban Tax subsidies	364	657
Mansion Tax	345	513
Other subsidies:		
Operating Assistance - 18-B program	411	373
Build America Bond subsidy	80	83
New York City Assistance Fund	365	345
Total grants, appropriations and taxes	$ 8,460	$ 8,419

See notes to the consolidated financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

($ In millions)

	Business-Type Activities	
	December 31, 2023	**December 31, 2022 (Restated)**
NON-OPERATING REVENUES (EXPENSES):		
Connecticut Department of Transportation	$ 265	$ 248
Subsidies paid to Dutchess, Orange, and Rockland Counties	(20)	(18)
Interest on long-term debt (Note 2)	(1,838)	(1,906)
Station maintenance, operation and use assessments	234	188
Operating subsidies recoverable from NYC	880	535
Federal Transit Administration reimbursement related to ARPA and CRRSAA	31	6,967
Other net non-operating revenues	363	146
Net non-operating revenues	8,375	14,579
(LOSS) / GAIN BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	(3,577)	3,217
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	3,908	4,611
CHANGE IN NET POSITION	331	7,828
NET POSITION— Beginning of year	16,969	9,141
NET POSITION — End of year	$ 17,300	$ 16,969

See notes to the consolidated financial statements.

(Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

($ In millions)

	Business-Type Activities	
	December 31, 2023	December 31, 2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	$ 7,135	$ 6,351
Rents and other receipts	989	830
Payroll and related fringe benefits	(11,664)	(10,113)
Other operating expenses	(4,478)	(2,886)
Net cash used by operating activities	(8,018)	(5,818)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	7,642	8,552
Operating subsidies from CDOT	264	246
Subsidies paid to Dutchess, Orange, and Rockland Counties	(18)	(21)
Federal Transit Administration reimbursement related to COVID-19	26	9,805
Other non-capital financing activities	3	(5)
Internet and Mansion Tax	674	853
Net cash provided by noncapital financing activities	8,591	19,430
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	-	820
MTA Bridges and Tunnels bond proceeds	5,297	7,413
MTA bonds refunded/reissued	(2,526)	(2,686)
MTA Bridges and Tunnels bonds refunded/reissued	(1,098)	(330)
MTA anticipation notes redeemed	(3,707)	(8,089)
MTA credit facility refunded	-	(1,196)
Federal and local grants	2,496	2,775
Other capital financing activities	1,002	957
Payment for capital assets	(5,772)	(6,231)
Debt service payments	(3,127)	(2,906)
Receipts from leases	21	42
Payments from leases and subscription-based information technology arrangements	(64)	(204)
Net cash used by capital and related financing activities	(7,478)	(9,635)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(8,174)	(18,106)
Sales or maturities of long-term securities	15,064	9,554
Net sales or maturities of short-term securities	133	4,619
Earnings on investments	530	114
Net cash provided by / (used by) investing activities	7,553	(3,819)
NET INCREASE IN CASH	648	158
CASH — Beginning of year	940	782
CASH — End of year	$ 1,588	$ 940

See notes to the consolidated financial statements.

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

($ In millions)

	Business-Type Activities	
	December 31, 2023	**December 31, 2022 (Restated)**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss (Note 2)	$ (11,952)	$ (11,362)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	3,704	3,417
Net increase in payables, accrued expenses, and other liabilities	30	2,048
Net increase in deferred outflows related to pensions	617	475
Net increase in deferred outflows related to OPEB	923	411
Net increase in deferred inflows related to pensions	626	1,938
Net decrease in deferred inflows related to OPEB	(2,703)	(962)
Net decrease in net pension liability and related accounts	(1,412)	(2,023)
Net increase / (decrease) in net OPEB liability and related accounts	2,522	(547)
Net increase in receivables	323	861
Net decrease in materials and supplies and prepaid expenses	(696)	(74)
NET CASH USED BY OPERATING ACTIVITIES	$ (8,018)	$ (5,818)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	$ (124)	$ 202
Noncash capital and related financing activities:		
Capital assets related liabilities	1,743	1,618
Interest expense for leases and subscription-based information technology arrangements	48	50
Interest income from leases	9	9
Total Noncash capital and related financing activities	1,800	1,677
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	$ 1,676	$ 1,879

See notes to the consolidated financial statements. (Concluded)

(A Component Unit of the State of New York)

STATEMENTS OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022
($ In thousands)

	Fiduciary Activities	
	December 31, 2023	**December 31, 2022**
ASSETS:		
Cash	$ 10,625	$ 10,985
Receivables:		
Employee loans	28,016	26,521
Participant and union contributions	3	-
Investment securities sold	3,404	1,810
Accrued interest and dividends	20,989	6,011
Other receivables	6,664	2,680
Total receivables	59,076	37,022
Investments at fair value	12,431,715	9,319,985
Total assets	$ 12,501,416	$ 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	1,505	2,527
Other liabilities	1,010	1,082
Total liabilities	42,896	25,715
NET POSITION:		
Restricted for pensions	11,084,616	9,330,542
Restricted for postemployment benefits other than pensions	1,373,904	11,735
Total net position	12,458,520	9,342,277
Total liabilities and net position	$ 12,501,416	$ 9,367,992

See notes to the consolidated financial statements.

(A Component Unit of the State of New York)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
($ In thousands)

	Fiduciary Activities	
	December 31, 2023	**December 31, 2022**
ADDITIONS:		
Contributions:		
Employer contributions	$ 3,439,246	$ 1,418,340
Implicit rate subsidy contribution	62,445	57,989
Member contributions	63,720	60,069
Total contributions	3,565,411	1,536,398
Investment income:		
Net in fair value of investments	1,060,315	(872,844)
Dividend income	110,797	126,737
Interest income	89,805	29,151
Less:		
Investment expenses	40,978	60,081
Investment income, net	1,219,939	(777,037)
Other additions:		
Total additions	4,785,350	759,361
DEDUCTIONS:		
Benefit payments and withdrawals	1,599,856	1,541,904
Implicit rate subsidy payments	62,445	57,989
Transfer to other plans	890	-
Administrative expenses	5,916	6,077
Total deductions	1,669,107	1,605,970
Net increase / (decrease) in fiduciary net position	3,116,243	(846,609)
NET POSITION:		
Restricted for Benefits:		
Beginning of year	9,342,277	10,188,886
End of year	$ 12,458,520	$ 9,342,277

See notes to the consolidated financial statements.

(A Component Unit of the State of New York)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

($ 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 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 Concourse Operating Company ("MTA GCMOC") operates and maintains the infrastructure and structures supporting Long Island Rail Road access into Grand Central Terminal.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, MTA Bus, and MTA GCMOC collectively are referred to herein as MTA. MTA Long Island Rail Road and MTA Metro-North Railroad are referred to collectively as the Commuter Railroads.
- New York City Transit Authority ("MTA New York City Transit") and its subsidiary, Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"), provide subway and public bus service within the five boroughs of New York City.
- Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") operates seven toll bridges, two tunnels, and the Battery Parking Garage, all within the five boroughs of New York City.

The subsidiaries and affiliates, considered component units of the MTA, are operationally and legally independent of the MTA. These related groups enjoy certain rights typically associated with separate legal status including, in some cases, the ability to issue debt. However, they are included in the MTA's consolidated financial statements as blended component units because of the MTA's financial accountability for these entities and they are under the direction of the MTA Board (a reference to "MTA Board" means the board of MTAHQ and/or the boards of the other MTA Group entities that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include these related groups in its financial statements. While certain units are separate legal entities, they do have legal capital requirements and the revenues of all of the related groups of the MTA are used to support the organizations as a whole. The components do not constitute a separate accounting entity (fund) since there is no legal requirement to account for the activities of the components as discrete accounting entities. Therefore, the MTA financial statements are presented on a consolidated basis with segment disclosure for each distinct operating activity. All of the component units publish separate annual financial statements, which are available by writing to the MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor, New York, New York 10004.

Although the MTA Group collects fares for the transit and commuter service, they provide and receive revenues from other sources, such as the leasing out of real property assets, and the licensing of advertising. Such revenues, including anticipated revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the year ended December 31, 2023 and 2022 totaled $8.5 billion and $8.4 billion, respectively.

Basis of Presentation - Fiduciary Funds – The fiduciary fund financial statements provide information about the funds that are used to report resources held in trust for retirees and beneficiaries covered by pension plans and other employee benefit trust funds of the MTA. Separate financial statements are presented for the fiduciary funds.

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

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

These fiduciary statements of the fiduciary funds are prepared using the accrual basis of accounting and a measurement focus on the periodic determination of additions, deductions, and net position restricted for benefits. For reporting purposes, the financial results of the MNR Cash Balance Plan are not material and therefore not included in the fiduciary statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

New Accounting Standards —The MTA adopted the following GASB Statement for the year ended December 31, 2023, with retroactive effect of this adoption as of January 1, 2022:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The MTA evaluated all the requirements under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of subscription assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and increased by $52.

The following schedule summarizes the net effect of adopting GASB Statement No. 96, in the Consolidated Statement of Net Position as of December 31, 2022 (in millions):

	As Previously Stated	GASB Statement No. 96 Impact	Restated
NONCURRENT ASSETS:			
Other capital assets (net of accumulated Depreciation and amortization)*	$ 64,578	$ 133	$ 64,711
Total non-current assets	94,348	133	94,481
TOTAL ASSETS	108,644	133	108,777
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	116,918	133	117,051
CURRENT LIABILITIES:			
Other Accrued Expenses	796	46	842
Total accrued expenses	3,972	46	4,018
Total current liabilities	10,552	46	10,598
NON-CURRENT LIABILITIES:			
Subscription-based information technology arrangements	-	35	35
Total non-current liabilities	85,375	35	85,410
TOTAL LIABILITIES	95,927	81	96,008
NET POSITION:			
Net investment in capital assets	34,886	(1)	34,885
Unrestricted	(23,033)	53	(22,980)
TOTAL NET POSITION	16,917	52	16,969
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	116,918	133	117,051

**Right of Use Assets and accumulated amortization are included in Other Capital Assets, net of accumulated depreciation and amortization on the Statement of Net Position.*

In addition, revenues, expenses and changes in net position for the year ended December 31, 2022 were required to be restated by GASB Statement 96 as follows (in millions):

	As Previously Stated	GASB Statement No. 96 Impact	Restated
OPERATING EXPENSES:			
Professional service contracts	$ 554	$ (110)	$ 444
Depreciation and amortization*	3,361	56	3,417
Total operating expenses	18,421	(54)	18,367
OPERATING LOSS	(11,416)	54	(11,362)
NON-OPERATING REVENUES (EXPENSES):			
Interest expense on long-term debt	(1,904)	(2)	(1,906)
Net non-operating revenues	14,581	(2)	14,579
GAIN BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	3,165	52	3,217
CHANGE IN NET POSITION	7,776	52	7,828
NET POSITION — End of year	16,917	52	16,969

**Right-of-Use Assets are included in depreciation and amortization on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position.*

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in the consolidated statement of cash flows (in millions) for the year ended December 31, 2022:

	As Previously Stated	GASB Statement No. 96 Impact	Restated
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other operating expenses	$ (2,996)	$ 110	$ (2,886)
Net cash used by operating activities	(5,928)	110	(5,818)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments from leases and subscription-based information technology arrangements	(94)	(110)	(204)
Net cash used by capital and related financing activities	(9,525)	(110)	(9,635)
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:			
Operating loss	(11,416)	54	(11,362)
Depreciation and amortization	3,361	56	3,417
NET CASH USED BY OPERATING ACTIVITIES	(5,928)	110	(5,818)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:			
Noncash capital and related financing activities:			
Capital assets related liabilities	1,432	186	1,618
Interest expense for leases and subscription-based information technology arrangements	48	2	50
Total Noncash Capital and Related Financing Activities	1,489	188	1,677

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, the MTA concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

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

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

Net Position – Restricted for Other Purposes – This category is classified within net position and includes net investments restricted for financed purchases and MTA Bridges and Tunnels necessary reconstruction reserve.

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

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

In accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, investments are recorded on the consolidated statements of net position at fair value, except for commercial paper, certificates of deposit, and repurchase agreements, which are recorded at amortized cost or contract value. All investment income, including changes in the fair value of investments, is reported as revenue on the consolidated statements of revenues, expenses and changes in net position. Fair values have been determined using quoted market values at December 31, 2023 and 2022.

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

Materials and Supplies — Materials and supplies are valued at average cost, net of obsolescence reserve at December 31, 2023 and 2022 of $251 and $231, respectively.

Prepaid Expenses and Other Current Assets — Prepaid expenses and other current assets reflect advance payment of insurance premiums as well as farecard media related with ticket machines, WebTickets and AirTrain tickets.

Capital Assets — Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received. Accumulated depreciation and amortization are reported as reductions of capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

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

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

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

Pollution remediation projects — Pollution remediation costs have been expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (See Note 12). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the MTA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

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

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

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

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

American Rescue Plan Act ("ARPA") — On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). The $1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. The MTA received $6.2 billion in aid from ARPA in 2022 and 2023. In September of 2022, Additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received approximately $769 million in such additional aid.

Non-operating Revenues

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

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

- MRT-1 proceeds are initially used to pay MTAHQ's operating expenses. Remaining funds, if any, are allocated 55% to certain transit operations and 45% to the commuter railroads operations. The commuter railroad portion is first used to fund the NYS Suburban Highway Transportation Fund in an amount not to exceed $20 annually (subject to the monies being returned under the conditions set forth in the governing statute if the Commuter Railroads are operating at a deficit).
- The first $5 of the MRT-2 proceeds is transferred to the MTA Dutchess, Orange, and Rockland ("DOR") Fund ($1.5 each for Dutchess and Orange Counties and $2 for Rockland County). Additionally, the MTA must transfer to each County's fund an amount equal to the product of (i) the percentage by which each respective County's mortgage recording tax payments (both MRT-1 and MRT-2) to the MTA increased over such payments in 1989 and (ii) the base amount received by each county as described above. The counties do not receive any portion of the September 1, 2005 increase in MRT-1 from 25 cents per $100 of recorded mortgage to 30 cents. As of December 31, 2023, the MTA paid to Dutchess, Orange and Rockland Counties the 2022 excess amounts of MRT-1 and MRT-2 totaling $12.9.
- In addition, MTA New York City Transit receives operating assistance directly from NYC through a mortgage recording tax at the rate of 0.625% of the debt secured by certain real estate mortgages and through a property transfer tax at the rate of one percent of the assessed value (collectively referred to as "Urban Tax Subsidies") of certain properties.

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

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

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

Dedicated Taxes — Under NYS 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 NYS, to the extent of the appropriation.

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

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

- A surcharge of $2.75 on for-hire transportation trips provided by motor vehicles carrying passengers for hire (or $2.50 in the case of taxicabs that are subject to the $0.50 cents tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulance and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the City of New York, in the Borough of Manhattan (the "Congestion Zone"), (2) originates anywhere in NYS and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in NYS, or (4) originates anywhere in NYS, enters into the Congestion Zone while in transit, and terminates anywhere in NYS.
- A surcharge of $0.75 cents for each person who both enters and exits a pool vehicle in NYS and who is picked up in, dropped off in, or travels through the Congestion Zone.

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

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

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

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.

The enacted State Budget also included provisions for a new Real Property Transfer Tax Surcharge (referred to as the "Mansion Tax") on high-priced residential property sales in New York City and an Internet Marketplace Sales Tax. The Mansion Tax went into effect on July 1, 2019 and increases the transfer tax on a sliding scale by a quarter percent starting at $2, with a combined top rate of 4.15%, on the sale of New York City residential properties valued at $25 or above. The Internet Marketplace Sales Tax went into effect on June 1, 2019 and requires internet marketplace providers to collect and remit sales tax from out of state retailers on their sites that have gross receipts exceeding $500,000 (dollars) and delivering more than one hundred sales into New York State in the previous four quarters. The sales tax will be collected at the normal rate of 4% plus local sales tax.

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

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

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

In 1995, New York City ceased reimbursing the MTA for the full costs of the free/reduced fare program for students. Beginning in 1996, New York State and New York City each began paying $45 per annum to the MTA toward the cost of the program. In 2009, New York State reduced their $45 reimbursement to $6.3. Beginning in 2010, New York State increased their annual commitment to $25.3 while New York City's annual commitment remained at $45. These commitments have been met by both New York State and New York City for both 2022 and 2023. For the year ended December 31, 2022, the MTA received $100.3 from New York State and New York City combined. For the year ended December 31, 2023, the MTA received $70.3 from New York State and New York City combined, which include $30.0 prepayment for the year 2024 from The 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 $3.4 and $4.5 for the years ended December 31, 2023 and 2022, respectively, from New York City for the reimbursement of transit police costs.

MTAHQ bills MTA Metro-North Railroad through its consolidated services for MTA police costs in the New Haven line of which MTA Metro-North Railroad recovers approximately 65% from Connecticut Department of Transportation. The amounts billed for the years ended December 31, 2023 and 2022 were $31.4 and $24.4, respectively. The amounts recovered for the years ended December 31, 2023 and 2022 were approximately $20.4 and $15.9, respectively.

Federal law and regulations require a paratransit system for passengers who are not able to ride the buses and trains because of their disabilities. Pursuant to an agreement between New York City and the MTA, MTA New York City Transit, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with Disability Act of 1990. Services are provided by private vendors under contract with MTA New York City Transit. New York City reimburses MTA New York City Transit for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above or, an amount that is 20% greater than the amount paid by New York City for the preceding calendar year. Fare revenues and New York City reimbursement aggregated approximately $402.4 in the year ended December 31, 2023, and $268.5 in the year ended December 31, 2022. Total paratransit expenses, including paratransit service contracts, were $601.5 and $486.9 in 2023 and 2022, respectively.

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

Operating and Non-operating Expenses — Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA (e.g. salaries, insurance, depreciation, and amortization, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, subsidies paid to counties, etc.) are reported as non-operating expenses.

Liability Insurance — FMTAC, an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: $8 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA

Long Island Rail Road, and MTA Metro-North Railroad; $2.3 for MTA Long Island Bus and MTA Staten Island Railway; and $1.6 for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: $9 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $2.6 for MTA Long Island Bus and MTA Staten Island Railway; and $1.9 for MTAHQ and MTA Bridges and Tunnels. Effective November 1, 2012, the self-insured retention limits for ELF were increased to the following amounts: $10 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3 for MTA Staten Island Railway; and $2.6 for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015, the self-insured retention limits for ELF were increased to the following amounts: $11 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3.2 for MTA Staten Island Railway, MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than $50. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of $50 per occurrence with a $50 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023 and December 31, 2022, the balance of the assets in this program was $189.2 and $174.04, respectively.

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

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

On March 1, 2023, the “Access-A-Ride” automobile liability policy program was renewed. This program provides third-party auto liability insurance coverage to vendors under the Access-A-Ride contract, to perform services on behalf of MTA New York City Transit. This policy provides a $3 per occurrence to fund self-insured losses.

On December 15, 2023, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11 per occurrence loss for MTA Metro-North Railroad and MTA Long Island Rail Road.

Property Insurance — Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 per occurrence deductible, subject to an annual $75 aggregate deductible. The total All Risk program annual limit is $500 per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 per occurrence. In addition to the noted $25 per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 within the overall $500 per occurrence property program as follows: $20.277 (or 40.55%) of the primary $50 layer, plus $23.777 (or 47.55%) of the $50 excess $50 layer, plus $14.792 (or 29.58%) of the $50 excess $100 layer, plus $8.827 (or 17.65%) of the $50 excess $150 layer, plus $4.484 (or 8.96%) of the $50 excess $200 layer, plus $12.548 (or 25.09%) of the $50 excess $250 layer, plus $13.547 (or 27.09%) of the $50 excess $300 layer, plus $14.997 (or 29.99%) of the $50 excess $350 layer, plus $18.664 (or 37.32%) of the $50 excess $400 layer, and $15.164 (or 30.32%) of the $50 excess $450 layer.

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

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

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

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

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

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

Postemployment Benefits Other Than Pensions — In accordance with the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan, the MTA recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

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

3. CASH AND INVESTMENTS

Cash - The Bank balances are insured up to $250 thousand in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. As of December 31, 2023, restricted cash represents $806 received by the MTA from the State of New York and New York City for the Subway Action Plan and other capital projects.

Cash, including deposits in transit, consists of the following at December 31, 2023 and 2022 (in millions):

	2023		2022	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	$ 114	$ 113	$ 117	$ 116
Uninsured and not collateralized	1,474	1,453	823	801
Total Balance	$ 1,588	$ 1,566	$ 940	$ 917

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

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

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

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

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

The MTA had the following recurring fair value measurements as of December 31, 2023 and 2022 (in millions):

Investments by fair value level	**December 31,**	**Fair Value Measurements**		**December 31,**	**Fair Value Measurements**	
	2023	**Level 1**	**Level 2**	**2022**	**Level 1**	**Level 2**
Debt Securities:						
U.S. treasury securities	$ 9,478	$ 7,975	$ 1,503	$ 16,093	$ 12,063	$ 4,030
U.S. government agency	405	-	405	367	-	367
Commercial paper	-	-	-	300	-	300
Asset backed securities	69	-	69	48	-	48
Commercial mortgage backed securities	172	-	172	159	-	159
Foreign bonds	10	10	-	15	15	-
Corporate bonds	114	114	-	124	124	-
U.S. treasury securities	146	146	-	144	127	17
U.S. government agency	122	67	55	116	64	52
Repurchase agreements	258	258	-	249	217	32
Total debt securities	10,774	- 8,570	- 2,204	17,615	- 12,610	- 5,005
Total investments by fair value level	10,774	$ 8,570	$ 2,204	17,615	$ 12,610	$ 5,005
Financed Purchases	111			104		
Total Investments	$ 10,885			$ 17,719		

Investments classified as Level 1 of the fair value hierarchy, totaling $8,570 and $12,610 as of December 31, 2023 and 2022, 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 $460 and $419, U.S. treasury securities totaling $1,503 and $4,047, commercial paper totaling $0 and $300, asset-backed securities totaling $69 and $48, and commercial mortgage-backed securities totaling $172 and $159, as of December 31, 2023 and 2022, respectively, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by a third party pricing service. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and indices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from a third party pricing service or our custodian bank.

In connection with certain financed purchase transactions described in Note 10, the MTA has purchased securities or entered into payment undertaking, letter of credit, or similar type agreements or instruments (guaranteed investment contracts) with financial institutions, which generate sufficient proceeds to make basic rent and purchase option payments under the terms of the transactions. If the obligors do not perform, the MTA may have an obligation to make the related rent payments.

All investments, other than the investments restricted for financed purchase obligations, are either insured or registered and held by the MTA or its agent in the MTA's name. Investments restricted for financed purchases are either held by MTA or its agent in the MTA's name or held by a custodian as collateral for MTA's obligation to make rent payments under financed purchase obligations. Investments had weighted average yields of 5.13% and 2.78% for the years ended December 31, 2023 and 2022, respectively.

Credit Risk — At December 31, 2023 and 2022, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in millions):

Quality Rating Standard & Poor's	December 31, 2023	Percent of Portfolio	December 31, 2022	Percent of Portfolio
A-1+	$ 175	2%	$ 153	1%
A-1	-	0%	300	2%
AAA	333	3%	217	1%
AA+	55	1%	52	0%
AA	13	0%	33	0%
A	75	1%	69	1%
A-	113	1%	122	1%
BBB	41	0%	47	0%
Not rated	290	2%	322	2%
U.S. Government	9,679	90%	16,300	92%
Total	10,774	100%	17,615	100%
Financed Purchases	111		104	
Total investment	$ 10,885		$ 17,719	

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. While the MTA does not have a formal policy for interest rate risk, New York State statutes govern the MTA's investment policy. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of a bond price's sensitivity to a 100 basis point change in interest rates.

	December 31, 2023		December 31, 2022	
(In millions)	**Fair Value**	**Duration (in years)**	**Fair Value**	**Duration (in years)**
U.S. treasury securities	$ 9,478	6.87	$ 16,093	4.95
U.S. government agency	405	5.42	367	5.75
Tax benefit financed purchase investments	268	5.35	259	5.89
Repurchase agreement	258	-	250	-
Commercial paper	-	-	300	-
Asset-backed securities [(1)]	69	2.96	48	3.59
Commercial mortgage-backed securities [(1)]	172	4.77	159	5.07
Foreign bonds [(1)]	10	7.60	15	5.77
Corporates [(1)]	114	7.08	124	5.81
Total fair value	10,774		17,615	
Modified duration		6.56		4.83
Investments with no duration reported	111		104	
Total investments	$ 10,885		$ 17,719	

[(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 (i.e. $1 billion or more of capital).

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

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

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

- certain equities; and
- certain mutual funds.

FMTAC is prohibited from making the following investments:

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

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

4. EMPLOYEE BENEFITS

Pensions — The MTA Related Groups sponsor and participate in several defined benefit pension plans for their employees, the Long Island Railroad Company Plan for Additional Pensions (the "Additional Plan"), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Plan"), the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan"), the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA

Defined Benefit Plan"), the New York City Employees' Retirement System ("NYCERS"), and the New York State and Local Employees' Retirement System ("NYSLERS"). A brief description of each of these pension plans follows:

Plan Descriptions

1. Additional Plan —

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

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

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

2. MaBSTOA Plan —

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

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

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

3. MNR Cash Balance Plan —

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

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

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

4. MTA Defined Benefit Plan —

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

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

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

5. NYCERS —

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

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

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

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

Tier 1	All members who joined prior to July 1, 1973.
Tier 2	All members who joined on or after July 1, 1973 and before July 27, 1976.
Tier 3	Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012
Tier 4	All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.
Tier 6	Members who joined on or after April 1, 2012.

6. NYSLERS —

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

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

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of tier membership.

Tier 1	All members who joined prior to July 1, 1973.
Tier 2	All members who joined on or after July 1, 1973 and before July 27, 1976.
Tier 3	Generally, certain members who joined on or after July 27, 1976 but before January 1, 2010 and all other members who joined on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, members (with certain member exceptions) who joined on or after September 1, 1983, but before January 1, 2010.
Tier 5	Members who joined on or after January 1, 2010, but before April 1, 2012.
Tier 6	Members who joined on or after April 1, 2012.

Benefits Provided

1. Additional Plan —

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

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

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

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

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

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

2. MaBSTOA Plan —

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

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

Tier 1 —

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

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

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

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

Tier 2 —

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

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

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

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

Tiers 3, 4—

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

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

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

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

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

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

Tier 6 —

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

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

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

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

3. MNR Cash Balance Plan —

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

Participants of the MNR Cash Balance Plan are eligible for early retirement benefits upon termination of employment, the attainment of age 62, or age 60 and completion of 15 years of service, or age 55 and the completion of 30 years of service. The early retirement benefits paid is the normal retirement pension deferred to age 65 or an immediate pension equal to the life annuity actuarial equivalent of a participant's escalating annuity at normal retirement date indexed by the

Initial Benefit Escalator from early retirement date to normal retirement date and reduced by 5/9 of 1% for each month retirement precedes age 65 up to 60 months and 5/18 of 1% for each month after 60 months.

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

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

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

4. MTA Defined Benefit Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. NYCERS —

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

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

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

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

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

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

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

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

6. NYSLERS —

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

Tiers 1 and 2 —

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

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

Tiers 3, 4, and 5 —

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

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

Tier 6 —

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

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned, limited by overtime caps, in the three highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10% greater than the average of the previous four years. Chapter

56 of the Laws of 2024 amended the RSSL and the Administrative Code of New York to reduce the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years.

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

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

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

Membership

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

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

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

Contributions and Funding Policy

1. Additional Plan —

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

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

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

2. MaBSTOA Plan —

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

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

i. Tier 1 and 2 - Basic Plans;

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

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

iv. Tier 4 - 57 and 5 Plan

v. Tier 6 - 55 and 25 Special Plan

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

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

In March 2012, pursuant to Chapter 18 of the Laws of 2012, individuals joining NYCERS or the MaBSTOA Pension Plan on or after April 1, 2012 are subject to the provisions of Tier 6. The new law increased the employee contribution rates which varies depending on salary, ranging from 3% to 6% of gross wages. Contributions are made until retirement or separation from service.

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

3. MNR Cash Balance Plan —

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

MTA Metro-North Railroad's funding policy with respect to the MNR Cash Balance Plan was to contribute the full amount of the pension benefit obligation ("PBO") of approximately $2.977 to the trust fund in 1989. As participants retire, the Trustee has made distributions from the MNR Cash Balance Plan. MTA Metro-North Railroad anticipated that no further contributions would be made to the MNR Cash Balance Plan. However, due to changes in actuarial assumptions and market performance, additional contributions were made to the MNR Cash Balance Plan in several subsequent years. Per the January 1, 2021 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. Per the January 1, 2022 valuation, there is no unfunded accrued liability and the actuarially determined contribution is $0. The ADC was $4,333 (whole dollars) for 1/1/2022. For 1/1/2023, the ADC was $12,105 (whole dollars).

4. MTA Defined Benefit Plan —

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

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

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

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

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

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

5. NYCERS —

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

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

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

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

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

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

6. NYSLERS —

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

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

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

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

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

*MNR Cash Balance Plan's actual employer contribution for the years ended December 31, 2023 and 2022 was $12,589 (whole dollars) and $4,463 (whole dollars), respectively.

In January 2023, MTA prepaid the 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans, in the amount of $639.44.

Net Pension Liability

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

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

Pension Plan Fiduciary Net Position

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

Actuarial Assumptions

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

	Additional Plan		**MaBSTOA Plan**		**MNR Cash Balance Plan**	
Valuation Date:	**January 1, 2022**	**January 1, 2021**	**January 1, 2022**	**January 1, 2021**	**January 1, 2022**	**January 1, 2021**
Investment Rate of Return	6.50%, net of investment expenses.	6.50%, net of investment expenses.	6.50%, net of investment expenses.	6.50%, net of investment expenses.	4.00%, net of investment expenses.	3.00%, net of investment expenses.
Salary Increases	3.00%	3.00%	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Not applicable	Not applicable
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%	2.25%	2.40%	2.25%
Cost-of Living Adjustments	Not applicable	Not applicable	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.	Not applicable	Not applicable

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

Mortality

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

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

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

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

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

NYCERS:

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

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

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

NYSLERS:

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

Expected Rate of Return on Investments

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

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

For the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan, MTA Defined Benefit Plan, NYCERS plan and NYSLERS plan, the long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

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

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

Discount rate

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

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

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each pension plan and that employer contributions will be made at the rates determined by each pension plan's actuary. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
			(in thousands)			
Balance as of December 31, 2021	$ 1,322,471	$ 777,323	$ 545,148	$ 4,422,018	$ 3,658,351	$ 763,667
Changes for fiscal year 2021:						
Service Cost	146	-	146	95,859	-	95,859
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	-	50	(50)	-	25,548	(25,548)
Net investment income	-	(51,214)	51,214	-	(273,627)	273,627
Employer contributions	-	70,764	(70,764)	-	158,618	(158,618)
Balance as of December 31, 2022	$ 1,258,877	$ 652,398	$ 606,479	$ 4,526,353	$ 3,310,111	$ 1,216,242

	Additional Plan			MaBSTOA Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
			(in thousands)			
Balance as of December 31, 2020	$ 1,357,323	$ 760,690	$ 596,633	$ 4,246,386	$ 3,306,616	$ 939,770
Changes for fiscal year 2021:						
Service Cost	260	-	260	93,934	-	93,934
Interest on total pension liability	83,489	-	83,489	274,270	-	274,270
Effect of economic /demographic (gains) or losses	3,729	-	3,729	(19,177)	-	(19,177)
Effect of assumption changes or inputs	26,300	-	26,300	72,032	-	72,032
Benefit payments	(148,630)	(148,630)	-	(245,427)	(245,427)	-
Administrative expense	-	(610)	610	-	(264)	264
Member contributions	-	73	(73)	-	24,935	(24,935)
Net investment income	-	95,247	(95,247)	-	416,287	(416,287)
Employer contributions	-	70,553	(70,553)	-	156,204	(156,204)
Balance as of December 31, 2021	$ 1,322,471	$ 777,323	$ 545,148	$ 4,422,018	$ 3,658,351	$ 763,667

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

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

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

The following presents the MTA's net pension liability calculated for the Additional Plan, MaBSTOA Plan, MNR Cash Balance Plan and the MTA Defined Benefit Plan using the discount rate as of each measurement date, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for each measurement date:

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

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

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

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

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

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

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

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, 2023 and 2022 and to NYSLERS for the plan's fiscal year-end March 31, 2023 and 2022, 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, 2023**			**June 30, 2022**		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYCERS	$ 6,382,217	$ 3,938,599	$ 1,876,193	$ 6,309,639	$ 3,964,996	$ 1,984,590

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

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

For the years ended December 31, 2023 and 2022, the MTA recognized pension expense related to each pension plan as follows (in $ thousands):

	December 31,	
Pension Plan	**2023**	**2022**
Additional Plan	$ 58,880	$ 63,224
MaBSTOA Plan	259,366	132,278
MNR Cash Balance plan	12	3
MTA Defined Benefit Plan	608,895	385,288
NYCERS	665,871	453,150
NYSLERS	23,325	2,312
Total	**$ 1,616,349**	**$ 1,036,255**

For the years ended December 31, 2023 and 2022, the MTA reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in $ thousands):

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

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

For the Year Ended December 31, 2022	**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	$ -	$ -	$ 10,906	$ 16,683	$ -	$ -	$ 185,955	$ 10,359
Changes in assumptions	-	-	156,544	-	-	-	554,001	7,813
Net difference between projected and actual earnings on pension plan investments	-	16,341	-	111,214	-	3	-	178,327
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	66,655	66,655
Employer contributions to the plan subsequent to the measurement of net pension liability	70,764	-	158,618	-	4	-	391,041	
Total	$ 70,764	$ 16,341	$ 326,068	$ 127,897	$ 4	$ 3	$ 1,197,652	$ 263,154

For the Year Ended December 31, 2022	**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	$ 343,902	$ 87,149	$ 1,958	$ 2,540	$ 542,721	$ 116,731
Changes in assumptions	653	126,839	43,150	728	754,348	135,380
Net difference between projected and actual earnings on pension plan investments	724,648	-	-	84,666	724,648	390,551
Changes in proportion and differences between contributions and proportionate share of contributions	51,026	343,882	3,726	2,117	121,407	412,654
Employer contributions to the plan subsequent to the measurement of net pension liability	406,565	-	11,155	-	1,038,147	-
Total	$ 1,526,794	$ 557,870	$ 59,989	$ 90,051	$ 3,181,271	$ 1,055,316

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

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

	Recognition Period (in years)		
Pension Plan	**Differences between expected and actual experience**	**Changes in proportion and differences between employer contributions and proportionate share of contributions**	**Changes in actuarial assumptions**
Additional Plan	1.00	N/A	N/A
MaBSTOA Plan	6.20	N/A	N/A
MNR Cash Balance Plan	1.00	N/A	1.00
MTA Defined Benefit Plan	8.10	8.10	N/A
NYCERS	5.55	5.55	N/A
NYSLERS	5.00	5.00	5.00

For the years ended December 31, 2023 and 2022, $1,081.5 and $1,038.1 were reported as deferred outflows of resources related to pensions resulting from the MTA's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending December 31, 2024 and December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023 will be recognized as pension expense as follows:

Year Ending December 31:	Additional Plan	MaBSTOA Plan	MNR Cash Balance plan	MTA Defined Benefit Plan (in thousands)	NYCERS	NYSLERS	Total
2024	$ 7,218	$ 75,413	$ 6	$ 216,736	$ 116,924	$ 8,834	$ 425,131
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	10	293,048	20,010	17,570	457,140
2028	-	(38)	-	89,346	29,079	-	118,387
Thereafter	-	(668)	-	52,142	-	-	51,474
	$ 56,874	$ 391,381	$ 40	$ 1,169,920	$ 633,169	$ 36,771	$ 2,288,155

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, 2021. 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, 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

	December 31, 2023	**December 31, 2022**
	(In thousands)	
Employer 401K contributions	$3,936	$3,833

5. OTHER POSTEMPLOYMENT BENEFITS

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

(1) Plan Description

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

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

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

OPEB Plan. The OPEB Plan is a fiduciary component unit of the MTA and is in the Pension and Other Employee Benefit Trust Funds section of the MTA's basic financial statements.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Deputy Chief, Controller's Office, 2 Broadway, 15th Floor New York, NY 10004 or at www.mta.info.

Benefits Provided — The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA are members of the following pension plans: the MTA Defined Benefit Plan, the Additional Plan, the MNR Cash Balance Plan, the MaBSTOA Plan, NYCERS, and NYSLERS. Certain represented employees of MTA Metro-North Railroad participate in the 401(k) Plan. Eligible employees of the MTA may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

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

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

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

i. have retired;

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

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

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

Surviving Spouse and Other Dependents —

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.
- Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. The surviving spouse coverage continues until spouse is eligible for Medicare for represented employees of MTA New York City Transit and MTA Staten Island Railway, retiring on or after:
  - May 21, 2014 for Transport Workers Union ("TWU") Local 100;
  - September 24, 2014 for Amalgamated Transit Union ("ATU") Local 726;
  - October 29, 2014 for ATU Local 1056;
  - March 25, 2015 for Transportation Communication Union ("TCU"); and
  - December 16, 2015 for United Transportation Union ("UTU") and American Train Dispatchers Association ("ATDA").
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependents of retired uniform members of the MTA Police Department.
- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of uniformed members of the MTA Police Department whose death was sustained while in performance of duty.

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

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

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

Contributions — The MTA is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, the MTA paid $882 and $846.3 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $62 and $58 for the years ended December 31, 2023 and 2022, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2023. In addition to the 2023 PAYGO, MTA made an advance contribution to the OPEB Trust on April 11, 2023 and May 2, 2023 for a total of $1,319 for use in future years. The OPEB Plan paid $846.2 in OPEB benefits, increasing the employer contributions to $793.0.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2020 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore, are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and 2021, the employer made a cash payment for retiree healthcare of $57,989 and $52,933, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

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

(2) Actuarial Assumptions

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

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

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2021 and July 1, 2019. Update procedures were used to roll forward the total OPEB liability to the measurement dates of December 31, 2022, and December 31, 2021, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%, net of expenses	2.06%, net of expenses
Inflation	2.33%	2.30%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Salary increases	Varies by years of service and differs for members of the various pension plans	Varies by years of service and differs for members of the various pension plans
Investment rate of return	3.72%	2.06%

Healthcare Cost Trend — The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2022 utilizing the baseline assumptions included in the model, except inflation of 2.33% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). The self-insured trend is applied directly for represented employees of NYC Transit, SIRTOA and MTA Bus Company. No self-insured post-65 trend is assumed during 2021 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2022.

Healthcare Cost Trend Rates — The following lists illustrative rates for the NYSHIP and self-insured trend assumptions (all amounts are in percentages).

	NYSHIP		TBTA		Self-Insured		Medicare
Fiscal Year	< 65	> = 65	< 65	> = 65	< 65	> = 65	Part B Trend
2021	12.20%	0.30%	12.20%	0.30%	5.80%	-6.80%	14.50%
2022	14.10%	13.40%	14.10%	13.40%	6.30%	5.40%	-3.10%
2023	6.70%	5.90%	7.10%	4.90%	7.00%	5.90%	7.30%
2024	7.00%	6.70%	7.20%	6.10%	7.20%	7.20%	7.70%
2025	6.40%	6.40%	6.40%	6.40%	6.50%	6.60%	9.00%
2026	5.80%	5.80%	5.80%	5.80%	5.90%	5.90%	8.30%
2027	5.10%	5.10%	5.10%	5.10%	5.20%	5.10%	6.00%
2028	4.90%	4.90%	4.90%	4.90%	5.00%	4.90%	6.10%
2029	4.70%	4.70%	4.70%	4.70%	4.80%	4.70%	5.30%
2030	4.50%	4.50%	4.50%	4.50%	4.60%	4.50%	6.20%
2031	4.30%	4.30%	4.30%	4.30%	4.40%	4.30%	5.60%
2032	4.20%	4.10%	4.20%	4.10%	4.20%	4.20%	5.60%
2033-2039	4.10%	4.10%	4.10%	4.10%	4.20%	4.10%	5.60%
2040-204	4.10%	4.10%	4.10%	4.10%	4.20%	4.10%	4.10%
2050	4.20%	4.20%	4.20%	4.10%	4.20%	4.20%	3.80%

(continued)	NYSHIP		TBTA		Self-Insured		Medicare Part B Trend
Fiscal Year	< 65	> = 65	< 65	> = 65	< 65	> = 65	
2051-2064	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	3.80%
2065-2066	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%	3.80%
2067	4.00%	4.00%	4.00%	4.00%	4.10%	4.00%	3.80%
2068	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	3.80%
2069	3.90%	3.90%	3.90%	3.90%	4.00%	3.90%	3.80%
2070	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.80%
2071	3.80%	3.80%	3.80%	3.80%	3.90%	3.80%	3.80%
2072-2073	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
2074-2089	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.80%
2090+	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.60%

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

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

- Headquarters Non-Police Members: PubG.H-2010 Mortality Table, headcount weighted for general employees for males and females with separate rates for employees, healthy annuitants and disabled annuitants.
- Headquarters Police Members: Rates from the June 30, 2019 (Lag) Actuarial Valuation for NYCERS dated December 29, 2021 as follows: Service Retirees for Housing Police and Transit Police (Table XII-5), Disabled Retirees for Housing Police and Transit Police (Table XII-6) and Active Members for Transit and TBTA Ordinary Death and Accidental Death (Table XII-4). No adjustments were made to convert from lives-weighted to amounts-weighted. Base year is 2012 for mortality improvement purposes.
- Rail Members (LI Bus, LIRR, Metro-North, and SIRTOA): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.
- Transit Members (Bridges and Tunnels, MTA Bus, and Transit): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

(3) Net OPEB Liability

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

OPEB Plan Fiduciary Net Position — The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or Net Asset Value. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report or at www.mta.info.

Expected Rate of Return on Investments — The best-estimate range for the long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are as of December 31, 2022.

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

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

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 of 3.72% and as of December 31, 2021 of 2.06%.

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

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

	Total OPEB Liability	Plan Fiduciary Net Position (in thousands)	Net OPEB Liability
Balance as of December 31, 2020	$ 24,409,581	$ 130	$ 24,409,451
Changes for the year:			
Service Cost	1,250,950	-	1,250,950
Interest on total OPEB liability	535,642	-	535,642
Effect of economic/demographic gains or losses	292,154	-	292,154
Effect of assumptions changes or inputs	(738,829)	-	(738,829)
Benefit payments	(792,984)	(792,984)	-
Employer contributions	-	792,984	(792,984)
Administrative expenses	-	(46)	46
Net changes	546,933	(46)	546,979
Balance as of December 31, 2021	$ 24,956,514	$ 84	$ 24,956,430

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

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

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

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

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

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

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

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

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

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

	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 355,728	$ 33,927	$ 414,192	$ 41,967
Changes of assumptions	1,551,188	4,123,792	1,952,237	1,468,704
Net difference between projected and actual earnings on OPEB plan investments	18,937	-	47,114	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,240,197	1,240,197	1,184,355	1,184,355
Employer contributions to the plan subsequent to the measurement of net OPEB liability	2,201,541	-	846,299	-
Total	**$ 5,367,591**	**$ 5,397,916**	**$ 4,444,197**	**$ 2,695,026**

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience and changes in assumptions are amortized over a 7.6-year closed period, beginning the year in which the deferred amount occurs.

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

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

6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 Leases are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-use assets. GASB 96, Subscription-Based Information Technology Arrangements are classified as right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementation costs, less any incentives received. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-of-use assets consist of the following at January 1, 2021, December 31, 2022 and December 31, 2023 (in millions):

	Balance January 1, 2022 (Restated)	Additions / Reclassifications (Restated)	Deletions / Reclassifications (Restated)	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023
Capital assets not being depreciated:							
Land	$ 249	$ 82	$ -	$ 331	$ -	$ -	$ 331
Construction work-in-progress	23,377	16,763	17,543	22,597	6,449	15,121	13,925
Total capital assets not being depreciated	23,626	16,845	17,543	22,928	6,449	15,121	14,256
Capital assets being depreciated:							
Buildings and structures	22,485	2,794	5	25,274	9,807	33	35,048
Bridges and tunnels	4,168	253	-	4,421	228	-	4,649
Equipment:					-		
Passenger cars and locomotives	14,324	197	42	14,479	383	48	14,814
Buses	3,869	456	336	3,989	137	172	3,954
Infrastructure	30,520	2,134	14	32,640	3,445	6	36,079
Other	29,060	1,332	6	30,386	1,037	8	31,415
Total capital assets being depreciated	104,426	7,166	403	111,189	15,037	267	125,959
Less accumulated depreciation:							
Buildings and structures	9,259	632	2	9,889	684	34	10,539
Bridges and tunnels	740	43	-	783	112	-	895
Equipment:							
Passenger cars and locomotives	8,144	403	42	8,505	391	42	8,854
Buses	2,316	257	336	2,237	275	171	2,341
Infrastructure	12,598	981	12	13,567	1,024	6	14,585
Other	11,316	977	5	12,288	1,053	9	13,332
Total accumulated depreciation	44,373	3,293	397	47,269	3,539	262	50,546
Total capital assets being depreciated - net	60,053	3,873	6	63,920	11,498	5	75,413
Capital assets - net	$ 83,679	$ 20,718	$ 17,549	$ 86,848	$ 17,947	$ 15,126	$ 89,669

	Balance January 1, 2022 (Restated)	Additions / Reclassifications (Restated)	Deletions / Reclassifications (Restated)	Balance December 31, 2022 (Restated)	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2023
Right of Use Assets being amortized:							
Leased buildings and structures	$ 745	$ -	$ -	$ 745	$ 100	$ 2	$ 843
Leased equipment and vehicles	36	5	-	41	7	-	48
Leased other	4	-	-	4	6	-	10
Subscription-based IT arrangements	108	82	-	190	135	-	325
Total Right of Use Assets being amortized	893	87	-	980	248	2	1,226
Less accumulated amortization:							
Leased buildings and structures	52	53	-	105	51	-	156
Leased equipment and vehicles	12	14	-	26	12	-	38
Leased other	-	1	-	1	2	-	3
Subscription based IT arrangements	40	17	-	57	80	-	137
Total accumulated amortization	104	85	-	189	145	-	334
Right of Use Assets being amortized – net	789	2	-	791	103	2	892
Total Capital Assets, including Right of Use Asset, net of depreciation and amortization	$ 84,468	$ 20,720	$ 17,549	$ 87,639	$ 18,050	$ 15,128	$ 90,561

In 2021, MTA Long Island Rail Road obtained legal title to a newly constructed rail yard on its property in accordance to an agreement with the developer. The agreement provides for the developer to construct a rail yard for MTA Long Island Rail Road to store and service trains in a new location in exchange for development rights. A gain of $266.6 for the fair market value of the assets were recognized at the date of conveyance.

In December 2021, MTA obtained legal title to the wireless telecommunications equipment installed on its property according to the network license agreement entered into with the licensee. The license agreement provides for the licensee to construct, operate, and maintain the wireless network. This asset was transferred by MTA to MTA Long Island Rail Road as a non-cash capital contribution recorded at $27.3 representing the fair market value at the date of conveyance. In addition, in December 2021, MTA obtained legal title to work in process wireless telecommunications equipment to be installed on its property according to the network license agreement entered into with the licensee. The work in process assets were transferred by MTA to MTA Long Island Rail Road as a non-cash capital contribution recorded at $33.2 representing the fair market value at the date of conveyance.

In December 2021, MTA obtained legal title to the wireless telecommunications equipment installed on the MTA New York City Transit Authority's property according to the network license agreement that MTA entered into with the licensee. The license agreement provides for the licensee to construct, operate, and maintain the wireless network. This asset was transferred by MTA to the MTA New York City Transit Authority as a non-cash capital contribution recorded at $73.3 representing the fair market value at the date of conveyance.

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

For certain construction projects, the MTA holds in a trust account marketable securities pledged by third-party contractors in lieu of cash retainages. At December 31, 2023 and 2022, these securities, which are not included in these consolidated financial statements, totaled $111.0 and $155.0, respectively, and had a market value of $66.1 and $131.1, respectively.

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

As of December 31, 2022, $66.6 billion is unexpended from the MTA's Capital Program (2005-2024) and $22.9 billion has been committed.

7. LONG-TERM DEBT

(In millions)	Original Issuance	December 31, 2022	Issued	Retired	December 31, 2023
MTA:					
Transportation Revenue Bonds					
1.43%-5.15% due through 2057	$ 44,080	$ 21,283	$ -	$ 2,489	$ 18,794
Bond Anticipation Notes					
1.33% due through 2023	23,635	3,707	-	3,707	-
Dedicated Tax Fund Bonds					
1.86%-5.00% due through 2057	11,527	4,788	-	666	4,122
	79,242	29,778	-	6,862	22,916
Net unamortized bond premium	-	845	-	232	613
	79,242	**30,623**	**-**	**7,094**	**23,529**
TBTA:					
General Revenue Bonds					
1%–5.5% due through 2057	11,512	8,320	1,198	965	8,553
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	4,959	8,159	2,495	31	10,623
Subordinate Revenue Bonds					
1%-5.5% due through 2032	1,832	719	-	460	259
Sales Tax Revenue Bonds					
3.73%-5.5% due through 2063	1,954	700	1,254	-	1,954
Bond Anticipation Notes					
5.0% due through 2025	193	193	-	-	193
	20,450	18,091	4,947	1,456	21,582
Net unamortized bond premium		1,689	366	257	1,798
	20,450	**19,780**	**5,313**	**1,713**	**23,380**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	804	-	8	796
Net unamortized bond premium	-	86	-	1	85
	1,220	**890**	**-**	**9**	**881**
Total	**$ 100,912**	**$ 51,293**	**$ 5,313**	**$ 8,816**	**$ 47,790**
Current portion		$ 4,800			$ 3,204
Long-term portion		$ 46,493			$ 44,586

(In millions)	Original Issuance	December 31, 2021	Issued	Retired	December 31, 2022
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	$ 44,080	$ 23,950	$ 311	$ 2,978	$ 21,283
Bond Anticipation Notes*					
1.33% due through 2023	23,635	13,004	-	9,297	3,707
Dedicated Tax Fund Bonds					
1.86%–5.00% due through 2057	11,527	4,681	436	329	4,788
	79,242	41,635	747	12,604	29,778
Net unamortized bond premium	-	1,158	74	387	845
	79,242	**42,793**	**821**	**12,991**	**30,623**
TBTA:					
General Revenue Bonds					
1%–5.5% due through 2057	10,314	8,165	400	245	8,320
Payroll Mobility Tax Senior Lien Obligations					
2%-5.5% due through 2057	2,464	2,464	5,704	9	8,159
Subordinate Revenue Bonds					
1%-5.5% due through 2032	1,832	795	-	76	719
Sales Tax Revenue Bonds					
3.73%-5.5% due through 2057	700	-	700	-	700
Bond Anticipation Notes					
5% due through 2025	193	193	-	-	193
	15,503	11,617	6,804	330	18,091
Net unamortized bond premium	-	1,173	673	157	1,689
	15,503	**12,790**	**7,477**	**487**	**19,780**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	830	-	26	804
Net unamortized bond premium	-	87	-	1	86
	1,220	**917**	**-**	**27**	**890**
Total	**$ 95,965**	**$ 56,500**	**$ 8,298**	**$ 13,505**	**$ 51,293**
Current portion		$ 8,069			$ 4,800
Long-term portion		$ 48,431			$ 46,493

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 16, 2023, MTA purchased $1,032.146 for three portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through November 15, 2026. The funds were deposited in three escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose. Funds of $582.681 in the portfolios were allocated to the following Transportation Revenue Bonds: Series 2020E Bonds, Series 2006B, the Series 2010A, Series 2010B-1, Series 2010C-1, Series 2010E and the Series 2020D Bonds.

On July 19, 2023, MTA extended its irrevocable direct-pay LOC issued by Barclays Bank PLC that is associated with Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-1 for three years to July 17, 2026.

On September 19, 2023, Moody's improved the rating outlook on the Transportation Revenue Bonds from stable to positive and affirmed their rating of A3.

On October 3, 2023, S&P Global Ratings upgraded its ratings on the Transportation Revenue Bonds to A- from BBB+ and revised its outlook to positive. Based on the upgrade and the credit quality of the banks providing the letter of credit support, the long-term enhanced ratings on existing subseries of Transportation Revenue Variable Rate Bonds were also upgraded to AA and short-term ratings were affirmed.

On October 25, 2023, Fitch Ratings upgraded its ratings on the Transportation Revenue Bonds to A from A- and revised its outlook from Negative to Stable. Based on that upgrade and the credit quality of the banks providing the letter of credit support, on October 27, 2023 and November 8, 2023, the long-term enhanced ratings on existing subseries of Transportation Revenue Variable Rate Bonds were also upgraded.

On November 17, 2023, MTA extended its irrevocable direct-pay LOC issued by Bank of America that is associated with Transportation Revenue Variable Rate Bonds, Subseries 2005E-2 for three years to December 8, 2026.

On November 21, 2023, MTA replaced Clarity BidRate Alternative Trading System (Clarity) and Arbor Research & Trading LLC, as Market Agent, with BofA Securities, Inc., as Remarketing Agent, for the Transportation Revenue Variable Rate Bonds, Subseries 2012A-2.

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. MTA has not issued any Transportation Revenue BANs in 2023.

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.

MTA Dedicated Tax Fund Bonds — as secured under MTA's Dedicated Tax Fund Obligation Resolution adopted on March 26, 2002. The Dedicated Tax Fund Bonds are MTA's special obligations payable solely from monies held in the Pledged Amounts Account of the MTA Dedicated Tax Fund. State law requires that the MTTF revenues and MMTOA revenues (described above in Note 2 under "Nonoperating Revenues") be deposited, subject to appropriation by the State Legislature, into the MTA Dedicated Tax Fund.

On March 16, 2023, MTA purchased $1,032.146 for three portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through November 15, 2026. The funds were deposited in three escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose. Funds of $181.749 in the portfolios were allocated to the following Dedicated Tax Fund Bonds: Series 2010A-2 and Series 2009C Bonds. MTA has not issued any Dedicated Tax Fund Bonds in 2023.

2 Broadway COP Swap Payments— MTA (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad), MTA New York City Transit and MTA Bridges and Tunnels executed and delivered three Series of Certificates of Participation in the aggregate principal amount of $807 million to finance certain building and leasehold improvements to an office building at Two Broadway in Manhattan occupied principally by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, and MTAHQ. At the same time, MTA entered into a swap agreement.

While the Certificates of Participation have been paid off in 2016 and are no longer outstanding, net expenses related to the interest rate swap associated with the issuance were $300 thousand in 2023. The swap will mature in 2030.

MTA Bridges and Tunnels General Revenue Bonds — as secured under TBTA's General Resolution Authorizing General Revenue Obligations adopted on March 26, 2002. The General Revenue Bonds are MTA Bridges and Tunnels' general obligations payable generally from the net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels.

On February 14, 2023, MTA issued $828.225 TBTA General Revenue Refunding Bonds, Series 2023A. Proceeds from the transaction were used to refund $930.530 of existing bonds as follows:

- $60.715 TBTA General Revenue Bonds, Subseries 2009A-1;
- $270.025 TBTA General Revenue Refunding Bonds, Series 2012B;
- $113.340 TBTA General Revenue Refunding Bonds, Series 2012A;
- $118.035 TBTA General Revenue Bonds, Series 2013C; and
- $368.415 TBTA Subordinate Revenue Refunding Bonds, Series 2013A.

The refunding resulted in net present value savings of $104.994 or 11.28% of the par amount of the refunded bonds. The Series 2023A bonds were priced as fixed rate tax-exempt bonds with a final maturity of November 15, 2039.

On June 22, 2023, MTA effectuated a mandatory tender and remarketed $75.560 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Series 2001C because the irrevocable direct-pay Letter of Credit (LOC) relating to the Series 2001C Bonds issued by State Street Bank and Trust Company, was expiring by its terms and was substituted with an irrevocable direct-pay LOC issued by Barclays Bank PLC. The LOC will expire on June 22, 2028.

On June 22, 2023, MTA effectuated a mandatory tender and remarketed $185.000 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Refunding Bonds, Subseries 2005B-3 because the irrevocable direct-pay LOC relating to the Subseries 2005B-3 Bonds issued by State Street Bank and Trust Company was expiring by its terms and was substituted with an irrevocable direct-pay LOC issued by Bank of America, N.A. The LOC will expire on June 22, 2027.

On July 19, 2023, MTA extended its irrevocable direct-pay LOC issued by Barclays Bank PLC that is associated with $102.070 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Series 2005A for four years to July 19, 2028.

On August 17, 2023, MTA issued $370.030 Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2023B. Proceeds from the transaction were used to finance existing approved bridge and tunnel capital projects and to refinance $74.605 Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds, Series 2013B. The refunding resulted in net present value savings of $4.895 or 6.56% of the par amount of the refunded bonds. The Series 2023B bonds were priced as fixed rate tax-exempt bonds with a final maturity of November 15, 2053.

On December 13, 2023, MTA effectuated a mandatory tender and remarketed $102.500 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Refunding Bonds, Subseries 2005B-4a because its current interest rate period was set to expire by its terms. The Subseries 2005B-4a bonds were remarketed as Variable Interest Rate Obligations in Daily Mode supported by an irrevocable direct-pay LOC issued by TD Bank, N.A. The new LOC will expire on December 13, 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. There were no MTA Bridges and Tunnels Subordinate Revenue Bonds issued in 2023.

MTA Bridges and Tunnels Second Subordinate Bond Anticipation Notes — are issued in accordance with the terms and provisions of the CBDTP Second Subordinate Revenue Resolution authorizing CBDTP Second Subordinate Revenue Obligations. The purpose of the issuance of BANs or bonds under the CBDTP Second Subordinate Revenue Resolution, in one or more series from time to time, is to provide funds in an amount not to exceed $506 million to finance costs of the CBD Tolling Program infrastructure, tolling systems, and allowable implementation expenses or to retire any such BANs when due. There were no Triborough Bridge and Tunnel Authority Second Subordinate BANs issued in 2023.

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. There were no MTA PMT Senior Lien Obligations issued in 2023.

On January 12, 2023, MTA issued $764.950 Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2023A. Proceeds from the transaction were used to refund the following:

· $33.710 MTA Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-1;

· $47.350 MTA Transportation Revenue Bonds, Series 2012B;

· $18.415 MTA Transportation Revenue Bonds, Series 2012C;

· $9.660 MTA Transportation Revenue Refunding Bonds, Series 2012D;

· $74.010 MTA Transportation Revenue Bonds, Series 2012E;

· $118.940 MTA Transportation Revenue Refunding Bonds, Series 2012F;

· $9.920 MTA Transportation Revenue Bonds, Series 2012H; and

· $452.945 Dedicated Tax Fund Refunding Bonds, Series 2012A.

The refunding resulted in net present value savings of $61.083 or 7.37% of the par amount of the refunded bonds. The Series 2023A bonds were priced as fixed rate tax-exempt bonds with a final maturity of November 15, 2037.

On March 16, 2023, MTA purchased $1,032.146 for three portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through November 15, 2026. The funds were deposited in three escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose.

$267.716 of the funds in the portfolios were allocated for the following TBTA Payroll Mobility Tax Senior Lien Bonds: Subseries 2022D-2 and Series 2022C and Series 2022D-1a.

On July 6, 2023, MTA issued $600 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2023B. Proceeds from the transaction were used to finance approved transit and commuter projects and to refinance $193.565 MTA Transportation Revenue Variable Rate Bonds, Subseries 2015E-2.

On October 19, 2023, MTA issued $1,130.20 Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2023C. Proceeds from the transaction were used to refinance $1,142.00 MTA Transportation Revenue Bonds and $67.93 Dedicated Tax Fund Bonds. The refunding resulted in net present value savings of $69.12 or 5.713% of the par amount of the refunded bonds.

On October 11, 2023, MTA deposited $271.620 provided by the State of New York from a portion of the proceeds of the State of New York General Obligation Bonds, Series 2023B Tax-Exempt Bonds and Series 2023D Taxable Bonds, in a separate escrow account sufficient to defease all or a portion of the following Transportation Revenue Bonds not defeased with proceeds of the Series 2023C Bonds: Series 2012C, 2012E, 2012H, 2013A, 2013B, 2013C, 2013E and 2014A-1.

MTA and TBTA Payroll Mobility Tax Bond Anticipation Notes – are issued pursuant to the MTA and TBTA PMT Resolutions, respectively. There were no Payroll Mobility Tax Bond Anticipation Notes issued in 2023.

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

On March 14, 2023, MTA issued $1,254 Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2023A ("the Series 2023A Bonds"). Proceeds from the transaction were used to finance approved transit and commuter projects included in the 2020-2024 Capital Program and a portion of the capital costs of the Central Business District Tolling Program.

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 June 23, 2023, Moody's Investors Services improved the rating outlook on the Hudson Rail Yard Trust Obligations from negative to stable and affirmed their rating of A3.

On August 15, 2023, MTA effectuated the early mandatory redemption of a portion of the MTA Hudson Rail Yards Trust Obligations, Series 2020A maturing on November 15, 2046 in the Principal Component of $8.47. This is due to the payment of Fee Purchase Payments in connection with the acquisition of certain residential condominium units described in the Official Statement of Series 2020A.

There were no HRY Trust Obligations issued in 2023.

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 $45,248 as of December 31, 2023. 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.

At December 31, 2023 and December 31, 2022, the following amounts of MTA bonds, which have been refunded, remain valid debt instruments and are secured solely by and payable solely from their respective irrevocable trusts.

(In millions)	December 31, 2023	December 31, 2022
MTA Transit and Commuter Facilities:		
Transit Facilities Revenue Bonds	$ 54	$ 79
Commuter Facilities Revenue Bonds	53	76
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	122	160
Special Obligation Subordinate Bonds	26	43
Total	$ 255	$ 358

For the year ended December 31, 2023, MTA refunding transactions decreased aggregate debt service payments by $319 and provided an economic gain of $259. For the year ended December 31, 2022, MTA refunding transactions increased aggregate debt service payments by $592 and provided an economic gain of $221. Details of bond refunding savings for December 31, 2023 and December 31, 2022 are as follows:

Refunding Bonds Issued in 2023	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds	2023A	1/12/2023	$ 765	$ 75
Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds	2023A	2/14/2023	828	126
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds	2023B	7/6/2023	600	36
Triborough Bridge and Tunnel Authority General Revenue Refunding Green Bonds	2023B-2	8/17/2023	70	6
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Bonds	2023C	10/19/2023	1,130	76
Total Bond Refunding Savings			$ 3,393	$ 319

Refunding Bonds Issued in 2022	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Bonds	2022B	8/18/2022	$ 1,119	$ 174
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds	2022D	9/15/2022	273	27
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds	2022E	11/1/2022	742	391
Total Bond Refunding Savings			$ 2,134	$ 592

For the year ended December 31, 2023, the accounting loss on bond refundings totaled $0. For the year ended December 31, 2022, the accounting loss on bond refundings totaled $111.

Unamortized gains and losses related to bond refundings were as follows:

	December 31, 2021	(Gain)/ loss on refunding	2022 amortization	December 31, 2022	(Gain)/ loss on refunding	Current year amortization	December 31, 2023
MTA:							
Transportation Revenue Bonds	$ 387	$ (109)	$ (55)	$ 223	$ (37)	$ 10	$ 196
State Service Contract Bonds	(12)	-	-	(12)	-	12	-
Dedicated Tax Fund Bonds	189	(2)	(16)	171	(35)	(10)	126
	564	(111)	(71)	382	(72)	12	322
TBTA:							
General Revenue Bonds	154	-	(16)	138	(5)	(55)	78
Subordinate Revenue Bonds	22	-	(2)	20	-	(22)	(2)
	176	-	(18)	158	(5)	(77)	76
Total	$ 740	$ (111)	$ (89)	$ 540	$ (77)	$ (65)	$ 398

Debt Service Payments — Future principal and interest debt service payments at December 31, 2023 are as follows (in millions):

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 988	$ 1,070	$ 2,216	$ 985	$ 3,204	$ 2,055
2025	647	981	419	880	1,066	1,861
2026	768	928	929	853	1,697	1,781
2027	756	928	930	813	1,686	1,741
2028	812	844	917	781	1,729	1,625
2029-2033	5,245	3,699	3,976	3,461	9,221	7,160
2034-2038	4,212	2,694	2,407	2,899	6,619	5,593
2039-2043	3,375	1,795	2,693	2,190	6,068	3,985
2044-2048	3,688	1,054	2,954	1,489	6,642	2,543
2049-2053	2,365	350	2,619	751	4,984	1,101
2054-2058	856	45	1,111	261	1,967	306
Thereafter	-	-	411	48	411	48
	$ 23,712	$ 14,388	$ 21,582	$ 15,411	$ 45,294	$ 29,799

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 2011B* — 3.542% 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.
- *Transportation Revenue Bonds, Series 2012A* — 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2012G* — 3.563% per annum taking into account the interest rate swaps plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2014D-2* — 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015A-2*— 4.00% per annum plus the current fixed floating rate note spread.
- *Transportation Revenue Bonds, Series 2015E* — 4.00% per annum.
- *Dedicated Tax Fund Bonds, Series 2002B* — 4.00% per annum on Subseries 2002B-1; and 4.00% per annum plus the current fixed floating rate note spread.
- *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-3a and 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 Refunding Bonds, Series 2002F* — 5.404% and 3.076% per annum taking into account the interest rate swaps and 4.00% per annum on portions not covered by the interest rate swaps.
- *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 2008B-2* — 4.00% per annum plus the current fixed floating rate note spread.
- *MTA Bridges and Tunnels General Revenue Bonds, Series 2018E* — 4.00% per annum.

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

The debt service requirements at December 31, 2023 are as follows (in millions):

Year	Principal	Interest	Total
2024	$ 11	$ 3	$ 14
2025	11	3	14
2026	9	2	11
2027	9	2	11
2028	8	2	10
2029-2033	21	3	24
2034-2038	2	0	2
Total	$ 71	$ 15	$ 86
Current portion	$ 10		
Long-term portion	61		
Total NYPA Loans Payable	$ 71		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") rate and is reset annually. The SIFMA rate at December 31, 2022 was 3.66%.

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebatable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. The arbitrage liability is payable to the federal government every five years. No accruals or payments were made during the years ended December 31, 2023 and 2022.

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

Resolution	Series	Swap	Provider (Insurer)	Type of Facility	Exp. Date
Transportation Revenue	2002G-1g	Y	TD Bank, N.A.	LOC	11/1/2024
Transportation Revenue	2005D-2	Y	Bank of Montreal, acting through its Chicago Branch	LOC	10/31/2025
Transportation Revenue	2005E-1	Y	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2005E-2	Y	Bank of America, N.A.	LOC	12/8/2026
Transportation Revenue	2012A-2	N	Bank of Montreal, acting through its Chicago Branch	LOC	6/2/2025
Transportation Revenue	2012G-1	Y	Barclays Bank	LOC	7/17/2026
Transportation Revenue	2012G-2	Y	TD Bank, N.A.	LOC	11/1/2024
Transportation Revenue	2012G-4	Y	Bank of Montreal, acting through its Chicago Branch	LOC	10/31/2025
Transportation Revenue	2015E-1	N	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2015E-3	N	Bank of America, N.A.	LOC	9/2/2025
Transportation Revenue	2020B-1	N	PNC Bank	LOC	3/22/2024
Transportation Revenue	2020B-2	N	PNC Bank	LOC	3/22/2024
Dedicated Tax Fund	2008A-1	Y	TD Bank, N.A.	LOC	6/13/2025
Dedicated Tax Fund	2008A-2a	Y	TD Bank, N.A.	LOC	11/1/2026
Dedicated Tax Fund	2008A-2b	Y	PNC Bank	LOC	10/24/2025

Dedicated Tax Fund	2008B-3c	N	PNC Bank	LOC	10/24/2025
MTA Bridges and Tunnels General Revenue	2001C	Y	Barclays Bank	LOC	6/22/2028
MTA Bridges and Tunnels General Revenue	2003B-1	Y	U.S. Bank National Association	LOC	1/17/2025
MTA Bridges and Tunnels General Revenue	2005A	Y	Barclays Bank	LOC	7/19/2028
MTA Bridges and Tunnels General Revenue	2005B-2a	Y	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-2b	Y	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-3	Y	Bank of America, N.A.	LOC	6/22/2027
MTA Bridges and Tunnels General Revenue	2005B-4a	Y	TD Bank, N.A.	LOC	12/13/2028
MTA Bridges and Tunnels General Revenue	2005B-4c	Y	U.S. Bank National Association	LOC	5/23/2025
MTA Bridges and Tunnels General Revenue	2018E	N	UBS AG	LOC	12/5/2025

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

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2023 and 2022, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2022 are as follows (in $ millions):

Derivative Instruments - Summary Information as of December 31, 2023

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

Derivative Instruments - Summary Information as of December 31, 2022

Bond Resolution Credit - Cashflow Hedges	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
MTA Bridges and Tunnels Senior Revenue Bonds	2018E & 2003B (Citi 2005B)	Libor Fixed Payer	Cash Flow	Synthetic Instrument/ Dollar Offset	6/2/2005	$ 186.100	$ (6.851)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	558.300	(20.553)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	17.690	(0.459)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	8.000	(0.226)
MTA Dedicated Tax Fund Bonds	2008A	Libor Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	257.495	(8.948)
MTA Transportation Revenue Bonds	2002D-2	Libor Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(26.627)
MTA Transportation Revenue Bonds	2005D & 2005E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	300.300	(18.473)
MTA Transportation Revenue Bonds	2012G	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	355.075	(26.709)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	64.270	(0.448)
MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Bonds	2022E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	89.765	(3.551)
					Total	$ 2,036.995	$ (112.845)

	Changes In Fair Value		Fair Value at December 31, 2023		Notional
	Classification	Amount (in millions)	Classification	Amount (in millions)	(in millions)
Government activities					
Cash Flow hedges:					
Pay-fixed interest rate swaps	Deferred outflow of resources	$0.534	Debt	$(112.311)	$1,967.185

Swap Agreements Relating to Synthetic Fixed Rate Debt

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

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

Terms and Fair Values. The terms, fair values and counterparties of the outstanding swaps of MTA and MTA Bridges and Tunnels are reflected in the following tables (as of December 31, 2023).

Metropolitan Transportation Authority						
Related Bonds	**Notional Amount as of 12/31/23**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings(S&P / Moody's / Fitch)**	**Fair Value as of 12/31/23**
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)	$ (27.249)
TRB 2005D & 2005E	211.680	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.076%	UBS AG (A+ / Aa3 / AA-)	(13.867)
TRB 2005E	70.560	11/02/05	11/01/35	Pay 3.561%; receive 67% SOFR + 0.076%	AIG Financial Products [(1)] (BBB+ / Baa2 / BBB+)	(4.622)
TRB 2012G	354.600	11/15/12	11/01/32	Pay 3.563%; receive 67% SOFR+0.076%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(27.717)
DTF 2008A	232.695	03/24/05	11/01/31	Pay 3.3156%; receive 67% SOFR + 0.076%	Bank of New York Mellon (AA- / Aa2 / AA)	(8.099)
Total	$ 1,069.535					$ (81.554)

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

MTA Bridges and Tunnels						
Related Bonds	Notional Amount as of 12/31/23	Effective Date	Maturity Date	Terms	Counterparty and Ratings (S&P / Moody's / Fitch)	Fair Value as of 12/31/23
TBTA 2018E & 2003B [4]	$ 185.000	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR+0.076%	Citibank, N.A. (A+ / Aa3 / A+)	$ (6.760)
TBTA 2005B-2	185.000	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(6.760)
TBTA 2005B-3	185.000	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	BNP Paribas North America (A+ / Aa3 / AA-)	(6.760)
TBTA 2005B-4	185.000	07/07/05	01/01/32	Pay 3.076%; receive 67% SOFR + 0.076%	UBS AG (A+ / Aa3 / AA-)	(6.760)
TRB 2002G-1 & PMT 2022E TBTA 2005A & 2001C [2]	78.825 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.076%	U.S. Bank N.A. (AA- / A1 / AA-)	(1.858) [3]
TRB 2002G-1 & PMT 2022E TBTA 2005A & 2001C [2]	78.825 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% SOFR + 0.076%	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(1.858) [3]
Total	$ 897.650					$ (30.756)

1 Guarantor: BNP Paribas.

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

3 Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and TBTA is responsible for 10.3% of the transaction. On November 1, 2022 the 2011B were refunded with 2022E -2a bonds. The portion of the U.S. Bank and Wells Fargo Swap associated with 2011B bonds were allocated to the 2022E-2a bonds.

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

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 December 31, 2023, all of the valuations were in liability positions to MTA and MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The following table shows, as of December 31, 2023, the diversification, by percentage of notional amount, among the various counterparties that have entered into ISDA Master Agreements with MTA and/or MTA Bridges and Tunnels. The notional amount totals below include all swaps.

Counterparty	S&P	Moody's	Fitch	Notional Amount (in thousands)	% of Total Notional Amount
JPMorgan Chase Bank, NA	A+	Aa2	AA	$739,600	37.60%
UBS AG	A+	Aa3	A+	396,680	20.16
The Bank of New York Mellon	AA-	Aa2	AA	232,695	11.83
Citibank, N.A.	A+	Aa3	A+	185,000	9.40
BNP Paribas US Wholesale Holdings, Corp.	A+	Aa3	AA-	185,000	9.40
U.S. Bank National Association	A+	A2	A+	78,825	4.01
Wells Fargo Bank, N.A.	A+	Aa2	AA-	78,825	4.01
AIG Financial Products Corp.	BBB+	Baa2	BBB+	70,560	3.59
Total				**$1,967,185**	**100.00%**

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

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

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

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

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

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

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

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

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

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

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

MTA Bridges and Tunnels Subordinate Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
U.S. Bank National Association; Wells Fargo Bank, N.A.	BelowBaa2 (Moody's) or BBB (S&P)*	Below Baa2 (Moody's) or BBB (S&P)**

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

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

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

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

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

As of December 31, 2023, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was $75.71 million; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of December 31, 2023, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $30.76 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 highest rating)**
Bank of New York Mellon	N/A–MTA does not post collateral	Aa3/AA- & above: $10 million A1/A+: $5 million A2/A: $2 million A3/A-: $1 million Baa1/BBB+ & below: Zero

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

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

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

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

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

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

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

MTA (in millions)				
Year Ended December 31, 2023	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2024	68.2	37.5	(3.8)	101.9
2025	70.8	34.8	(3.4)	102.2
2026	63.6	32.0	(3.1)	92.5
2027	55.9	29.6	(2.8)	82.7
2028	70.2	39.5	(2.5)	107.2
2029-2033	790.8	423.2	(6.5)	1,207.5
2034-2038	108.4	22.7	(1.1)	130.0
2039-2041	62.1	4.6	(0.1)	66.6

MTA Bridges and Tunnels (in millions)				
Year Ended December 31, 2023	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2024	57.2	31.5	(6.4)	82.3
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.3)	54.3
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029-2033	644.2	43.2	(10.1)	677.3
2034-2038	-	2.5	-	2.5
2039-2041	-	-	-	-

8. LEASES

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

The initial measurement of MTA's leased asset and lease liability for those agreements was as of January 1, 2021. The lease liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For lessor leases, a lease receivable and deferred inflow of resources were measured as of January 1, 2021. Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor

MTA leases its land, buildings, station space, equipment, and right of way to other entities. These leases have terms between 1 year to 100 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2023, the remaining lease terms are between 1 year to 89 years. In addition, MTA also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	2022
Lease Revenue	$ 35,434	$ 47,079
Interest Revenue	6,659	8,652
Other Variable Revenue	26,277	7,351

A summary of activity in lease receivable for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	2022
Balance – beginning of year	$ 326,247	$ 356,927
Additions/remeasurements	(25,121)	2,732
Receipts/Interest	(37,075)	(33,412)
Balance – end of year	264,051	326,247
Less current portion	38,520	41,470
Lease receivable noncurrent	$ 225,531	$ 284,777

MTA recognized revenue of $7,531 and $43 associated with residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31,	Principal	Interest	Total
2024	$ 38,617	$ 6,920	$ 45,537
2025	36,713	6,021	42,734
2026	34,590	5,148	39,739
2027	30,587	4,344	34,931
2028	26,107	3,628	29,734
2029-2033	29,824	14,037	43,861
2034-2038	7,514	11,761	19,275
2039-2043	2,791	11,036	13,827
Thereafter	57,308	62,790	120,098
Total	$ 264,051	$ 125,686	$ 389,737

As Lessee

MTA leases buildings, office space, storage space, equipment, vehicles, and cell tower space from other entities. These leases have terms between 1 year to 67 years, with payments required monthly, quarterly, or annually. As of December 31, 2023, the remaining lease terms are between 1 year to 65 years.

The amount of lease expense recognized for variable payments not included in the measurement of lease liability were $3,333 and $3,864 for the years ended December 31, 2023 and 2022 respectively. MTA recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022 respectively.

A summary of activity in lease liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	2022
Balance – beginning of year	$877,965	$921,360
Additions/remeasurements	110,819	6,162
Payments/Interest	(47,748)	(49,558)
Balance – end of year	941,036	877,964
Less current portion	40,530	44,607
Lease liability noncurrent	$900,506	$833,357

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31,	Principal	Interest	Total
2024	$ 40,101	$ 52,547	$ 92,648
2025	40,354	51,396	91,750
2026	37,896	50,285	88,181
2027	30,830	49,326	80,156
2028	29,639	48,448	78,087
2029 - 2033	201,190	221,221	422,411
2034 - 2038	205,829	184,637	390,466
2039 - 2043	123,678	118,670	242,348
Thereafter	231,519	99,511	331,030
Total	$ 941,036	$ 876,041	$ 1,817,077

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 $996 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, 2022, 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 48.7%, 7.4% and 43.9%, 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 are $1,602 with rent being abated from the commencement date through June 30, 1999. The office building at 2 Broadway, is principally occupied by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, MTAHQ, and MTA Bus.

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

9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA entered into various subscription-based information technology arrangements (“SBITA”) that convey control of the right to use another party’s information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using MTA’s incremental borrowing rate at the time of valuation ranging from 1.33% to 5.87% if an applicable stated or implicit rate is not available.

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

MTA’s subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 2 years to 10 years, with payments required monthly, quarterly, or annually. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $11,304 and $ 8,163 for the years ended December 31, 2023 and 2022, respectively. MTA recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and 2022, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	2022
Balance – beginning of year	$ 80,778	$ 17,724
Additions / remeasurements	135,027	171,105
Payments/Interest	(77,695)	(108,051)
Balance – end of year	138,110	80,778
Less current portion	39,909	45,780
SBITA liability noncurrent	$ 98,201	$ 34,998

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	$ 39,910	$ 5,788	$ 45,698
2025	39,225	4,174	43,399
2026	31,834	2,591	34,425
2027	26,809	1,155	27,964
2028	332	8	340
Total	$ 138,110	$ 13,716	$ 151,826

10. FINANCED PURCHASES

MTA made an assessment of its existing sale/leaseback transactions and determined that these transactions are not eligible to be treated as leases but as financed purchases under GASB Statement No. 87, *Leases*. Accordingly, under GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, 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, 2023, the fair value of total collateral funds was $39.5.

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

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

Financed Purchase Schedule

For the Year Ended December 31, 2023
(in millions)

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

Financed Purchase Schedule

For the Year Ended December 31, 2022
(in millions)

Description	December 31, 2021 (Restated)	Increase	Decrease (Restated)	December 31, 2022 (Restated)
Sumitomo	$ 15	$ -	$ 15	$ -
Met Life	7	-	-	7
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	35	3	-	38
Bank of America Equity	16	-	-	16
Sumitomo	14	-	14	-
Met Life Equity	64	4	-	68
Total MTA Financed Purchase	$ 192	$ 7	$ 29	$ 170
Current Portion Obligations under Financed Purchase	14			-
Long Term Portion Obligations under Financed Purchase	$ 178			$ 170

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

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

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

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

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

Minimum rent receipts for ERY and WRY Leases are as follows as of December 31, 2023 (in $ millions):

Year	ERY	WRY	Total
2024	$8	$36	$44
2025	8	36	44
2026	8	36	44
2027	8	36	44
2028	9	37	46
Therefater	3,081	14,171	17,252
Total	**$3,122**	**$14,352**	**$17,474**

11. FUTURE OPTION

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

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

12. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability as computed by actuaries arising from injuries to persons, including employees, and damage to third-party property for the years ended December 31, 2023 and 2022 is presented below (in millions):

	December 31, 2023	December 31, 2022
Balance - beginning of year	$ 5,435	$ 5,100
Activity during the year:		
Current year claims and changes in estimates	897	867
Claims paid	(578)	(532)
Balance - end of year	5,754	5,435
Less current portion	(718)	(567)
Long-term liability	$ 5,036	$ 4,868

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

13. COMMITMENTS AND CONTINGENCIES

2021 TIFIA Loan is further supported by a debt service reserve account, which is funded in an The MTA Group monitors its properties for the presence of pollutants and/or hazardous wastes and evaluates its exposure with respect to such matters. When the expense, if any, to clean up pollutants and/or hazardous wastes is estimable it is accrued by the MTA (see Note 13).

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

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

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

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

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

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

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

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

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

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

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

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

14. POLLUTION REMEDIATION COST

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

The MTA recognized pollution remediation expenses of $25 and $15 for the years ended December 31, 2023 and 2022, respectively. A summary of the activity in pollution remediation liability at December 31, 2023 and 2022 were as follows:

	2023	2022
Balance at beginning of year	$ 156	$ 145
Current year expenses/changes in estimates	51	26
Current year payments	(25)	(15)
Balance at end of year	182	156
Less current portion	40	40
Long-term liability	$ 142	$ 116

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

15. NON-CURRENT LIABILITIES

Changes in the activity of non-current liabilities for the years ended December 31, 2023 and 2022 are presented below:

	Balance December 31, 2021	Additions	Reductions	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023
Non-current liabilities:				**(Restated) ***			
Contract retainage payable	$ 416	$ 19		$ 435	$ 14	$ -	$ 449
Other long-term liabilities	414		(48)	366	-	(7)	359
Total non-current liabilities	**$ 830**	**$ 19**	**$ (48)**	**$ 801**	**$ 14**	**$ (7)**	**$ 808**

*GASB 87 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

16. FUEL HEDGE

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

Counterparty	Goldman Sachs	Cargill	Cargill	Cargill	Goldman Sachs	Goldman Sachs	BOA_ Merrill	BOA_ Merrill
Trade Date	1/25/2022	2/28/2022	3/31/2022	4/28/2022	5/31/2022	6/27/2022	7/25/2022	8/29/2022
Effective Date	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023	7/1/2023	8/1/2023
Termination Date	12/31/2023	1/31/2024	2/29/2024	3/31/2024	4/30/2024	5/31/2024	6/30/2024	7/31/2024
Price/Gal	$2.3615	$2.5015	$2.7469	$2.8675	$2.9450	$3.0195	$2.8739	$2.9620
Original Notional Quantity	2,826,779	2,826,759	2,826,761	2,826,752	2,826,757	2,826,738	2,826,751	2,826,725

Counterparty	Cargill	BOA_ Merrill	BOA_ Merrill	Goldman Sachs	Cargill	Cargill	Cargill	Goldman Sachs
Trade Date	9/29/2022	10/25/2022	11/30/2022	12/28/2022	1/31/2023	2/28/2023	3/29/2023	4/24/2023
Effective Date	9/1/2023	10/1/2023	11/1/2023	12/1/2023	1/1/2024	2/1/2024	3/1/2024	4/1/2024
Termination Date	8/31/2024	9/30/2024	10/31/2024	11/1/2024	12/31/2024	1/31/2025	2/28/2025	3/31/2025
Price/Gal	$2.6846	$2.7422	$2.7624	$2.7030	$2.6867	$2.5711	$2.4373	$2.4357
Original Notional Quantity	2,826,740	2,826,749	2,826,751	2,826,765	2,826,779	2,826,759	1,633,857	2,462,350

Counterparty	JPMorgan	Goldman Sachs	Cargill	Goldman Sachs	JPMorgan	Cargill	BOA_ Merrill	Cargill
Trade Date	5/30/2023	6/27/2023	7/28/2023	8/29/2023	9/26/2023	10/30/2023	11/27/2023	12/27/2023
Effective Date	5/1/2024	6/1/2024	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024
Termination Date	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025
Price/Gal	$2.2500	$2.2942	$2.5468	$2.5697	$2.6525	$2.5798	$2.4914	$2.4289
Original Notional Quantity	2,636,717	2,636,709	2,636,706	2,636,714	2,636,696	2,636,708	2,636,707	2,636,716

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties, depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, cash settlement will take place. As of December 31, 2023, the total outstanding notional value of the ULSD contracts was 64.8 million gallons with a negative fair market value of $9.5. The valuation of each trade was based on discounting future net cash flows to a single current amount (the income approach) using observable commodity futures prices (Level 2 inputs).

17. CONDENSED COMPONENT UNIT INFORMATION

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

December 31, 2023	MTA	Metro - North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 10,716	$ 503	$ 614	$ 776	$ 2,191	$ (1,448)	$ 13,352
Capital assets	13,670	7,324	10,740	50,860	7,967	-	90,561
Other Assets	29,320	68	69	40	173	(27,304)	2,366
Intercompany receivables	305	452	664	4,786	11,461	(17,668)	-
Deferred outflows of resources	2,842	864	1,143	4,482	413	(72)	9,672
Total assets and deferred outflows of resources	**$ 56,853**	**$ 9,211**	**$ 13,230**	**$ 60,944**	**$ 22,205**	**$ (46,492)**	**$ 115,951**
Current liabilities	$ 3,638	$ 444	$ 341	$ 2,697	$ 3,204	$ (459)	$ 9,865
Non-current liabilities	28,462	2,812	4,204	24,909	22,356	(33)	82,710
Intercompany payables	17,891	169	44	-	275	(18,379)	-
Deferred inflows of resources	640	550	920	3,646	320	-	6,076
Total liabilities and deferred inflows of resources	**$ 50,631**	**$ 3,975**	**$ 5,509**	**$ 31,252**	**$ 26,155**	**$ (18,871)**	**$ 98,651**
Net investment in capital assets	$ (17,506)	$ 7,084	$ 10,621	$ 49,952	$ 2,015	$ (10,825)	$ 41,341
Restricted	3,315	-	-	-	1,245	(967)	3,593
Unrestricted	20,413	(1,848)	(2,900)	(20,260)	(7,210)	(15,829)	(27,634)
Total net position	**$ 6,222**	**$ 5,236**	**$ 7,721**	**$ 29,692**	**$ (3,950)**	**$ (27,621)**	**$ 17,300**
For the year ended December 31, 2023							
Fare revenue	$ 183	$ 558	$ 569	$ 3,348	$ -	$ -	$ 4,658
Vehicle toll revenue	-	-	-	-	2,419	(4)	2,415
Rents, freight and other revenue	177	48	35	658	28	(156)	790
Total operating revenue	**360**	**606**	**604**	**4,006**	**2,447**	**(160)**	**7,863**
Total labor expenses	1,413	1,157	1,416	7,879	223	-	12,088
Total non-labor expenses	755	442	474	2,265	244	(157)	4,023
Depreciation and amortization	354	363	564	2,197	226	-	3,704
Total operating expenses	**2,522**	**1,962**	**2,454**	**12,341**	**693**	**(157)**	**19,815**
Operating (deficit) surplus	**(2,162)**	**(1,356)**	**(1,850)**	**(8,335)**	**1,754**	**(3)**	**(11,952)**
Subsidies and grants	1,279	293	-	617	8	(216)	1,981
Tax revenue	7,159	-	-	4,392	674	(4,621)	7,604
Interagency subsidy	1,353	626	1,266	596	(3,198)	(643)	-
Interest expense	(1,267)	-	-	-	(762)	191	(1,838)
Other	(1,838)	(3)	(1)	(107)	346	2,231	628
Total non-operating revenues (expenses)	**6,686**	**916**	**1,265**	**5,498**	**(2,932)**	**(3,058)**	**8,375**
Loss before appropriations	4,524	(440)	(585)	(2,837)	(1,178)	(3,061)	(3,577)
Appropriations, grants and other receipts externally restricted for capital projects	(3,431)	715	740	3,414	-	2,470	3,908
Change in net position	1,093	275	155	577	(1,178)	(591)	331
Net position, beginning of year	5,129	4,961	7,566	29,115	(2,772)	(27,030)	16,969
Net position, end of year	$ 6,222	$ 5,236	$ 7,721	$ 29,692	$ (3,950)	$ (27,621)	$ 17,300
For the year ended December 31, 2023							
Net cash (used by) / provided by operating activities	$ (1,738)	$ (1,182)	$ (1,734)	$ (5,435)	$ 2,071	$ -	$ (8,018)
Net cash provided by / (used by) non-capital financing activities	8,651	1,172	1,716	5,943	(992)	(8,573)	7,917
Net cash (used by) / provided by capital and related financing activities	(11,362)	12	18	(28)	3,447	1,109	(6,804)
Net cash provided by / (used by) investing activities	5,097	-	-	(482)	(4,526)	7,464	7,553
Cash at beginning of year	882	19	5	25	9	-	940
Cash at end of year	**$ 1,530**	**$ 21**	**$ 5**	**$ 23**	**$ 9**	**$ -**	**$ 1,588**

December 31, 2022 Restated	MTA	Metro-North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 12,148	$ 251	$ 281	$ 608	$ 2,446	$ (1,438)	$ 14,296
Capital assets	14,133	6,921	10,563	48,227	7,795	-	87,639
Other Assets	32,131	111	76	49	16	(25,541)	6,842
Intercompany receivables	522	736	1,126	5,678	8,682	(16,744)	-
Deferred outflows of resources	1,382	740	919	4,840	464	(71)	8,274
Total assets and deferred outflows of resources	**$ 60,316**	**$ 8,759**	**$ 12,965**	**$ 59,402**	**$ 19,403**	**$ (43,794)**	**$ 117,051**
Current liabilities	$ 6,887	$ 400	$ 332	$ 2,084	$ 1,023	$ (128)	$ 10,598
Non-current liabilities	31,816	2,704	3,999	26,264	20,648	(21)	85,410
Intercompany payables	15,900	202	244	-	269	(16,615)	-
Deferred inflows of resources	584	492	824	1,939	235	-	4,074
Total liabilities and deferred inflows of resources	**$ 55,187**	**$ 3,798**	**$ 5,399**	**$ 30,287**	**$ 22,175**	**$ (16,764)**	**$ 100,082**
Net investment in capital assets	$ (24,729)	$ 6,677	$ 10,535	$ 47,784	$ 2,105	$ (7,487)	$ 34,885
Restricted	4,788	-	-	-	2,410	(2,134)	5,064
Unrestricted	25,070	(1,716)	(2,969)	(18,669)	(7,287)	(17,409)	(22,980)
Total net position	**$ 5,129**	**$ 4,961**	**$ 7,566**	**$ 29,115**	**$ (2,772)**	**$ (27,030)**	**$ 16,969**
For the year ended December 31, 2022 Restated							
Fare revenue	$ 167	$ 448	$ 458	$ 3,286	$ -	$ (335)	$ 4,024
Vehicle toll revenue	-	-	-	-	2,332	-	2,332
Rents, freight and other revenue	200	39	35	183	24	168	649
Total operating revenue	**367**	**487**	**493**	**3,469**	**2,356**	**(167)**	**7,005**
Total labor expenses	1,297	1,089	1,219	7,530	225	-	11,360
Total non-labor expenses	604	414	419	2,081	239	(167)	3,590
Depreciation and amortization	175	337	519	2,180	206	-	3,417
Total operating expenses	**2,076**	**1,840**	**2,157**	**11,791**	**670**	**(167)**	**18,367**
Operating (deficit) surplus	**(1,709)**	**(1,353)**	**(1,664)**	**(8,322)**	**1,686**	**-**	**(11,362)**
Subsidies and grants	1,171	805	-	617	9	(1,036)	1,566
Tax revenue	6,933	-	-	4,426	841	(4,582)	7,618
Interagency subsidy	1,211	494	2,794	538	(2,319)	(2,718)	-
Interest expense	(1,478)	-	-	-	(535)	107	(1,906)
Other	(2,339)	(5)	(4)	4,818	184	4,647	7,301
Total non-operating revenues (expenses)	**5,498**	**1,294**	**2,790**	**10,399**	**(1,820)**	**(3,582)**	**14,579**
Loss before appropriations	3,789	(59)	1,126	2,077	(134)	(3,582)	3,217
Appropriations, grants and other receipts externally restricted for capital projects	10,120	912	-	2,389	-	(8,810)	4,611
Change in net position	13,909	853	1,126	4,466	(134)	(12,392)	7,828
Net position, beginning of the year	(8,780)	4,108	6,440	24,649	(2,638)	(14,638)	9,141
Net position, end of year	$ 5,129	$ 4,961	$ 7,566	$ 29,115	$ (2,772)	$ (27,030)	$ 16,969
For the year ended December 31, 2022 Restated							
Net cash (used in) / provided by operating activities	$ (783)	$ (724)	$ (758)	$ (5,430)	$ 1,877	$ -	$ (5,818)
Net cash provided by / (used in) non-capital financing activities	19,086	793	785	6,149	4,952	(12,335)	19,430
Net cash (used by) / provided by capital and related financing activities	(13,572)	(67)	(27)	(1,117)	(665)	5,813	(9,635)
Net cash (used by) / provided by investing activities	(4,364)	-	-	395	(6,372)	6,522	(3,819)
Cash at beginning of year	515	17	5	28	217	-	782
Cash at end of year	**$ 882**	**$ 19**	**$ 5**	**$ 25**	**$ 9**	**$ -**	**$ 940**

18. SUBSEQUENT EVENTS

On January 25, 2024, MTA issued $296.340 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance transit and commuter projects included in MTA's approved capital programs, and (ii) pay certain financing , legal and miscellaneous expenses.

On January 30, 2024, MTA executed a 2,636,709 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.4291 (whole dollars) per gallon. The hedge covers the period from January 2025 through December 2025.

On February 8, 2024, MTA issued $1,650.295 of Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program. (ii) to finance a portion of the capital costs of the Central Business District Tolling Program, and (iii) to pay certain financing, legal and miscellaneous expenses.

On February 28, 2024, MTA executed a 2,636,722 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.3965 (whole dollars) per gallon. The hedge covers the period from February 2025 through January 2026.

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

On March 20, 2024, MTA issued $500 of Payroll Mobility Tax Bond Anticipation Notes, Series 2024A (Federally Taxable). Proceeds from the transaction were used (i) to finance working capital and all other expenditures of MTA and certain of its affiliates and subsidiaries relating to its transit and commuter systems incident to and necessary or convenient to carry out their purposes and powers (Working Capital Expenditures) and (ii) to pay certain financing, legal and miscellaneous expenses.

On March 20, 2024, MTA issued $300 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Bond Anticipation Notes, Series 2024B. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) pay capitalized interest on the Series 2024B Notes accruing through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

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

On March 27, 2024, MTA issued $1,289.260 of Transportation Revenue Refunding Bonds, Series 2024A (Climate Bond Certified). Proceeds from the transaction were used (i) to refund certain MTA's outstanding Transportation Revenue Bonds and Triborough Bridge and Tunnel Authority's outstanding Payroll Mobility Tax Senior Lien Refunding Bonds, Subseries 2021A-2 (Tax-Exempt Mandatory Tender Bonds) and (ii) pay certain financing, legal and miscellaneous expenses.

On March 27, 2024, MTA executed a 2,168,753 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.4441 (whole dollars) per gallon. The hedge covers the period from March 2025 through February 2026.

On March 27, 2024, the MTA Board approved the Central Business District (CBD) tolling rates recommended by the Traffic Mobility Review Board (TMRB). The CBD is defined as Manhattan south of and inclusive of 60th Street, but excluding the FDR Drive, the West Side Highway, and any surface roadway portion of the Hugh L. Carey Tunnel connecting to West Street. Starting end of June 2024, the MTA will implement the Central Business District Tolling Program (CBDTP), which is the nation's first congestion pricing program. Vehicles entering the CBD will be charged a toll. The CBDTP still faces challenges from lawsuits of which the outcome cannot be predicted.

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

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

On May 20, 2024, MTA issued $900 of Payroll Mobility Tax Senior Lien Green Bonds, Series 2024B. Proceeds from the transaction were used (i) to retire $951.37 PMT 2022A BANs and (ii) to pay certain financing, legal and miscellaneous expenses.

As of May 29, 2024, a total payment of $396 million has been made for the 2025 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)	Additional Plan								
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 146	$ 260	$ 453	$ 621	$ 1,057	$ 1,874	$ 2,752	$ 3,441	$ 3,813
Interest	81,371	83,489	86,918	93,413	97,611	101,477	104,093	106,987	110,036
Effect of economic / demographic (gains) or losses	(1,347)	3,729	10,428	13,455	213	1,890	15,801	6,735	-
Effect of assumption changes or inputs		26,300	-	50,191	-	-	-	-	-
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Net change in total pension liability	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)	(39,908)	(43,125)
Total pension liability—beginning	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159	1,645,284
Total pension liability—ending (a)	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159
Plan fiduciary net position:									
Employer contributions	70,764	70,553	68,724	62,774	59,500	76,523	81,100	100,000	407,513
Nonemployer contributions			-	-	-	145,000	70,000	-	-
Member contributions	50	73	140	249	333	760	884	1,108	1,304
Net investment income	(51,214)	95,247	4,024	116,092	(31,098)	112,614	58,239	527	21,231
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Administrative expenses	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)	(1,218)	(975)
Net change in plan fiduciary net position	(124,925)	16,633	(79,770)	21,143	(132,010)	174,110	51,019	(56,654)	272,099
Plan fiduciary net position—beginning	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852	510,753
Plan fiduciary net position—ending (b)	652,398	777,323	760,690	840,460	819,317	951,327	777,217	726,198	782,852
Employer's net pension liability—ending (a)-(b)	$ 606,479	$ 545,148	$ 596,633	$ 571,110	$ 591,827	$ 520,501	$ 749,087	$ 836,053	$ 819,307
Plan fiduciary net position as a percentage of the total pension liability	51.82%	58.78%	56.04%	59.54%	58.06%	64.64%	50.92%	46.48%	48.86%
Covered payroll	$ 1,972	$ 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	30754.51%	16877.65%	11531.37%	7892.62%	4526.06%	2539.03%	2555.56%	2106.09%	1893.61%

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)	MaBSTOA Plan								
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 95,859	$ 93,934	$ 95,514	$ 89,814	$ 86,979	$ 84,394	$ 82,075	$ 77,045	$ 72,091
Interest	285,410	274,270	266,588	265,454	256,084	246,284	236,722	232,405	223,887
Effect of plan changes	1,760	-	-	-	-	-	-	-	-
Effect of economic / demographic (gains) or losses	(20,721)	(19,177)	(720)	9,011	5,412	11,826	13,784	(68,997)	-
Effect of assumption changes or inputs		72,032		168,752	-	6,347	-	-	-
Differences between expected and actual experience				-	-	-	-	-	(1,596)
Benefit payments and withdrawals	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Net change in total pension liability	104,335	175,632	123,452	311,810	134,648	139,729	144,758	60,525	118,935
Total pension liability—beginning	4,422,018	4,246,386	4,122,934	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464	3,212,529
Total pension liability—ending (a)	4,526,353	4,422,018	4,246,386	4,122,934	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464
Plan fiduciary net position:									
Employer contributions	158,618	156,204	159,486	206,390	205,433	202,684	220,697	214,881	226,374
Member contributions	25,548	24,935	24,709	23,552	21,955	19,713	18,472	16,321	15,460
Net investment income	(273,627)	416,287	60,326	447,365	(87,952)	350,186	212,260	(24,163)	105,084
Benefit payments and withdrawals	(257,973)	(245,427)	(237,930)	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Administrative expenses	(806)	(264)	(244)	(220)	(196)	(208)	(186)	(88)	(74)
Net change in plan fiduciary net position	(348,240)	351,735	6,347	455,866	(74,587)	363,253	263,420	27,023	171,397
Plan fiduciary net position—beginning	3,658,351	3,306,616	3,300,268	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293	2,093,896
Plan fiduciary net position—ending (b)	3,310,111	3,658,351	3,306,616	3,300,268	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293
Employer's net pension liability—ending (a)-(b)	$ 1,216,242	$ 763,667	$ 939,770	$ 822,666	$ 966,722	$ 757,487	$ 981,011	$ 1,099,673	$ 1,066,171
Plan fiduciary net position as a percentage of the total pension liability	73.13%	82.73%	77.87%	80.05%	74.63%	79.40%	72.26%	67.58%	68.00%
Covered payroll	$820,468	$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	148.24%	99.32%	117.16%	104.59%	124.55%	101.04%	136.91%	160.14%	163.20%

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)	MTA Defined Benefit Plan								
Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:									
Service cost	$ 220,423	$ 213,675	$ 213,494	$ 173,095	$ 162,273	$ 148,051	$ 138,215	$ 124,354	$ 121,079
Interest	485,878	455,230	427,672	387,193	358,118	335,679	308,009	288,820	274,411
Effect of economic / demographic (gains) or losses	95,172	20,656	92,019	35,935	75,744	(27,059)	86,809	121,556	2,322
Effect of assumption changes or inputs	-	113,662	-	690,958	-	10,731	-	(76,180)	-
Effect of plan changes	-	-	-	-	61,890	76,511	73,521	6,230	-
Benefit payments and withdrawals	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Net change in total pension liability	449,616	477,750	439,349	1,022,196	415,676	310,937	396,931	265,208	206,755
Total pension liability—beginning	7,427,785	6,950,035	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738	3,892,983
Total pension liability—ending (a)	7,877,401	7,427,785	6,950,035	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Plan fiduciary net position:									
Employer contributions	400,648	396,144	394,986	344,714	338,967	321,861	280,768	221,694	331,259
Member contributions	34,471	33,832	32,006	31,504	29,902	31,027	29,392	34,519	26,006
Net investment income	(464,023)	639,374	99,045	651,919	(150,422)	516,153	247,708	(45,122)	102,245
Benefit payments and withdrawals	(351,857)	(325,473)	(293,836)	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Administrative expenses	(4,334)	(3,513)	(3,660)	(3,408)	(3,152)	(4,502)	(3,051)	(1,962)	(9,600)
Net change in plan fiduciary net position	(385,095)	740,364	228,541	759,744	(27,054)	631,563	345,194	9,557	258,853
Plan fiduciary net position—beginning	5,753,129	5,012,765	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220	2,806,367
Plan fiduciary net position—ending (b)	5,368,034	5,753,129	5,012,765	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220
Employer's net pension liability—ending (a)-(b)	$ 2,509,367	$ 1,674,656	$ 1,937,270	$ 1,726,462	$ 1,464,010	$ 1,021,280	$ 1,341,906	$ 1,290,169	$ 1,034,518
Plan fiduciary net position as a percentage of the total pension liability	68.14%	77.45%	72.13%	73.48%	73.33%	79.87%	71.82%	70.44%	74.77%
Covered payroll	$ 2,347,700	$ 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	106.89%	82.54%	94.46%	84.11%	72.09%	55.00%	75.20%	72.76%	61.59%

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Additional Plan*											
Actuarially Determined Contribution	$ 72,666	$ 70,764	$ 70,553	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183	$ 82,382	$ 112,513	$ -
Actual Employer Contribution	140,400	70,764	70,553	68,724	62,774	59,500	221,523	151,100	100,000	407,513	-
Contribution Deficiency (Excess)	$ (67,734)	$ -	$ -	$ (1)	$ -	$ (304)	$ (145,000)	$ (67,917)	$ (17,618)	$ (295,000)	$ -
Covered Payroll	$ 1,972	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267	$ -
Contributions as a % of Covered Payroll	7119.68%	3463.99%	2184.33%	1328.26%	867.54%	455.02%	1080.62%	515.49%	251.91%	941.87%	N/A
MaBSTOA Plan											
Actuarially Determined Contribution	$ 170,033	$ 158,618	$ 156,204	$ 159,486	$ 209,314	$ 202,509	$ 202,924	$ 220,697	$ 214,881	$ 226,374	$ 234,474
Actual Employer Contribution	328,430	158,618	156,204	159,486	206,390	205,434	202,684	220,697	214,881	226,374	234,474
Contribution Deficiency (Excess)	$ (158,397)	$ -	$ -	$ -	$ 2,924	$ (2,925)	$ 240	$ -	$ -	$ -	$ -
Covered Payroll	$ 820,468	$ 775,512	$ 768,868	$ 802,100	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287	$ 582,081
Contributions as a % of Covered Payroll	40.03%	20.45%	20.32%	19.88%	26.24%	26.47%	27.04%	30.80%	31.29%	34.65%	40.28%
Metro-North Cash Balance Plan*											
Actuarially Determined Contribution	$ 13	$ 4	$ -	$ -	$ 8	$ 5	$ -	$ 23	$ -	$ 5	$ -
Actual Employer Contribution	13	4	-	-	-	5	-	23	14	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14)	$ 5	$ -
Covered Payroll	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274	$ -
Contributions as a % of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	0.00%	2.68%	0.96%	0.00%	N/A
MTA Defined Benefit Plan*											
Actuarially Determined Contribution	$ 416,538	$ 404,245	$ 392,547	$ 392,921	$ 349,928	$ 331,566	$ 316,916	$ 290,415	$ 273,700	$ 271,523	$ -
Actual Employer Contribution	829,720	404,245	396,144	393,961	343,862	339,800	321,861	280,767	221,694	331,259	-
Contribution Deficiency (Excess)	$ (413,182)	$ -	$ (3,597)	$ (1,040)	$ 6,066	$ (8,234)	$ (4,945)	$ 9,648	$ 52,006	$ (59,736)	$ -
Covered Payroll	$ 2,347,700	$ 2,111,293	$ 2,028,938	$ 2,050,970	$ 2,052,657	$ 2,030,695	$ 1,857,026	$ 1,784,369	$ 1,773,274	$ 1,679,558	$ -
Contributions as a % of Covered Payroll	35.34%	19.15%	19.52%	19.21%	16.75%	16.73%	17.33%	15.73%	12.50%	19.72%	N/A

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NYCERS											
Actuarially Determined Contribution	$ 763,929	$ 797,299	$ 842,269	$ 882,690	$ 952,616	$ 807,097	$ 800,863	$ 797,845	$ 736,212	$ 741,223	$ 736,361
Actual Employer Contribution	763,929	797,299	842,269	882,690	952,616	807,097	800,863	797,845	736,212	741,223	736,361
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,169,696	$ 3,848,798	$ 3,637,544	$ 3,771,595	$ 3,948,283	$ 3,974,494	$ 3,768,885	$ 3,523,993	$ 3,494,907	$ 3,617,087	$ 2,943,195
Contributions as a % of Covered Payroll	18.32%	20.72%	23.15%	23.40%	24.13%	20.31%	21.25%	22.64%	21.07%	20.49%	25.02%
NYSLERS **											
Actuarially Determined Contribution	$ 14,125	$ 11,236	$ 16,284	$ 14,533	$ 14,851	$ 14,501	$ 13,969	$ 12,980	$ 15,792	$ 13,816	$ -
Actual Employer Contribution	14,125	11,236	16,284	14,533	14,851	14,501	13,969	12,980	15,792	13,816	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 150,682	$ 110,702	$ 99,129	$ 102,838	$ 106,913	$ 109,210	$ 103,787	$ 94,801	$ 86,322	$ 84,041	$ -
Contributions as a % of Covered Payroll	9.37%	10.15%	16.43%	14.13%	13.89%	13.28%	13.46%	13.69%	18.29%	16.44%	N/A

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

	MaBSTOA Plan		
Valuation Dates:	January 1, 2022	January 1, 2021	January 1, 2020
Measurement Date:	December 31, 2022	December 31, 2021	December 31, 2020
Actuarial cost method:	Frozen Initial Liability cost method	Frozen Initial Liability cost method	Frozen Initial Liability (FIL)
Amortization method:	For FIL bases, 15 years for Fresh Start base as of January 1, 2020, mortality change and recognition of Chapter 56 Laws of 2022. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, 15 years for Fresh Start base as of January 1, 2020 and period specified in current valuation report for specific assumption changes. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.	For FIL bases, period specified in current valuation 30-year level dollar. Future gains/losses are amortized through the calculation of the normal cost in accordance with the FIL cost method amortized based on expected working lifetime, weighted by salary, of the projected population.
Asset Valuation Method:	Actuarial value equals 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.
Salary increases:	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating employees and non-operating members. Varies by years of employment.
Actuarial assumptions:			
Discount Rate:	6.5%%	6.50%	6.50%
Investment rate of return :	6.50%, net of investment expenses	6.50%, net of investment expenses.	6.50%, net of investment expenses.
Mortality:	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from January 1, 2015 - December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA members reflecting mortality improvement on a generational basis using scale AA.
Pre-retirement:	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.
Post-retirement Healthy Lives:	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.	95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.
Post-retirement Disabled Lives:	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.
Inflation/Railroad Retirement Wage Base:	2.25%	2.25%	2.25%
Cost-of-Living Adjustments:	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35% per annum, if applicable	1.35% per annum

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

	NYSLERS Plan (continued)		
Valuation Dates:	April 1, 2019	April 1, 2018	April 1, 2017
Measurement Date:	March 31, 2020	March 31, 2019	March 31, 2018
Actuarial cost method:	Aggregate Cost method	Aggregate Cost method	Aggregate Cost method
Amortization method:	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.	Evenly over the remaining working lifetimes of the active membership.
Asset Valuation Method:	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Salary increases:	4.20% in ERS; 5.00% in PFRS	0.038	0.038
Actuarial assumptions:			
Discount Rate:	6.80%	7.00%	7.00%
Investment rate of return :	6.80%, net of investment expenses.	7.00%, net of investment expenses.	7.00%, net of investment expenses.
Mortality:	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.	Annuitant mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Pre-retirement:	N/A	N/A	N/A
Post-retirement Healthy Lives:	N/A	N/A	N/A
Post-retirement Disabled Lives:	N/A	N/A	N/A
Inflation/Railroad Retirement Wage Base:	2.50%	2.50%	2.50%
Cost-of-Living Adjustments:	1.3% per annum.	1.3% per annum.	1.3% per annum.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms:

Chapter 56 of the Laws of 2022 enacted in April 2022 reduced the Tier 6 vesting requirement from 10 years to 5 years of service. This change is applicable for the NYCERS and MaBSTOA plans.

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

Changes of Assumptions:

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

($ in thousands)

Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total OPEB liability:						
Service cost	$ 1,240,342	$ 1,250,950	$ 1,097,051	$ 928,573	$ 1,002,930	$ 884,548
Interest on total OPEB liability	530,983	535,642	610,160	840,532	734,968	731,405
Effect of plan changes	-	-	-	-	1,580	27,785
Effect of economic/demographic (gains) or losses	14,299	292,154	(43,890)	247,871	(19,401)	13,605
Effect of assumption changes or inputs	(3,449,438)	(738,829)	1,939,528	311,286	(1,800,135)	911,465
Benefit payments	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability	(2,510,113)	546,933	2,878,108	1,597,585	(771,180)	1,917,814
Total OPEB liability—beginning	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068	18,787,254
Total OPEB liability—ending (a)	22,446,401	24,956,514	24,409,581	21,531,473	19,933,888	20,705,068
Plan fiduciary net position:						
Employer contributions	846,299	792,984	387,371	730,677	691,122	650,994
Net investment income	11,828	-	(77,118)	63,647	(18,916)	47,370
Benefit payments	(846,299)	(792,984)	(724,741)	(730,677)	(691,122)	(650,994)
Administrative expenses	(176)	(46)	(209)	(200)	(56)	-
Net change in plan fiduciary net position	11,652	(46)	(414,697)	63,447	(18,972)	47,370
Plan fiduciary net position—beginning	84	130	414,827	351,380	370,352	322,982
Plan fiduciary net position—ending (b)	11,736	84	130	414,827	351,380	370,352
Net OPEB liability—ending (a)-(b)	$22,434,665	$24,956,430	$24,409,451	$21,116,646	$19,582,508	$20,334,716
Plan fiduciary net position as a percentage of the total OPEB liability	0.05%	0.00%	0.00%	1.93%	1.76%	1.79%
Covered payroll	$ 7,490,519	$ 6,537,709	$ 6,716,423	$ 6,901,690	$ 6,903,700	$ 5,394,332
Net OPEB liability as a percentage of covered payroll	299.66%	381.73%	363.43%	305.96%	283.65%	376.96%

Notes to Schedule:

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $52,933 and $62,852 for the years ended December 31, 2021 and 2020, 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 (UNAUDITED)

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

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

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefits Plan	Total
ASSETS:					
Cash	$ 6,417	$ 625	$ 3,583	$ -	$ 10,625
Receivables:					
Employee loans	-	-	28,016	-	28,016
Participant and union contributions	-	3	-	-	3
Investment securities sold	-	476	2,928	-	3,404
Accrued interest and dividends	5,727	558	2,996	11,707	20,989
Other receivables	6,591	73	-	-	6,664
Total receivables	12,318	1,110	33,940	11,707	59,076
Investments at fair value	6,560,768	712,190	3,795,966	1,362,791	12,431,715
Total assets	$ 6,579,503	$ 713,925	$ 3,833,489	$ 1,374,498	$ 12,501,416
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	-	-	1,505	-	1,505
Other liabilities	496	48	466	-	1,010
Total liabilities	23,124	1,859	17,319	594	42,896
NET POSITION:					
Restricted for pensions	6,556,379	712,066	3,816,170	-	11,084,615
Restricted for postemployment benefits other than pensions	-	-	-	1,373,904	1,373,904
Total net position	6,556,379	712,066	3,816,170	1,373,904	12,458,520
Total liabilities and net position	$ 6,579,503	$ 713,925	$ 3,833,489	$ 1,374,498	$ 12,501,416

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

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

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

($ in thousands)	Pension Funds			Other Employee Benefit Trust Fund	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ADDITIONS:					
Contributions:					
Employer contributions	$ 831,320	$ 140,400	$ 328,430	$ 2,139,096	$ 3,439,246
Implicit rate subsidy contribution	-	-	-	62,445	62,445
Member contributions	38,304	50	25,366	-	63,720
Total contributions	869,624	140,450	353,796	2,201,541	3,565,411
Investment income:					
Net (depreciation) / appreciation in fair value of investments	622,581	51,178	376,156	10,400	1,060,315
Dividend income	64,129	6,641	40,027	-	110,797
Interest income	32,876	3,376	20,357	33,196	89,805
Less: Investment expenses	20,720	2,606	17,087	565	40,978
Investment income, net	698,866	58,589	419,453	43,031	1,219,939
Total additions	1,568,490	199,039	773,249	2,244,572	4,785,350
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	1,188,345	59,669	506,060	1,362,169	3,116,243
NET POSITION:					
Restricted for Benefits:					
Beginning of year	5,368,034	652,397	3,310,111	11,735	9,342,277
End of year	$ 6,556,379	$ 712,066	$ 3,816,171	$ 1,373,904	$ 12,458,520

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

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

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

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION
SCHEDULE OF CONSOLIDATED RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023
($ in millions)

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	$ 4,633	$ 4,658	$ 25
Vehicle toll revenue	2,400	2,415	15
Other operating revenue	886	790	(96)
Total revenue	7,919	7,863	(56)
OPERATING EXPENSES:			
Labor:			
Payroll	6,621	5,876	(745)
Overtime	1,387	1,160	(227)
Health and welfare	1,712	1,528	(184)
Pensions	1,478	1,537	59
Other fringe benefits	1,349	1,062	(287)
Postemployment benefits	842	1,471	629
Reimbursable overhead	1	(546)	(547)
Total labor expenses	13,389	12,088	(1,301)
Non-labor:			
Electric power	544	510	(34)
Fuel	235	226	(9)
Insurance	29	32	3
Claims	418	395	(23)
Paratransit service contracts	523	517	(6)
Maintenance and other	1,086	784	(302)
Professional service contract	874	552	(322)
Pollution remediation project costs	-	51	51
Materials and supplies	773	641	(132)
Other business expenses	277	315	39
Total non-labor expenses	4,758	4,023	(735)
Depreciation	3,475	3,704	229
Other expenses adjustment	199	-	(199)
Total operating expenses	21,821	19,815	(2,006)
NET OPERATING LOSS	$ (13,902)	$ (11,952)	$ 1,950

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED SUBSIDY ACCRUAL RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023
($ in millions)

Accrued Subsidies	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Mass transportation operating assistance	$ 2,839	$ 2,838	$ (1)	{1}
Mass transit trust fund subsidies	612	604	(8)	{1}
Mortgage recording tax 1 and 2	369	346	(23)	{1}
MRT transfer	(12)	(20)	(8)	{1}
Urban tax	386	364	(22)	{1}
State and local operating assistance	376	411	35	{1}
Station maintenance	202	234	32	{1}
Connecticut Department of Transportation (CDOT)	256	265	9	{1}
Subsidy from New York City for MTA Bus and SIRTOA	697	880	183	{1}
NYS Grant for debt service	150	-	(150)	{3}
Build American Bonds Subsidy	-	80	80	{1}
Mobility tax	2,718	2,778	60	{1}
Assistance Fund (For hire vehicle)		365	365	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	337	345	8	{1}
Internet Marketplace Tax	329	329	0	{1}
NYS/NYC Subway Action Plan	300	-	(300)	{1}
Other non-operating income	96	394	299	{2}
Total accrued subsidies	9,654	10,213	559	
Net operating deficit before subsidies and debt service	(13,902)	(11,952)	1,950	
Debt Service	(2,655)	(1,838)	817	
Conversion to Cash basis: Depreciation	3,475	-	(3,475)	
Conversion to Cash basis: OPEB Obligation	1,258	-	(1,258)	
Conversion to Cash basis: GASB 68 pension adjustment	(124)	-	124	
Conversion to Cash basis: Pollution & Remediation	6	-	(6)	
Other Cash Flow adjustments	6	-	6	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	$ (2,283)	$ (3,577)	$ (1,282)	

{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 market value.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION
SCHEDULE OF FINANCIAL PLAN TO FINANCIAL STATEMENTS RECONCILIATION
RECONCILING ITEMS
FOR THE YEAR ENDED DECEMBER 31, 2023
($ in millions)

Financial Plan Actual Operating Loss at December 31, 2023			**$ (13,902)**
The Financial Plan Actual Includes:			
1	Lower farebox and vehicle toll revenues		40
2	Higher other operating revenue		(96)
3	Higher labor expense primarily from higher pension expense projections		1,301
4	Higher non-labor expense primarily from higher professional service contract expense		735
5	Other expense adjustments		(31)
Total operating reconciling items			**1,950**
Financial Statements Operating Loss at December 31, 2023			**(11,952)**
Financial Plan Deficit after Subsidies and Debt Service			**(2,283)**
The Financial Plan Actual Includes:			
1	Debt service bond principal payments		817
2	Adjustments for non-cash liabilities:		
	Depreciation	(3,475)	
	Unfunded OPEB expense	(1,258)	
	Unfunded GASB No. 68 pension adjustment	124	
	Other non-cash liability adjustment	(12)	(4,620)
The Financial Statement includes:			
3	Higher subsidies and other non-operating revenues and expenses		559
4	Total operating reconciling items (from above)		1,950
Financial Statement Gain Before Capital Appropriations			**$ (3,577)**

DRAFT

New York City Transit Authority

(Component Unit of
the Metropolitan Transportation Authority)

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

DRAFT

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

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the New York City Transit Authority (the "Authority"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

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

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 96, *SBITA*, as of January 1, 2022. The adoption of GASB Statement No. 96 resulted in the restatement of the 2022 financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

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

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

___________, 2024

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
($ In Millions, except as noted)

FINANCIAL REPORTING ENTITY

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

The Reporting entity includes:

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

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

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction to the Annual Report:

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

Management's Discussion and Analysis:

The following is a narrative overview and analysis of the financial activities of the Authority as of and for the years ended December 31, 2023 and 2022. This management discussion and analysis ("MD&A") is intended to serve as an introduction to the Authority's consolidated financial statements. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the consolidated financial statements described below.

The Consolidated Financial Statements:

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

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

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

The Fiduciary Fund Financial Statements:

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

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

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

The Notes to the Consolidated Financial Statements:

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

Required Supplementation Information:

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

CONDENSED FINANCIAL INFORMATION

All amounts are in millions, except as noted.

The following sections will discuss the significant changes in the Authority's financial position for the years ended December 31, 2023 and 2022. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the consolidated financial statements and the various exhibits presented conform to the Authority's consolidated financial statements, which are presented in accordance with generally accepted accounting principles in the United States of America.

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

Capital assets include but are not limited to: construction of buildings and the acquisition of subway cars, buses, track and structures, depots and yards, equipment, and right-of-use assets for leases on land, buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-of-use assets for subscription-based information technology arrangement ("SBITAs") have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* with retroactive effect of this adoption as of January 1, 2022. Refer to footnote 2 for additional information.

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

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

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

				Increase/(Decrease)	
(In millions)	**2023**	**2022**	**2021**	**2023-2022**	**2022-2021**
		(Restated)			**(Restated)***
Capital assets	$ 83,527	$ 78,839	$ 75,527	$ 4,688	$ 3,312
Accumulated depreciation and amortization	(32,667)	(30,611)	(28,658)	(2,056)	(1,953)
Capital assets, net of accumulated depreciation and amortization	50,860	48,228	46,869	2,632	1,359
Other assets	5,603	6,335	2,517	(732)	3,818
Total assets	56,463	54,563	49,386	1,900	5,177
Deferred outflows of resources	4,481	4,840	3,646	(359)	1,194
Total assets and deferred outflows of resources	$ 60,944	$ 59,403	$ 53,032	$ 1,541	$ 6,371

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balance are not comparative with 2021.

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The Authority's capital assets totaled $83,527 at December 31, 2023. Of the total, depots, yards, signals, and stations were 48.4%, subway cars and buses accounted for 15.6% and track and structures were 19.6%. The Authority's capital assets totaled $78,839 at December 31, 2022. Of the total, depots, yards, signals, and stations were 49.9%, subway cars and buses accounted for 16.3% and track and structures were 20.2%. These gross capital assets exclude significant infrastructure assets such as tunnels and elevated structures, which are assets owned by the City. More detailed information about the Authority's capital assets is presented in Note 5 to the consolidated financial statements.

Significant changes in assets and deferred outflows of resources include:

December 31, 2023 versus 2022

Capital assets increased from December 31, 2022 to December 31, 2023 by $4,688 or 6.0%. This increase was primarily due to station rehabilitation work of $374, signals work of $248, depots and yards of $497, track and structures of $457, acquisition of new subways of $255, acquisition of new buses of $71, other new acquisition of $348, new lease buildings and structures of $77, and construction work of $2,496 related to various projects not yet completed. Accumulated depreciation and amortization increased by $2,056, or 6.7%, due to depreciation expense of $2,174 and amortization expense of $23, partially offset by normal asset retirements of $141.

Other assets decreased by $732 or 11.6% compared with the prior year. This decrease was mostly due to a reduction in MTA investment pool of $633 to fund operations, reduction of receivable from MTA and constituent authorities of $328 used to pay for the 2023 MaBSTOA pension plan's actuarially determined contributions ("ADC") and to prepay the 2024 projected ADC of $170 and $158, respectively. These decreases were partially offset by an increase in due from MTA for purchase of capital assets of $79.

Deferred outflows of resources decreased by $359 or 7.4% compared to the prior year. This was due to a decrease of $478 related to OPEB, primarily due to changes in assumption and changes in contributions and proportionate share of contributions based upon the most recent actuarial valuation report in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* In addition, the decrease is partially offset by an increase of $119 related to pensions, primarily due to actuarial loss on investments as reflected in net difference between projected versus actual plan investment earnings, based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions,* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Refer to Notes 9 and 8 to the consolidated financial statements for more information regarding the Authority's postemployment benefits other than pension and pensions, respectively.

December 31, 2022 versus 2021

Capital assets increased from December 31, 2021 to December 31, 2022 by $3,312 or 4.4%. This increase was primarily due to station rehabilitation work of $879, signals work of $701, depots and yards of $156, track and structures of $395, acquisition of new buses of $376, and under construction work of $765 related to various projects not yet completed. This also included a recognition of right-of-use assets of $302 of which $300 was related to lease and $2 was as a result of the implementation of GASB Statement No. 96 *SBITA* during 2022. Refer to footnote 2 for additional information. Accumulated depreciation and amortization increased by $1,953, or 6.8%, due to depreciation expense of $2,156 and amortization expense of $24, partly offset by normal retirements of $228.

Other assets increased by $3,818 or 151.7% compared with the prior year. This increase was mostly due to an increase in due from MTA and constituent authorities by $3,812 primarily related to the ARPA accruals of $4,850 offset by receipt of CRRSAA of $464; a decrease in MTA investment pool of $390, NYS Mortgage recording taxes receivable of $133 and a decrease in accrued subsidies of $74.

Deferred outflows of resources increased by $1,194 or 32.7% compared with the prior year. This was due to an increase of $589 related to OPEB, primarily due to changes in contributions and proportionate share of contributions based upon the most recent actuarial valuation report in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* In addition, there was an increase of $606 related to pensions, primarily due to changes in difference between projected versus actual plan investment earnings, based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions,* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Refer to Note 9 and 8 to the consolidated financial statements for more information regarding the Authority's postemployment benefits other than pension and pensions, respectively.

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

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares, current portion of long-term liabilities, and other current liabilities. This also includes the current portion of long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangement.* Refer to footnote 2 for additional information.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term liabilities, and other non-current liabilities. This also includes GASB 96 long-term subscription liability. Refer to footnote 2 for additional information.

Deferred inflows of resources reflect deferred inflows related to leases, and actuarial measurements related to pension and OPEB. Refer to footnote 2 for additional information.

				Increase/(Decrease)	
(In millions)	2023	2022	2021	2023-2022	2022-2021
		(Restated)			(Restated)*
Current liabilities	$ 2,698	$ 2,084	$ 2,154	$ 614	$ (70)
Long-term liabilities	24,909	26,264	22,565	(1,355)	3,699
Total liabilities	27,607	28,348	24,719	(741)	3,629
Deferred inflows of resources	3,646	1,939	3,664	1,707	(1,725)
Total liabilities and deferred inflows of resources	$ 31,253	$ 30,287	$ 28,383	$ 966	$ 1,904

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

At the end of 2023, the Authority's liabilities consisted primarily of employee fringe benefit-related liabilities (for retirement, health and other benefits) of 59.7%, net pension liability of 18.2%, and injuries to persons (public liability and workers' compensation) of 15.2%. Included in the employee fringe benefit-related liabilities was $15,630 of postemployment benefits other than pensions.

At the end of 2022, the Authority's liabilities consisted primarily of employee fringe benefit-related liabilities (for retirement, health and other benefits) of 65.3%, net pension liability of 16.1%, and injuries to persons (public liability and workers' compensation) of 13.8%. Included in the employee fringe benefit-related liabilities was $17,675 of postemployment benefits other than pensions.

Significant changes in liabilities and deferred inflows of resources include:

December 31, 2023 versus 2022

Total liabilities decreased from December 31, 2022 to December 31, 2023 by $741or 2.6%. Current liabilities increased by $614, or 29.5%, and long-term liabilities decreased by $1,355 or 5.2%.

The net increase in current liabilities was mainly due to an increase in estimated liability arising from injuries to persons of $105 as a result of increases in the number and amount of claims, an increase of $468 in accrued expenses, an increase in vacation, sick and other benefits by $32 (primarily due to a $19 increase in the reserves for claims incurred but not paid ("IBNR") for the self-insured benefits of the Authority), offset by a decrease in salaries, wages and payroll taxes of $20.

The net decrease in long-term liabilities of $1,355 was primarily due to a decrease of $2,046 in net OPEB liability, which was attributable to change in assumption of $2,403. This decrease was partially offset by an increase of $450 in net pension liability primarily attributable to an actuarial loss on the market value of plan assets, an increase in the estimated liability arising from injuries to persons of $168, based on the current actuarial valuation, and an increase in lease payable of $68.

Deferred inflows of resources increased by $1,707 or 88.0% compared with prior year primarily due to an increase in deferred inflows related to OPEB of $2,038 as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions. The net increase in inflows due to OPEB was partially offset by a decrease of $321 related to pensions primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings based upon the most current actuarial valuation report in accordance with GASB Statement No. 75. Refer to Notes 8 and 9 to the consolidated financial statements for more information regarding the Authority's pensions and postemployment benefits other than pension, respectively.

December 31, 2022 versus 2021

Liabilities increased from December 31, 2021 to December 31, 2022 by $3,629 or 14.7%. Current liabilities decreased by $70, or 3.25%, and long-term liabilities increased by $3,699 or 16.4%.

The net decrease in current liabilities was mainly due to decrease in salaries, wages and payroll taxes of $81 partly due to payment of 2020 employer social security taxes for the 2020 payroll tax deferral relief offered by the CARES Act; decrease in vacation, sick and other benefits by $15 (primarily due to a $13 decrease in the reserves for claims IBNR for the self-insured benefits of the Authority); offset by an increase in estimated liability arising from injuries to persons by $22 due to increase in the number and amount of claims.

The net increase in long-term liabilities was primarily due to an increase of $2,256 in net pension liability primarily attributable to an increase in deferred outflow of net difference between projected and actual investment earnings on pension plan investments; increase of $1,186 in net OPEB liability primarily due to increase in deferred outflow of net difference between projected and actual investment earnings on OPEB plan investments; and an increase in the estimated liability arising from injuries to persons of $273, based on the current actuarial valuation. This was offset by a decrease in lease payable of $11 and a decrease of loans payable of $6. This also includes the long-term subscription payable of $1 as a result of the implementation of GASB Statement No. 96, *SBITA*. Refer to footnote 2 for additional information.

Deferred inflows of resources decreased by $1,725 or 47.1% compared with prior year. This was due to a decrease of $1,999 related to pensions primarily on changes in the projected versus actual plan investment earnings based upon the most current actuarial valuation report in accordance with GASB Statements No. 68 and GASB No. 71, and a decrease of $8 related to leases. This was offset by an increase of $283 related to OPEB primarily due to changes in proportion and differences between employer contributions and proportionate share of contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 75. Refer to Notes 8 and 9 to the consolidated financial statements for more information regarding the Authority's pensions and postemployment benefits other than pension, respectively.

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

(In millions)	2023	2022 (Restated)	2021	Increase/(Decrease) 2023-2022	Increase/(Decrease) 2022-2021 (Restated)*
Net investment in capital assets	$ 49,951	$ 47,785	$ 46,405	$ 2,166	$ 1,380
Unrestricted	(20,260)	(18,669)	(21,756)	(1,591)	3,087
Total net position	$ 29,691	$ 29,116	$ 24,649	$ 575	$ 4,467

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

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

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

Total net position was $29,691 at the end of 2023, a net increase of $575, or 2.0% from the end of 2022. The net increase was primarily due to an operating loss of $8,335 offset by net nonoperating income of $5,496 and capital contributions from the MTA of $3,414.

<u>December 31, 2022 versus 2021</u>

Total net position was $29,116 at the end of 2022, a net increase of $4,467, or 18.1% from the end of 2021. The net increase was primarily due to an operating loss of $8,322 offset by net nonoperating income of $10,400 and capital contributions from the MTA of $2,389. In addition, this includes a restatement of $1 as a result of the implementation of GASB No. 96, *Subscription-Based Information Technology Arrangements*. Refer to footnote 2 for additional.

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

	Year Ended December 31,			Increase/(Decrease)	
(In millions)	**2023**	**2022 (Restated)**	**2021**	**2023-2022**	**2022-2021 (Restated)***
Operating revenues	$ 4,006	$ 3,469	$ 2,815	$ 537	$ 654
Operating expenses	(12,341)	(11,791)	(10,497)	(550)	(1,294)
Operating loss	(8,335)	(8,322)	(7,682)	(13)	(640)
Nonoperating revenues (expenses):					
Subsidies: New York State and The City of New York	5,001	5,035	4,373	(34)	662
Triborough Bridge and Tunnel Authority	605	547	464	58	83
Internet and Mansion tax	-	-	400	-	(400)
Federal Transit Administration CRRSAA	-	-	2,795	-	(2,795)
Federal Transit Administration ARPA	-	4,850	-	(4,850)	4,850
Other nonoperating revenues	28	17	11	11	6
Other nonoperating expenses	(137)	(48)	(27)	(89)	(21)
Loss on disposal - subway cars / buses	(1)	(1)	(1)	-	-
Total nonoperating revenues (expenses)	5,496	10,400	8,015	(4,904)	2,385
Income (loss) before capital contributions	(2,839)	2,078	333	(4,917)	1,745
Capital contributions	3,414	2,389	2,492	1,025	(103)
Change in net position	575	4,467	2,825	(3,892)	1,642
Net position — beginning of year	29,116	24,649	21,824	4,467	2,825
Net position — end of year	$ 29,691	$ 29,116	$ 24,649	$ 575	$ 4,467

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Revenue from Fares/Ridership

				Increase/(Decrease)	
(In millions)	**2023**	**2022**	**2021**	**2023-2022**	**2022-2021**
Subway revenue	$ 2,646	$ 2,280	$ 1,717	$ 366	$ 563
Bus revenue	624	609	554	15	55
Expired fare media revenue	57	44	61	13	(17)
Paratransit revenue	22	18	15	4	3
Total revenue from fares	$ 3,349	$ 2,951	$ 2,347	$ 398	$ 604
Total ridership (millions)	1,504	1,366	1,080	138	286
Non-student average fare	$ 2.29	$ 2.24	$ 2.19	$ 0.05	$ 0.05

2023 versus 2022

Total revenue from fares was $3,349 in 2023, an increase of $398, or 13.5%. This growth stems from both the August 2023 fare increase and a ridership surge as pandemic anxieties waned, prompting a return to work, travel, and leisure activities. Total ridership was 1,504, an increase of 138, or 10.1% from 2022.

2022 versus 2021

Total revenue from fares was $2,951 in 2022, an increase of $604, or 25.7%, mainly due to increased ridership as people are returning to work, travel and leisure activities as most pandemic-time restrictions and mandates were lifted. Total ridership was 1,366, an increase of 286, or 26.5% from 2021.

Operating Expenses, by Major Function

(In millions)	2023	2022 (Restated)	2021	Increase/(Decrease) 2023-2022	Increase/(Decrease) 2022-2021 (Restated)*
Salaries and wages	$ 4,484	$ 4,227	$ 4,042	$ 257	$ 185
Health and welfare	1,096	978	968	118	10
Pensions	881	538	72	343	466
Other fringe benefits	616	581	436	35	145
Reimbursed overhead expenses	(284)	(220)	(218)	(64)	(2)
Postemployment benefits other than pensions	1,087	1,426	1,245	(339)	181
Electric power	302	343	275	(41)	68
Fuel	131	167	98	(36)	69
Insurance	72	73	72	(1)	1
Public liability claims	244	238	230	6	8
Paratransit service contracts	517	412	346	105	66
Maintenance and other operating contracts	298	306	294	(8)	12
Professional service contracts	180	137	149	43	(12)
Pollution remediation projects	33	1	35	32	(34)
Materials and supplies	343	290	247	53	43
Depreciation and amortization	2,197	2,180	2,119	17	61
Other expenses	144	114	87	30	27
Total operating expenses	$ 12,341	$ 11,791	$ 10,497	$ 550	$ 1,294

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

2023 versus 2022

Total operating expenses increased by $550 or 4.7% compared to 2022 as follows:

- Salaries and wages were higher than 2022 by $257 or 6.1% mainly due to gross wages increases including retroactive wage adjustments from contract settlements, and higher vacancies and employee unavailability tour backfilled on overtime.

- Health and welfare expenses increased by $118, or 12.1%, primarily due to an increase in per capita claims activity.

- Pension expenses increased by $343, or 63.8%, primarily due to an increase in the actuarial net amortization of expected versus actual experience and projected versus actual plan investment earnings of $188, decrease of expected investment rate of return net of expense of $92, and increase of interest expense on total pension liability of $74.

- Other fringe benefit expenses increased by $35, or 6.0%, primarily due to higher workers compensation claims frequency and average worker compensation claim cost, and an increase in FICA social security primarily driven by increases in salaries and wages. This is partially offset by an increase in fringe benefit overhead reimbursement due to an increase in capital project activity.
- Postemployment benefits other than pensions decreased by $339, or 23.8%, primarily due to the net effect of plan assumption changes.
- Electric power expenses decreased by $41, or 12.0%, mainly due to lower than projected rates and lower consumption.
- Fuel expenses decreased by $36, or 21.6%, mainly due to lower than projected rates and lower consumption.
- Public liability claims expenses increased by $6, or 2.5%, based on the most current actuarial valuation update, which reflected the increase in the number of major claims and the cost of claims.
- Paratransit service contract expenses increased by $105 or 25.5%, primarily due to higher than projected trip volume and increasing trip costs.
- Maintenance and other operating contracts decreased by $8, or 2.6%, mainly due to discontinued COVID-19 cleaning initiative of $69 or 23%, offset by total paratransit fleet purchases, increased security services, additional water charges, and additional repairs for aging facilities and equipment of $61.
- Professional service contracts increased by $43, or 31.4%, mainly due to increased Subway Action Plan project spending, increased professional contract costs and increased real estate charge back expenses.
- Pollution remediation project expenses increased to $33 versus $1 in 2022, due to the identification of additional areas of exposure requiring environmental remediation.
- Materials and supplies increased by $53 or 18.3%, primarily due to increasing inflation costs and resuming normal maintenance activities post-COVID.
- Depreciation and amortization expenses increased by $17, or 0.8%, due to depreciation and amortization of additional capital projects reaching substantial completion which includes right-of-way equipment, communication-based train control, and mainline track rehabilitation.

<u>2022 versus 2021</u>

Total operating expenses increased by $1,294 or 12.3% compared to 2021 as follows:

- Salaries and wages were higher than 2021 by $185 or 4.6%. Payroll increased by $89, or 2.6%, mainly due to gross wages increase, higher vacancies and employee unavailability tour backfill on overtime in addition to increased number of weather-related events in 2022 causing higher overtimes.
- Health and welfare expenses increased by $10, or 1.0%, primarily due to an increase in per capita claims activity.
- Pension expenses increased by $466, or 647%, primarily due to losses incurred in pension net investments.
- Other fringe benefit expenses increased by $145, or 33.3%, primarily due to higher workers compensation claims frequency and average claim cost.

- Postemployment benefits other than pensions increased by $181, or 14.5%, due to increases in per capita claims activity as well as increased retiree and dependent populations.
- Electric power expenses increased by $68, or 24.7%, mainly due to higher rates.
- Fuel expenses increased by $69, or 70.4%, mainly due to higher fuel prices.
- Public liability claims expenses increased by $8, or 3.5%, based on the most current actuarial valuation update, which reflected the increase in the number of major claims and the cost of claims.
- Paratransit service contract expenses increased by $66 or 19.1%, due to increased ridership and higher support cost.
- Maintenance and other operating contracts increased by $12, or 4.1%, mainly due to increased facility maintenance, security services and timing of real estate rental.
- Professional service contracts decreased by $12, or 8.1%, mainly due to timing of professional contract payments and bond services charges. In addition, this includes a restatement of $2 as a result of implementation of GASB Statement No. 96, *SBITA*. Refer to footnote 2 for additional information.
- Pollution remediation project expenses decreased to $1 versus $35 in 2021, due to accrual adjustments.
- Materials and supplies increased by $43 or 17.4%, primarily due to reduced maintenance activity and lower equipment purchases versus 2021.
- Depreciation and amortization expenses increased by $61, or 2.9%, due to additional capital projects reaching substantial completion and depreciation and amortization including right-of-way equipment, communication-based train control, station accessibility (ADA) improvement assets, mainline track rehabilitation and elevator replacement. In addition, this includes a restatement of $1 as a result of implementation of GASB Statement No. 96, *SBITA*. Refer to footnote 2 for additional information.

Nonoperating Revenues and Expenses

The Authority receives a variety of tax-supported and operating assistance subsidies from New York State and The City of New York. These subsidies represent a state mobility tax and corporate franchise, sales, energy, mortgage recording and real estate taxes and are impacted by the strength of the State and City economies and prevailing interest rates.

Tax supported and operating assistance subsidies from New York State and The City have decreased $34, or 0.7% in 2023 and increased $662, or 15.1% in 2022. The reduction in 2023 was primarily due to decrease in urban tax of $293, and decrease in mobility tax of $125, which was partially offset by increase in Mass transportation operating assistance fund of $163 and Petroleum business tax $222. An increase of $662 in 2022 primarily due to the lower levels of tax supported subsidies in previous years as a result of the COVID pandemic.

The Triborough Bridge & Tunnel Authority (“TBTA”), another affiliate of the MTA, distributes to the Authority each year, funds that vary based upon its operating surplus. The surplus distributed increased by $58 or 10.6% in 2023 over 2022, and increased by $83 or 17.9% in 2022 over 2021, from TBTA’s toll revenue as a result of the increase in toll rates and toll crossings. Pursuant to Public Authorities Law §553-j, created by the MTA Reform and Traffic Mobility Act enacted as part of the New York State budget for Fiscal Year 2019-2020, TBTA is required to establish the Central Business District Tolling (“CBDT”) capital lockbox fund consisting of all monies received by TBTA under the Central Business District Tolling Program (“CBDTP”), as well as real estate transfer tax (“Mansion Tax”) and portions of New York City and State sales tax revenue (“Internet Tax”). Monies in the fund are to be applied, subject to agreements with bondholders and applicable federal law, to the payment of operating, administration, and other necessary expenses of TBTA, or to New York City subject to the memorandum of understanding between the City and MTA Bridges and Tunnels properly allocable to the CBDTP, including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the CBDT collection system and the CBDT tolling infrastructure, the CBDT customer service center, and the costs of any MTA's capital projects included within the 2020-2024 MTA capital program or any successor programs. In April 2020, the New York State Legislature passed legislation that was signed by the Governor permitting MTA to use the funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19.

Capital contributions from the MTA of $3,414 in 2023 and $2,389 in 2022, represent capital program funding from several sources including bonds, Federal, State and City funding. Capital contributions increased by $1,025, or 42.9%, compared to 2022 due to a timing of capital funding for various capital projects. More detailed information about the Authority's contributed capital is presented in Note 2.

In 2022, nonoperating revenues included the MTA operating assistance allocation of $4,850 from the Federal government under the COVID-19 economic relief program known as the ARPA. This is not recurring in 2023.

Detailed information about ARPA is presented in Note 16 to the consolidated financial statements.

Changes in Net Position

The change in net position represents the net total of capital contributions, operating losses and nonoperating income. The net position increased by $575 in 2023. The 2022 net position increased by $4,467 net of $1 offset as a result of restatement due to the adoption of GASB Statement No. 96, *SBITA*.

Budget Highlights

Total non-reimbursable operating revenues in 2023 of $4,006 were higher than budget by $158, or 4%, primarily due to favorable Paratransit reimbursement and Farebox revenue. Paratransit revenues were higher than the budget by $1, or 5% due to higher trip volume. Farebox revenues were higher than budget by $60, or 2% mainly due to higher yield per passenger, partially offset by lower ridership.

The non-reimbursable operating expenses in 2023 of $12,367 were lower than budget by $424, or 3%, which was primarily due to favorable OPEB expense of $530 attributed to GASB 75 adjustments vs projected amount partially offset by unfavorable of environmental remediation of $33, unfavorable depreciation expense of $36, and unfavorable paratransit service contracts of $42. Labor-related expenses of $7,879 overran the budget (including favorable GASB 75 and unfavorable GASB 68 adjustments, respectively) by $445, or 5%. Health & welfare and OPEB expenses were lower than budget by $80, or 4%. Favorable actuarial valuations of GASB 75 in addition to favorable rates, higher prescription drug contract rebates, and vacancy savings resulted in significant underruns. Pension expenses before GASB 68 were also favorable to budget by $76, or 8% due to higher actuarial valuation.

Jobs vacancies also caused payroll underruns of $38, or 1% offset by the essential worker payments. Reimbursable overhead underran the budget by $39, or 16% reflecting higher (favorable) reimbursable project requirements. Partial offset occurred as overtime expenses were higher than budget by $231, or 47%, reflecting higher than projected absenteeism and vacancy coverage needs, additional maintenance requirements, scheduled and unscheduled service, as well as weather related emergencies.

Non-labor expenses were favorable to the budget by $57, or 2%. Electric power underran budget by $101, or 25%, due to lower consumption and rates, fuel underran budget by $18, or 12%, was also due to lower consumption and rates. Insurance was down $12, or 15%, due to less than projected vehicle and liability premium, materials and supplies were under by $7, or 2%, primarily due to timing, and professional service contract expenses were favorable by $2, or 1% primarily due to the timing of professional contract payments and lower than projected real estate charge backs. This was offset by overruns in paratransit service contract, other business expenses, claims, and maintenance and other operating contract expenses. Paratransit service contracts were higher by $42, or 9%, mainly due to higher than projected trip and support costs, partially offset by lower trip volume. Other business expenses were higher than budget by $21, or 17% resulting from higher card processing transaction fees. Claims expense for public liability overran the budget by $18, or 8%, reflecting higher reserve requirements based on increased claims activity. Maintenance and other operating contract expenses overran the budget by $2 or 1%, due to due to higher than projected maintenance costs to maintain aging fleet and facilities, partially offset by savings in track and the timing of safety and security investments.

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations and Overall Financial Position

Total revenue from fares was $3,349 in 2023, an increase of $398 or 13.5% from 2022. Total ridership was 1,504 million, an increase of 138 or 10.1% from 2022. Total operating expenses, including depreciation and amortization, other postemployment benefits and environmental remediation expenses, were $12,341 in 2023, an increase of $550 or 4.7%.

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

Economic Conditions

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region’s economic well-being. New York City Transit (NYCT) consist of urban subway and bus systems, including paratransit services.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. For the fourth quarter of 2023 compared with the fourth quarter of 2022, MTA New York City Transit subway ridership increased by 21.8 million trips (7.8%), and MTA New York City Transit bus paid ridership decreased by 7 million trips (-8%).

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product (“RGDP”), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9%. The increase in consumer spending reflected increase in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributor to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3%, from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") raised its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2, 2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. Mortgage Recording Tax collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

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

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

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

The combined funding sources for the 2005-2009 Capital Program are comprised of $7.8 billion in federal funds, $1.5 billion from the New York State voter approved State-Wide Transportation Bond Act, $11.2 billion in bonds, and $3.9 billion from other sources.

At December 31, 2023, $11.5 billion has been encumbered to Authority projects from the 2005-2009 approved plan, of which approximately $11.4 billion has been expended.

2010-2014 Capital Program—The 2010-2014 Capital Program was approved by the MTA Board in September 2009. The program totaling approximately $25.6 billion was subsequently submitted to the NYS Capital Program Review Board ("CPRB") for their review and approval. The submitted Program was vetoed without prejudice by the Review Board in December 2009. Subsequently, the resubmitted 2010-2014 Program, totaling $26.3 billion was approved by the MTA Board in April 2010. In June 2010, the CPRB approved the 2010-2014 Capital Program totaling $23.8 billion, as submitted, of which the Authority's share was $12.8 billion. The approved CPRB program fully funded only the first two years of the plan, with a commitment to come back to CPRB with a funding proposal for the last three years. On December 21, 2011, the MTA Board approved an amendment to the 2010-2014 Program that funds the last three years of the program through a combination of self-help (efficiency improvements and real estate initiatives), participation by our funding providers and innovative and pragmatic financing arrangements. The Authority's share of the $24.3 billion revised program was $11.6 billion. On March 27, 2012, the CPRB approved the amended 2010-2014 Capital Program as submitted for the Transit and Commuter systems totaling $22.2 billion. On

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

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

In December 31, 2023, $11.3 billion has been encumbered to Authority projects from the 2010-2014 approved plan, of which approximately $10.8 billion has been expended.

2015-2019 Capital Program—The 2015-2019 Capital Program totaling $32.0 billion was approved by the MTA Board in September 2014. The program totaling approximately $29.0 billion was subsequently submitted to the CPRB for their review and was vetoed without prejudice by the Review Board in October 2014. On October 28, 2015, the MTA Board approved a revised 2015-2019 capital program totaling $26.1 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion was approved by the MTA Board in October 2015 and was not subject to CPRB approval. On April 20, 2016, the MTA Board approved a further revised 2015-2019 capital program totaling $29.5 billion, of which $26.6 billion was subsequently approved by the CPRB on May 23, 2016 (The MTA Bridges and Tunnels 2015-2019 Capital Program totaling $2.9 billion is not subject to CPRB approval.). The Authority's share of the approved 2015-2019 capital program was $15.8 billion. On February 23, 2017, the MTA Board approved an amendment to add three station investment projects to the NYCT and LIRR portions of the Capital Program resulting in a net increase of $0.1 billion transferred from prior capital programs. On May 24, 2017, the MTA Board approved further amendment, adding $2.9 billion to the 2015-2019 Capital Program reflecting increasing support for new priority projects, new funding for Second Avenue Subway Phase 2, and administrative scope transfers. The amended Capital Program, as submitted, was deemed approved by the CPRB on July 31, 2017. On December 13, 2017, the MTA Board approved an amendment to the Capital Program, adding $0.349 billion to incorporate the

NYC Subway Action Plan. The Authority's share of the amended 2015-2019 capital program totaling $32.8 billion is $16.7 billion. On April 25, 2018, the MTA Board approved a full amendment to increase the 2015-2019 Capital Programs to $33.3 billion reflecting updated project cost estimates, emerging new needs across the agencies, and reallocation of funds within the East Side Access and Regional Investment programs, among others. On June 1, 2018, the CPRB deemed approved the revised 2015-2019 Capital Programs for the Transit and Commuter systems totaling $30.3 billion as submitted. The Authority's share of the amended capital program was $16.7 billion. The revised 2015-2019 MTA Bridges and Tunnels Capital Program totaling $2.9 billion as approved by the MTA Board in April 2018, was not subject to CPRB approval.

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

The combined funding sources for the last MTA Board approved 2015-2019 Capital Program are comprised of $9.1 billion in MTA Bonds, $2.9 billion in MTA Bridges and Tunnels dedicated funds, $9.1 billion in funding from the State of New York, $6.8 billion in Federal Funds, $2.7 billion from City Capital Funds, $2.1 billion in pay-as-you-go (PAYGO) capital, and $1.2 billion from Other Sources.

As of December 31, 2023, $16.2 billion has been encumbered to Authority projects from the 2015-2019 approved plan, of which approximately $12.1 billion has been expended.

2020-2024 Capital Program—The 2020-2024 Capital program totaling $54.8 was approved by the MTA Board on September 25, 2019. The capital programs for the transit and commuter systems totaling $51.5 billion was subsequently submitted to the CPRB on October 1, 2019 and approved on January 1, 2020. The Authority's share of the capital program was $35.4 billion. On December 15, 2021, a Letter Amendment was submitted to the Board that increased the total funding for the 2020-2024 Capital Program to $55.4 billion. The amendment addressed budget adjustments and additional funding to support Penn Station Access and other program projects. The amended Capital Program was deemed approved by the CPRB on December 23, 2021. The Authority's share of the amended capital program was $35.1 billion. On July 27, 2022 the MTA Board approved an amendment to increase the 2020-2024 Capital Program by $108 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. The Authority's share of the amended capital program was $34.6 billion. On June 27, 2023, the MTA Board approved an amendment primarily to reflect $678 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. The Authority's share of the 2023 amended capital program was $34.0 billion.

The combined funding sources for the MTA Board approved 2020-2024 MTA Capital Programs include $15 billion in Central Business District tolling sources, $10 billion in new revenue sources, $7.4 billion in MTA bonds, $13.1 billion in Federal funds, $3.1 billion in State of New York funding, $3 billion in City of New York funding, $3.3 billion in MTA Bridges and Tunnels dedicated funds, and $0.5 billion in from Other contributions.

As of December 31, 2023, $15.6 billion has been encumbered to Authority projects from the 2020-2024 approved plan, of which approximately $4.1 billion has been expended.

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

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2023 MTA November Financial Plan

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

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100 million for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1.15 billion through the Plan period.

New York City Transit ("NYCT") is working toward improving employee availability across all divisions, with efforts targeting critical job titles in the Division of Subways and Division of Buses to reduce positions and overtime related to backfilling shifts ($341M). In addition, overtime assignments will be strategically managed, ensuring compliance with timekeeping rules and reducing overtime hours in targeted functions ($68M).

The Division of Subways at NYCT, working with their Operations, Maintenance and Procurement stakeholders, is addressing critical station and infrastructure cleaning previously handled via more costly third-party contracts ($204M); has adjusted the car equipment maintenance approach ($203M); is obtaining efficiencies in rail material acquisition ($61M); is implementing energy efficient initiatives throughout stations, yards and on subway cars ($60M); is reorganizing terminal station car cleaning assignments ($25M); and is lengthening crew tours for more efficient train operations staffing ($8M).

The Division of Buses at NYCT has identified changes to bus maintenance schedules utilizing predictive maintenance tools ($35M); and improved analysis of vehicle condition and performance to allow for better maintenance planning ($25M). Aligned with these operational efficiencies are the bus lane violation revenues and unscheduled bus operation overtime savings related to the Automated Bus Lane Enforcement ("ABLE") measures through camera installation on additional buses and expanded enforcement, as permitted through the State 2023-24 Enacted Budget ($80M). Paratransit trip-booking improvements utilizing self-service functionality will create savings and provide a better Paratransit customer experience ($16M).

CONTACTING MTA CONTROLLER'S OFFICE

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

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

CONSOLIDATED STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
	2023	**2022**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		(Restated)
CURRENT ASSETS:		
Cash (Note 3)	$ 23,179	$ 25,493
Receivables:		
Billed and unbilled charges due from New York City	22,129	48,758
Accrued subsidies	29,925	47,866
Due from MTA and constituent Authorities (Note 11)	3,680,498	4,651,134
Other (Note 6)	131,016	114,177
Less allowance for doubtful accounts	(4,086)	(4,843)
Net receivables	3,859,482	4,857,092
Materials and supplies—at average cost—net	350,177	319,350
Prepaid expenses and other current assets	223,126	57,671
Total current assets	4,455,964	5,259,606
NONCURRENT ASSETS:		
Due from MTA for the purchase of capital assets (Note 11)	1,105,794	1,026,738
Capital assets (Note 5):		
Construction work-in-progress	8,310,361	5,813,958
Other capital assets, net of accumulated depreciation and amortization	42,549,951	42,413,577
Lease receivables (Note 6)	39,363	47,900
Restricted deposits and other escrow funds	846	1,031
Total noncurrent assets	52,006,315	49,303,204
Total assets	56,462,279	54,562,810
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 8)	1,892,379	1,772,956
Related to OPEB (Note 9)	2,588,958	3,067,290
Total deferred outflows of resources	4,481,337	4,840,246
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 60,943,616	$ 59,403,056

See notes to consolidated financial statements. (Continued)

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

CONSOLIDATED STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2023**	**2022** (Restated)
CURRENT LIABILITIES:		
Accounts payable	$ 189,005	$ 159,349
Accrued expenses:		
Salaries, wages, and payroll taxes	241,287	260,843
Vacation, sick pay, and other benefits	830,027	798,221
Retirement and death benefits	27,856	29,598
Estimated liability arising from injuries to persons (Note 13)	496,973	391,719
Pollution remediation projects (Note 14)	22,357	19,759
Other	646,140	178,074
Total accrued expenses	2,264,640	1,678,214
Unredeemed farecards	195,987	204,000
Revenue advances	32,979	24,309
Lease Payable (Note 6)	8,659	11,726
Subscription-based IT arrangements payable (Note 7)	277	294
Loans Payable (Note 10)	6,001	6,366
Total current liabilities	2,697,548	2,084,258
NONCURRENT LIABILITIES:		
Net pension liability (Note 8)	5,010,967	4,561,254
Net OPEB liability (Note 9)	15,629,504	17,675,397
Estimated liability arising from injuries to persons (Note 13)	3,690,376	3,522,585
Lease Payable (Note 6)	445,690	377,493
Subscription-Based IT Arrangements (Note 7)	426	703
Loans Payable (Note 10)	41,421	46,757
Pollution remediation projects (Note 14)	89,429	79,036
Restricted deposits and other escrow funds	846	1,031
Total noncurrent liabilities	24,908,659	26,264,256
Total liabilities	27,606,207	28,348,514
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 8)	310,005	631,311
Related to OPEB (Note 9)	3,292,980	1,254,712
Related to leases (Note 6)	43,139	53,222
Total deferred inflows of resources	3,646,124	1,939,245
NET POSITION:		
Net investment in capital assets	49,951,536	47,784,196
Unrestricted	(20,260,251)	(18,668,899)
Total net position	29,691,285	29,115,297
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 60,943,616	$ 59,403,056

See notes to consolidated financial statements. (Concluded)

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NEW YORK CITY TRANSIT AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
	2023	**2022** (Restated)
OPERATING REVENUES:		
Rapid transit	$ 2,645,967	$ 2,280,202
Surface transit	623,984	609,178
Expired fare media	56,838	43,753
Paratransit fares	22,175	18,244
School, elderly, and paratransit reimbursement	464,200	334,292
Advertising and other	193,365	183,124
Total operating revenues	4,006,529	3,468,793
OPERATING EXPENSES:		
Salaries and wages	4,484,424	4,226,936
Health and welfare	1,095,747	978,008
Pensions	880,765	538,201
Other fringe benefits	615,655	580,941
Reimbursed overhead expenses	(283,713)	(219,974)
Postemployment benefits other than pensions	1,086,509	1,425,889
Electric power	302,015	342,879
Fuel	131,496	166,691
Insurance	71,990	73,296
Public liability claims	243,770	237,501
Paratransit service contracts	517,151	411,972
Maintenance and other operating expenses	298,286	306,142
Professional service contracts	180,152	137,512
Environmental remediation	33,051	483
Materials and supplies	343,150	290,525
Depreciation and amortization	2,197,023	2,180,338
Other expenses	143,720	114,206
Total operating expenses	12,341,191	11,791,546
OPERATING LOSS	(8,334,662)	(8,322,753)

(Continued)

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

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
	2023	**2022** (Restated)
NONOPERATING REVENUES (EXPENSES):		
Tax-supported subsidies:		
New York State (Note 2)	$ 4,028,437	$ 3,769,416
New York City	363,856	656,690
Operating assistance subsidies:		
New York State	158,672	158,672
New York City	158,672	158,672
Triborough Bridge and Tunnel Authority	604,535	546,905
Less amounts provided to Staten Island Rapid Transit Operating authority	(8,834)	(8,409)
Other subsidies:		
Assistance fund (Note 2)	300,000	300,000
Total subsidies revenues	5,605,338	5,581,946
Federal Transit Administration ARPA reimbursement (Note 16)	-	4,850,084
Other nonoperating revenues	28,986	16,878
Other nonoperating expenses	(137,280)	(48,754)
Loss on disposal of subway cars	(301)	(620)
Total nonoperating income	5,496,743	10,399,534
(LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS	(2,837,919)	2,076,781
CAPITAL CONTRIBUTIONS (Note 2)	3,413,907	2,389,418
CHANGE IN NET POSITION	575,988	4,466,199
NET POSITION:		
Beginning of year	29,115,297	24,649,098
End of year	$ 29,691,285	$ 29,115,297

See notes to consolidated financial statements. (Concluded)

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NEW YORK CITY TRANSIT AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
	2023	**2022** (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from passengers, tenants, advertisers, and others	$ 4,013,772	$ 3,451,234
Cash payments for payroll and related employee costs	(7,143,900)	(6,921,941)
Cash payments to suppliers for goods and services	(2,304,807)	(1,958,680)
Net cash used in operating activities	(5,434,935)	(5,429,387)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Subsidies received	5,942,973	6,149,557
Net cash provided by noncapital financing activities	5,942,973	6,149,557
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal payments	(5,821)	(8,080)
Interest paid	(101,095)	(16,465)
Receipts from leases	7,685	9,057
Payments of leases	(40,079)	(42,114)
Payments of subscription-based IT arrangements	(315)	(1,307)
Payments on MTA Transportation bonds issued to fund capital assets	(989,170)	(1,345,661)
Subsidies designated for debt service payments	195,918	353,187
Capital project costs incurred for capital program	(1,051,646)	(906,956)
Cash transferred to capital program fund	(85,581)	(72,116)
Reimbursement of capital project costs from MTA	945,537	912,798
Net cash used in capital and related financing activities	(1,124,567)	(1,117,657)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in MTA investment pool	596,208	389,806
Interest on investments	18,007	5,555
Net cash provided by investing activities	614,215	395,361
NET DECREASE IN CASH	(2,314)	(2,126)
CASH—Beginning of year	25,493	27,619
CASH—End of year	$ 23,179	$ 25,493

(Continued)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	Business-Type Activities	
	2023	**2022** (Restated)
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (8,334,662)	$ (8,322,753)
Adjustments to reconcile operating loss to net cash used in operating activities—depreciation and amortization	2,197,023	2,180,338
On-behalf payments related to rent (Note 6)	7,553	7,469
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Decrease (increase) in operating receivables	23,357	(644)
Increase in prepaid expenses and other current assets	(165,455)	(18,953)
(Increase) decrease in materials and supplies	(30,827)	170
Increase in deferred outflows of resources related to pensions	(119,423)	(605,559)
Decrease (increase) in deferred outflows of resources related to OPEB	478,332	(588,741)
Decrease in farecard liability	(8,013)	(7,697)
Decrease in accrued salaries, wages and payroll taxes	(19,556)	(80,817)
Increase in accounts payable and other accrued liabilities	79,795	8,353
Increase (decrease) in accrued vacation, sick pay and other benefits	31,806	(15,269)
Decrease in accrued retirement and death benefits	(1,742)	(6,210)
Increase in net pension liability	449,713	2,256,354
(Decrease) increase in net OPEB liability	(2,045,893)	1,185,605
Decrease in deferred inflows of resources related to pensions	(321,306)	(1,999,073)
Increase in deferred inflows of resources related to OPEB	2,038,268	282,784
Increase in estimated liability arising from injuries to persons	273,044	294,773
Increase in liability for environmental pollution remediation	33,051	483
NET CASH USED IN OPERATING ACTIVITIES	$ (5,434,935)	$ (5,429,387)
SUPPLEMENTAL SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ 3,114,249	$ 2,283,084
Capital asset related liabilities	455,052	390,217
Interest expense for leases	26,919	27,695
Interest expense for subscription-based IT arrangements	20	24
Interest income from leases	1,254	1,485
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 3,597,494	$ 2,702,505

See notes to consolidated financial statements. (Concluded)

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

STATEMENTS OF FIDUCIARY NET POSITION PENSION FUND
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	Fiduciary Activities*	
	2023	**2022**
ASSETS:		
Cash	$ 3,583	$ 3,695
Receivables:		
Employee loans	28,016	26,521
Investment receivables	2,928	1,635
Interest and dividends	2,996	1,787
Total receivables	33,940	29,943
Investments at fair value	3,795,966	3,289,326
TOTAL ASSETS	$ 3,833,489	$ 3,322,964
LIABILITIES:		
Accounts payable and accrued liabilities	$ 317	$ 474
Payable for investment securities purchased	9,290	3,592
Accrued benefits payable	21	75
Accrued postretirement death benefits (PRDB) payable	5,720	5,719
Accrued 55/25 Additional Members Contribution (AMC) payable	1,505	2,527
Other liabilities	466	466
Total liabilities	17,319	12,853
NET POSITION—Restricted for pensions	3,816,170	3,310,111
TOTAL LIABILITIES AND NET POSITION	$ 3,833,489	$ 3,322,964

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

See notes to consolidated financial statements.

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NEW YORK CITY TRANSIT AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	Fiduciary Activities*	
	2023	**2022**
ADDITIONS:		
Contributions:		
Employer contributions	$ 328,430	$ 158,618
Member contributions	25,366	25,548
Total contributions	353,796	184,166
Investments income:		
Net (depreciation) appreciation in fair value of investments	376,156	(307,355)
Dividend income	40,027	45,924
Interest income	20,357	10,719
Less—investment expenses	17,087	22,915
Investment income (loss)—net	419,453	(273,627)
Total additions	773,249	(89,461)
DEDUCTIONS:		
Benefit payments and withdrawals	266,622	257,973
Distribution to participants	-	-
Administrative expenses	567	806
Total deductions	267,189	258,779
Net increase (decrease) in fiduciary net position	506,060	(348,240)
NET POSITION—Restricted for pensions:		
Beginning of year	3,310,111	3,658,351
End of year	$ 3,816,171	$ 3,310,111

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

See notes to consolidated financial statements.

1. BASIS OF PRESENTATION

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

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

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

The Authority has material transactions with affiliated agencies included in the MTA financial reporting group. Such agencies include the MTA, Triborough Bridge and Tunnel Authority ("TBTA"), Metro North Commuter Railroad ("MNCR"), Long Island Rail Road ("LIRR"), MTA Bus Company ("MTA Bus"), Staten Island Rapid Transit Operating Authority ("SIRTOA"), and First Mutual Transportation Assurance Company ("FMTAC"). See Note 11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

New Accounting Standards Adopted

The Authority adopted the following GASB Statement for the year ended December 31, 2023, with retroactive effect of this adoption as of January 1, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, and all reporting periods thereafter. Earlier application is encouraged.

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The Authority evaluated all the requirements under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of subscription assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and increased by $1 million.

The following schedule summarizes the net effect of adopting GASB Statement No. 96, *SBITA,* in the Consolidated Statement of Net Position as of December 31, 2022 (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restated
NONCURRENT ASSETS:			
Other capital assets, net of accumulated * depreciation and amortization	$ 42,411,992	$ 1,585	$ 42,413,577
Total noncurrent assets	49,301,619	1,585	49,303,204
Total assets	54,561,225	1,585	54,562,810
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	59,401,471	1,585	59,403,056
CURRENT LIABILITIES:			
Subscription-based IT arrangements payable	-	294	294
Total Current liabilities	2,083,964	294	2,084,258
NONCURRENT LIABILITIES:			
Subscription-based IT arrangements payable	-	703	703
Total noncurrent liabilities	26,263,553	703	26,264,256
Total liabilities	28,347,517	997	28,348,514
NET POSITION:			
Net investment in capital assets	47,783,608	588	47,784,196
Total net position	29,114,709	588	29,115,297
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	59,401,471	1,585	59,403,056

* Right of Use Assets and Accumulated Amortization are included in Other Capital Assets, net of accumulated depreciation and amortization on the Statement of Net Position.

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In addition, revenues, expenses and changes in net position for the year ended December 31, 2022 were required to be restated by GASB Statement No. 96, *SBITA,* as follows (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
OPERATING EXPENSES:			
Professional service contracts	$ 138,819	$ (1,307)	$ 137,512
Depreciation and amortization *	2,179,643	695	2,180,338
Total operating expenses	11,792,158	(612)	11,791,546
OPERATING LOSS	(8,323,365)	612	(8,322,753)
NONOPERATING REVENUES (EXPENSES):			
Other nonoperating expenses	(48,730)	(24)	(48,754)
Total nonoperating income	10,399,558	(24)	10,399,534
INCOME BEFORE CAPITAL CONTRIBUTIONS	2,076,193	588	2,076,781
CHANGE IN NET POSITION	4,465,611	588	4,466,199
NET POSITION—End of period	29,114,709	588	29,115,297

* Amortization of Right of Use Assets are included in depreciation and amortization on the Statement of Net Position and Statement of Revenues, Expenses and Change in Net Position.

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96, *SBITA* in the Consolidated Statement of Cash Flows (in thousands) for certain subscription-based information technology arrangements previously classified as professional service contracts for the year ended December 31, 2022:

Year-ended December 31,	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash payments to supplies for goods and services	(1,959,987)	1,307	(1,958,680)
Net cash used in opeating activities	(5,430,694)	1,307	(5,429,387)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments of subscription-based IT arrangements	-	(1,307)	(1,307)
Net cash used in capital and related financing activities	(1,116,350)	(1,307)	(1,117,657)
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating loss	(8,323,365)	612	(8,322,753)
Depreciation and amortization *	2,179,643	695	2,180,338
Net cash used in operating activities	(5,430,694)	1,307	(5,429,387)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:			
Noncash capital and related financing activities:			
Capital assets related liabilities	389,219	998	390,217
Interest expense for subscription-based IT arrangements	-	24	24

* Amortization of Right of Use Assets are included in depreciation and amortization on the Consolidated Statements of Cash.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement ("SCA"), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, the Authority concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the Authority.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the Authority.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the Authority upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Authority Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

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

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

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

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

The principal funding sources for the Authority are as follows:

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

Triborough Bridge and Tunnel Authority—The New York State Public Authorities law requires the TBTA to transfer its annual operating surplus, as defined, to MTA with allocation to the Authority. The initial $24 million of the operating surplus is provided to the Authority and the balance is divided equally between the Authority and the MTA. However, the amounts transferred to the Authority and the MTA are net of a provision for debt service on TBTA bonds issued to finance the acquisition of facilities under their respective portions of the Capital Program. For the years ended December 31, 2023 and 2022, $197.4 million and $215.1 million, respectively, were paid from the operating surplus of the TBTA to satisfy the Authority's portion of debt service requirements.

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

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

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

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

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

No funds from the Additional Mortgage Recording Tax were disbursed to the Authority in 2023 and 2022.

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

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

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

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

The composition of New York State tax-supported subsidies for 2023 and 2022 is as follows (in thousands):

	2023	2022
Petroleum business tax	$ 325,371	$ 103,847
Metro mass tax	1,947,767	1,784,790
Payroll Mobility tax	1,755,299	1,880,779
	$4,028,437	$3,769,416

Paratransit—Pursuant to an agreement between The City and the MTA, the Authority, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with

Disability Act of 1990. Services are provided by private vendors under contract with the Authority. The City reimburses the Authority for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above, or an amount that is 20% greater than the amount paid by The City for the preceding calendar year. Fare revenues and The City reimbursement aggregated approximately $402.4 million in 2023 and $268.5 million in 2022. Total paratransit expenses, including paratransit service contracts, were $601.5 million and $486.9 million in 2023 and 2022, respectively.

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

Reimbursement of Expenditures—Engineering and labor costs incurred by the Authority for capital projects are reimbursed under the capital program by the MTA to the extent that they relate to approved expenditures applicable to capital projects primarily initiated after April 1, 1982. They were reimbursed by The City to the extent they related to amounts approved for prior projects. In 2023 and 2022, reimbursements were netted against gross operating expenses on the consolidated statements of Revenues, Expenses, and Changes in Net Position.

Fare and Service Reimbursement from the State and City—In 1995, The City ceased reimbursing the Authority for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and The City each began paying $45 million per annum to the Authority toward the cost of the program. In 2009, the State reduced its $45 million reimbursement to $6.3 million. Beginning in 2010, the State increased its annual commitment to $25.3 million while The City's annual commitment remained at $45 million. These commitments have been met by both the State and The City for both 2022 and 2023. For the year ended December 31, 2023, the Authority received $70.3 million from the State and the City combined, which includes a 2024 advance from the City of $30 million and recorded as unearned revenue.

Prior to April 1995, The City was obligated to reimburse the Authority for the transit police force. As a result of the April 1995 merger of the transit police force into the New York City Police Department, The City no longer reimburses the Authority for the costs of policing the Transit System on an ongoing basis since policing of the Transit System is being carried out by the New York City Police Department at The City's expense. The Authority continues to be responsible for certain capital costs and support services related to such police activities, a portion of which is reimbursed by The City. The Authority received approximately $3.4 million and $4.5 million in 2023 and 2022, respectively for the reimbursement of transit police costs.

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

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

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

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

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

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

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

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

American Rescue Plan Act ("ARPA") Reimbursement—In 2022, nonoperating revenues included operating assistance of $4.850 billion from the Federal government to combat the COVID-19 pandemic. This is not recurring in 2023.

Detailed information about the ARPA is presented in Note 16.

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

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

Prepaid Expenses and Other Current Assets—The Authority made the following prepayments in 2023: $32.8 million to the New York Health Insurance Plan (NYSHIP), $31.9 million in risk management related insurance coverage, and $158.4 million for the 2024 projected actuarially determined contributions of MaBSTOA pension plan. The Authority made the following prepayments in 2022: $29.7 million to the New York Health Insurance Plan (NYSHIP) and $28.0 million in risk management related insurance coverage.

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

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

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

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

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Contributed Capital—Capital assets contributed by the MTA and restricted funds due from the MTA for the purchase of capital assets are recorded as capital contributions on the consolidated statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributions for the years ended December 31, 2023 and 2022, consist of the following (in thousands):

	2023	2022
Capital assets contributed by MTA from:		
Federal grants	$ 1,543,079	$ 1,106,449
Other than federal grants	2,636,048	2,076,501
Petroleum business taxes received for principal and interest payments on debt	195,918	353,187
Principal and interest payments on MTA Transportation bonds issued to fund capital assets	(781,506)	(977,726)
Decrease in funds due from MTA for purchase of capital assets	(179,632)	(168,993)
Total capital contributions	$ 3,413,907	$ 2,389,418

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

Materials and Supplies—Materials and supplies are recorded at weighted average cost, net of a reserve for obsolescence at December 31, 2023 and 2022 of $94.8 million and $89.0 million, respectively.

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

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

Trusts") with the Authority required to make monthly contributions to the Trusts on behalf of the participants on a 'pay as you go' basis. The majority of the benefits provided under the plan are self-insured with administrative services provided by various health insurance companies.

The Authority has recorded a liability for claims incurred but not reported ("IBNR"). The liability represents those estimated future payments that are attributable, under the plan's provisions, to services rendered to participants prior to year-end. The estimated liability of claims includes benefits expected to be paid to retired or terminated employees or their beneficiaries and present employees or their beneficiaries, as applicable. The estimated liability for claims incurred but not reported or paid is $181.3 million and $170.4 million as of December 31, 2023 and 2022, respectively.

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

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

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

Pollution Remediation Projects—Pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 14). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the Authority is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the Authority is named by a regulator as a responsible or potentially responsible party to participate in remediation; the Authority voluntarily commences or legally obligates itself to commence remediation efforts; or the Authority is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

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

3. CASH

The bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. Cash, including funds on hand and in transit, consists of the following at December 31, 2023 and 2022 (in thousands):

	2023		2022	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Insured and collateralized deposits	$ 10,935	$ 9,888	$ 10,234	$ 9,654
Less escrow and other restricted deposits	(1,044)	(1,044)	(1,219)	(1,219)
Commercially insured funds on-hand and in-transit	13,288	-	16,478	-
	$ 23,179	$ 8,844	$ 25,493	$ 8,435

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

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

4. MTA INVESTMENT POOL

The MTA, on behalf of the Authority, invests funds which are not immediately required for the Authority's operations, in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by the MTA's agent, in custody accounts, in the name of the MTA. The Authority records its position in the Pool based upon a net asset value derived on assets invested in the Pool plus all realized income and losses earned. The Authority's earnings from short-term investments approximated $18.4 million and $6.6 million for the years ended December 31, 2023 and 2022, respectively. The Authority also incurred interest expense of $104.1 million and $18.5 million for the years ended December 31, 2023 and 2022, respectively, which was due to negative investment pool balance of $1,248.5 million and $615.0 million, as funds were used for working capital purposes to offset the shortfall in Tax subsidy revenue. With right of offset, the deficit amounts have been reclassified in the Due from MTA and constituent authorities category in the consolidated balance sheets.

5. CAPITAL ASSETS

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

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 or 35 years for subway cars, 12 years for buses, and lives generally ranging from 10 years to 60 years for the other capital assets. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-to-use assets consist of the following at January 1, 2022, December 31, 2022 and December 31, 2023 (in thousands):

The following is a summary of capital and right-of-use assets activity at January 1, 2022, December 31, 2022 and December 31, 2023:

(In thousands)	January 1, 2022 (Restated) *	Additions/ Reclassifications (Restated) *	Deletions/ Reclassifications (Restated) *	December 31, 2022 (Restated) *	Additions/ Reclassifications	Deletions/ Reclassifications	December 31, 2023
Capital assets not being depreciated—construction work-in-progress	$ 5,048,936	$ 3,405,209	$ (2,640,187)	$ 5,813,958	$ 4,653,286	$ (2,156,883)	$ 8,310,361
Total capital assets not being depreciated	5,048,936	3,405,209	(2,640,187)	5,813,958	4,653,286	(2,156,883)	8,310,361
Capital assets being depreciated:							
Subway cars	9,525,006	122	(22,928)	9,502,200	255,096	(24,827)	9,732,469
Buses	3,148,310	375,537	(203,899)	3,319,948	71,416	(116,003)	3,275,361
Track and structures	15,523,370	394,619	-	15,917,989	456,654	-	16,374,643
Depots and yards	5,207,359	155,731	-	5,363,090	497,138	-	5,860,228
Stations	23,379,601	879,161	-	24,258,762	373,646	-	24,632,408
Signals	9,027,090	700,817	-	9,727,907	248,359	-	9,976,266
Service vehicles	551,387	4,971	-	556,358	4,999	-	561,357
Building	166,733	-	-	166,733	-	-	166,733
Other	3,650,989	260,575	(1,311)	3,910,253	347,798	(140)	4,257,911
Total capital asset being depreciated	70,179,845	2,771,533	(228,138)	72,723,240	2,255,106	(140,970)	74,837,376
Less accumulated depreciation:							
Subway cars	(5,028,598)	(220,794)	22,308	(5,227,084)	(212,028)	24,827	(5,414,285)
Buses	(1,766,433)	(229,002)	203,899	(1,791,536)	(242,147)	116,003	(1,917,680)
Track and structures	(6,197,365)	(401,889)	-	(6,599,254)	(413,063)	-	(7,012,317)
Depots and yards	(2,616,716)	(132,306)	-	(2,749,022)	(126,836)	-	(2,875,858)
Stations	(7,495,488)	(686,537)	-	(8,182,025)	(679,357)	-	(8,861,382)
Signals	(2,917,122)	(277,671)	-	(3,194,793)	(284,829)	-	(3,479,622)
Service vehicles	(240,614)	(20,250)	-	(260,864)	(18,474)	-	(279,338)
Building	(99,412)	(3,308)	-	(102,720)	(3,308)	-	(106,028)
Other	(2,273,368)	(183,951)	1,311	(2,456,008)	(194,105)	140	(2,649,973)
Total accumulated depreciation	(28,635,116)	(2,155,708)	227,518	(30,563,306)	(2,174,147)	140,970	(32,596,483)
Total capital assets being depreciated—net	41,544,729	615,825	(620)	42,159,934	80,959	-	42,240,893
Right-of-use assets being amortized:							
Leased buildings and structures	295,495	317	-	295,812	77,132	-	372,944
Leased equipment and vehicles	2,992	-	-	2,992	1,053	-	4,045
Leased other	71	349	-	420	106	-	526
Subscription-based IT arrangements	2,280	-	-	2,280	-	-	2,280
Total Right-of-Use Assets being amortized	300,838	666	-	301,504	78,291	-	379,795
Less accumulated amortization: Right-of-Use Assets							
Leased buildings and structures	(22,873)	(22,967)	-	(45,840)	(20,865)	-	(66,705)
Leased equipment and vehicles	(321)	(766)	-	(1,087)	(1,103)	-	(2,190)
Leased other	(37)	(202)	-	(239)	(213)	-	(452)
Subscription-based IT arrangements	-	(695)	-	(695)	(695)	-	(1,390)
Total accumulated amortization	(23,231)	(24,630)	-	(47,861)	(22,876)	-	(70,737)
Right-of-use assets being amortized—net	277,607	(23,964)	-	253,643	55,415	-	309,058
Total capital assets, including right-of-use asset—net	$ 46,871,272	$ 3,997,070	$ (2,640,807)	$ 48,227,535	$ 4,789,660	$ (2,156,883)	$ 50,860,312

* Restated due to the adoption of GASB 96, SBITA. Refer to Note 2.

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

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

As of December 31, 2022, $66.6 billion is unexpended from the overall MTA Capital program (2005-2024) and $22.9 billion has been committed.

6. LEASES

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

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

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

As Lessor

The Authority leases its land, building, station space, equipment, and right-of-way to other entities. These leases have terms between 1 year to 16 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2023, the remaining lease terms are between 1 year to 14 years. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivables.

The total amount of inflows of resources recognized for the year ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	2022
Lease Revenue	$ 8,384	$ 9,218
Interest Revenue	1,254	1,485
Other Variable Revenue	992	-

A summary of activity in lease receivable for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	2023	2022
Balance - beginning of year	$ 56,344	$ 63,040
Additions/Remeasurements	(2,869)	875
Receipts/Interest	(5,545)	(7,571)
Balance - end of year	47,930	56,344
less current portion	8,567	8,444
Lease receivable noncurrent	$ 39,363	$ 47,900

The Authority did not recognize any revenue associated with residual value guarantees and termination penalties for years ended December 31, 2023 and 2022, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	$ 8,567	$ 1,169	$ 9,736
2025	8,048	959	9,007
2026	7,621	759	8,380
2027	7,731	562	8,293
2028	5,687	373	6,060
2029–2033	6,591	986	7,577
2034–2038	3,685	189	3,874
Total	$ 47,930	$ 4,997	$ 52,927

As Lessee

The Authority leases building, office space, storage space, equipment, vehicle, and cell tower space from other entities. These leases have terms between 1 year to 67 years, with payments required monthly, quarterly, or annually. As of December 31, 2023, the remaining lease terms are between 1 year to 65 years.

The amount of lease expenses recognized for variable payments not included in the measurement of lease liability were $949 and $1,885 for the years period ended December 31, 2023 and December 31, 2022. The Authority recognized $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2023 and December 31, 2022, respectively.

A summary of activity in lease liability for the year ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	2023	2022
Balance - beginning of year	$ 389,219	$ 402,971
Additions/Remeasurements	78,290	666
Payments/Interest	(13,160)	(14,418)
Balance - end of year	454,349	389,219
less current portion	8,659	11,726
Lease liability noncurrent	$ 445,690	$ 377,493

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	$ 8,659	$ 32,210	$ 40,869
2025	10,433	32,052	42,485
2026	9,918	31,834	41,752
2027	3,849	31,678	35,527
2028	3,878	31,592	35,470
2029–2033	50,514	150,733	201,247
2034–2038	87,337	128,172	215,509
2039–2043	94,315	91,701	186,016
Thereafter	185,446	86,430	271,876
Total	$ 454,349	$ 616,402	$ 1,070,751

Significant lease transactions—In 1990, the Authority acquired an office building located at 130 Livingston Street in Brooklyn, New York. The property is located on land owned by the New York City Economic Development Corporation ("NYC EDC"), as trustee for The City, with whom the Authority has entered into a 99-year ground lease. In 2011, the ground lease between the MTA and NYC EDC for Livingston Street was renegotiated with monthly lease payments increasing from approximately $47 to $111 per month. In January 2020, the base rent was increased to $205 per month as a result of a revaluation of the land appraisal. Rent expense payments under the lease were approximately $2.5 million in 2023 and 2022.

On July 29, 1998, the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate $968 million. Under the subleases, the lease is apportioned as follows: the Authority, 68.7%, MTA, 21%; and TBTA, 10.3%. However, the involved agencies have agreed to sub-sublease space from one another as necessary to satisfy actual occupancy needs. The agencies will be responsible for obligations under the lease based on such actual occupancy percentages. Actual occupancy percentages at December 31, 2023 for the Authority, TBTA and MTA (including MTA Bus, MTA Construction and Development, and MTA Business Service Center) were 48.4%, 7.4% and 44.2%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2023 and 2022, the total of the rental payments charged to the Authority was $7.6 million and $7.5 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority entered into various subscription-based information technology arrangements (“SBITAs”) that convey control of the right to use another party’s information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using NYCTA’s incremental borrowing rate at the time of valuation ranging from 1.58% to 2.46% if an applicable stated or implicit rate is not available.

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

The Authority’s subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 2 years to 7 years, with payments required monthly, quarterly, or annually. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $53 and $0 for the years ended December 31, 2023 and December 31, 2022, respectively. The Authority recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and December 31, 2022, respectively.

The summary of activity in SBITA liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	2023	2022
Balance - beginning of year	$ 997	$ 2,280
Additions/Remeasurements	-	-
Payments/Interest	(294)	(1,283)
Balance - end of year	703	997
Less current portion	277	294
SBITA liability noncurrent	$ 426	$ 703

The principal and interest requirements to maturity for the lease liabilities subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	$ 277	$ 13	$ 290
2025	161	9	170
2026	129	5	134
2027	81	2	83
2028	55	1	56
Total	$ 703	$ 30	$ 733

8. EMPLOYEE BENEFITS

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

Plan Descriptions

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

The Board of Administration, established in 1963, determines the eligibility of employees and beneficiaries for retirement and death benefits. Article 12.08 of the MaBSTOA plan assigns authority to the MaBSTOA Board to modify, amend or restrict the MaBSTOA Plan or to discontinue it altogether, subject, however, to the obligations under its collective bargaining agreements. The Board is composed of five members: two representatives from the Transport Workers Union, Local 100 (TWU) and three employer representatives. The MaBSTOA Plan is a fiduciary component unit of the Authority and is reflected in the Pension Fund section of the Authority's basic financial statements.

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

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

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the Laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law ("RSSL"), and the Administrative Code of the City of New

York (ACNY) , which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees. NYCERS is a fiduciary component unit of The City and is in the pension and Other Employee Benefit Trust Funds sections of The City's Annual Comprehensive Financial Report (ACFR).

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

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

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

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

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

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

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

Benefits Provided

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

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

Tier 1—

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

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

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

Ordinary Death Benefits—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.

Tiers 3 and 4—

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

Tier 3 and 4 members in the Regular 55 and 25 Plan must be at least age 55 with the completion of at least 25 years of service, or be at least age 62 with the completion of at least 5 years of service, to be eligible to collect a service retirement benefit. Generally, the benefit for members with at least 25 years of service, is equal to 2.0% of FAS for the first 30 years of service plus 1.5% of FAS for years of service in excess of 30. If the member completes less than 25 years of credited service, the benefit equals 1- 2/3% of FAS multiplied by years of service.

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

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

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

After completion of two years of retirement, the benefit equals 10% of the pre-retirement benefit in force at age 60.

Tier 6—

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

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

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

Ordinary Death Benefits—For eligible members of the 55 and 25 Special Plan and the Basic 63 and 5 Plan, the pre-retirement ordinary death benefit is equal to a lump sum of annual salary times the lesser of completed years of service and 3. After age 60, the benefit is reduced 5% per year, to a maximum reduction of 50%. Accumulated regular member contributions with interest 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.

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

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

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

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

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

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

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

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

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

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

Membership

Membership in the MaBSTOA pension plan consisted of the following at January 1, 2022 and 2021, the date of the latest actuarial valuations:

	2022	2021
Active Plan Members	8,363	8,533
Retirees and beneficiaries receiving benefits	6,192	6,020
Vested formerly active members not yet receiving benefits	1,172	1,125
Total	15,727	15,678

Contributions and Funding Policy

MaBSTOA—The contribution requirements of plan members are established, approved and may be amended only by the MaBSTOA Board, in accordance with the Articles 10.01 of the MaBSTOA plan. The financial objective of the Plan is to fund, on an actuarial basis, the retirement and death benefits for eligible MaBSTOA employees and beneficiaries. The Plan's funding policy is for periodic employer contributions to provide for actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due. MaBSTOA contributions to the fund are made annually. The MaBSTOA Pension Plan includes the following plans: (i.) the Tier 3 and 4 Transit Age 62 Plan; (ii.) the Tier 6 Age 63 Plan; (iii.) the 55/25 Plan; (iv.) the Tier 4 25 Year Early Retirement Plan; (v.) the Tier 4 Age 57 Plan, and (vi.) the 2000 amendments which are all under the same terms and conditions as NYCERS.

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

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

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

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

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

- Adjustments to the FAS Calculation; the computation changed from an average of the final 3 years to an average of the final 5 years. Pensionable overtime will be capped at $15,000 per year plus an inflation factor.

- Pension buyback in Tier 6 will be at a rate of 6% of the wages earned during the period of buyback, plus 5% compounded annually from the date of service until date of payment.

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

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

The Authority's contributions to the MaBSTOA plan amounted to $170.0 million and $158.6 million for the years ended December 31, 2023 and 2022, respectively. In January 2023, the Authority made a prepayment for the projected Actuarially Determined Contributions for 2024 amounting to $158.4 million.

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

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

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

The Authority is required to contribute at an actuarially determined rate. The Authority's contributions to NYCERS for the years ended December 31, 2023 and 2022 were $735.2 million and $765.3 million, respectively.

Net Pension Liability

The Authority's net pension liabilities for each of the pension plans reported at December 31, 2023 and 2022 were measured as of December 31, 2022 and 2021, respectively for the MaBSTOA plan and June 30, 2023 and 2022, respectively for NYCERS. The total pension liability for each of the pension plans were determined as of the actuarial valuation dates of January 1, 2022 and 2021 for MaBSTOA plan and June 30, 2022 and 2021 for NYCERS, respectively, and updated to roll forward the total pension liability to the respective measurement dates. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS and MaBSTOA. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions

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

	MaBSTOA		NYCERS	
Valuation Date	**January 1, 2022**	**January 1, 2021**	**June 30, 2022**	**June 30, 2021**
Investment Rate of Return	6.50% per annum, net of investment expenses	6.50% per annum, net of investment expenses	7.00% per annum, net of investment expenses	7.00% per annum, net of investment expenses
Salary Increases	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	Reflecting general wage, merit and promotion increases for operating and non-operating members. Varies by years of employment.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.
Inflation	2.25%	2.25%	2.5%	2.25%
Cost-of Living Adjustments	1.35% per annum	1.35% per annum	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.
Mortality	Based on experience of all MTA-sponsored pension plan members from 1/1/15 - 12/31/20 reflecting mortality improvement on a generational basis using Scale MP-2021	Based on experience of all MTA-sponsored pension plan members from 1/1/15 - 12/31/20 reflecting mortality improvement on a generational basis using Scale MP-2021	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.
Pre-retirement	Pri-2012 Employee mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	RP-2000 Employee Mortality Table for Males and Females with blue collar adjustments.	N/A	N/A
Post-retirement Healthy Lives	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 92% for males and 100% for females.	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.	N/A	N/A
Post-retirement Disabled Lives	Pri-2012 Disabled Annuitant mortality table for males and females.	RP-2014 Disabled Annuitant mortality table for males and females.	N/A	N/A

Expected Rate of Return on Investments

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

The target asset allocations of each of the funds and the expected real rate of returns (RROR) for each of the asset class in the MaBSTOA plan and NYCERS were as of the measurement dates of December 31, 2022 and June 30, 2023, respectively, are summarized as follows:

Asset Class	Target Asset Allocation	MaBSTOA Plan Long-Term Expected Real Rate of Return
US Core Fixed Income	10.50 %	2.27 %
US Long Bonds	2.00	2.51
US Inflation-Indexed Bonds	2.00	1.58
US High Yield Bonds	3.00	4.40
US Bank/Leveraged Loans	1.50	3.79
Private Credit	7.00	6.99
Emerging Markets Bonds	2.00	4.99
US Large Cap Equity	18.00	5.64
US Small Cap Equity	7.00	7.25
Foreign Developed Equity	12.00	6.90
Emerging Markets Equity	4.50	9.58
Emerging Markets Small Cap Equity	1.50	9.81
US REITs	1.00	6.71
Private Real Estate Property	4.00	4.86
Private Equity	7.00	10.74
Commodities	4.00	2.96
Hedge Funds—MultiStrategy	13.00	4.52
	100 %	
Assumed Inflation—Mean		2.33
Assumed Inflation—Standard Deviation		1.41
Portfolio Nominal Mean Return		8.08
Portfolio Standard Deviation		12.42
Long Term Expected Rate of Return selected by MTA		6.50

Asset Class	Target Asset Allocation	NYCERS Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	27.00 %	6.90 %
Developed public market equities	12.00	7.20
Emerging public market equities	5.00	9.10
Fixed income	30.50	2.70
Private markets (alternative investments):		
Private equity	8.00	11.10
Private real estate	7.50	7.10
Infrastructure	4.00	6.40
Opportunistic fixed income	6.00	8.60
	100 %	
Assumed inflation—mean		2.50
Long term expected rate of return		7.00

Discount Rate

The discount rate used to measure the total pension liability was 6.5% for the MaBSTOA plan as of December 31, 2022 and December 31, 2021 and 7.0% for NYCERS as of June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for each pension plan and that employer contributions will be made at the rates determined by each pension plan's actuary. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and non-active members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability—MaBSTOA

The Authority's net pension liability for the MaBSTOA plan at the measurement date of December 31, 2022 and 2021 were as follows (in thousands):

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of December 31, 2020	$4,246,385	$3,306,615	$ 939,770
Changes for fiscal year 2021:			
Service cost	93,934	-	93,934
Interest on total pension liability	274,270	-	274,270
Effect of economic/demographic (gains) or losses	(19,177)	-	(19,177)
Effect of assumptions changes or inputs	72,032	-	72,032
Benefit payments and withdrawals	(245,427)	(245,427)	-
Administrative expense	-	(264)	264
Member contributions	-	24,935	(24,935)
Net investment income	-	416,287	(416,287)
Employer contributions	-	156,204	(156,204)
Balance as of December 31, 2021	$4,422,017	$3,658,350	$ 763,667

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

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

	December 31, 2022			December 31, 2021		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
Net pension liability	$1,729,790	$1,216,242	$781,314	$1,269,779	$ 763,667	$335,356

The Authority's Proportion of Net Pension Liability—NYCERS

The following table presents the Authority's proportionate share of the net pension liability of NYCERS at the measurement date of June 30, 2023 and 2022, and the proportion percentage of the net pension liability of NYCERS allocated to the Authority (in millions):

	June 30, 2023	June 30, 2022
The Authority's proportion of the net pension liability	21.268 %	20.975 %
The Authority's proportionate share of the net pension liability	$ 3,795	$ 3,798

The Authority's proportion of the net pension liability was based on the Authority's actual contributions made to NYCERS for the years ended June 30, 2023 and 2022, relative to the contributions of all employers in the plan.

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

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

	June 30, 2023			June 30, 2022		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
The Authority's proportionate share of the net pension liability	$6,149,077	$3,794,724	$1,807,657	$6,043,234	$3,797,586	$1,900,797

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

For the years ended December 31, 2023 and 2022, the Authority recognized pension expense, gross of capital project reimbursements and other pension adjustments of $33,490 and $37,465 for December 31, 2023 and 2022, respectively, related to each pension plan as follows (in thousands):

Pension Plans	December 31, 2023	December 31, 2022
MaBSTOA	$ 259,366	$ 132,278
NYCERS	654,889	443,388
Total	$ 914,255	$ 575,666

For the years ended December 31, 2023 and 2022, the Authority's reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in thousands):

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

For the Year Ended December 31, 2022	MaBSTOA Deferred Outflows of Resources	MaBSTOA Deferred Inflows of Resources	NYCERS Deferred Outflows of Resources	NYCERS Deferred Inflows of Resources	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,906	$ 16,683	$ 329,382	$ 83,469	$ 340,288	$ 100,152
Changes in actuarial assumptions	156,544	-	625	121,483	157,169	121,483
Net difference between projected and actual earnings on pension plan investments	-	111,215	694,052	-	694,052	111,215
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	44,781	298,461	44,781	298,461
Employer contributions to plan subsequent to the measurement date of net pension liability	158,619	-	378,047	-	536,666	-
Total	$ 326,069	$ 127,898	$ 1,446,887	$ 503,413	$ 1,772,956	$ 631,311

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

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

	Recognition Period (in Years)		
Pension Plan	Differences Between Expected and Actual Experience	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	Changes in Actuarial Assumptions
MaBSTOA	6.20	N/A	6.20
NYCERS	5.55	5.55	5.55

For the years ended December 31, 2023 and 2022, $548.1 million and $536.7 million, respectively, were reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement dates. The amount of $548.1 million will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023 will be recognized as pension expense as follows (in thousands):

Year Ending December 31	MaBSTOA	NYCERS	Total
2024	$ 75,413	$ 121,192	$ 196,605
2025	123,180	(31,168)	92,012
2026	86,844	500,432	587,276
2027	106,650	22,651	129,301
2028	(38)	29,771	29,733
Thereafter	(668)	-	(668)
Total	$ 391,381	$ 642,878	$ 1,034,259

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

Certain Authority employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. The Authority is not required to contribute to the plan and did not contribute to the plan in 2023 and 2022.

9. OTHER POSTEMPLOYMENT BENEFITS

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

Plan Description

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

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

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

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

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

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

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

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

(a) have retired;

(b) be receiving a pension;

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

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

Surviving Spouse and Other Dependents—

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

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

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

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

Contributions—The Authority is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, the Authority paid $601.0 million and $589.6 million of PAYGO to the OPEB Plan, respectively. The PAYGO amounts included an implicit rate subsidy adjustment of $9.3 million and $10.8 million for the years ended December 31, 2023 and 2022, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2023.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2022 and 2021 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer 20-Bond General Obligation Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and 2021, the employer made a cash payment for retiree healthcare of $10.8 million and $9.6 million, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs (in thousands).

Blended and Age-adjusted Premium	2022 Retirees	2021 Retirees
	(in thousands)	
Total blended premiums	$ 578,771	$ 551,980
Employment payment for retiree healthcare	10,818	9,651
Net payments	$ 589,589	$ 561,631

Net OPEB Liability

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

	December 31, 2022	December 31, 2021
The Authority's proportion of the net OPEB liability	69.667 %	70.825 %
The Authority's proportionate share of the net OPEB liability	$ 15,629,504	$ 17,675,397

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

Actuarial Assumptions

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

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

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

Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%, net of expenses	2.06%, net of expenses
Inflation	2.33%	2.30%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Salary increases	Varies by years of service and differs for members of the various Pension Plans	Varies by years of service and differs for members of the various Pension Plans
Investment rate of return	3.72%	2.06%

Salary Scale—Salary increases vary by years of service and differ for members of NYCERS and the MaBSTOA Plan. Rates are shown below for the measurement date December 31, 2022:

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

Healthcare Cost Trend—The Society of Actuaries ("SOA") developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries, which included a representative from Milliman. Milliman uses this model as the foundation for the trend that it recommends to the Authority 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.

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").

2021 to 2022 and 2022 to 2023 trends reflect actual January 1, 2022 and January 1, 2023 rates for NYSHIP, Medicare Part B and the Aetna Medicare Advantage plans. Monthly premiums for the Medicare Advantage plans are $220.72 and $190.49 for Option 1 and Option 2, respectively as of January 1, 2021, and $29 and $9 for January 1, 2022, January 1, 2023, and January 1, 2024, for Option 1 and Option 2, respectively.

The non-NYSHIP trend was developed using a weighted average of Aetna Medicare Advantage rates, claim experience used for reserves for the groups available and general medical and prescription drug cost experience. These trends apply to the benefit plans for applicable represented employees of NYC Transit.

Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP and self-insured trend assumptions for the measurement date December 31, 2022:

	NYSHIP Trend		Self-Insured Trend	
Year	Pre-65 Trend	Post-65 Trend	Pre-65 Trend	Post-65 Trend
2021	12.20 %	0.30 %	5.80 %	(6.80)%
2022	14.10	13.40	6.30	5.40
2023	6.70	5.90	7.00	5.90
2024	7.00	6.70	7.20	7.20
2025	6.40	6.40	6.50	6.60
2026	5.80	5.80	5.90	5.90
2027	5.10	5.10	5.20	5.10
2028	4.90	4.90	5.00	4.90
2029	4.70	4.70	4.80	4.70
2030	4.50	4.50	4.60	4.50
2031	4.30	4.30	4.40	4.30
2032	4.20	4.10	4.20	4.20
2033 - 2039	4.10	4.10	4.20	4.10
2040 - 2049	4.10	4.10	4.20	4.10
2050	4.20	4.20	4.20	4.20
2051 - 2064	4.20	4.20	4.20	4.20
2065 - 2066	4.10	4.10	4.10	4.10
2067	4.00	4.00	4.10	4.00
2068	4.00	4.00	4.00	4.00
2069	3.90	3.90	4.00	3.90
2070	3.90	3.90	3.90	3.90
2071	3.80	3.80	3.90	3.80
2072 - 2073	3.80	3.80	3.80	3.80
2074 - 2089	3.70	3.70	3.70	3.70
2090+	3.70	3.70	3.70	3.70

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

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

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

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

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2022 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Short (1-3 Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr TR USD	100.00 %	1.31%

Assumed Inflation—Mean	2.33 %
Assumed Inflation—Standard Deviation	1.41 %
Portfolio Nominal Mean Return	3.64 %
Portfolio Standard Deviation	2.05 %
Long Term Expected Rate of Return selected by MTA	3.72 %

Discount Rate—The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 and 2021 of 3.72% and 2.06%, respectively.

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

	December 31, 2022			December 31, 2021		
	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
		(in thousands)			(in thousands)	
Proportionate share of the net OPEB liability	$ 17,783,997	$ 15,629,504	$ 13,849,811	$ 20,438,272	$ 17,675,397	$ 15,432,891

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

	December 31, 2022			December 31, 2021		
	1% Decrease	Healthcare Cost Current Trend Rate * (in thousands)	1% Increase	1% Decrease	Healthcare Cost Current Trend Rate * (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 13,401,645	$ 15,629,504	$ 18,434,977	$ 15,013,791	$ 17,675,397	$ 21,084,009

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

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—For the years ended December 31, 2023 and 2022, the Authority recognized OPEB expense of $1.1 billion and $1.4 billion, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

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

	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 247,824	$ 23,635	$ 293,351	$ 29,723
Changes in assumptions	1,080,663	2,872,913	1,382,672	1,040,210
Net difference between projected and actual earnings on OPEB plan investments	13,192	-	33,369	-
Changes in proportion and differences between contributions and proportionate share of contributions	646,271	396,432	768,309	184,779
Employer contributions to the plan subsequent to the measurement of net OPEB liability	601,008	-	589,589	-
Total	$ 2,588,958	$ 3,292,980	$ 3,067,290	$ 1,254,712

For the years ended December 31, 2023 and 2022, $601.0 million and $589.5 million, respectively, were reported as deferred outflows of resources related to OPEB resulting from both the Authority's contributions subsequent to the measurement date and an implicit rate subsidy adjustment. These amounts include both the Authority's contributions subsequent to the measurement date and an implicit rate subsidy adjustment that will be recognized as a reduction of the net OPEB liability in the years ended December 31, 2024 and December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year Ending December 31:	
2024	$ (168,420)
2025	(214,988)
2026	(160,497)
2027	(92,456)
2028	(154,081)
Thereafter	(514,588)
Total	$ (1,305,030)

10. LOANS PAYABLE

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

The debt service requirements at December 31, 2023 are as follows (in thousands):

Year	Principal	Interest	Total
2024	$ 6,001	$ 2,441	$ 8,442
2025	6,041	2,118	8,159
2026	5,976	1,794	7,770
2027	6,035	1,469	7,504
2028	6,169	1,138	7,307
2029–2033	16,988	1,798	18,786
2034–2038	212	7	219
Total	47,422	$ 10,765	$58,187
Less current portion	6,001		
Long-term loans payable	$41,421		

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA) rate and is reset annually. The SIFMA rate as of December 31, 2023 was 3.87%.

11. RELATED PARTY TRANSACTIONS

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

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

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

Related party transactions consist of the following at December 31, 2023 and 2022 (in thousands):

	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 11,024,136	$ (7,471,953)	$ 11,044,559	$ (6,500,143)
Constituent authorities	159,467	(31,152)	129,189	(22,471)
Total MTA and constituent authorities	$ 11,183,603	$ (7,503,105)	$ 11,173,748	$ (6,522,614)

Shown as a separate line item on the statements of net position under due from MTA for purchase of capital assets is a balance of $1,105,794 and $1,026,738 as of December 31, 2023 and 2022, respectively.

12. FUEL HEDGE

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

Counterparty	Goldman Sachs	Cargill	Cargill	Cargill	Goldman Sachs	Goldman Sachs
Trade Date	1/25/2022	2/28/2022	3/31/2022	4/28/2022	5/31/2022	6/27/2022
Effective Date	1/1/2023	2/1/2023	3/1/2023	4/1/2023	5/1/2023	6/1/2023
Termination Date	12/31/2023	1/31/2024	2/29/2024	3/31/2024	4/30/2024	5/31/2024
Price/Gal	$2.36	$2.50	$2.75	$2.87	$2.95	$3.02
Notional Qnty (Gal)	2,826,779	2,826,759	2,826,761	2,826,752	2,826,757	2,826,738
Counterparty	**BOA_ Merrill**	**BOA_ Merrill**	**Cargill**	**BOA_ Merrill**	**BOA_ Merrill**	**Goldman Sachs**
Trade Date	7/25/2022	8/29/2022	9/29/2022	10/25/2022	11/30/2022	12/28/2022
Effective Date	7/1/2023	8/1/2023	9/1/2023	10/1/2023	11/1/2023	12/1/2023
Termination Date	6/30/2024	7/31/2024	8/31/2024	9/30/2024	10/31/2024	11/1/2024
Price/Gal	$2.87	$2.96	$2.68	$2.74	$2.76	$2.70
Notional Qnty (Gal)	2,826,751	2,826,725	2,826,740	2,826,749	2,826,751	2,826,765
Counterparty	**Cargill**	**Cargill**	**Cargill**	**Goldman Sachs**	**JPMorgan**	**Goldman Sachs**
Trade Date	1/31/2023	2/28/2023	3/29/2023	4/24/2023	5/30/2023	6/27/2023
Effective Date	1/1/2024	2/1/2024	3/1/2024	4/1/2024	5/1/2024	6/1/2024
Termination Date	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025
Price/Gal	$2.69	$2.57	$2.44	$2.44	$2.25	$2.29
Notional Qnty (Gal)	2,826,779	2,826,759	1,633,857	2,462,350	2,636,717	2,636,709
Counterparty	**Cargill**	**Goldman Sachs**	**JPMorgan**	**Cargill**	**BOA_ Merrill**	**Cargill**
Trade Date	7/28/2023	8/29/2023	9/26/2023	10/30/2023	11/27/2023	12/27/2023
Effective Date	7/1/2024	8/1/2024	9/1/2024	10/1/2024	11/1/2024	12/1/2024
Termination Date	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025
Price/Gal	$2.55	$2.57	$2.65	$2.58	$2.49	$2.43
Notional Qnty (Gal)	2,636,706	2,636,714	2,636,696	2,636,708	2,636,707	2,636,716

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties, depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, the Authority will take delivery of the fuel. As of December 31, 2023, the total outstanding notional value of the ULSD contracts was 49.0 million gallons with a negative fair market value of $9.5 million. The valuation of each trade was based on discounting future net cash flows to a single current amount (the income approach) using observable commodity futures prices (Level 2 inputs).

The Transit Authority recognized a fuel hedge loss of $3.5 million and $1.0 million in 2023 and 2022, respectively.

13. RISK MANAGEMENT

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

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

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

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2023 and 2022, is as follows (in thousands):

	2023	2022
Balance at beginning of year	$ 3,914,304	$ 3,619,531
Activity during the year:		
Current year claims and changes in estimates	687,048	646,948
Claims paid	(414,003)	(352,175)
Balance at end of year	4,187,349	3,914,304
Less current portion	(496,973)	(391,719)
Long-term liability	$ 3,690,376	$ 3,522,585

Liability Insurance—First Mutual Transportation Assurance Company (“FMTAC”), an insurance captive subsidiary of MTA, operates a liability insurance program (“ELF”) that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limit is: $8 million for the Authority. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limit is: $9 million for Authority. Effective November 1, 2012, the self-insured retention limits for ELF was increased to $10 million for the Authority. Effective October 31, 2015 the self-insured retention limit for ELF was increased to $11 million for the Authority. 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 million. 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 million per occurrence with a $50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189.2 million.

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

On March 1, 2023, the “Access-A-Ride” automobile liability policy program was renewed. This program provides third-party auto liability insurance coverage to vendors under the Access-A-Ride contract, to perform services on behalf of MTA New York City Transit. This policy provides a $3 million per occurrence to fund self-insured losses.

Property Insurance—Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities* in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 million within the overall $500 million per occurrence property program as follows: $20.277 million (or 40.55%) of the primary $50 million layer, plus $23.777 million (or 47.55%) of the $50 million excess $50 million layer, plus $14.792 million (or 29.58%) of the $50 million excess $100 million layer, plus $8.827 million (or 17.65%) of the $50 million excess $150 million layer, plus $4.484 million (or 8.96%) of the $50 million excess $200 million layer, plus $12.548 million (or 25.09%) of the $50 million excess $250 million layer, plus $13.547 million (or 27.09%) of the $50 million excess $300 million layer, plus $14.997 million (or 29.99%) of the $50 million excess $350 million layer, plus $18.664 million (or 37.32%) of the $50 million excess $400 million layer, and $15.164 million (or 30.32%) of the $50 million excess $450 million layer.

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

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

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

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

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

During 2023 there were FMTAC excess loss claim reimbursements of $2,656 to the Authority. At December 31, 2023, the Authority had $114 million in outstanding claims requiring FMTAC coverage from its Excess Loss Program.

14. CONTINGENCIES

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

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

In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in 2023 and 2022, the Authority recognized $33 million and $0.5 million, respectively, in pollution remediation expenses. The expense provision was measured at its current value utilizing the prescribed expected cash flow method (see Note 2). Pollution remediation obligations are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. The Authority does not expect any recoveries of cost that would have a material effect on the recorded obligations.

A summary of the activity in pollution remediation liability at December 31, 2023 and 2022, were as follows (in thousands):

	2023	2022
Balance at beginning of year	$ 98,795	$ 97,424
Activity during the year:		
Changes in estimates	33,051	483
Payments	(20,060)	888
Balance at end of year	111,786	98,795
Less current portion	(22,357)	(19,759)
Long-term liability	$ 89,429	$ 79,036

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

15. CONDENSED COMPONENT UNIT INFORMATION

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

December 31:	**2023**	**2022**
Current assets	$ 166,371	$ 8,324
Capital assets	661,958	751,841
Deferred outflows of resources	592,370	326,069
Total assets and deferred outflows of resources	1,420,699	1,086,234
Current liabilities	465,407	513,937
Non-current liabilities	2,200,733	1,683,629
Deferred inflows of resources	30,956	127,897
Total liabilities and deferred inflows of resources	2,697,096	2,325,463
Net investment in capital assets	649,776	739,175
Unrestricted	(1,926,173)	(1,978,404)
Total net position	$ (1,276,397)	$ (1,239,229)
For the Year Ended December 31:		
Fare revenue	$ 262,883	$ 266,245
Advertising and other revenue	14,487	14,606
Total operating revenue	277,370	280,851
Total labor expenses	1,383,712	1,161,241
Total non-labor expenses	138,194	151,787
Depreciation	105,964	102,671
Total operating expenses	1,627,870	1,415,699
Operating deficit	(1,350,500)	(1,134,848)
Loss before capital contributions	(1,350,500)	(1,134,848)
Capital contributions	1,313,332	1,247,990
Change in net position	(37,168)	113,142
Net position, beginning of the year	(1,239,229)	(1,352,371)
Net position, end of year	$ (1,276,397)	$ (1,239,229)

16. NOVEL CORONAVIRUS (COVID-19)

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 package includes $30 billion of direct federal aid to transportation agencies. The MTA received $6.1 billion in aid from ARPA in 2022. In September of 2021, additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received $769 million in additional aid in the fourth quarter of 2022.

Federal Emergency Management Agency ("FEMA") Reimbursement. The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $893.0 million of direct COVID-19 related expenses incurred from the start of the pandemic through May 11, 2023 was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing Covid-19 related expense reimbursement from FEMA.

17. SUBSEQUENT EVENTS

In 2024, MTA is prepaying the 2025 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans on a monthly basis. As of May 29, 2024, the prepayments for the MaBSTOA Pension Plan amounted to $109.4 million.

* * * * * *

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
The Authority's proportion of the net pension liability	21.268 %	20.975 %	21.285 %	23.207 %	23.271 %	22.527 %	22.788 %	22.227 %	22.380 %
The Authority's proportionate share of the net pension liability	$ 3,795	$ 3,798	$ 1,365	$ 4,892	$ 4,310	$ 3,973	$ 4,732	$ 5,400	$ 453
The Authority's actual covered-employee payroll	$ 4,022	$ 3,726	$ 3,504	$ 3,388	$ 3,256	$ 3,090	$ 3,024	$ 2,930	$ 2,862
The Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	94.356 %	101.932 %	38.955 %	144.392 %	132.371 %	128.576 %	156.481 %	184.300 %	158.277 %
Plan fiduciary net position as a percentage of the total pension liability	82.217 %	81.276 %	93.144 %	76.933 %	78.836 %	78.826 %	74.805 %	69.568 %	73.125 %

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

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

MaBSTOA	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 170.0	$ 158.6	$ 156.2	$ 159.5	$ 209.3	$ 202.5	$ 202.9	$ 220.7	$ 214.9	$ 226.4
Actual Employer Contribution	328.4	158.6	156.2	159.5	206.4	205.4	202.7	220.7	214.9	226.4
Contribution Deficiency (Excess)	$ (158.4)	$ -	$ -	$ -	$ 2.9	$ (2.9)	$ 0.2	$ -	$ -	$ -
Covered Payroll	820.5	775.5	768.9	802.1	786.6	776.2	749.7	716.5	686.7	653.3
Contributions as a % of Covered Payroll	40.0 %	20.5 %	20.3 %	19.9 %	26.2 %	26.5 %	27.0 %	30.8 %	31.3 %	34.7 %

NYCERS	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 735.2	$ 765.3	$ 807.7	$ 841.9	$ 904.1	$ 768.4	$ 759.6	$ 753.2	$ 694.4	$ 708.2
Actual Employer Contribution	735.2	765.3	807.7	841.9	904.1	768.4	759.6	753.2	694.4	708.2
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	4,022.1	3,725.8	3,518.0	3,644.7	3,784.2	3,841.0	3,624.4	3,386.1	3,344.3	3,449.1
Contributions as a % of Covered Payroll	18.3 %	20.5 %	23.0 %	23.1 %	23.9 %	20.0 %	21.0 %	22.2 %	20.8 %	20.5 %

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

The following actuarial methods and assumptions were used in the January 1, 2022 and 2021 funding valuation for the MaBSTOA pension plan as follows:

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

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

(Continued)

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

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

Changes of Benefit Terms
There were no changes of benefit terms in the June 30, 2022 funding valuation.

Changes of Assumptions
There were no changes of benefit assumptions in the June 30, 2022 funding valuation.

(Concluded)

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

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

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

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

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

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

	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Actual Employer Contribution [1]	$ 601.0	$ 589.6	$ 576.8	$ 236.7	$ 505.6	$ 468.8	$ 441.9
Contribution Deficiency (Excess)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Covered Payroll	4,842.6	4,501.3	3,644.7	4,446.8	4,570.8	4,617.2	3,618.6
Actual Contribution as a Percentage of Covered Payroll	12.41 %	13.10 %	15.40 %	11.01 %	11.06 %	10.15 %	12.21 %

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

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

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%	2.06%
Inflation	2.33%	2.30%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	3.72%	2.06%

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

Changes of assumptions: In the July 1, 2021 actuarial valuation, there were changes in healthcare related assumptions, demographic and economic assumptions.

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

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Metropolitan Transportation Authority ("MTA") Long Island Rail Road

(Component Unit of the MTA)

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority:

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the MTA Long Island Rail Road, a component unit of the Metropolitan Transportation Authority (the "MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the MTA Long Island Rail Road's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the MTA Long Island Rail Road as of December 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

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

As discussed in Note 2 to the financial statements, the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

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Required Supplementary Information

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

__________, 2024

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of MTA Long Island Rail Road ("MTA LIRR", "LIRR"), a component unit of the Metropolitan Transportation Authority ("MTA"), for the years ended December 31, 2023 and 2022. This discussion and analysis is intended to serve as an introduction to MTA LIRR's financial statements, which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Business-Type Activity Financial Statements, (3) Fiduciary Fund Financial Statements, (4) Notes to Financial Statements, and (5) Required Supplemental Information.

Management's Discussion and Analysis

The MD&A provides an assessment of how MTA LIRR's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA LIRR's overall financial position. It may contain opinions, assumptions or conclusions by MTA LIRR's management that should not be considered a replacement for and must be read in conjunction with the LIRR's statements of net position as of December 31, 2023 and 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the LIRR's financial statements.

The Financial Statements

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

The Statements of Revenues, Expenses and Changes in Net Position show how MTA LIRR's net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of MTA LIRR's operations over the twelve months and can be used to determine how MTA LIRR has funded its costs.

The Statements of Cash Flows provide information about MTA LIRR's cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing.

The Fiduciary Fund Financial Statements

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

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

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

The Notes to the Financial Statements

The Notes provide information that is essential to understanding the financial statements, such as MTA LIRR's accounting methods and policies. The notes also have the details of cash, capital assets, retirement benefits, lease transactions, future commitments and contingencies and any other events or developing situations that could materially affect MTA LIRR's financial position.

Required Supplemental Information

The Required Supplemental Information provides information concerning the MTA LIRR's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It also includes the Schedule of Changes in the MTA LIRR's Net Pension Liability and Related Ratios for The LIRR Company Plan for Additional Pensions, the Schedule of the MTA LIRR's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule of MTA LIRR's Contributions to All Pension Plans, the Schedule of the MTA LIRR's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan, and the Schedule of the MTA LIRR's contributions to the MTA OPEB Plan.

FINANCIAL REPORTING ENTITY

In 1966, the MTA acquired the capital assets of MTA LIRR from the former Pennsylvania Railroad Company. In February 1980, MTA LIRR became a component unit of the MTA, pursuant to New York State Public Authorities Law, whose mission is to continue, develop, and improve public transportation and to develop and implement a unified public transportation policy in the New York Metropolitan area. MTA LIRR is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA LIRR's financial position for the years ended December 31, 2023 and 2022. Additionally, an examination of major economic factors that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with MTA LIRR's financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America. All amounts are in thousands.

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Total Assets, Distinguishing Between Current Assets, Noncurrent Assets, and Deferred Outflows of Resources

Current Assets include, but are not limited to: cash, 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.

Noncurrent assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs) have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* with retroactive effect of this adoption as of January 1, 2022. Refer to footnote 2 for additional information.

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

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023–2022	2022–2021 (Restated)*
Total current assets	1,278,472	1,406,969	605,445	(128,497)	801,524
Total noncurrent assets	$10,809,740	$10,639,442	$10,022,607	$ 170,298	$ 616,835
Total deferred outflows of resources	1,142,442	918,984	1,046,571	223,458	(127,587)
Total assets and deferred outflows of resources	$13,230,654	$12,965,395	$11,674,623	$ 265,259	$1,290,772

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes in Assets and Deferred Outflows of Resources—

Current assets decreased in 2023 by $128,497 or 9.13% primarily due to the receipt of proceeds due from MTA for American Rescue Plan (ARPA") additional assistance allocation of $451,030, offset by an increase of $221,663 for prepayment of 2024 projected actuarially determined contributions ("ADC") for pension and $68,820 invested funds at MTA for Company financed investments.

In 2023, noncurrent assets increased $170,298 or 1.60% compared to 2022. Noncurrent assets are comprised of net capital assets and other non-current receivables. Capital assets increased by $177,026 offset by the decrease of other non-current receivables of $6,728.

The major components of the increase in net capital assets are related to assets placed into beneficial service, changes to construction work-in-progress and changes in accumulated depreciation.

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Significant additions to capital assets resulted from the following:

- Major additions to capital assets totaled $1,194,857. The increase is primarily due to the Penn Station 33rd Street LIRR Concourse widening project totaling $489,461, Jamaica Capacity Improvements project for construction of a new platform at Jamaica Station and improvements to existing infrastructure at Jamaica Station totaling $247,090, additional M-9 cars put into service for $102,600, additional costs for the LIRR Expansion Project of the Main Line Third Track totaling $94,667, and Track programs totaling $80,120.

These increases were offset by the decrease in construction work-in-progress mainly due to the capitalization of projects totaling $1,178,661 and offset by an increase of $741,965 for new projects-in-progress; and increases in accumulated depreciation and amortization of $536,726.

Deferred outflows of resources increased by $223,458 or 24.32% due to the following: deferred outflows for pensions increased by $220,585 per the actuarial report, and deferred outflows for postemployment benefits other than pensions increased by $2,873. Refer to Note 7 and Note 8 of the financial statements for further information, respectively.

In 2022, Total noncurrent assets increased $616,835 or 6.15% compared to December 2021. Total noncurrent assets are comprised of other non-current receivables and net capital assets. Other non-current receivables decreased by $9,682 or 11.28%. Capital assets increased by $626,518 or 6.31% compared to December 2021. The major components of the increase are related to capital assets placed into beneficial service, changes to construction work-in-progress and changes in accumulated depreciation. In addition, this includes a restatement increase of $5,901 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.

Significant additions to capital assets resulted from the following:

- Major additions to capital assets totaled $2,878,346. The increase is primarily due to the LIRR Expansion Project constructing a third track along a critical 9.8-mile section of LIRR's Main Line, between Floral Park and Hicksville Stations; increasing track capacity through the corridor making it easier to run trains, which would improve service reliability and allow for a full reverse commute during peak hours. The Project includes major safety and LIRR-infrastructure improvements: new track interlockings, the elimination of eight at-grade crossings, 4 full bridge replacements, 3 bridge modifications, 5 full station rehabilitations which include full ADA accessibility, elevators, and overpasses, new train control signaling systems, positive train control, communications networks, 7 new traction power substations, 3rd rail system and signal power systems. In addition, the project includes the construction of 2 parking garages, a new combined employee facility, retaining & sound walls, utility infrastructure reconstruction and fencing totaling $2,300,369. In addition, the following projects also contributed to the increase: Morris Park Diesel Locomotive Shop for $122,498, Elmont Station for $101,279, Track programs totaling $83,359, additional M-9 cars put into service of $81,000, Implementation of a Positive Train Control (PTC) System on new M-9 trains for $38,228, and an extension to the Pocket Track East of Great Neck Station for $34,553. Also, LIRR had additional costs for the installation of wireless communication services and Dark Fiber Network from licensee at Atlantic Terminal, Atlantic Avenue Tunnel and Jamaica Station for $26,310. Lastly, there were additions of $90,750 for various individual capital projects.

Significant changes to construction work-in-progress resulted mainly from the capitalization of LIRR Expansion Project of the Main Line Third Track between Floral Park and Hicksville, that amounted to a

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decrease of $1,852,318. This was offset by an increase of $215,339 for the widening of the Penn Station 33rd Street LIRR Concourse.

These increases are partially offset by increases in accumulated depreciation and amortization of $480,386, which includes a restatement increase of $1,694 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.

Current assets increased in 2022 by $801,524 or 132.39% primarily due to the following: additional accrual of the American Rescue Plan Additional Assistance allocation proceeds totaling $954,844 due from MTA Headquarters. This increase was offset by a decrease of $89,091 in the intercompany company financed activity.

Deferred outflows of resources decreased by $127,587 or 12.19% due to the following: deferred outflows for postemployment benefits other than pensions decreased by $58,361 and deferred outflows for pensions decreased by $69,223 per the actuarial report. Refer to Note 7 and Note 8 of the financial statements for further information, respectively.

Total Liabilities, Distinguishing Between Current Liabilities, Noncurrent Liabilities and Deferred Inflows of Resources

Current Liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, current portion of long-term lease liabilities and other current liabilities. This also includes current portion of long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liabilities and other non-current liabilities. This also includes GASB 96 long-term subscription liability. Refer to footnote 2 for additional information.

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

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)	2021	2023–2022	2022–2021 (Restated)*
Current liabilities	$ 384,769	$ 575,667	$ 304,100	$ (190,898)	$ 271,567
Noncurrent liabilities	4,204,327	3,999,137	4,501,141	$ 205,190	$ (502,004)
Deferred inflows of resources	920,015	824,008	429,118	96,007	394,890
Total liabilities and deferred inflows of resources	$ 5,509,111	$ 5,398,812	$ 5,234,359	$ 110,299	$ 164,453

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes in Liabilities and Deferred Inflows of Resources—

In 2023, total liabilities and deferred inflows of resources increased by $110,299 or 2.04% compared to 2022.

- Current liabilities decreased by $190,898 or 33.16% primarily due to the following: a decrease in due to MTA and affiliated agencies of $198,038, offset by an increase of the timing in payments made to vendors of $14,992.
- Noncurrent liabilities increased by $205,190 or 5.13% primarily due to the increase in net pension liability of $372,590 and lease liability of $8,291, offset by a decrease in other post-employment benefits ("OPEB") liability of $202,913.
- Deferred inflows of resources increased by $96,007 or 11.65% primarily due to an increase of $276,740 deferred inflows from OPEB due to an increase in the Bond Buyer Index, partially offset by increases in the healthcare trend assumption. The increase was offset by a decrease of $83,374 for deferred Inflows from pensions primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings. See Note 7 and 8 of the financial statements for further information.

In 2022, total liabilities and deferred inflows of resources increased by $164,453 or 3.14% compared to 2021.

- Current liabilities increased by $271,567 or 89.30% primarily due to the following: reclassification of the invested funds of $215,765 and an increase of $27,451 for the retro wage accrual relating to unsettled union agreements for represented employees. The increases were offset by a decrease of $16,201 for deferred tax payments. In addition, this includes a restatement increase of $1,010 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.
- Noncurrent liabilities decreased by $502,004 or 11.15% primarily due to the decrease in net pension liability of $144,003 and other post-employment benefits ("OPEB") liability of $362,160. In addition, this includes a restatement increase of $5,848 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.
- Deferred inflows of resources increased by $394,890 or 92.02% primarily due to the increase in deferred inflows for OPEB and pensions per the actuarial report. The increases were due to changes in several actuarial inputs including changes in proportionate share of liability, discount rates, assumption changes, effect of economic gains and losses, and the effects of projected vs investment earnings. See Note 7 and 8 of the financial statements for further information.

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

Net Position represents the residual interest in MTA LIRR assets after liabilities are deducted and consists of the net investment in capital assets and unrestricted deficit. Net investment in capital assets include capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

(Dollars in thousands)

	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)	2021	2023–2022	2022–2021 (Restated)*
Net investment in capital assets	$ 10,621,428	$ 10,444,972	$ 9,865,162	$ 176,456	$ 579,810
Unrestricted	(2,899,885)	(2,878,389)	(3,424,898)	(21,496)	546,509
Total net position	$ 7,721,543	$ 7,566,583	$ 6,440,264	$ 154,960	$ 1,126,319

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

December 31, 2023 versus 2022

Total net position increased by $154,960 in 2023. The increase was comprised of operating and capital contributions from the MTA of $2,006,130, offset by an operating loss of $1,849,820.

December 31, 2022 versus 2021

Total net position increased by $1,126,319 in 2022. The increase was comprised of operating and capital contributions from the MTA of $1,840,052, and $954,844 from the FTA American Rescue Plan Act of 2021 (ARPA) Grant, offset by an operating loss of $1,664,714, which includes a restatement increase of $802 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.

Condensed Statements of Revenues, Expenses and Changes in Net Position

(Dollars in thousands)

	December 31,		
	2023	2022 (Restated)*	2021
Operating revenues	$ 604,220	$ 492,415	$ 323,934
Operating expenses	(2,454,040)	(2,157,129)	(2,057,041)
Operating loss	(1,849,820)	(1,664,714)	(1,733,107)
Nonoperating revenue and capital contributions:			
Operating subsidies from MTA	1,265,427	688,678	818,535
Capital contributions	740,703	1,151,374	1,504,056
Other non operating revenues (expenses)	(1,350)	(3,863)	374
FTA Reimbursement	-	954,844	620,764
Total nonoperating revenue and capital contributions	2,004,780	2,791,033	2,943,729
Change in net position	154,960	1,126,319	1,210,622
Net position—beginning of year	7,566,583	6,440,264	5,229,642
Net position—end of year	$ 7,721,543	$ 7,566,583	$ 6,440,264

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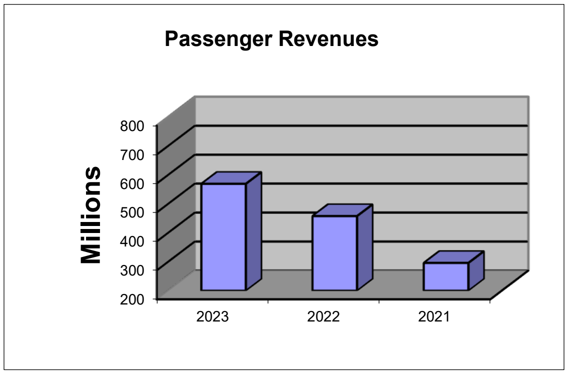
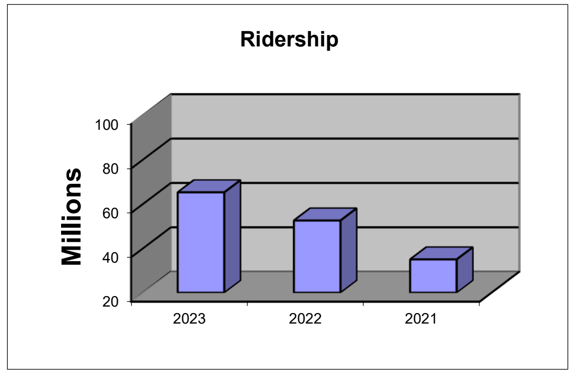
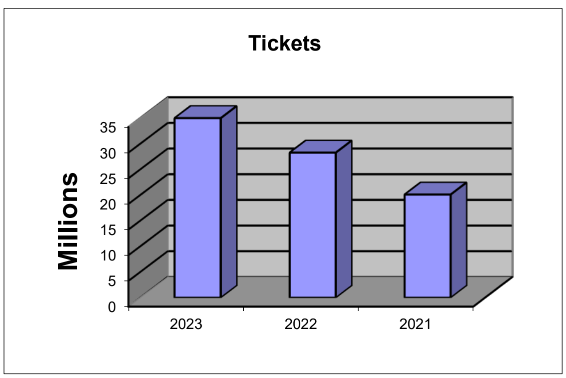
* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Revenues and Expenses by Major Source

Operating Revenues







The MTA LIRR finished the year with increased ridership in 2023, continuing the upward trend since the end of the pandemic. 2023 total ridership was 65.2 million customers, increasing 24.20% above 2022's 52.5 million ridership. 2023 Commutation ridership increased +22.00% with 25.7 million passengers, while Non-Commutation ridership increased 25.60% with 39.5 million passengers. In February of 2023, MTA LIRR opened the new Grand Central Madison station and introduced the new Combo Ticket, which allowed customers to travel between the Long Island Rail Road and the Metro North Railroad stations. In August 2023, MTA LIRR had a fare increase but continued to provide discounted Monthlies, Weeklies, and offered

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City Ticket Peak and Off-Peak fares. These discounts along with more people returning to the office (part/full time) contributed to the growth in Commutation and Non-Commutation ridership in 2023 vs. 2022.

When compared to 2019, total ridership represented 71.60% of the pre-pandemic ridership. Commutation ridership decreased by 49.20% and Non-Commutation decreased by 2.50% compared to the 2019 numbers.

Operating Expenses by Categories

(Dollars in thousands)

	2023	2022 (Restated)	2021	Increase/Decrease 2023–2022	Increase/Decrease 2022–2021 (Restated)*
Salaries and wages	$ 828,165	$ 730,566	$ 673,189	$ 97,599	$ 57,377
Health and welfare	126,013	106,525	98,711	19,488	7,814
Pension	246,551	147,681	173,381	98,870	(25,700)
Other fringe benefits	134,643	117,886	102,605	16,757	15,281
Other postemployment benefits (OPEB)	80,240	116,454	196,799	(36,214)	(80,345)
Electric power	103,352	100,095	80,487	3,257	19,608
Fuel	29,873	36,909	20,434	(7,036)	16,475
Insurance	24,950	20,655	18,403	4,295	2,252
Claims	12,554	12,861	7,283	(307)	5,578
Maintenance and other operating contracts	83,387	63,994	70,273	19,393	(6,279)
Environmental remediation	12,793	16,065	1,071	(3,272)	14,994
Professional service contracts	44,874	31,856	34,076	13,018	(2,220)
Materials and supplies	132,454	123,533	99,456	8,921	24,077
Depreciation and amortization	564,594	518,445	468,465	46,149	49,980
Other expenses	29,597	13,604	12,408	15,993	1,196
Total operating expenses	$2,454,040	$2,157,129	$2,057,041	$ 296,911	$ 100,088

* GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes to Operating Expenses in 2023

Total 2023 operating expenses increased by $296,911 or 13.76% over 2022 as follows:

- Salaries and wages increased by $97,599 or 13.36% primarily due to increased headcount and overtime related to new service provided to Grand Central Madison terminal and accruals for employee retroactive wages.
- Health and welfare increased by $19,488 or 18.29% primarily due to higher rates.
- Pension costs increased by $98,870 or 66.95% primarily due to actuarial loss on investments in pension as reflected in the net difference between projected and actual earnings.
- Other fringe benefits increased by $16,757 or 14.21% primarily due to higher Federal Employers' Liability Act (FELA) indemnity reserves and miscellaneous employee expenses.
- OPEB decreased by $36,214 or 31.10% primarily due to the net effect of plan assumption changes.

- Fuel decreased by $7,036 or 19.06% primarily due to lower rates.
- Insurance increased by $4,295 or 20.79% primarily due to higher liability insurance.
- Maintenance and other operating contracts increased by $19,393 or 30.30% primarily due to higher facility maintenance and repair, weed control and clearing, security services, and janitorial costs.
- Environmental remediation decreased by $3,272 or 20.37% primarily due to lower overall increase in environmental reserves for new projects.
- Professional service contracts increased by $13,018 or 40.87% primarily due to higher legal fees and write-off of project expenses that are not capital eligible.
- Other expenses increased by $15,993 or 117.56% primarily due to increase in bad debt reserves, disposal of M-7 trains, and higher credit card processing fees.

Significant Changes to Operating Expenses in 2022

Total 2022 operating expenses increased by $100,088 or 4.87% over 2021 as follows:

- Salaries and wages increased by $57,377 or 8.52% primarily due to accruals for retroactive wages for represented employees.
- Pension costs decreased by $25,700 or 14.82% primarily as a result of the recognition of the expenses related to changes in assumption or inputs that occurred in the prior year, which did not occur in the current year pension liability valuation of the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan"). This decrease was offset by higher service cost expenses incurred in the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan").
- OPEB decreased by $80,345 or 40.83% based on the latest actuarial report
- Electric power increased by $19,608 or 24.36% primarily due to higher consumption and higher rates.
- Fuel increased by $16,475 or 80.63% primarily due to higher rates.
- Maintenance and other operating contracts decreased by $6,279 or 8.94% primarily due to lower maintenance and repairs, joint facility expenses, real estate rental expenses and other maintenance services, partially offset by higher equipment rentals, and vegetation management, and elevator & escalator maintenance.
- Environmental remediation increased by $14,994 or 1,400.00% primarily due to higher expenses for environmental remediation for several projects: Jamaica Substation $7,152, Babylon Signal Power $2,055, and ADA Accessibility $1,056.
- Materials and supplies increased $24,077 or 24.21% primarily due to increases in other material and supplies, and pooled material.
- Depreciation and amortization increased by $49,980 or 10.67% due to an increase in depreciable assets. In addition, this includes a restatement increase of $1,694 as a result of the implementation of GASB No.

96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information.

Significant Changes to Nonoperating Revenue and Capital Contributions in 2023

In 2023, total nonoperating revenue and capital contribution decreased by $786,253 or 28.17%. Other nonoperating revenues (expenses) increased by $2,513 or 65.06% compared to 2022 primarily due to a decrease in interest expense from company financed investment transactions with MTA. FTA Reimbursement decreased $954,844 or 100.00% compared to 2022 since no new Federal grants were received in 2023. MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Operating subsidies are provided by MTA to LIRR as part of an MTA approved financial plan. Operating subsidies from the MTA increased by $576,749 or 83.75% compared to 2022.

In 2023, nonoperating capital project subsidies from MTA decreased by $410,671 or 35.67%. Nonoperating capital projects subsidies are provided as part of the MTA approved five-year Capital Program. The five-year Capital Program is in year four of the 2020-2024 and was approved in January 2020. The Capital Program supports three key imperatives: completion of the restoration of the system which began in 1982; preservation of the investments is made through timely replacement of assets; and expansion of the MTA transportation network to better serve the economy of the New York City region. The amount of these subsidies is based on scheduled project activity occurring during the current five-year capital program lifecycle.

Significant Changes to Nonoperating Revenue and Capital Contributions in 2022

In 2022, total nonoperating revenue and capital contribution decreased by $152,696 or 5.19%. Other nonoperating revenues (expenses) decreased by $4,237 or 1,132.79% compared to 2021 primarily due to an increase in interest expense from company financed investment transactions with MTA in addition to a restatement increase of $155 as a result of the implementation of GASB No. 96, Subscription-Based Information Technology Arrangements. Refer to footnote 2 for additional information. FTA Reimbursement increased $334,080 or 53.82% compared to 2021 due to approval of American Rescue Plan Act of 2021 (ARPA) grant. MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Operating subsidies are provided by MTA to LIRR as part of an MTA approved financial plan. Operating subsidies from the MTA decreased by $129,857 or 15.86% compared to 2021.

In 2022, nonoperating capital project subsidies from MTA decreased by $352,682 or 23.45%. Nonoperating capital projects subsidies are provided as part of the MTA approved five-year Capital Program. The five-year Capital Program is in year three of the 2020-2024 and was approved in January 2020. The Capital Program supports three key imperatives: completion of the restoration of the system which began in 1982; preservation of the investments is made through timely replacement of assets; and expansion of the MTA transportation network to better serve the economy of the New York City region. The amount of these subsidies is based on scheduled project activity occurring during the current five-year capital program lifecycle.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

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

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.30%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.90%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 21.8 million trips (7.80%), MTA New York City Transit bus paid ridership decreased by 7 million trips (-8.00%), MTA Long Island Rail Road paid ridership increased by 3.2 million trips (22.30%), MTA Metro-North Railroad paid ridership increased by 2.3 million trips (16.50%), MTA Bus paid ridership decreased by 192 thousand trips (-0.90%), and MTA Staten Island Railway paid ridership increased by 52 thousand trips (9.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3.00%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.70%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.60%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.20%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.00%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.30% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.90%. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.10% while the national index increased 3.20% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4.00%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.70%, while nationally, inflation exclusive of energy products increased 3.80%. The New York Harbor spot price for conventional gasoline decreased by 14.30% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2.00% over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53.00%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33.00%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.80%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations— One of the most reliable predictors of customer satisfaction is the ability of the LIRR to deliver passengers to their intended destinations on time. For 2023, the LIRR's OTP was 93.90%, which was a drop of 1.9 percentage points from 2022. The opening of Grand Central Madison in 2023 altered operation in an unprecedented way and therefore is difficult to compare to previous years.

The M9 fleet, with a mean distance between failures (MDBF) of 402,589 miles, was the strongest contributor in the LIRR's fleet reliability achievements. In addition, LIRR's RCM program and rigorous maintenance strategies contributed to sustain outstanding reliability performance.

The Maintenance of Equipment Department's strategic maintenance efforts continued to sustain more than 25 years old C3 fleet reliability, with C3 fleet achieving MDBF of 109,388– trailing the goal by 9.00%.

At the end of 2023, the multiple unit (MU) electric fleet consisted of 828 M7, 184 M9 and 100 M3 cars available for revenue service. The diesel fleet consisted of 134 C3 coach cars and 45 diesel locomotives.

New M-9 rail cars entered passenger service on September 11, 2019. The new cars incorporate and improve upon the most successful and popular features of the MTA's two recent electric car fleets, the LIRR's familiar M-7 electric cars and the M8 cars serving Metro-North's New Haven Line. A total of 202 cars are expected to be put into revenue service by the end of 2024.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

Opening Grand Central Madison - due to the new LIRR service to Grand Central Madison, which opened in early 2023, residents of Long Island have more travel options for getting to and from Manhattan. For those who commute to the east side of Manhattan, Grand Central Madison provides a more direct route to offices and businesses. And for those traveling to Long Island, Grand Central Madison has enabled more robust reverse commuting service. In all, LIRR service into Manhattan increased by 40.00%.

Grand Central Madison is the largest U.S. passenger rail terminal to open in 67 years and the first extension of the LIRR in 112 years, giving LIRR customers direct access to Manhattan's East Side. Together with Third Track and other improvements, Grand Central Madison enables a 40.00% increase in LIRR service, including massive improvements in reverse commuting options. While it took some time to get to know riders' travel patterns, LIRR listened to customer feedback and adjusted schedules to better reflect ridership patterns and demand. By the end of 2023, LIRR ridership had grown 22.00% compared to the same time last year – with nearly 6 million people riding LIRR in December.

Completed Penn Station LIRR Concourse - MTA Construction & Development has been working to transform the LIRR Concourse at Penn Station into a state-of-the-art space. This builds upon the December 2020 opening of the new East End Gateway at 33 St and 7 Av, which provided an iconic new entrance and bringing natural light into Penn Station for the first time since the 1960s. In March 2023, the new 33 St Corridor reached substantial completion. The new corridor is significantly wider and taller, providing a dramatically improved passenger experience.

The Cherry Valley Road Bridge, located on the LIRR's Hempstead Branch in Garden City, was replaced. The new bridge has increased vertical clearance, thereby improving safety and greatly reducing the likelihood of bridge strikes from trucks.

The 2023 LIRR Annual Track Program was completed during fiscal year 2023. The program includes installing 2,500 concrete ties on the Main Line and the Port Jefferson Branch; installing 35,786 linear feet of continuous welded rail (CWR) on the Main Line, Atlantic Branch, and the Port Jefferson Branch; replacing 19,600 timber ties on the Main Lane; performing grade crossing renewal at 14 grade crossings; undertaking 86 miles of track surfacing and 50 locations for surfacing interlocking switches on the Main Line, Port Jefferson Branch and at locations systemwide; and replacement of six switches on the Main Line and the Port Jefferson Branch.

By December 2023, 176 new M-9 rail cars entered passenger service. The new cars incorporate and improve upon the most successful and popular features of the MTA's two recent electric car fleets, the MTA LIRR's familiar M-7 electric cars and the M-8 cars serving Metro-North's New Haven Line.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

On August 20, 2023, fare changes took effect following unanimous approval by the MTA Board in July. The changes mark the resumption of modest, biennial fare adjustments and include:

- Monthly and weekly ticket rates increase by up to 4.5% with monthly tickets not exceeding $500.
- Maintaining the 10% monthly ticket discount introduced in 2022
- Off-peak discounts by 26%
- CityTicket remaining at $5, one-way option on all off-peak trains within city limits and a new $7 peak CityTicket offered
- Discontinuance of the 20-trip ticket pilot.
- Discontinuance of Atlantic Ticket.
- Far Rockaway Ticket, a station-specific offering mirroring CityTicket prices will be offered.

Currently Known Facts, Decisions or Conditions:

Labor Negotiation Update—MTA LIRR has two collective bargaining agreements in effect through August 15, 2026 with SMART-Transportation Division and SMART-Yardmasters, as well as a current tentative agreement pending MTA Board approval with SMART-Sheet Metal Workers. These three agreements cover approximately 3,165 LIRR employees. The other collective bargaining agreements between LIRR and the seven other bargaining units became amendable on June 15, 2023 and the parties are actively engaging in collective bargaining pursuant to the Railway Labor Act. During these negotiations, all terms and conditions of the amendable collective bargaining agreements remain in status quo and in full force and effect until modified by mutual agreement.

Impacts from Global Coronavirus Pandemic:

On March 12, 2020, the World Health Organization declared the current novel coronavirus (“COVID-19”) outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo (“New York State on PAUSE”), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. Social distancing mandates were eased, and the region moved into a late-pandemic phase. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70.00% of adults receiving at least a first dose of the vaccine. Ridership levels continue to show improvement, although ridership remains significantly below pre-pandemic levels. MTA New York City Subway resumed 24 hours a day service on May 17, 2021, after subway service was shut down overnight for over a year to allow for thorough disinfecting of the system and other enhancements. MTA Metro-North Railroad operated on an 93.00% pre-pandemic service level during the week and 100% on weekends relative to pre-pandemic levels MTA Long Island Rail Road operated on an 87.00% pre-pandemic service level through the end of 2022. In January of 2023 the Grand Central Madison terminal was opened for LIRR service. Service was initially run as a shuttle between Jamaica and Grand Central Madison terminals. Full LIRR service to Grand Central Madison began in February, resulting in a 41.00% increase in overall LIRR service.

- ***Ridership and Traffic Update:*** Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, ridership compared to the pre-pandemic equivalent day in 2019 is down 28.00% on the subways, 43.00% for bus (combined NYCT bus and MTA Bus Company), 23.00% on MTA Metro-North Railroad, and 24.00% on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are closely resembling pre-pandemic levels.
- For additional information, refer to Note 17 to Long Island Rail Road’s Financial Statements for more information regarding the impact from the COVID-19 pandemic.

The 2023 MTA November Plan

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

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100,000 for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a 4.00% increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1,150,000 through the Plan period.

During 2023, MTA operating agencies identified and have been implementing numerous operating efficiencies initiatives will result in $1,950,000 in savings over the Plan period, with $1,880,000 impacting MTA and an additional $71,000 impacting the CDOT subsidy for Metro-North's Connecticut service. This expands on the July Plan initiatives, which identified savings of $921,000 to the MTA and also lowered the CDOT subsidy by $46,000. The November Plan recognizes an additional $958,000 in savings over the Plan period, along with a further reduction in the CDOT subsidy by $25,000. Among the actions identified in the July and November Plans:

New York City Transit (NYCT) is working toward improving employee availability across all divisions, with efforts targeting critical job titles in the Division of Subways and Division of Buses to reduce positions and overtime related to backfilling shifts ($341,000). In addition, overtime assignments will be strategically managed, ensuring compliance with timekeeping rules and reducing overtime hours in targeted functions ($68,000).

The Division of Subways at NYCT, working with their Operations, Maintenance and Procurement stakeholders, is addressing critical station and infrastructure cleaning previously handled via more costly third-party contracts ($204,000); has adjusted the car equipment maintenance approach ($203,000); is obtaining efficiencies in rail material acquisition ($61,000); is implementing energy efficient initiatives throughout stations, yards and on subway cars ($60,000); is reorganizing terminal station car cleaning ($25,000) and is lengthening crew tours for more efficient train operations staffing ($8,000).

The Division of Buses at NYCT has identified changes to bus maintenance schedules utilizing predictive maintenance tools ($35,000); and improved analysis of vehicle condition and performance to allow for better maintenance planning ($25,000). Aligned with these operational efficiencies are the bus lane violation revenues and unscheduled bus operation overtime savings related to the Automated Bus Lane Enforcement (ABLE) measures through camera installation on additional buses and expanded enforcement, as permitted through the State 2023-24 Enacted Budget ($80,000). Paratransit trip-booking improvements utilizing self-service functionality will create savings and provide a better Paratransit customer experience ($16,000).

Long Island Rail Road and Metro-North Railroad have been working together over the past year to identify and incorporate industry best practices in their equipment shops as well as scheduling work along the rail right-of-way. Shop-specific practices are being adjusted for more efficient workflow to reduce the impacts of unplanned events ($87,000). Improved rail equipment scheduling for required maintenance and inspections along with ensuring proper staffing at shop locations will result in reductions to overtime ($77,000). Equipment and crew are being more efficiently scheduled to match with demand ($50,000). Both railroads are working to ensure appropriate inventory is available for required maintenance ($151,000). Management oversight of operating contracts is better aligning third-party services at work locations along the right-of-way ($46,000).

Bridges and Tunnels reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions ($103,000).

The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. Savings targets have been fully met through 2024, with unidentified savings totaling $218,000 from 2025 through 2027 remaining below-the-line in the November Plan.

The November Plan includes several financial plan re-estimates:

- Include a $100,000 Farebox Revenue Loss Provision in 2024 to account for short-term fare evasion impacts on farebox revenue.
- Incorporates into Agency financial plans revised wage assumptions and safety and security initiatives that were included below-the-line in the July Plan.
- One-time State aid of $300,000 in 2023, included in the NYS 2023-24 Enacted Budget to address the extraordinary impact of the COVID pandemic on MTA operating revenues, will be made in two equal $150,000 disbursements to MTA, at the end of 2023 and at the end of the first quarter of 2024.
- Subsidies are lower by $138,000 over the Plan period. The 2023 Payroll Mobility Tax forecast is reduced by $44,000 to reflect year-to-date shortfalls in receipts. Receipts from the For-Hire Vehicle Surcharge have been reduced by $109,000 over the Plan period, reflecting slower growth than had been previously projected. Collectively, receipts from the Mortgage Recording Tax, the Urban Taxes and MTA Aid are $15,000 favorable in 2023, reflecting receipts through October.
- Initial inclusion of operating revenue and expenses related to Metro-North's Penn Station Access train service, which is scheduled to commence in 2027.
- Reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by $55,000. B&T continues to ramp up its toll collection efforts.
- Dramatic increases in interest rates have propelled MTA-wide investment income to be a substantial source of revenue to subsidize operations. Based on current investment returns, investment income increases have been conservatively forecast to exceed the July Plan forecast by $148,000 over the Plan period.
- Adjustment to reflect the delayed receipt of COVID expense reimbursement from FEMA.
- Adjustments in the timing of Committed to Capital operating funds.
- Use of $17,000 over the Plan period from the OPEB Trust. The July Plan anticipated use of $258,000 over the Plan period.
- Reduce the 2024 projection of the Central Business District Tolling Program's net revenue from $600,000 to $400,000, reflecting a more conservative first year estimate given timing risks.

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Other local subsidy resources which were freed up from the receipt of Federal reimbursement for COVID losses will be applied to close remaining annual deficits. The Plan assumes $1,370,000 of resources will be used to close the 2023 deficit and followed by $220,000 in 2024; resources are not expected to be needed for 2025 and 2026, with the remaining $469,000 used to balance 2027. The timing change is primarily due to the delay in the receipt of FEMA reimbursement of COVID-related expenses.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info.

Contacting MTA Controller's Office

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2023**	**2022 (Restated)**
CURRENT ASSETS:		
Cash (Note 3)	$ 5,302	$ 4,987
Fare cards	9,370	11,183
Invested funds at MTA	68,820	-
Receivables:		
Passenger	4,580	2,752
Due from MTA and affiliated agencies (Note 10)	664,433	1,126,286
Due from NYSDOT	7,184	948
Rents	3,882	8,074
Other	51,155	31,460
Less: allowance for doubtful accounts	(6,763)	(3,209)
Receivables—net	724,471	1,166,311
Materials and supplies, net of allowance of $76,235 and $65,552 in 2023 and 2022, respectively	193,990	178,148
Prepaid expenses and other current assets	276,519	46,340
Total current assets	1,278,472	1,406,969
NONCURRENT ASSETS:		
Capital assets (Notes 2 and 5):		
Land and construction work-in-progress	1,150,631	1,598,911
Other capital assets, net of accumulated depreciation	9,589,714	8,964,408
Other noncurrent receivables (Note 11)	69,395	76,123
Total noncurrent assets	10,809,740	10,639,442
Total assets	12,088,212	12,046,411
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pension (Note 6)	761,696	541,111
Deferred outflows for postemployment benefits other than pensions (Note 7)	380,746	377,873
Total deferred outflows of resources	1,142,442	918,984
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 13,230,654	$ 12,965,395

(Continued)

MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	**2023**	**2022 (Restated)**
CURRENT LIABILITIES:		
Accounts payable	$ 119,373	$ 80,872
Due to MTA and affiliated agencies (Note 10)	43,799	243,516
Accrued expenses and other liabilities:		
Salary, wages and payroll taxes	66,409	94,072
Vacation and sick pay benefits	92,595	87,493
Retirement and death benefits	1,166	1,168
Current portion-estimated liability arising from injuries to persons (Note 8)	32,446	31,984
Current portion-loan payable (Note 9)	2,322	3,359
Current portion lease payable (Note 11)	7,612	10,963
Current portion - Subscription-based IT Arrangements (Note 12)	1,055	1,010
Environmental remediation (Note 13)	9,226	11,303
Total accrued expenses	212,831	241,352
Unearned revenues	8,766	9,927
Total current liabilities	384,769	575,667
NONCURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 8)	158,440	145,770
Net pension liability	1,547,240	1,174,651
Postemployment benefits other than pensions (Note 7)	2,310,141	2,513,054
Environmental remediation (Note 13)	39,842	28,968
Loan payable (Note 9)	15,294	17,616
Lease payable (Note 11)	39,730	31,439
Subscription-based IT arrangements payable (Note 12)	4,793	5,848
Other long-term liabilities (Note 14)	88,847	81,791
Total noncurrent liabilities	4,204,327	3,999,137
Total liabilities	4,589,096	4,574,804
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension (Note 6)	2,623	90,198
Deferred inflows from post employment benefits other than pensions (Note 7)	841,659	650,706
Deferred inflows from leases	75,733	83,104
Total deferred inflows of resources	920,015	824,008
NET POSITION:		
Net investment in capital assets	10,621,428	10,444,972
Unrestricted deficit	(2,899,885)	(2,878,389)
Total net position	7,721,543	7,566,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 13,230,654	$ 12,965,395

See notes to financial statements. (Concluded)

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
	2023	2022 (Restated)
OPERATING REVENUES:		
Passenger	$ 568,951	$ 457,583
Rents and utilities	19,778	17,616
Advertising	10,458	10,257
Other	5,033	6,959
Total operating revenues	604,220	492,415
OPERATING EXPENSES:		
Salaries and wages	828,165	730,566
Retirement and other employee benefits	507,207	372,092
Postemployment benefits other than pensions	80,240	116,454
Electric power	103,352	100,095
Fuel	29,873	36,909
Insurance	24,950	20,655
Claims	12,554	12,861
Maintenance and other operating contracts	83,387	63,994
Environmental remediation	12,793	16,065
Professional service contracts	44,874	31,856
Material and supplies	132,454	123,533
Depreciation and amortization	564,594	518,445
Other	29,597	13,604
Total operating expenses	2,454,040	2,157,129
OPERATING LOSS	(1,849,820)	(1,664,714)
NONOPERATING REVENUES:		
Operating subsidies from MTA	1,265,427	688,678
Federal Transit Authority (“FTA”) Reimbursement	-	954,844
Other non operating revenues (expenses)	(1,350)	(3,863)
Total nonoperating revenues (net)	1,264,077	1,639,659
LOSS BEFORE CAPITAL CONTRIBUTIONS	(585,743)	(25,055)
CAPITAL CONTRIBUTIONS—MTA contributions for capital projects	740,703	1,151,374
CHANGE IN NET POSITION	154,960	1,126,319
NET POSITION—Beginning of year	7,566,583	6,440,264
NET POSITION—End of year	$ 7,721,543	$ 7,566,583

See notes to financial statements.

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 565,987	$ 455,013
Rents, advertising, and other receipts	27,361	22,587
Payroll and related fringe payments	(1,279,806)	(667,658)
Other operating expenses	(1,047,903)	(568,296)
Net cash used in operating activities	(1,734,361)	(758,354)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies from MTA	1,265,427	688,678
Other nonoperating revenue (expense)	(531)	(3,071)
MTA Loan	-	-
FTA reimbursement	451,030	99,587
Cash provided by noncapital financing activities	1,715,926	785,194
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from Leases	12,012	11,220
Payments of Leases and subscription-based IT arrangements	(17,997)	(12,154)
Capital contributions from MTA	310,492	388,122
Capital expenditures incurred for capital program	(285,757)	(414,518)
Net cash provided by (used in) in capital financing activities	18,750	(27,330)
NET DECREASE IN CASH	315	(490)
CASH—Beginning of year	4,987	5,477
CASH—End of year	$ 5,302	$ 4,987
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (1,849,820)	$ (1,664,714)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	564,594	518,445
Net increase in accounts payable, accrued expenses, other liabilities, unearned revenues	(546,195)	296,443
Net increase in receivables	341,266	121,143
Net increase in materials and supplies, prepaid expenses and other current assets , other assets	(244,206)	(29,671)
NET CASH USED IN OPERATING ACTIVITIES	$ (1,734,361)	$ (758,354)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ (740,703)	$ 723,488
Capital assets related liabilities	(117,735)	84,486
Interest expenses for leases and subscription-based IT arrangements	994	1,303
Interest income from leases	(2,246)	2,260
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ (859,690)	$ 811,537

See notes to financial statements.

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THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF FIDUCIARY NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Pension Trust Fund	
	2023	**2022**
ASSETS:		
Cash	$ 625	$ 696
Investments at fair value	712,190	652,011
Receivables:		
Participant and union contributions	3	-
Other receivable	72	23
Securities sold	477	175
Amount due from MTA DB Plan-Employer Contribution	-	-
Accrued interest and dividends	558	400
Total receivables	1,110	598
Total assets	713,925	653,305
LIABILITIES:		
Due to broker for securities purchased	1,606	611
Forward Currency & Margin contracts	48	59
Due to broker for investment fees	(6)	257
Due to broker for administrative expenses	211	(19)
Total liabilities	1,859	908
PLAN NET POSITION RESTRICTED FOR PENSIONS	$ 712,066	$ 652,397

See notes to financial statements.

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THE LONG ISLAND RAIL ROAD COMPANY PLAN FOR ADDITIONAL PENSIONS

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Pension Trust Fund	
	2023	**2022**
ADDITIONS:		
Investment income:		
Net realized and unrealized gains	$ 51,177	$ (56,789)
Interest income	3,376	1,774
Dividend income	6,641	8,067
Total investment income	61,194	(46,948)
Less investment expenses	(2,606)	(4,266)
Total net investment income	58,588	(51,214)
Contributions (Note 6):		
Employer	140,400	70,764
Participant and union	50	50
Total contributions	140,450	70,814
Total additions	199,038	19,600
DEDUCTIONS:		
Benefits paid to participants	(138,824)	(143,764)
Transfers	-	-
Administrative expenses	(546)	(761)
Total deductions	(139,370)	(144,525)
NET INCREASE/(DECREASE) IN PLAN NET POSITION	59,668	(124,925)
PLAN NET POSITION RESTRICTED FOR PENSIONS:		
Beginning of year	652,398	777,323
End of year	$ 712,066	$ 652,398

See notes to financial statements.

MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—In 1966, the Metropolitan Transportation Authority ("MTA") acquired the capital assets of MTA Long Island Rail Road ("LIRR") from the former Pennsylvania Railroad Company. In February 1980, MTA LIRR became a component unit of the MTA pursuant to New York State Public Authorities Law. MTA LIRR is a part of the related financial reporting group of the MTA and is a component unit of the MTA. The MTA is a component unit of the State of New York.

MTA LIRR performs a public service of providing essential passenger transportation between New York City and Long Island. Substantial deficits result from providing these services and MTA LIRR expects that such deficits will continue in the foreseeable future. Funding for MTA LIRR's operations and capital needs is provided by MTA, which obtains the required funds from state and federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to MTA LIRR on a discretionary basis. The continuance of MTA LIRR's operations has been, and will continue to be, dependent upon the receipt of adequate funds from MTA to subsidize operating deficits.

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

MTA LIRR is not liable for real estate or personal property taxes on its properties or sales taxes on substantially all its purchases.

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

As part of the 2019 adoption of Governmental Accounting Standards Board ("GASB") 84, *Fiduciary Activities*, the MTA and the stand-alone agencies are required to show the balance sheet and income statement of pension or other postemployment plans that meet the criteria of a fiduciary fund. The LIRR Company Plan for Additional Pensions ("Additional Plan") is categorized as a Pension Trust Fund and is a fiduciary component unit of MTA LIRR.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

New Accounting Standards—The MTA LIRR adopted the following GASB Statements for the year ended December 31, 2023: GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The MTA LIRR evaluated all the requirements and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of SBITA assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and decreased by $957.

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The following schedule summarizes the net effect of adopting GASB Statement No. 96 in the Statement of Net Position as of December 31, 2022 (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Noncurrent assets:			
Capital Assets:			
Other capital assets, net of accumulated depreciation	8,958,507	5,901	8,964,408
Total noncurrent assets	10,633,541	5,901	10,639,442
Total assets	12,040,510	5,901	12,046,411
Total assets & deferred outflows of resources	12,959,494	5,901	12,965,395
Current liabilities:			
Current portion-Subscription-based IT Arrangements	-	1,010	1,010
Total current liabilities	574,657	1,010	575,667
Noncurrent liabilities:			
Subscription-based IT arrangements payable	-	5,848	5,848
Total noncurrent liabilities	3,993,289	5,848	3,999,137
Total liabilities	4,567,946	6,858	4,574,804
Net position:			
Net investment in capital assets	10,445,929	(957)	10,444,972
Unrestricted deficit	(2,878,389)	-	(2,878,389)
Total net position	7,567,540	(957)	7,566,583
Total liabilities, deferred inflows of resources and net position	12,959,494	5,901	12,965,395

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In addition, revenues, expenses and net position as of December 31, 2022 were required to be restated by GASB 96 as follows (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Operating expenses:			
Professional service contracts	32,748	(892)	31,856
Depreciation and amortization	516,751	1,694	518,445
Total operating expenses	2,156,327	802	2,157,129
Operating loss	(1,663,912)	(802)	(1,664,714)
Nonoperating revenues:			
Other non operating revenues (expenses)	(3,708)	(155)	(3,863)
Total nonoperating revenues	1,639,814	(155)	1,639,659
Loss before capital contributions	(24,098)	(957)	(25,055)
Change in net position	1,127,276	(957)	1,126,319
Net position—beginning of year	6,440,264	-	6,440,264
Net position—end of period	7,567,540	(957)	7,566,583

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in the statement of cash flows (in thousands) for certain subscription-based information technology arrangements previously classified as professional service contracts for the year ended December 31, 2022:

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Year-ended December 31, 2022	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Cash flows from operating activities:			
Other operating expenses	(569,188)	892	(568,296)
Net cash used in operating activities	(759,246)	892	(758,354)
Cash flow from capital and related financing activities:			
Payments of Leases & SBIT arrangements	(11,262)	(892)	(12,154)
Net cash provided by (used in) capital financing activities	(26,438)	(892)	(27,330)
Reconciliation of cash flows from operating activities:			
Operating loss	(1,663,912)	(802)	(1,664,714)
Depreciation and amortization	516,751	1,694	518,445
Net cash used in operating activities	(759,246)	892	(758,354)
Noncash capital and related financing activities:			
Capital assets related liabilities	77,628	6,858	84,486
Interest expense for leases & SBIT arrangements	1,148	155	1,303
Total noncash capital and related financing activities	804,524	7,013	811,537

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, the MTA LIRR concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA LIRR.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the financial position, results of operations or cash flows of the MTA LIRR.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA LIRR upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

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

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

Materials and Supplies—Materials and supplies, except for rebuilt items, are valued at the lower of average cost or market, net of obsolescence reserve. Rebuilt items are recorded at 50% of their average purchase price.

Fare Cards—MTA LIRR sells joint prevalued MetroCard ("fare cards") on consignment on behalf of an affiliated agency. Such fare cards are recorded at cost and reimbursed to the affiliated agency upon sale.

Capital Assets—Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, construction work-in-progress, buildings and structures, equipment, infrastructure—road and leasehold improvements of MTA LIRR having a minimum useful life of 2 years and a cost of more than $25. Capital assets also include the Pennsylvania Station Leasehold. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementation costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives; 7 to 50 years for buildings and structures; 25 to 35 years for passenger cars, locomotives and work train equipment; 3 to 20 years for other equipment; and 6 to 43 years for infrastructure—road. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset, whichever is less. The Pennsylvania Station leasehold improvement is amortized over 30 years. Right-to-use SBITA assets are amortized over the subscription term.

MTA LIRR reviews long-lived assets for impairment when events or circumstances indicate that the carrying amount may not be recoverable and records the appropriate loss when assets are disposed of or are determined to be impaired.

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

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

Pollution Remediation Projects—In accordance with, GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 13), pollution remediation costs have been charged in accordance with the provisions of. An operating expense provision and corresponding liability measured at its current value using the expected cash flow method have been recognized for certain pollution remediation obligations that previously may not have been required to be recognized,

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have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: an imminent threat to public health due to pollution exists; the MTA LIRR is in violation of a pollution prevention-related permit or license; the MTA LIRR is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA LIRR is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities; or the MTA LIRR voluntarily commences or legally obligates itself to commence remediation efforts.

Operating Revenues—Passenger revenues from the sale of tickets are recognized as income as they are sold; unearned revenue is recorded for tickets sold in advance of the period for which the ticket is valid. Revenues from rents, advertising and other related income are recorded when earned.

Nonoperating Revenues—Nonoperating subsidies are provided to MTA LIRR by MTA as part of an MTA approved financial plan. Nonoperating capital projects subsidies are provided as part of the MTA approved 5 Year Capital Program based on scheduled project activity occurring during the current 5-year capital program lifecycle. MTA LIRR received $99,600 in 2022 from the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (“CRRSAA”). Additionally, MTA LIRR received $451,030 in American Rescue Plan Act of 2021 (“ARPA”) funds in 2023. MTA LIRR recognized this funding as a non-operating subsidy.

Nonexchange Transactions with MTA—In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, funds contributed by MTA for the MTA LIRR’s capital project expenditures are reported as nonoperating revenue when such expenditures are accrued. MTA contributions for capital projects are included as nonoperating capital projects subsidy in the accompanying statements of revenues, expenses and changes in net position.

The cost of certain services provided by MTA for the benefit of the MTA LIRR is accrued as incurred. MTA does not charge the MTA LIRR (or other related groups) for the cost of police services relating to the other lines.

Operating and Nonoperating Expenses—Operating and nonoperating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA LIRR (e.g. salaries, insurance, depreciation, lease amortization and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, interest on leases and SBITAs, subsidies paid to counties, etc.) are reported as non-operating expenses.

Compensated Absences—MTA LIRR has accrued the full value (including fringe benefits) of all vacation and sick leave benefits earned by employees to date if the leave is attributable to past service and it is probable that MTA LIRR will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Liability Insurance— The First Mutual Transportation Assurance Company (“FMTAC”), an insurance captive subsidiary of MTA, operates a liability insurance program (“ELF”) that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits for MTA LIRR was

$8,000. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits for MTA LIRR was $9,000. Effective November 1, 2012 the self-insured retention limits for ELF was increased to $10,000 for MTA LIRR. Effective October 31, 2015, the self-insured retention limits for ELF was increased to $11,000 for the MTA LIRR. 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 $50,000. The retrospective 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 $50,000 per occurrence with a $50,000 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189,200.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $357,500 for a total limit of $407,500 ($357,500 excess of $50,000). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50,000.

On March 1, 2023, the “nonrevenue fleet” automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for MTA Long Island Rail Road, MTA Staten Island Railway, MTA Police, MTA Metro-North Railroad, MTA Inspector General, MTA Construction & Development Company, and MTA Headquarters. The program limit is $11,000 per occurrence on a combined single limit with a $1,000 per occurrence deductible. Primary limits of $6,000 were procured through the commercial marketplace. Excess limits of $5,000 were procured through FMTAC. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

On December 15, 2023, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11,000 per occurrence loss for MTA LIRR.

Property Insurance— Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25,000 per occurrence deductible, subject to an annual $75,000 aggregate deductible. The total All Risk program annual limit is $500,000 per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7,500 per occurrence. In addition to the noted $25,000 per occurrence self-insured deductible, MTA self-insures above that deductible for $147,080 within the overall $500,000 per occurrence property program as follows: $20,277 (or 40.55%) of the primary $50,000 layer, plus $23,777 (or 47.55%) of the $50,000 excess $50,000 layer, plus $14,792 (or 29.58%) of the $50,000 excess $100,000 layer, plus $8,827 (or 17.65%) of the $50,000 excess $150,000 layer, plus $4,484 (or 8.96%) of the $50,000 excess $200,000 layer, plus $12,548 (or 25.09%) of the $50,000 excess $250,000 layer, plus $13,547 (or 27.09%) of the $50,000 excess $300,000 layer, plus $14,997 (or 29.99%) of the $50,000 excess $350,000 layer, plus

$18,664 (or 37.32%) of the $50,000 excess $400,000 layer, and $15,164 (or 30.32%) of the $50,000 excess $450,000 layer.

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

Supplementing the $500,000 per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. 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 80.00% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20.00% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200,000. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20.00% of any "certified" act of terrorism up to a maximum recovery of $215,000 for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100.00% of any "certified" terrorism loss which exceeds $5,000 and less than the $200,000 TRIPRA trigger up to a maximum recovery of $200,000 for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215,000. Recovery under the terrorism policy is subject to a deductible of $25,000 per occurrence and $75,000 in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75,000 future losses in that policy year are subject to a deductible of $7,500. The terrorism coverages expire at midnight on May 1, 2025.

All Agency Protective Liability—FMTAC All-Agency Protective Liability Program. Under the All-Agency Protective Liability Program ("AAPL"), FMTAC directly insures the Related Entities against claims arising out of work performed by independent contractors on capital projects. The policy provides coverage of $2,000 per occurrence.

FMTAC All-Agency Protective Excess Liability Program. FMTAC directly insures the Related Entities to provide excess coverage on top of the AAPL. The policy provides coverage of $9,000 in excess of $2,000 per occurrence, with an $18,000 annual aggregate. Any excess is covered by the ELF program.

Self-Insurance and Risk Retention—The MTA LIRR is self-insured for liabilities arising from injuries to passengers, employees and others with the exception of injuries to non-employees and off-duty employees arising from occurrences at NYS stations ("Station Liability"), and employees and non-employees, arising from reimbursable project work ("Force Account"). The MTA LIRR accrues the estimated total cost for the self-insured liability arising out of these claims. For incidents occurring on or before October 31, 2012, claims arising from Station Liability and Force Account are fully insured up to $9,000 per occurrence. That amount was increased to $10,000 per occurrence for incidents occurring on or after November 1, 2012 and increased to $11,000 on October 31, 2015.

Deferred Compensation Plan—The MTA and its affiliated agencies' employees are participants in a deferred compensation plan established in 1985 in accordance with Internal Revenue Code Section 457. MTA LIRR established a trust or custodial account with a third party financial institution to hold plan assets for the exclusive use of the participants and their beneficiaries. Accordingly, at December 31, 2023 and 2022, plan assets and liabilities are not reflected in the accompanying Statements of Net Position.

Retirement Benefits—MTA LIRR's pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974.

MTA LIRR recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or MTA LIRR's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of MTA LIRR's year end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Other Postemployment Benefits—The MTA LIRR has adopted the standards of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

The MTA LIRR recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

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

3. CASH

The Bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

The Bank balances in 2023 and 2022 that were not insured were maintained in major financial institutions considered by management to be secure. As of December 31, 2023 and 2022, cash consists of:

	2023		2022	
	Carrying Amount	**Bank Balance**	**Carrying Amount**	**Bank Balance**
Insured (FDIC) or collateralized deposits	$ 3,625	$ 3,104	$ 3,162	$ 3,035
Uninsured and noncollateralized fund on-hand and in-transit	1,677	-	1,825	-
Total cash	$ 5,302	$ 3,104	$ 4,987	$ 3,035

Cash carrying amounts also include deposits in transit and cash on hand offset by any outstanding checks.

MTA LIRR or its agent in MTA LIRR's name holds all collateralized deposits. These accounts contain revenue pledged by MTA LIRR as collateral for certain MTA Transportation Revenue Bonds, as further described in Note 4 below.

The MTA, on behalf of the Authority, invests funds, which are not immediately required for MTA LIRR's operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. As such, there were no investments subject to credit or interest rate risk.

4. TRANSPORTATION REVENUE BONDS

MTA LIRR's capital programs are partially funded from the proceeds of bonds, including the MTA's Transportation Revenue Bonds. The Transportation Revenue Bonds are special obligations of MTA, payable from, and secured by a pledge of:

- the gross operating revenues of MTA LIRR, Metro-North Commuter Railroad, and the New York City Transit Authority and its component, Manhattan and Bronx Surface Transit Operating Authority until monthly deposits of principal and interest are satisfied under the Transportation Revenue Bond Resolution,
- Triborough Bridge and Tunnel Authority's operating surplus,
- general operating subsidies from the State and local governments,
- special tax-supported operating subsidies, and
- Station maintenance and service reimbursements.

5. CAPITAL ASSETS, NET

Capital assets and improvements include all land, buildings, equipment, and infrastructure of MTA LIRR having a minimum useful life of two years and having a cost of more than $25. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. In 1988, MTA LIRR and MTA entered into a 99-year lease agreement with Amtrak for the Pennsylvania Station. This agreement, with an option to renew, is for rights to the lower concourse level and certain platforms. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

The following is a summary of capital assets activity at January 1, 2022, December 31, 2022 and December 31, 2023 (in thousands):

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	As of January 1, 2022 (Restated)*	Additions (Restated)*	Deletions	As of December 31, 2022 (Restated)*	Additions	Deletions	As of December 31, 2023
Capital assets, not being depreciated:							
Land	$ 48,112	$ -	$ -	$ 48,112	$ -	$ -	$ 48,112
Construction work-in-progress	3,294,084	1,143,177	2,886,462	1,550,799	741,965	1,190,245	1,102,519
Total capital assets, not being depreciated	3,342,196	1,143,177	2,886,462	1,598,911	741,965	1,190,245	1,150,631
Capital assets, being depreciated:							
Leasehold improvements	526,281	36,113	-	562,394	499,296	-	1,061,690
Pennsylvania station leasehold	44,600	-	-	44,600	-	-	44,600
Buildings and structure	4,464,429	2,001,121	4,675	6,460,875	261,716	-	6,722,591
Equipment:							
Passenger cars & Locos	2,893,529	81,000	19,536	2,954,993	102,600	23,216	3,034,377
Equipment & other	784,748	100,829	1,761	883,816	55,438	3,488	935,766
Infrastructure—road	4,774,417	659,283	13,921	5,419,779	259,611	6,120	5,673,270
Total capital assets, being depreciated	13,488,004	2,878,346	39,893	16,326,457	1,178,661	32,824	17,472,294
Less accumulated depreciation/amortization:							
Leasehold improvements*	48,242	26,071	-	74,313	38,080	-	112,393
Pennsylvania station leasehold	44,600	-	-	44,600	-	-	44,600
Buildings and structure	1,706,993	150,704	2,883	1,854,814	176,298	-	2,031,112
Equipment:							
Passenger cars & Locos	1,916,605	105,402	19,536	2,002,471	106,198	18,454	2,090,215
Equipment & other	560,459	36,029	1,720	594,768	36,797	3,295	628,270
Infrastructure—road	2,663,844	187,412	13,921	2,837,335	193,185	6,120	3,024,400
Total accumulated depreciation/amortization	6,940,743	505,618	38,060	7,408,301	550,558	27,869	7,930,990
Total capital assets, being depreciated/amortized, net	6,547,261	2,372,728	1,833	8,918,156	628,103	4,955	9,541,304
Capital assets, net	9,889,457	3,515,905	2,888,295	10,517,067	1,370,068	1,195,200	10,691,935
Right of Use Assets being amortized:							
Leased buildings and structures	32,051	-	-	32,051	11,072	-	43,123
Leased equipment and vehicles	21,937	4,141	-	26,078	5,083	-	31,161
Leased other	3,233	-	-	3,233	-	-	3,233
Subscription-based IT Arrangements	7,595	-	-	7,595	41	-	7,636
Total Right of Use Assets being amortized	64,816	4,141	-	68,957	16,196	-	85,153
Less accumulated amortization:							
Leased buildings and structures	2,884	2,884	-	5,768	2,918	-	8,686
Leased equipment and vehicles	6,618	7,875	-	14,493	9,135	-	23,628
Leased other	375	375	-	750	284	-	1,034
Subscription-based IT Arrangements	-	1,694	-	1,694	1,701	-	3,395
Total accumulated amortization	9,877	12,828	-	22,705	14,038	-	36,743
Right of Use Assets being amortized—net	54,939	(8,687)	-	46,252	2,158	-	48,410
Total capital assets, including Right of Use Asset, net of depreciation and amortization	$ 9,944,396	$3,507,218	$2,888,295	$ 10,563,319	$1,372,226	$ 1,195,200	$10,740,345

*Restated due to the adoption of GASB 96, SBITA. Refer to 2023 MTA Consolidated Financial Statements.

In 2021, the completion of the operational use of MTA's newly constructed rail yard was achieved and turned over to MTA in accordance with the applicable project agreements with the developer. The project agreements provide for the developer to construct a rail yard for MTA to store and service trains prior to developer exercise of certain development rights over the yard. This asset was transferred by MTA to LIRR as a non-cash capital contribution recorded at $266,600 representing the fair market value at the date of conveyance.

In December 2021, MTA obtained legal title to the wireless telecommunications equipment installed on its property according to the network license agreement entered into with the licensee. The license agreement provides for the licensee to construct, operate, and maintain the wireless network. This asset was transferred by MTA to LIRR as a non-cash capital contribution recorded at $27,300 representing the fair market value at the date of conveyance. In addition, in December 2021, LIRR obtained legal title to work in process wireless telecommunications equipment to be installed on its property according to the network license agreement entered into with the licensee. The work in process assets were transferred by MTA to LIRR as a non-cash capital contribution recorded at $33,200 representing the fair market value at the date of conveyance.

On April 24, 2015, Governor Cuomo announced that the Federal Railroad Administration had approved a U.S. Federal Railroad Administration loan of $967,100 under its Railroad Rehabilitation and Improvement Financing Program. MTA, on behalf of Metro-North Railroad, and the LIRR, applied for funding to improve the safety of signal systems. The loan's purpose was to finance the installment of positive train control, a technology designed to remove the potential for human error that can lead to train-involved accidents. The loan was approved by the MTA Board at its meeting on April 29, 2015 and the loan was closed in May 2015. On May 5, 2021, the MTA prepaid the outstanding obligation in full, terminated all commitments under the Financing Agreement, and cancelled the Bond.

As of December 31, 2023, $60,192,118 is unexpended from the MTA's Capital Program (2005–2024) and $25,084,948 has been committed.

As of December 31, 2022, $66,566,248 is unexpended from the MTA's Capital Program (2005–2024) and $22,904,301 has been committed.

6. EMPLOYEE BENEFITS

MTA LIRR sponsors and participates in two defined benefit pension plans for their employees, the Long Island Rail Road Company Plan for Additional Pensions (the "Additional Plan") and the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of each of the pension plans follows:

Plan Descriptions

1. The Long Island Rail Road Additional Plan—

The LIRR Company Plan for Additional Pensions is a single employer defined benefit pension plan that provides retirement, disability and survivor benefits to members and beneficiaries. The Plan covers MTA LIRR employees hired effective July 1, 1971 and prior to January 1, 1988. The 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 and members include LIRR employees hired prior to January 1, 1988.

The LIRR Plan for Additional Pensions is administered by the Board of Managers of Pensions, which is comprised of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer. The LIRR Company Plan for Additional Pensions may be amended by action of the MTA Board. The Additional Plan is a fiduciary component unit of the MTA LIRR and is reflected as the Pension Trust Fund in the Fiduciary Fund section of MTA LIRR's 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, LIRR, Controller, 93-02 Sutphin Boulevard—mail code 1421, Jamaica, New York 11435.

2. ***MTA Defined Benefit Plan—***

The MTA Defined Benefit Pension Plan (the "MTA Plan" or the "Plan") is a cost sharing, multiple-employer pension plan. The Plan covers certain MTA LIRR non-represented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA LIRR represented employees hired after December 31, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and nonrepresented employees and certain employees of the MTA Bus Company ("MTA Bus"). MTA LIRR, MTA Metro-North Railroad, MTA, MTA Staten Island Railway and MTA Bus contribute to the MTA Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Plan is administered by the Board of Managers of Pensions, which is comprised of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer. The MTA Plan may be amended by action of the MTA Board.

A stand-alone financial report may be obtained at www.mta.info or by writing to the MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004.

Benefits Provided

1. ***The Long Island Rail Road Additional Plan—***

Pension Benefits—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 5 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, subject to the obligations of the MTA under its collective bargaining agreements. The MTA'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.

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 MTA contributes additional amounts based on actuarially determined amounts that are designed to accumulate sufficient assets to pay benefits when due.

The LIRR Additional Plan also provide death and disability benefits. Participants who become disabled after accumulating 10 years of credited service and who meet the requirements 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 thousand dollars is payable upon death on behalf of a nonvested 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 nonrepresented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board. In 2020, an amendment to the LIRR Plan for Additional Pensions was approved by the MTA Board to provide a COVID-19 Accidental Death Benefit. Chapter 89 of the Laws of 2020 (Chapter 89) was passed by the Legislature, and signed by the Governor, on May 30, 2020. Chapter 89 enacted Sections 361-b, 509-a and 607-i of the Retirement and Social Security Law and Section 13-149.1 of the New York City Administrative Code, to provide a special line-of-duty Accidental Death Benefit to eligible members of the Plan.

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2. MTA Defined Benefit Plan

Pension Benefits—Retirement benefits are paid from the Plan to covered post—1987 MTA LIRR 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.

Pre-1988 MTA LIRR participants are eligible for a service retirement allowance upon termination if the participants have either: (a) attained age 65 and completed at least 5 years of credited service, or if an employee on January 1, 1988 completed at least 10 years of credited service, or (b) attained age 50 and has completed at least 20 years of credited service. Terminated participants who were not employees on January 1, 1988 with 5 or more years of credited service are eligible for a deferred vested benefit. Pension benefits payable to age 65, where eligible, are calculated as 2.00% of the employee's applicable final average earnings for each year of qualifying service up to 25 years plus 1.50% 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.

In 2017, the reduction of pension benefits for amounts payable under the Tier II Federal Railroad Retirement Act was reduced from 100.00% to 90.00%. This change for LIRR represented employees was effective upon ratification of respective collective bargaining agreements, with various ratification dates occurring in 2017. Management employees were effective November 15, 2017.

Death & Disability Benefits—In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after ten years of credited service for covered MTA LIRR management and represented employees. The disability retirement allowance for covered and MTA LIRR management is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS. Pre-1988 MTA LIRR participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Plan may be eligible to receive a disability benefit. Disability pension benefits are calculated based on the participant's qualified service and a percentage of final average compensation reduced by the full amount of the disability benefit under the Federal Railroad Retirement Act. Survivorship benefits for pre-1988 MTA LIRR participants are paid to the spouse when a survivorship option is elected or when an active participant has not divested their spouse of benefits.

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, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board. In 2020, an amendment to the MTA Defined Benefit Plan was approved by the MTA Board to provide a COVID-19 Accidental Death Benefit.

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

Membership

Membership in the LIRR Additional Pension Plan (“LIRR Additional Pension Plan” or “Additional Plan”) consisted of the following at January 1, 2023 and January 1, 2022, the date of the latest actuarial valuation:

	January 1, 2023	January 1, 2022
Active plan members	14	15
Retirees and beneficiaries receiving benefits	4,962	5,122
Vested formerly active members not yet receiving benefits	13	15
Total	4,989	5,152

Contributions and Funding Policy

1. Long Island Rail Road Company Plan for Additional Pensions Plan

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

Upon termination of employment before retirement, vested participants who have been required to contribute must choose to: (1) receive a refund of their own contributions, including accumulated interest at rates established by the MTA Defined Benefit Pension Board of Managers (1.50% in 2023 and 2022), or (2) leave their contributions in the Additional Plan until they retire and become entitled to the pension benefits. Non-vested participants who have been required to contribute will receive a refund of their own contributions, including accumulated interest at rates established by the MTA Defined Benefit Pension Board of Managers (1.50% in 2023 and 2022).

Funding for the Additional Plan is provided by MTA, which obtains the required funds from New York State, federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the LIRR Additional Company Plan for Additional Pensions on a discretionary basis. The continuance of the MTA’s funding for the Additional Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions (“ADCs”) for MTA-Sponsored Plans. The MTA LIRR's proportionate share of the prepayments for the LIRR Additional Plan was $140,400 of which $71,740 has been amortized in 2023.

Contributions as a percent of covered payroll was 3,684.48% for the year ended December 31, 2023. The actual contributions for the year ended December 31, 2023 was $72,666.

Contributions as a percent of covered payroll was 3,463.99% for the year ended December 31, 2022. The actual contributions for the year ended December 31, 2022 was $70,764.

2. MTA Defined Benefit Plan

MTA LIRR's contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the Plan are recognized in the period in which the contributions are due. The following summarizes the types of employee contributions made to the Plan.

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

Covered MTA LIRR represented employees who first became eligible to be Plan participants prior to January 30, 2008 contribute 3% of salary. MTA LIRR represented employees who became participants after January 30, 2008 contribute 4% of salary. MTA LIRR represented employees are required to make the employee contributions for ten years, or fifteen years if hired after certain dates in 2014 as per collective bargaining agreements.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Plans. The MTA LIRR's proportionate share of the prepayments for the MTA Defined Benefit Plan was $310,630 of which $156,860 has been amortized in 2023.

Contributions as a percent of covered payroll was 15.36% for the year ended December 31, 2023. The actual contributions for the year ended December 31, 2023 was $156,701.

Contributions as a percent of covered payroll was 16.94% for the year ended December 31, 2022. The actual contributions for the year ended December 31, 2022 was $151,551.

Net Pension Liability—MTA LIRR's net pension liabilities for each of the pension plans reported at December 31, 2023 were measured as of December 31, 2022. The total pension liability for each of the pension plans was determined by an actuarial valuation as of the valuation date of January 1, 2022, that was updated to roll forward the total pension liability to the respective year-end.

Actuarial valuations are performed annually as of January 1. Information about the fiduciary net position of each qualified pension plan's fiduciary net position has been determined on the same basis as reported by each respective qualified pension plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan, and investments are reported at fair value.

Actuarial Assumptions—The total pension liability in the January 1, 2022, actuarial valuations was determined using the following actuarial assumptions, which were based on the 2022 actuarial experience study, for each of the pension plans as follows:

	Additional Plan	**MTA Defined Benefit Plan**
Interest Rate	Net rate of 6.5%, per annum—net of investment expenses.	Net rate of 6.5%, per annum—net of investment expenses.
Inflation	2.25% per annum.	2.25% per annum.
Railroad retirement wage base	3.25% per year.	3.25% per year.
Mortality	Based on experience of all MTA members reflecting Mortality improvement on a generational basis using MP-2021. For Pre-Retirement, Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. Postretirement Healthy Lives: Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females.	Based on experience of all MTA members reflecting Mortality improvement on a generational basis using MP-2021. For Pre-Retirement, Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. Postretirement Healthy Lives: Pri-2012 Employee Mortality table with blue collar adjustments multiplied By 97% for males and 100% for females. For Postretirement Disabled Lives: Pri-2012 Disabled Annuitant table for Males and females.
Separations other than for normal retirement	Tables based on recent experience.	Tables based on recent experience.
Rates of normal retirement	Tables based on recent experience. Rates vary by age, years of service at retirement.	Tables based on recent experience. Rates vary by age, years of service at retirement.
Salary increases	3.0% per year	3.0% per year
Overtime	Earnings in each year are increased by 65% for represented employees	Earnings in each year are increased by 65% for represented employees to

	Additional Plan	MTA Defined Benefit Plan
	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.	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.
Cost of living adjustments	Not applicable.	60% of inflation or 1.35% per annum.
Provision for expenses	Estimated administrative charges added to the normal cost. Administrative expenses are based on the prior two year's reported administrative expenses.	Estimated administrative charges added to the normal cost. Administrative expenses are based on the prior two year's reported administrative expenses.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was 6.5% for both the Additional Plan and the MTA Defined Benefit Plan for the January 1, 2022 valuation consistent with prior year. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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The target allocation and best estimates of arithmetic real rates of return ("RROR") for each major asset class included in each of the pension funds are as follows:

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

* Based on October 2021 Investment Policy

Discount Rate

As of December 31, 2022, the discount rate used to measure the total pension liability of both the Additional Plan and the MTA Defined Benefit Plan 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.

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Changes in Net Pension Liability—Additional Plan

Changes in MTA LIRR's net pension liability for the Additional Plan for the year ended December 31, 2023, based on the December 31, 2022 measurement date, are as follows:

	Additional Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance—December 31, 2021	$1,322,471	$ 777,323	$545,148
Changes for the year:			
Service cost	146	-	146
Interest on total pension liability	81,371	-	81,371
Effect of economic/demographics gains or losses	(1,347)	-	(1,347)
Benefit payments	(143,764)	(143,764)	-
Administrative expense	-	(761)	761
Member contributions	-	51	(51)
Employer contributions	-	70,763	(70,763)
Net investment income	-	(51,214)	51,214
Balance—December 31, 2022	$1,258,877	$ 652,398	$606,479

Changes in MTA LIRR's net pension liability for the Additional Plan for the year ended December 31, 2022, based on the December 31, 2021 measurement date, are as follows:

	Additional Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance—December 31, 2020	$1,357,323	$ 760,690	$596,633
Changes for the year:			
Service cost	260	-	260
Interest on total pension liability	83,488	-	83,488
Effect of economic/demographics gains or losses	3,729	-	3,729
Effects of assumption changes or inputs	26,300	-	26,300
Benefit payments	(148,629)	(148,629)	-
Administrative expense	-	(610)	610
Member contributions	-	73	(73)
Employer contributions	-	70,552	(70,552)
Net investment income	-	95,247	(95,247)
Balance—December 31, 2021	$1,322,471	$ 777,323	$545,148

The following presents the MTA LIRR's net pension liability calculated at the measurement dates using the current discount rate of 6.5% for the Additional Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.50%) than the current rate:

2022	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
Net pension liability	$ 703,189	$ 606,479	$ 522,065

The following presents the MTA LIRR's net pension liability calculated at the measurement dates using the current discount rate of 6.5% for the Additional Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate:

2021	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
Net pension liability	$ 648,472	$ 545,148	$ 455,156

MTA LIRR's Proportion of Net Pension Liability—MTA Defined Benefit Plan

The following table presents MTA LIRR's proportionate share of the net pension liability of the MTA Defined Benefit Plan at the measurement date December 31, 2022, and the proportion percentage of the net pension liability of the MTA Defined Benefit Plan allocated to MTA LIRR:

MTA Long Island Railroad's proportion of the net pension liability	37.49 %
MTA Long Island Railroad's proportionate share of the net pension liability	$940,762

The following table presents MTA LIRR's proportionate share of the net pension liability of the MTA Defined Benefit Plan at the measurement date December 31, 2021, and the proportion percentage of the net pension liability of the MTA Defined Benefit Plan allocated to MTA LIRR:

MTA Long Island Railroad's proportion of the net pension liability	37.59 %
MTA Long Island Railroad's proportionate share of the net pension liability	$629,503

MTA LIRR's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the calendar year.

The following table presents MTA LIRR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2022	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
MTA Long Island Railroad's proportionate share of the net pension liability	$ 1,311,810	$ 940,762	$ 629,124

The following table presents MTA LIRR's proportionate share of the net pension liability calculated at the measurement date using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate:

2021	1% Decrease (5.50)%	Current Discount Rate (6.50)%	1% Increase (7.50)%
MTA Long Island Railroad's proportionate share of the net pension liability	$ 983,042	$ 629,503	$ 332,608

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

For the years ended December 31, 2023 and 2022, MTA LIRR recognized pension expense related to each pension plans as follows:

Pension Plans	2023	2022
Additional Plan	$ 58,880	$ 63,224
MTA Defined Benefit Plan	234,917	151,994
Total	$ 293,797	$ 215,218

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At December 31, 2022, MTA LIRR reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	Additional Plan		MTA Defined Benefit Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$0	$0	$82,324	$0	$82,324	$0
Changes in assumptions	-	-	171,944	(2,633)	171,944	(2,633)
Net difference between projected and actual earnings on pension plan investments	56,874	-	186,965	-	243,839	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	34,222	-	34,222	-
Employer contribution to plan subsequent to the measurement date of net pension liability	72,666	-	156,701	-	229,367	-
Total	$ 129,540	$ -	$ 632,156	$ (2,633)	$ 761,696	$ (2,633)

At December 31, 2021, MTA LIRR reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	Additional Plan		MTA Defined Benefit Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 69,900	$ (3,898)	$ 69,900	$ (3,898)
Changes in assumptions	-	-	208,249	(2,937)	208,249	(2,937)
Net difference between projected and actual earnings on pension plan investments	-	(16,341)	-	(67,033)	-	(83,374)
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	40,647	-	40,647	-
Employer contribution to plan subsequent to the measurement date of net pension liability	70,764	-	151,551	-	222,315	-
Total	$ 70,764	$ (16,341)	$ 470,347	$ (73,868)	$ 541,111	$ (90,209)

The annual differences between the projected and actual earnings on investments are amortized over a five-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 1 year closed period for the Additional Plan and 8.3 years period for the MTA Defined Benefit Plan, beginning in the year in which the deferred amount occurs.

The amount of $299,367 reported as deferred outflows of resources related to pensions resulting from the MTA LIRR's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows (inflows) of resources related to pensions at December 31, 2023 will be recognized as pension expense as follows:

Year Ending December 31	Additional Plan	MTA Defined Benefit Plan	Total
2024	$ 7,218	$ 88,612	$ 95,830
2025	19,664	112,729	132,393
2026	10,140	94,713	104,853
2027	19,852	116,043	135,895
2028	-	38,768	38,768
Thereafter	-	21,957	21,957
Total	$ 56,874	$ 472,822	$ 529,696

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

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

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

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

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

1. ***Tier 1***—The MTA Target-Year Lifecycle Funds, which are comprised of a mix of several funds, most of which are available as separate investments in the Deferred Compensation Program. The particular mix of investments for each Fund is determined by the "target" date, which is the date the money is intended to be needed for retirement income.

2. ***Tier 2***—The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Russell Mid Cap Index.

3. ***Tier 3***—The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform a selected index. These institutional strategies provide participants with a diversified array of distinct asset classes, with a single fund option in each class to simplify the decision-making process.

4. ***Tier 4***—Self-Directed Mutual Fund Option is designed for the more experienced investors. Offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this tier.

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $20.5 in 2022 and $22.5 in 2023. For those over age 50, the maximums are $27 for 2022 and $30 for 2023.

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

The following is a summary of activity for the 401k and 457 deferred compensation programs ($ in thousands):

	2023	2022
Contributions:		
Employee contributions—net of loans	$ 83,793	$ 74,844
Participant rollovers	3,370	3,722
Total contributions	$ 87,163	$ 78,566

7. OTHER POSTEMPLOYMENT BENEFITS

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

(1) Plan Description

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

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

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

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA LIRR are members of the following pension plans: the MTA Defined Benefit Plan and the Additional Plan.

The MTA LIRR participates in the New York State Health Insurance Program ("NYSHIP") and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its members. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans.

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

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

(a) have retired;

(b) be receiving a pension;

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan and the Additional Plan; and

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

Surviving Spouse and Other Dependents—

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

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

Contributions—The MTA LIRR is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, the MTA LIRR paid $95,059 and $87,145 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $23,680 and $19,990 for the years ended December 31, 2023 and 2022, respectively. There were no additional implicit rate subsidy adjustments for the years ended December 31, 2023 and December 31, 2022.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2021 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue in the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and December 31, 2021, the employer made a cash payment for retiree healthcare of $19,990 and $18,699 as part of the employer’s payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees’ underlying age-adjusted, retiree benefit costs.

Blended and Age-Adjusted Premium (in thousands)	**2022 Retirees**	**2021 Retirees**
Total blended premiums	$ 67,155	$ 61,153
Employment payment for retiree healthcare	19,990	18,699
Net payments	$ 87,145	$ 79,852

(2) Net OPEB Liability

At December 31, 2023, the MTA LIRR reported a net OPEB liability of $2,310,141 for its proportionate share of the OPEB Plan’s net OPEB liability. The net OPEB liability was measured as of the OPEB Plan’s fiscal year-end of December 31, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and rolled forward to December 31, 2023. The MTA LIRR’s proportion of the net OPEB liability was based on a projection of the MTA LIRR’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2023, the MTA LIRR’s proportion was 10.30% percent.

At December 31, 2022, the MTA LIRR reported a net OPEB liability of $2,513,054 for its proportionate share of the OPEB Plan’s net OPEB liability. The net OPEB liability was measured as of the OPEB Plan’s fiscal year-end of December 31, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and rolled forward to December 31, 2022. The MTA LIRR’s proportion of the net OPEB liability was based on a projection of the MTA LIRR’s long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2022, the MTA LIRR’s proportion was 10.07% percent.

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported are fair value based on quoted market prices or Net Asset Value. Detailed information about the OPEB Plan’s fiduciary net position is available in the separately issued financial report or at www.mta.info.

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(3) Actuarial Assumptions

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

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

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

Valuation date	July 1, 2021
Measurement date	December 31, 2022
Discount rate	3.72%, net of expenses
Inflation	2.33 %
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Investment rate of return	3.72 %

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

Valuation date	July 1, 2021
Measurement date	December 31, 2021
Discount rate	2.06%, net of expenses
Inflation	2.30 %
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Investment rate of return	2.06 %

Salary Scale

A. Members hired prior to January 1, 1988—Salaries are assumed to increase 3.00% per year.

B. Managers hired on or after January 1, 1988—Salaries are assumed to increase by years of service. Rates are shown below.

Years of Service	Rate of Increase
0–1	8.00 %
2	7.00
3	6.50
4	5.50
5	5.00
6	4.90
7	4.80
8	4.70
9	4.60
10	4.50
11	4.25
12	4.00
13	3.75
14	3.50
15+	3.25

C. Represented Employees hired on or after January 1, 1988—Salaries are assumed to increase by years of service. Rates are shown below:

Years of Service	Rate of Increase
0–1	12.50 %
2	11.50
3–4	10.00
5	6.00
6	4.25
7	4.00
8	3.75
9	3.50
10+	3.25

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 as the foundation for the trend with certain adjustments including assumed administrative cost trend where applicable and removing the impact of age-related morbidity. Trend rates also reflect the expected impact of short-term inflation.

Healthcare Cost Trend Rates—The following lists illustrative rates for the (all amounts are in percentages).

Fiscal Year	**<65**	**NYSHIP >=65**
2022	14.10 %	13.40 %
2023	6.70	5.90
2024	7.00	6.70
2025	6.40	6.40
2026	5.80	5.80
2027	5.10	5.10
2028	4.90	4.90
2029	4.70	4.70
2030	4.50	4.50
2040	4.10	4.10
2050	4.20	4.20
2060	4.20	4.20
2070	3.90	3.90
2080	3.70	3.70
2090	3.70	3.70
2100	3.70	3.70

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rates, which are 3.7% for medical and pharmacy costs.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type. For Rail Members, including LIRR, Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.

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

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Asset Class	Target Allocation	Long-Term Expected 2022 Real Rate of Return	Long-Term Expected 2021 Real Rate of Return	Long-Term Expected 2020 Real Rate of Return
US Short (1-3 Yr) Govt/credit Bonds	100 %	1.31 %	-	-
US Cash	-	-	(0.26)%	(0.540)%
US Core Fixed Income	-	-	-	-
US Inflation-Indexed Bonds	-	-	-	-
Global Bonds	-	-	-	-
Emerging Market Bonds	-	-	-	-
Global Equity	-	-	-	-
Commodities	-	-	-	-
Non-US Equity	-	-	-	-
Global REITS	-	-	-	-
Hedge Funds-Multi Strategy	-	-	-	-
Total	100 %			
Long term expected rate of return selected by MTA		3.72 %	2.06 %	2.12 %

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

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 of 3.72% and as of December 31, 2021 of 2.06%.

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

December 31, 2022 Measurement Date	1% Decrease 2.72%	Discount Rate 3.72% (in thousands)	1% Increase 4.72%
Proportionate share of the net OPEB liability	$ 2,749,274	$ 2,310,141	$ 2,141,078

December 31, 2021 Measurement Date	1% Decrease (1.06)%	Discount Rate (2.06)% (in thousands)	1% Increase (3.06)%
Proportionate share of the net OPEB liability	$ 2,905,943	$ 2,513,054	$ 2,194,271

December 31, 2020 Measurement Date	1% Decrease (1.12)%	Discount Rate (2.12)% (in thousands)	1% Increase (3.12)%
Proportionate share of the net OPEB liability	$ 3,309,958	$ 2,875,213	$ 2,520,027

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

December 31, 2022 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 2,071,795	$ 2,310,141	$ 2,949,910

December 31, 2021 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 2,134,682	$ 2,513,054	$ 2,977,755

December 31, 2020 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 2,426,166	$ 2,875,213	$ 3,450,963

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

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

For the year ended December 31, 2023, the MTA LIRR recognized OPEB expense of $80,240, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

At December 31, 2023, 2022 and 2021, the MTA LIRR reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 36,630	$ (3,493)
Changes in assumptions	159,729	(424,635)
Net difference between projected and actual earnings on OPEB plan investments	1,950	-
Changes in proportion and differences between contributions and proportionate share of contributions	87,378	(413,530)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	95,059	-
	$ 380,746	$ (841,658)

	December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 41,708	$ (4,226)
Changes in assumptions	196,586	(147,895)
Net difference between projected and actual earnings on OPEB plan investments	4,744	-
Changes in proportion and differences between contributions and proportionate share of contributions	47,690	(498,585)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	87,145	-
	$ 377,873	$ (650,706)

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	December 31, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,724	$ (5,890)
Changes in assumptions	277,197	(126,078)
Net difference between projected and actual earnings on OPEB plan investments	7,132	-
Changes in proportion and differences between contributions and proportionate share of contributions	55,507	(191,808)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	84,539	-
	$ 447,099	$ (323,776)

For the year ended December 31, 2023, $380,746 was reported as deferred outflows of resources related to OPEB. This amount includes both MTA LIRR's contributions after 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year Ending December 31	
2024	$ (109,958)
2025	(97,375)
2026	(84,300)
2027	(66,939)
2028	(70,718)
Thereafter	(579,578)
	$ (1,008,868)

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8. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property as of December 31, 2023 and 2022, is presented below:

	2023	2022
Balance—beginning of year	$ 177,754	$ 163,119
Activity during the year:		
Current year claims and changes in estimates	32,605	40,609
Claims paid	(19,473)	(25,974)
Balance—end of year	190,886	177,754
Less current portion	(32,446)	(31,984)
Long-term liability	$ 158,440	$ 145,770

9. LOANS PAYABLE

In December 2005, the MTA and the New York Power Authority ("NYPA") entered into an updated Energy Services Program Agreement ("ESP Agreement"). The ESP Agreement authorized MTA affiliates and subsidiaries to enter into a Customer Installation Commitment ("CIC") with NYPA for turnkey, energy efficiency projects, which would usually be long-term funded and constructed by NYPA. The repayment period for the NYPA loan can be up to 20 years but can be repaid at any time with no penalty.

The debt service requirements as of December 31, 2023 are as follows:

	Loans Payable		
Year	Principal	Interest	Total
2024	$ 2,322	$ 706	$ 3,028
2025	2,405	623	3,028
2026	2,414	538	2,952
2027	2,500	452	2,952
2028	2,241	363	2,604
2029-2033	3,014	1,213	4,227
2034-2038	2,633	311	2,944
2039-2043	87	3	90
2044-2048	-	-	-
Total	$17,616	$ 4,209	$ 21,825

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") rate and is reset annually. The SIFMA rate at December 31, 2023 was 3.87%.

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10. RELATED PARTY TRANSACTIONS

MTA LIRR and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. MTA LIRR's subsidies from MTA for use in operations are recorded as credits to operations when received. Funds for MTA LIRR's capital project expenditures are also provided by MTA. Funds contributed by MTA for MTA LIRR's capital project expenditures are classified as nonoperating.

MTA LIRR also sells joint prevalued fare cards on consignment on behalf of an affiliated agency. These amounts are reflected in the accompanying Statements of Net Position. The dollar volume of such related party transactions for the years ended December 31, 2023 and 2022, is shown in the following table:

	2023	2022
Payments to MTA and affiliated agencies	$ 155,482	$ 145,847
Payments from MTA and affiliated agencies	374,075	465,318

The resulting receivables and payables from the above transactions are recorded in the due from/to MTA and affiliated agencies account included in the accompanying Statements of Net Position.

Due from/to MTA and affiliated agencies as of December 31, 2023 and 2022, consists of:

	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 659,149	$ (15,984)	$ 1,125,119	$ (216,252)
Invested funds at MTA	68,820	-	-	-
Affiliated agencies	5,284	(27,815)	1,167	(27,263)
Total MTA and affiliated agencies	$ 733,253	$ (43,799)	$ 1,126,286	$ (243,515)

11. LEASES

MTA LIRR entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA LIRR's incremental borrowing rate at the time of valuation ranging from 0.72% to 5.87% if an applicable stated or implicit rate is not available.

The initial measurement of MTA LIRR's leased asset and lease liability for those agreements was as of January 1, 2021. The lease liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For lessor leases, a lease receivable and deferred inflow of resources were measured as of January 1, 2021. Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor

MTA LIRR leases its land, building, station concession, equipment, and right-of-way to other entities. These leases have terms between 1 year to 74 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, MTA LIRR also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	**2022**
Lease revenue	$ 10,751	$ 10,611
Interest revenue	2,246	2,260
Other variable revenue	7,090	2,804

A summary of activity in lease receivable for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	December 31, 2023	**December 31, 2022**
Balance - beginning of year	$ 85,831	$ 94,765
Additions/remeasurements	3,264	26
Receipts/Interest	(9,681)	(8,960)
Balance - end of year	79,414	85,831
Less current portion	(10,019)	(9,708)
Lease receivable—noncurrent	69,395	76,123

MTA LIRR recognized $0 and $0 revenue associated with residual value guarantees and termination penalties for years ended December 31, 2023 and 2022.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2024	$ 10,019	$ 2,030	$ 12,049
2025	10,081	1,808	11,889
2026	9,883	1,584	11,467
2027	9,836	1,360	11,196
2028	9,624	1,144	10,768
2029–2033	5,706	4,959	10,665
2034–2038	1,214	4,414	5,628
2039–2043	937	4,243	5,180
2044–2048	929	4,075	5,004
2049–2053	1,120	3,883	5,003
2054–2058	1,352	3,652	5,004
2059–2063	1,482	3,380	4,862
2064–2068	1,652	3,092	4,744
2069–2073	1,993	2,751	4,744
2074–2078	2,405	2,339	4,744
2079–2083	2,901	1,842	4,743
2084–2088	3,500	1,243	4,743
2089–2093	4,223	521	4,744
2094-2098	557	6	563
Total	$ 79,414	$ 48,326	$ 127,740

As Lessee

MTA LIRR leases building, office space, storage space, equipment, vehicles, and cell tower space from other entities. These leases have terms between 1 year to 67 years, with payments required monthly, quarterly, or annually.

The amount of lease expenses recognized for variable payment not included in the measurement of lease liability were $640 and $203 for the years ended December 31, 2023 and 2022. MTA LIRR recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for years ended December 31, 2023 and 2022.

A summary of activity in lease liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	$ 42,402	$ 48,376
Additions/remeasurements	16,156	4,140
Payments/Interest	(11,216)	(10,114)
Balance - end of year	47,342	42,402
Less current portion	(7,612)	(10,963)
Lease liability—noncurrent	39,730	31,439

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2024	$ 7,612	$ 1,848	$ 9,460
2025	4,644	1,577	6,221
2026	2,917	1,407	4,324
2027	2,143	1,308	3,451
2028	2,390	1,215	3,605
2029–2033	14,524	4,359	18,883
2034–2038	9,564	1,240	10,804
2039–2043	136	652	788
2044–2048	165	624	789
2049–2053	199	590	789
2054–2058	240	549	789
2059–2063	289	500	789
2064–2068	349	440	789
2069–2073	421	368	789
2074–2078	508	281	789
2079–2083	612	176	788
2084–2088	629	53	682
Total	$ 47,342	$ 17,187	$ 64,529

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA LIRR entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party’s information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using MTA LIRR’s incremental borrowing rate at the time of valuation ranging from 1.58% to 4.44% if an applicable stated or implicit rate is not available.

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

MTA LIRR's subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 1 year to 7 years, with payments required monthly, quarterly, or annually. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $4,095 and $1,887 for the years ended December 31, 2023 and 2022, respectively. MTA LIRR recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and 2022, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	$ 6,858	$ 7,595
Additions/remeasurements	41	-
Payments/Interest	(1,051)	(737)
Balance - end of year	5,848	6,858
Less current portion	(1,055)	(1,010)
SBITA Liability—noncurrent	4,793	5,848

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2024	$ 1,055	$ 125	$ 1,180
2025	3,426	82	3,508
2026	1,187	10	1,197
2027	112	3	115
2028	68	1	69
2029–2033	-	-	-
Total	$ 5,848	$ 221	$ 6,069

13. ENVIRONMENTAL REMEDIATION

MTA LIRR has implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. An operating expense and corresponding liability, measured at its current value using the expected cash

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flow method, have been recognized for certain pollution remediation obligations that are no longer able to be capitalized as a component of a capital project.

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists.
- MTA LIRR is in violation of a pollution prevention-related permit or license.
- MTA LIRR is named by a regulator as a responsible or potentially responsible party to participate in remediation.
- MTA LIRR is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- MTA LIRR voluntarily commences or legally obligates itself to commence remediation efforts.

MTA LIRR does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In addition, MTA LIRR does not expect any recoveries of cost that would have a material effect on the recorded obligations.

In accordance with GASB Statement No. 49, pollution remediation expenses were recorded on the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2023 and 2022, respectively. The expense provision was measured at its current value utilizing the prescribed expected cash flow method.

As of December 31, the pollution remediation liability totaled $49,068 for 2023 and $40,271 for 2022, primarily consisting of future remediation activities associated with lead and asbestos abatement.

A summary of activity in estimated liability arising from environmental remediation as of December 31, 2023 and 2022 is presented below:

	2023	**2022**
Balance—beginning of year	$ 40,271	$ 27,770
Activity during the year:		
Current year remediation and changes in estimates	12,792	16,055
Remediation paid	(3,995)	(3,554)
Balance—end of year	49,068	40,271
Less current portion	(9,226)	(11,303)
Long-term liability	$ 39,842	$ 28,968

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14. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted mainly of the estimated long-term sick leave payout for employees amounting to $88,847 in 2023 and $81,791 in 2022. All represented employees who have worked for MTA LIRR for 10 years can receive a non-pensionable lump sum severance payment representing 50% of the value of all accrued but unused sick days. Management employees who have worked for MTA LIRR for 10 years or more are paid half of their sick days with a maximum payout of 120 days. Other long-term liabilities increased due to the payroll tax deferral resulting from the CARES Act.

A summary of activity in estimated liability arising from other liabilities as of December 31, 2023 and 2022 is presented below:

	2023	2022
Balance—beginning of year	$ 81,791	$ 86,475
Activity during the year:		
Current year changes in sick leave estimate	7,829	(258)
Sick leave payout	(3,536)	(4,486)
Other long term liabilities	2,763	60
Balance—end of year	$ 88,847	$ 81,791

15. COMMITMENTS AND CONTINGENCIES

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

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

16. NOVEL CORONAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA has seen ridership steadily improve since the low point of ridership during the pandemic in 2020; but continues to be well-below 2019 levels.

Coronavirus Aid, Relief and Economic Security Act, ("CARES Act')—The CARES Act is a $2,200,000,000 economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration's ("FTA") formula funding provisions provided approximately $4,000,000 to MTA. Funding was provided at a 100% Federal share, with no local match required, and is available to support operating, and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA's initial grant application of $3,900,000.

On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98,000 in additional formula grant allocations to MTA for a CARES Act grant total of $4,000,000. As of December 31, 2020, a total of $4,000,000 was released to MTA for operating assistance that occurred from January 20, 2020, through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF")—Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500,000,000 of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA placed with the MLF $450,720 of notes, which were repaid on March 1, 2022. In addition, MTA issued into the MLF a second time by placing $2,907,000 Payroll Mobility Tax BANs issued for working capital on December 17, 2020. On December 15, 2023, the maturity date of the BANs, the MTA used funds on hand to retire the $2,907,000 loan in full. As of December 31, 2023, the MTA has no outstanding obligations to the MLF.

Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA")—On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA") that includes $900,000,000 for various COVID-19 economic relief programs to address hardships caused by the coronavirus pandemic and a $1,400,000,000 government funding package to fund the government through September 30, 2021. Included in the legislation's $45,000,000 in financial assistance to the transportation industry, including $16,000,000 for another round of airline employee and contractor payroll support: $14,000,000 for transit; $10,000,000 for highways; $2,000,000 for intercity buses; $2,000,000 for airports; and $1,000,000 for Amtrak. The MTA received $4,100,000 in aid from the CRRSAA between December 2021 ($600,000) and January 2022 ($3,500,000).

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American Rescue Plan Act ("ARPA")—On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 ("ARPA"). The $1,900,000,000 package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. The package includes $30,000,000 of direct federal aid to transportation agencies. The MTA received $6,100,000 in aid from ARPA in 2022. In September of 2022, Additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received $769,000 in additional aid in the fourth quarter of 2022.

Federal Emergency Management Agency ("FEMA") Reimbursement—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $893,000 of direct COVID-19-related expenses incurred from the start of the pandemic through May 11, 2023 was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing COVID-19-related expense reimbursement from FEMA.

17. SUBSEQUENT EVENT

In 2024, MTA is prepaying the 2025 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans on a monthly basis. As of May 29, 2024, the prepayment amounts for MTA LIRR's portion of the MTA Defined Benefit Plan and LIRR Additional Plan were $107,061 and $47,159, respectively.

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REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE MTA LIRR'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE LIRR COMPANY PLAN FOR ADDITIONAL PENSIONS AT DECEMBER 31
(In thousands, except percentages)

	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY:							
Service cost	$ 146	$ 260	$ 453	$ 621	$ 1,057	$ 1,874	$ 2,752
Interest	81,371	83,489	86,918	93,413	97,612	101,477	104,093
Differences between expected and actual experience	(1,347)	30,029	10,428	63,646	213	1,890	15,801
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)
Net change in total pension liability	(63,594)	(34,852)	(54,247)	426	(60,684)	(54,476)	(35,947)
TOTAL PENSION LIABILITY—Beginning	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251
TOTAL PENSION LIABILITY—Ending(a)	1,258,877	1,322,471	1,357,323	1,411,570	1,411,144	1,471,828	1,526,304
FIDUCIARY NET POSITION:							
Employer contributions	70,763	70,553	68,724	62,774	59,500	76,523	81,100
Non-Employer contributions	-	-	-	-	-	145,000	70,000
Member contributions	51	73	140	249	333	760	884
Net investment income (loss)	(51,214)	95,247	4,024	116,092	(31,098)	112,614	58,239
Benefit payments and withdrawals	(143,764)	(148,630)	(152,046)	(157,254)	(159,565)	(159,717)	(158,593)
Administrative expenses	(761)	(610)	(612)	(718)	(1,180)	(1,070)	(611)
Net change in plan fiduciary net position	(124,925)	16,633	(79,771)	21,143	(132,010)	174,110	51,019
PLAN FIDUCIARY NET POSITION—Beginning	777,323	760,690	840,460	819,317	951,327	777,217	726,198
PLAN FIDUCIARY NET POSITION—Ending(b)	652,398	777,323	760,690	840,460	819,317	951,327	777,217
EMPLOYER'S NET PENSION LIABILITY—Ending(a)-(b)	$ 606,479	$ 545,148	$ 596,633	$ 571,110	$ 591,827	$ 520,501	$ 749,087
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	51.82 %	58.78 %	56.04 %	59.54 %	58.06 %	64.64 %	50.92 %
COVERED—EMPLOYEE PAYROLL	$ 2,043	$ 1,995	$ 3,509	$ 5,210	$ 13,169	$ 20,500	$ 29,312
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	29,685.71 %	27,325.71 %	17,001.65 %	10,976.23 %	4,494.20 %	2,539.07 %	2,555.56 %

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA LIRR'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31
(In thousands, except percentages)

	2022	2021	2020	2019	2018	2017	2016
MTA Long Island Rail road's proportion of the net pension liability	37.49 %	37.59 %	37.270 %	34.790 %	33.176 %	35.402 %	33.186 %
MTA Long Island Rail road's proportionate sha re of the net pension liability	$940,762	$629,503	$722,023	$602,256	$485,694	$361,550	$455,330
MTA Long Island Rail road's actual covered-employee payroll	$894,798	$885,711	$872,612	$880,114	$885,247	$794,719	$741,461
MTA Long Island Rail road's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	105.13 %	71.07 %	82.743 %	68.429 %	54.865 %	45.494 %	61.410 %
Plan fiduciary net position as a percentage of the total pension liability	72.27 %	77.45 %	72.126 %	73.483 %	73.326 %	79.868 %	71.820 %

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA LIRR'S CONTRIBUTIONS TO ALL PENSION PLANS
FOR THE YEARS ENDED DECEMBER 31
(In thousands, except percentages)

	2023	2022	2021	2020	2019	2018	2017	2016
Additional Plan								
Actuarially determined contribution	$ 72,665	$ 70,764	$ 70,553	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183
Actual employer contribution	72,665	70,764	70,553	68,724	62,774	59,500	76,523	81,100
Contribution deficiency (excess)	$ -	$ -	$ -	$ (1)	$ -	$ (304)	$ -	$ 2,083
Covered payroll	$ 1,972	$ 2,043	$ 3,230	$ 5,174	$ 7,236	$ 13,169	$ 20,500	$ 29,312
Contributions as a % of covered payroll	3,684.83 %	3,463.99 %	2,184.33 %	1,328.25 %	867.47 %	451.83 %	373.29 %	276.68 %
MTA Defined Benefit Pension Plan								
Actuarially determined contribution	$ 156,701	$ 151,551	$ 148,242	$ 146,427	$121,740	$114,854	$109,304	$101,965
Actual employer contribution	156,701	151,551	148,242	146,427	121,740	114,854	111,459	99,800
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ (2,155)	$ 2,165
Covered payroll	$ 1,019,981	$ 894,798	$ 885,711	$ 872,612	$880,114	$885,247	$794,719	$741,461
Contributions as a % of covered payroll	15.36 %	16.94 %	16.74 %	16.78 %	13.83 %	12.97 %	14.02 %	13.46 %

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

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

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

The following actuarial methods and assumptions were used in the funding valuation for the LIRR Company Plan for Additional Pensions:

Valuation dates	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Measurement date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Period specified in current valuation report (closed 11 year period beginning January 1, 2022) with level dollar payments	Period specified in current valuation report (closed 13 year period beginning January 1, 2021) with level dollar payments	Period specified in current valuation report (closed 13 year period beginning January 1, 2020) with level dollar payments	Period specified in current valuation report (closed 14 year period beginning January 1, 2019) with level dollar payments	Period specified in current valuation report (closed 15 year period beginning January 1, 2018) with level dollar payments	Period specified in current valuation report (closed 15 year period beginning January 1, 2017) with level dollar payments	Period specified in current valuation report (closed 15 year period beginning January 1, 2016) with level dollar payments
Asset valuation method	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.	The actuarial value equals market value less unrecognized gains/losses over a 5-year period. Gains/losses are based on market value of assets.
Actuarial assumptions:							
Discount Rate	6.5 %	6.5 %	6.5 %	7.0 %	7.0 %	7.0 %	7.0 %
Investment rate of return	6.5% per annum, compounded annually, net of investment expenses.	6.5% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.	7.0% per annum, compounded annually, net of investment expenses.
Mortality	Based on experience of all MTA members reflecting morality improvement on a generational basis using MP-2021.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.	Based on experience of all MTA members reflecting morality improvement on a generational basis using Scale AA.
Inflation/Railroad Retirement Wage Base	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%	2.25%; 3.25%	2.50%; 3.50%	2.50%; 3.50%	2.50%; 3.50%
Salary increases	%	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %
Cost-of-living adjustments	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule of MTA LIRR's Contributions to the MTA Defined Benefit Plan:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms—There were no changes of benefit terms in the January 1, 2022 funding valuation.

Changes of Assumptions—The expected investment return assumption remained 6.5%.

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA LIRR'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN FOR THE YEARS ENDING DECEMBER 31:
(In thousands)

Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**
MTA Long Island Rail Road's proportion of the net OPEB liability	10.77 %	10.30 %	11.78 %	11.48 %
MTA Long Island Rail Road's proportionate share of the net OPEB liability	$2,310,140	$2,513,054	$2,875,214	$2,424,927
MTA Long Island Rail Road's covered payroll	$1,021,953	$ 896,841	$ 901,217	$ 888,502
MTA Long Island Rail Road's proportionate share of the net OPEB liability as a percentage of its covered payroll	226.05 %	280.21 %	319.04 %	272.92 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.05 %	- %	- %	1.93 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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MTA LONG ISLAND RAIL ROAD
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA LIRR'S CONTRIBUTIONS TO THE MTA OPEB PLAN AND NOTES TO THE SCHEDULE OF THE MTA LIRR'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	2023	2022	2021	2020	2019
Actuarially determined contribution			N/A	N/A	N/A
Actual employer contribution (1)	$ 95,059	$ 87,145	$ 84,539	$ 55,970	$ 84,422
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
Covered payroll	1,021,953	896,841	901,217	888,502	898,755
Actual contribution as a percentage of covered payroll	9.30 %	9.72 %	9.38 %	6.30 %	9.39 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $23,680, $19,990, $12,719, $22,765, and $24,241 for the year ended December 31, 2022, 2021, 2020, 2019, and 2018, respectively.

(2) Notes to Schedule of the MTA LIRR's Contribution to the OPEB Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2021
Measurement date	December 31, 2022
Discount rate	3.72%, net of expenses
Inflation	2.33%
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25%
Investment rate of return	3.72%

Changes of Benefit Terms: In the July 1, 2021 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions: In the July 1, 2021 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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Metro-North Commuter Railroad Company

(Component Unit of the Metropolitan Transportation Authority "MTA")

Financial Statements as of and for the Years Ended December 31, 2023 and 2022, Required Supplementary Information, and Independent Auditor's Report

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Metro-North Commuter Railroad Company (the "MTA Metro-North Railroad"), a component unit of the Metropolitan Transportation Authority ("MTA") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the MTA Metro-North Railroad's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the MTA Metro-North Railroad as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the MTA Metro-North Railroad, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the MTA Metro-North Railroad is a component unit of the MTA. The MTA is a component unit of the State of New York. MTA Metro-North Railroad requires significant subsidies from and has material transactions with MTA. MTA Metro-North Railroad also relies on subsidies from the Connecticut Department of Transportation to support the Connecticut operations of the New Haven Line. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the MTA Metro-North Railroad adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the MTA Metro-North Railroad's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MTA Metro-North Railroad's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the MTA Metro-North Railroad's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required *Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's discussion and analysis, the Schedule of Changes in the MTA Metro-North Railroad Company's Net Pension Liability and Related Ratios for the Metro-North Cash Balance Plan, the Schedule of the MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule and Notes to the Schedule of MTA Metro-North Commuter Railroad Company's Contributions to all Pension Plans, the Schedule of MTA Metro-North Railroad's

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Proportionate Share of Net Other Postemployment Benefit ("OPEB") Liability in the MTA OPEB Plan, and the Schedule and Notes to the Schedule of MTA Metro-North Railroad's Contribution to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

___________, 2024

METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED) YEARS ENDED DECEMBER 31, 2023
AND 2022

(Dollars in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of the Metro-North Commuter Railroad Company (the "MTA Metro-North Railroad", "MNR", or the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022. It is intended to serve as an introduction to the MTA Metro-North Railroad's financial statements which have the following components: (1) Management's Discussion and Analysis (MD&A), (2) Financial Statements, (3) Notes to the Financial Statements and (4) Required Supplementary Information.

Management's Discussion and Analysis

The management's discussion and analysis provides an assessment of how the MTA Metro-North Railroad's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Company's overall financial position. It may contain opinions, assumptions or conclusions by the Company's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements.

The Financial Statements

The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that the MTA Metro-North Railroad presently controls (assets), consumption of net assets by the Company that is applicable to a future reporting period (deferred outflow of resources), present obligations to utilize resources that the Company has little or no discretion to avoid (liabilities), and acquisition of net assets by the Company that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how MTA Metro-North Railroad's net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of the Company's operations over the twelve months and can be used to determine how the Company has funded its costs.

The Statements of Cash Flows provide information about the MTA Metro-North Railroad's cash receipts, cash payments and net changes in cash resulting from operations; noncapital financing and capital related financing activities.

The Notes to the Financial Statements

The notes provide information that is essential to understanding the financial statements, such as the MTA Metro- North Railroad's basis of presentation and significant accounting policies.

The notes also have the details of cash, capital assets, employee benefits, lease transactions and future commitments and contingencies of the MTA Metro-North Railroad, including any other events or developing situations that could materially affect the MTA Metro-North Railroad's financial position.

Required Supplementary Information

The Required Supplementary Information provides information concerning MTA Metro-North Commuter Railroad Company's progress in funding its obligation to provide pension and other postemployment benefits to its employees. It also includes the Schedule of Changes in the MTA Metro-North Commuter Railroad Company's Net Pension Liability and Related Ratios for the Metro-North Commuter Railroad Company Cash Balance Plan, the Schedule of the MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, the Schedule of MTA Metro-North Commuter Railroad Company's Contributions to All Pension Plans, the Notes to Schedule of MTA Metro-North Commuter Railroad Company's Contributions to all Pension Plans, the Schedule of MTA Metro-North Commuter Railroad Company's Proportionate Share of the Net Other Postemployment Benefit Liability in the MTA Other Postemployment Benefit Plan, and the Schedule and Notes of MTA Metro-North Commuter Railroad Company's Contributions to Other Postemployment Benefit Plan and Notes to Schedule of Contributions to the Other Postemployment Benefit Plan.

FINANCIAL REPORTING ENTITY

The MTA Metro-North Railroad is a component unit of the MTA, established in September 1982 pursuant to the New York State Public Authorities Law and is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

The MTA Metro-North Railroad plays a vital role in the transportation network for the region. Commuter service is provided every day of the year, although frequency of service varies by route, day of week and time of day. Passenger transportation is provided between New York City and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in New York State, and New Haven and Fairfield counties in Connecticut. The Company has direct operating responsibility for the entire New Haven commuter railroad line under a Service Agreement among MTA, MTA Metro-North Railroad and the Connecticut Department of Transportation ("CDOT"). Under the terms of the Service Agreement, CDOT pays 65% of the net operating deficit of the New Haven main line operating deficit.

The MTA Metro-North Railroad also has a service agreement with New Jersey Transit ("NJT"). The agreement allows NJT to provide passenger service on the Port Jervis and Pascack Valley Lines in the State of New York (referred to as "West of Hudson"). The MTA Metro-North Railroad compensates NJT for that service, for their operating deficit, capital needs and under certain prescribed circumstances for fare hold down amounts.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the MTA Metro-North Railroad's financial position for the years ended December 31, 2023 and 2022. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with the MTA Metro-North Railroad's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

Total Assets, Distinguishing Between Current Assets, Noncurrent Assets and Deferred Outflows of Resources

Noncurrent assets include, but are not limited to structures, construction of buildings, the acquisition of equipment, passenger cars, and locomotives and right-to-use assets for leases on buildings, office space, storage space, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs) have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* with retroactive effect of this adoption as of January 1, 2022. Refer to footnote 2 for additional information.

Current assets include, but are not limited to cash, receivables due from MTA and affiliates, other receivables, farecards (MetroCard subway tickets) on consignment, materials, and supplies net of the reserve for obsolescence and prepaid expenses. This also include the receivable from leases of MTA Metro North's land, buildings, station concession, equipment and right-of-way to third parties.

Deferred outflows of resources for pensions reflect changes in pension valuation and employer contributions subsequent to the measurement date.

Deferred outflows of resources for OPEB reflect changes in the valuation of OPEB and employer contributions subsequent to the measurement date.

($ in thousands)

	2023	2022 (Restated)	2021	2023-2022	2022-2021 (Restated)
Current assets	$ 955,464	$ 986,998	$ 579,173	$ (31,534)	$407,825
Noncurrent assets	7,391,405	7,031,492	6,445,059	359,913	586,433
Deferred Outflow of resources for Pension	533,067	388,236	445,057	144,831	(56,821)
Deferred Outflows of resources for OPEB	331,112	351,938	404,141	(20,826)	(52,203)
Total asset and deferred outflows of resources	$ 9,211,048	$8,758,664	$7,873,430	$ 452,384	$885,234

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant changes in Assets and Deferred Outflows of resources include:

December 31, 2023 versus 2022

- Current assets decreased in 2023 by $31,534 or 3.19% primarily due to receipt proceeds due from MTA Headquarters for American Rescue Plan Additional Assistance allocation of $249,977 offset by an increase of $137,816 for prepaid pension expense and $84,342 in funds invested at MTA.

- Noncurrent assets increased in 2023 by $359,913 or 5.12%. Increases in construction work-in-progress of $431,284 included $200,667 for design build of Penn Station access, $94,266 Park Avenue Viaduct Replacement, 62,219 for Harmon Shop Replacement and $39,541 GCT trainshed related expenses. Major additions to capital assets in 2023 were $59,677 for Harlem Wayside Communication and Signals, $35,282 for Harmon to Poughkeepsie Signals, $33,742 for Network Infrastructure Replacement, and $18,609 for the M-8 fleet purchase. These increases were offset by depreciation and amortization of $360,204.

- Deferred outflows of resources for Pensions increased by $144,831 or 37.30% due to an increase in difference between expected and actual experience of $9,969; an increase in difference between projected versus actual plan investment earnings of $167,157; and an increase in difference of contributions made after measurement date of $16,123; offset by a decrease in the proportion of share due to the differences in employer contributions of $12,585; and a decrease in the actuarial assumption of $35,834.

- Deferred outflows of resources for OPEB decreased by $20,826 or 5.92% due to decrease in actuarial assumption changes or inputs of $27,623; decrease in difference between projected versus actual plan investment earnings of $2,067; and decrease in recognition of the differences between expected and actual experience of $3,845 offset by increase in the proportion of share due to the differences in employer contributions $9,290 and increase in contributions after measurement date of $3,418.

December 31, 2022 versus 2021

- Current assets increased in 2022 by $407,825 or 70.42% primarily due to an increase from MTA and affiliate agencies receivable by $543,309 due to the allocation of the American Rescue Plan Additional Assistance proceeds from MTA; increase in other current assets of $9,570 mainly due to the implementation of GASB Statement 87, *Leases*. These increases were offset by a decrease of $140,354 in funds invested at MTA and the implementation of GASB Statement 96, *Subscription-based Information Technology Arrangements*.

- Noncurrent assets increased in 2022 by $586,433 or 9.10%. Increases in construction work-in-progress of $926,395 included $139,763 of Harmon Shop Replacement related expenses and $266,627 for Design build of Penn Station access. Major additions to capital assets in 2022 were $48,534 for Grand Central Trainshed and tunnel structure, $22,859 for Harlem and Hudson line improvements, $110,988 for the M-8 fleet purchase and $7,612 for Subscription-based Information Technology Arrangements. These increases were offset by depreciation and amortization of $335,572.

- Deferred outflows of resources for Pensions decreased by $56,821 or 12.77% due to a decrease in difference between expected and actual experience of $12,219; a decrease in difference between projected versus actual plan investment earnings of $25,131; a decrease in difference of contributions made after measurement date of $14,979; and a decrease in the proportion of share due to the differences in employer contributions of $8,021 offset by an increase in the actuarial assumption of $3,529.

- Deferred outflows of resources for OPEB decreased by $52,203 or 12.92% due to decrease in actuarial assumption changes or inputs of $50,521; decrease in difference between projected versus actual plan investment earnings of $1,532; and decrease in the proportion of share due to the differences in employer contributions $20,043; offset by increase in contributions after measurement date of $5,150; and increase in recognition of the differences between expected and actual experience of $14,744.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non-Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accrued payroll and related fringe benefits, the short-term portion of claims liabilities, amounts due to MTA and affiliates, accounts payable, current portion of long-term lease liabilities and other current liabilities. This also include the current portion of long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription- Based Information Technology Arrangements.*

Noncurrent liabilities include: net pension and net OPEB liabilities, long-term portion of claims liabilities, environmental, long-term lease liabilities and loans payable. This also include the long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription- Based Information Technology Arrangements.*

Deferred inflows of resources reflect the difference between actual and projected pension plan, OPEB investment earnings and deferred inflows related to leases.

($ in thousands)

	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)	2021	2023-2022	2022-2021 (Restated)*
Current liabilities	$ 613,232	$ 601,943	$ 495,082	$ 11,289	$ 106,861
Noncurrent liabilities	2,811,605	2,704,130	3,002,748	107,475	(298,618)
Deferred inflows of resources	549,884	491,324	267,155	58,560	224,169
Total liabilities and deferred inflows of resources	$ 3,974,721	$3,797,397	$3,764,985	$ 177,324	$ 32,412

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant changes in liabilities include:

<u>December 31, 2023 versus 2022</u>

- Current liabilities increased in 2023 by $11,289 or 1.88%. The increase is primarily due to the timing in payments made to vendors of $15,324; $14,244 in retroactive wage accrual for agreement employees with expired agreements; and $12,996 for sick, vacation and fringe benefits. These increases were offset by a decrease in due to MTA and affiliated agencies of $32,427.

- Non-current liabilities increased in 2023 by $107,475 or 3.97%. The increase was primarily attributable to the increase in net pension liability of $268,016 and an increase in estimated environmental remediation costs of $3,133. These increases were offset by a decrease of $155,883 for GASB 75 net OPEB liability.

- Deferred inflows of resources increased by $58,560 or 11.92% primarily due to the increase in deferred inflows for OPEB due to an increase in the bond buyer index changes. These increases were offset by a decrease in deferred inflows for pension primarily due to the actuarial loss on the market value of plan assets as reflected in the net difference between projected and actual earnings. See Note 7 and 8 of the financial statements for further information.

December 31, 2022 versus 2021

- Current liabilities increased in 2022 by $106,861 or 21.58%. The increase is primarily due to the reclass of funds invested at MTA of $81,882; timing in payments made to vendors of $8,308; $13,220 in retroactive wage accrual for agreement employees with expired agreements; and $1,102 as a result of the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. These increases were offset by a decrease in unearned passenger and rental revenues of $5,095 and a decrease of $3,950 in lease liability.

- Non-current liabilities decreased in 2022 by $298,618 or 9.94%. The decrease was primarily attributable to the decrease in net pension liability of $99,701; decrease of $174,279 for GASB 75 net OPEB liability; a decrease in other liability of $11,148 due to the implementation of GASB 87 and a decrease of $13,129 in long-term lease liability. These decreases were offset by an increase of $5,752 as a result of the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

- Deferred inflows of resources increased by $224,169 or 83.91% primarily due to the increase in deferred inflows for OPEB and pensions per the actuarial report. The increases were due to changes in several actuarial inputs including changes in proportionate share of liability, discount rates, assumption changes, effect of economic gains and losses, and the effects of projected vs investment earnings. See Note 7 and 8 of the financial statements for further information.

Total Net Position, Distinguishing Among Net Investment in Capital Assets and Unrestricted Amounts

In 2023, the total net position increase of $275,060 or 5.54% is primarily due to increased payments made by MTA for operating and capital subsidies. In addition, this includes a restatement of $1,000 as a result of the implementation of GASB No. 96, *Subscription-Based information Technology Arrangements*. Refer to footnote 2 for additional information.

In 2022, the total net position increase of $852,822 or 20.76% is primarily due to increased payments made by MTA for operating and capital subsidies.

($ in thousands)

	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)	2021	2023-2022	2022-2021 (Restated)*
Net investment in capital assets	$ 7,083,944	$6,677,358	$6,081,513	$ 406,586	$ 595,845
Unrestricted	(1,847,617)	(1,716,091)	(1,973,068)	(131,526)	256,977
Total net position	$ 5,236,327	$4,961,267	$4,108,445	$ 275,060	$ 852,822

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Condensed Statements of Revenues, Expenses and Changes in Net Position

($ in thousands)

	Years Ended December 31,			Favorable/(Unfavorable)	
	2023	2022 (Restated)	2021	2023–2022	2022–2021 (Restated)*
Operating revenues	$ 605,789	$ 487,317	$ 289,749	$ 118,472	$ 197,568
Operating expenses	(1,962,112)	(1,839,986)	(1,735,503)	(122,126)	(104,483)
Operating loss	(1,356,323)	(1,352,669)	(1,445,754)	(3,654)	93,085
Total nonoperating revenues and capital contributions	1,631,383	2,205,491	1,786,439	(574,108)	419,052
Change in net position	275,060	852,822	340,685	(577,762)	512,137
Net position—beginning of year	4,961,267	4,108,445	3,767,760	852,822	340,685
Net position—end of year	$ 5,236,327	$ 4,961,267	$ 4,108,445	$ 275,060	$ 852,822

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

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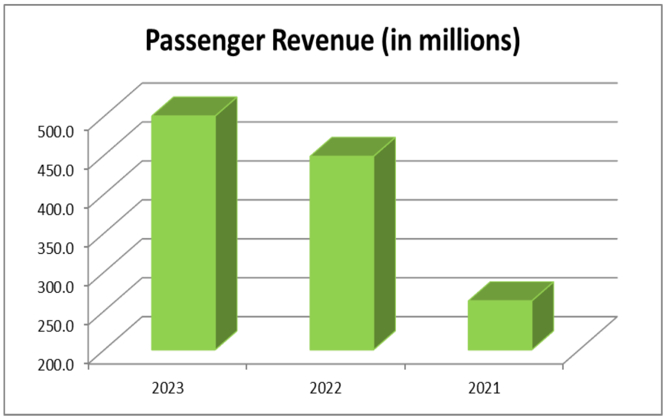
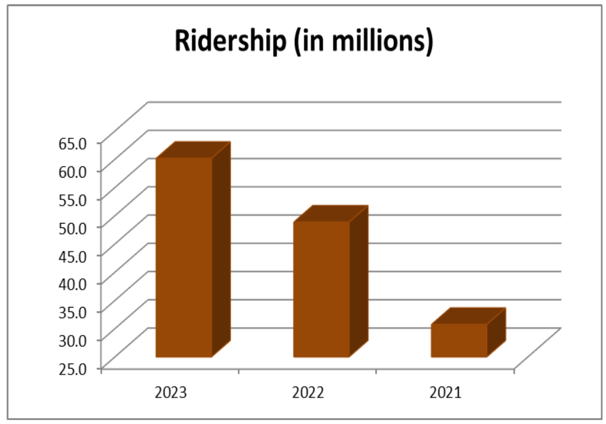
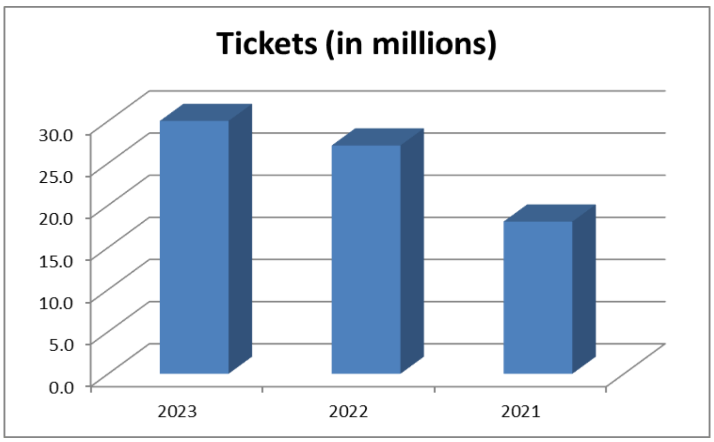
Operating Revenues by Major Source







Passenger fares accounted for 92.17% and 91.97% of operating revenues in 2023 and 2022, respectively. The remaining revenue represents rental income from retail businesses in and around passenger stations and from advertising revenues.

The MTA MNR finished 2023 with ridership growth, rebounding from previous declining trends due to the COVID-19 pandemic. 2023 Total ridership was 60,1 million customers, increasing +23.1% above 2022's 48.9 million ridership. When compared to 2019, total ridership decreased -30.5%. 2023 Commutation ridership increased +23.1% with 22.6 million passengers compared to 2022. 2023 Non-Commutation ridership increased +23.0% with 37.5 million passengers compared to 2022. Non-Commutation ridership grew for both East and West of Hudson 23.1% and 18.3% compared to 2022, respectively

MTA Metro-North (East of Hudson) passenger revenue increased in 2023 by $108.4 million or 24.7% MTA Metro- North (West of Hudson) passenger revenue increased in 2023 by $1.4 million or 16.9%, mainly due to increased ridership as people are returning to work, travel, and leisure activities.

MTA Metro-North (East of Hudson) ridership increased in 2023 by 11.2 million or23.3% from 2022. When adjusted for the same number of calendar workdays, the 2023 ridership increased by 11.3 million or 23.6%. MTA Metro-North (West of Hudson) ridership increased in 2023 by 120.7 thousand or 13.5% from 2022.

MTA Metro-North (East of Hudson) passenger revenue increased in 2022 by $183,300 or 71.5% MTA Metro-North (West of Hudson) passenger revenue increased in 2022 by $2,200 or 35.9%, mainly due to increased ridership as people are returning to work, travel, and leisure activities.

MTA Metro-North (East of Hudson) ridership increased in 2022 by 18,100 or 59.0% from 2021. When adjusted for the same number of calendar workdays, the 2022 ridership increased by 17,800 or 59.2%. MTA Metro-North (West of Hudson) ridership increased in 2022 by 269 or 43.0% from 2021.

Expenses by Category

<u>December 31, 2023 versus 2022</u>

Salaries and wages increased by $42,617 or 6.50% in 2023 over 2022. The increase reflects higher overtime as well as lower reimbursable recoveries due to scheduling and timing changes in capital project expenditures.

Retirement and Other Employee Benefits increased by $53,038 or 17.56% in 2023 over 2022. The increase is primarily due to higher pension costs of $44,845 from increased interest on the pension liability; higher health and welfare costs of $11,445 and higher railroad retirement taxes of $9,136. These increases were offset by higher overhead costs recovery of $6,060 due to increased capital worked performed.

Postemployment Benefits other than Pensions decreased by $28,001 or 21.25%. This decrease is primarily due to a decrease in the proportionate share and difference from employer contributions from prior year and changes in actuarial assumptions.

Electric Power costs decreased by $8,253 or 8.80% as compared to 2022. This is primarily due to lower rates.

Fuel costs decreased by $6,393 or 18.92% as compared to 2022. This is primarily due to lower rates.

Maintenance and Other Operating Contracts increased by $14,988 or 15.37%. This increase was due to higher real estate management services of $1,711; increase in water and telephone usage of $3,011; increase of maintenance repairs of $3,212 and weed control and clearing expense of $1,726. These increases were offset by lower revenue vehicle maintenance and repairs of $2,818 and ferry expense of $1,420.

Professional service contracts increased by $3,821 or 9.80%. This increase is primarily due to the adjusted higher allocation of MTA Information Technology and Business Service Center costs for the New Haven Line of $1,895 and other outside services of $2,669. These increases were offset by lower engineer services of $1,902.

Environmental Remediation increased by $4,498 or 3274% and is mainly attributable to timing of projects requiring remediation.

Materials and supplies increased by $15,281 or 15.31% primarily due to maintenance plans adjustments and lower rolling stock material usage due to the reduced service schedule partially offset by the net impact of adjustments for obsolete material reserves and other inventory adjustments.

December 31, 2022 versus 2021

Salaries and wages increased by $50,823 or 8.40% in 2022 over 2021. The increase reflects higher overtime as well as lower reimbursable recoveries due to scheduling and timing changes in capital project expenditures.

Retirement and Other Employee Benefits increased by $9,914 or 3.39% in 2022 over 2021. The increase is primarily due to higher pension costs of $4,634 from increased interest on the pension liability; higher employee claim costs of $7,731; higher health and welfare costs of $11,986 and higher unemployment costs of $1,182. These increases were offset by higher overhead costs recovery of $10,979 due to increased capital worked performed.

Postemployment Benefits other than Pensions decreased by $40,607 or 23.56%. This decrease is primarily due to a decrease in the proportionate share and difference from employer contributions from prior year and changes in actuarial assumptions.

Electric Power costs increased by $34,855 or 59.11% as compared to 2021. This is primarily due to increased service and higher rates.

Fuel costs increased by $15,868 or 88.51% as compared to 2021. This increase primarily reflects higher consumption due to the increased service level as well as higher rates.

Maintenance and Other Operating Contracts increased by $8,877 or 10.11%. This increase was due to higher in-revenue vehicle maintenance and repairs of $2,073; increase in security services of $1,202 and ferry service expense of $3,587. These increases were offset by lower weed control and cleaning expenses of $1,318; safety equipment and supplies of $2,714.

Professional service contracts increased by $6,829 or 21.23%. This increase is primarily due to the adjusted higher allocation of MTA Information Technology and Business Service Center costs for the New Haven Line of $717; other outside services of $1,352 and engineer services of $4,057. These increases were offset by lower legal costs of $341 and $901 as a result of the implementation of GASB Statement No. 96, *Subscription-based Information Technology Arrangements.*

Environmental Remediation increased by $367 or 159.57% and is mainly attributable to timing of projects requiring remediation.

Materials and supplies increased by $4,520 or 4.74% primarily due to maintenance plans adjustments and lower rolling stock material usage due to the reduced service schedule partially offset by the net impact of adjustments for obsolete material reserves and other inventory adjustments.

Other business expenses increased by $10,036 or 49.92% primarily due to higher subsidy payments to New Jersey Transit of $7,670 which included inflationary adjustments of approximately $7,100 and increased service levels for the Pascack Valley lines; and higher credit card fees of $3,532 and higher miscellaneous expenses of $4,646. These increases were offset by higher recovery costs from other railroads of $6,749.

Nonoperating Revenues and Capital Contributions by Major Source

December 31, 2023 versus 2022

***MTA Contributions for Capital Projects*—**MTA capital contributions decreased in 2023 by $196,622 or 21.56%. The decrease in 2023 is primarily due to timing of capital contributions.

***MTA Operating Subsidies*—**MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Subsidies were higher in 2023 compared to 2022 by $132,344 or 26.81%. Labor related expenses increased by $42,617 and non-labor expenses increased by $79,509. These were offset by an increase in fare revenue collection of $118,472.

***CDOT Subsidies Relating to the New Haven Line*—**CDOT subsidies increased in 2023 by approximately $18,037 or 7.30% primarily due to an increase in operating deficit subsidy of approximately $16,808, and an increase to the CDOT administrative asset billing of approximately $1,229. The increase in operating deficit subsidy is primarily attributable to the increase in train services during the calendar 2023. The amount CDOT is required to contribute is derived from an agreed upon formula based on the New Haven Line deficit.

December 31, 2022 versus 2021

***MTA Contributions for Capital Projects*—**MTA capital contributions increased in 2022 by $366,993 or 67.33%. The increase in 2022 is primarily due to timing of capital contributions.

***MTA Operating Subsidies*—**MTA operating subsidies are driven by the excess of operating expenses over fare and other revenues. Subsidies were lower in 2022 compared to 2021 by $96,510 or 16.35%. Labor related expenses increased by $20,130 and non-labor expenses increased by $83,511. These were offset by an increase in fare revenue collection of $185,536.

***CDOT Subsidies Relating to the New Haven Line*—**CDOT subsidies decreased in 2022 by approximately $45,230 or 15.5% primarily due to a decrease in operating deficit subsidy of $43,915, reduced by a lower administrative asset allocation to CDOT of approximately $1,315. The decrease in operating deficit subsidy is attributed to higher revenues associated with workers returning to work which resulted in higher ridership and an increase to train services during the calendar 2022. The amount CDOT is required to contribute is derived from an agreed upon formula based on the New Haven Line deficit.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 21.8 million trips (7.8%), MTA New York City Transit bus paid ridership decreased by 7 million trips (-8%), MTA Long Island Rail Road paid ridership increased by 3.2 million trips (22.3%), MTA Metro-North Railroad paid ridership increased by 2.3 million trips (16.5%), MTA Bus paid ridership decreased by 192 thousand trips (-0.9%), and MTA Staten Island Railway paid ridership increased by 52 thousand trips (9.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and will close on March 11, 2024. A series of four public hearings on the topic will be held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

2023

As a result of the COVID-19 pandemic and related safety restrictions, systemwide Metro-North ridership was still significantly lower than pre-pandemic ridership but did increase slightly in 2023 to about 60,141 rides from about 48,900 the previous year.

East-of-Hudson ridership was up 23.6% to about 59,127. Ridership on the Harlem Line was up 22.6% to 18,320 rides; on the Hudson Line up by 21.2% to 12,106 rides; and on the New Haven Line up by 25.4% to 28,700 rides.

West-of-Hudson ridership was up approximately by 116 rides, 12.9% above the previous year.

Combined ridership on Metro-North's three connecting services- Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry increased in 2023 approximately 26.7% to 279.

System-wide on-time performance for 2023 totaled 97.4%, remained flat to 2022 and above the railroad's goal of 94.0%. The Hudson, Harlem, and New Haven Lines performed at 97.2%, 97.2%, and 97.4% respectively.

West-of-Hudson on-time performance totaled 93.2%, an increase of 0.2 percentage point from 93.0% in the previous year and below goal.

Rolling Stock Mean Distance Between Failures (MDBF) which is the average number of miles a locomotive travel before causing a failure or delay, increased in 2023 to 331,964 miles from 233,617 miles in 2022. Consist Compliance Rate, which is the percentage of cars required for service and providing seats for customer each day, was consistently at 100%.

2022

As a result of the COVID-19 pandemic and related safety restrictions, systemwide Metro-North ridership was still significantly lower than pre-pandemic ridership but did increase slightly in 2022 to about 48,900 rides from about 30,700 the previous year.

East-of-Hudson ridership was up 59.2% to about 48,000. Ridership on the Harlem Line was up 56.7% to 15,000 rides; on the Hudson Line up by 56.7% to 10,000 rides; and on the New Haven Line up by 61.9% to 23,000 rides.

West-of-Hudson ridership was up approximately by 893.8 rides, 43.0% above the previous year.

Combined ridership on Metro-North's three connecting services- Hudson Rail Link, Haverstraw-Ossining Ferry and Newburgh-Beacon Ferry increased in 2022 approximately 108.0% to 221.8.

System-wide on-time performance for 2022 totaled 97.1%, remained flat to 2021 and above the railroad's goal of 94.0%. The Hudson, Harlem, and New Haven Lines performed at 97.0%, 97.3%, and 94.0% respectively.

West-of-Hudson on-time performance totaled 93.0%, a decrease of 0.4 percentage point from 93.4% in the previous year and below goal.

Rolling Stock Mean Distance Between Failures (MDBF) which is the average number of miles a locomotive travel before causing a failure or delay, increased in 2022 to 233,617 miles from 190,518 miles in 2021. Consist Compliance Rate, which is the percentage of cars required for service and providing seats for customer each day, was consistently at 100.0%.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—Metro-North Railroad's portion of the MTA 2020-2024 Core Capital Plan as approved by the MTA Board via plan amendment in June 2023, totals $3,407,900. With these updates, this program provides for fleet modernization of $725,700, Grand Central Terminal, stations and parking improvements of $899,100, track and structures repairs and improvements of $1,392,400, and communications, signals and power improvements of $263,700.

Metro-North Railroad's portion of the MTA 2015-2019 Core Capital Program as approved by the MTA Board via plan amendment in September 2019, totals $2,461,700, subsequently revised to $2,464,500. With these updates, this program provides for fleet modernization of $379,400, shop and yard improvements of $473,300, GCT, stations and parking improvements of $510,900, track and structures repairs and improvements of $440,600, communications and signals upgrade of $348,000 and power rehabilitation and improvements of $99,100.

Metro-North Railroad's portion of the MTA 2010-2014 Core Capital Program as approved by the MTA Board via plan amendment in September 2019, was $1,533,500, subsequently revised to $1,564,300, including $242,400 for fleet modernization, shop and yard improvements of $322,500, track and structures repair and rehabilitation work at $306,300, $321,600 for communications and signals work primarily focused on positive train control implementation, $188,900 of GCT, stations and parking improvements, and $117,500 for power investments. These investments focus on safety and maintaining the core infrastructure. The majority of the projects in this program are either completed or nearing completion.

In the past, the capital program has addressed infrastructure state of good repair needs, including track, bridges, passenger stations, communications and maintenance shops. The achievements of the investments made during prior capital programs yielded dramatic improvements in trip times, reliability, on-time performance, passenger comfort, safety and convenience. See Capital Assets Note 5 for further details.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

MTA Metro-North Railroad adopted on March 27, 2020, an Essential Service Plan, operating an amended weekend schedule on the Hudson, Harlem, and New Haven Lines. The amended schedule provided all-day service for healthcare workers, first responders and essential employees who have been on the frontlines of the COVID-19 public health crisis. With the suspension of Peak-service trains, Off- Peak fares were placed into effect. The reduction in service followed a significant drop in ridership in response to federal, state and local health precautionary directives against COVID-19. The measure was also taken to protect the health and safety of customers and employees. Reduced train service at 63% of pre-pandemic levels continued for two weeks between March 27-April 10, 2020, then was reduced to 43% of pre-pandemic levels between April 13-June 12, and then resumed 63% levels between June 14, 2020, and August 28, 2021. As ridership slowly returned, service increased to 82% of pre-pandemic levels between August 29, 2021, and March 27, 2022, when it increased to 89% of pre- pandemic service levels. Peak-hour fares were restored on March 1, 2022. Service levels increased on July 10, 2022, to 93% of pre-pandemic service levels in conjunction with Connecticut DOT-sponsored service increases. MTA Metro-North Railroad currently operates on an 93% pre-pandemic service level during the week and 100% on weekends relative to pre-pandemic levels"

Passenger Rail Investment and Improvement Act

Pursuant to a 1991 trackage rights agreement with Amtrak, Metro-North is reimbursed for incremental operating costs associated with Amtrak's use of the New Haven Line, which is shared with CDOT at 65%. Under Section 212 of the Passenger Rail Investment and Improvement Act ("PRIIA") of 2008, the Northeast Corridor Infrastructure and Operations Advisory Commission (the "Commission") was established to develop and implement a cost-sharing arrangement (the "cost allocation policy") for the Northeast Corridor ("NEC") infrastructure used for commuter and intercity rail services. The cost allocation policy creates a standardized formula to ensure each intercity and commuter service is assigned the costs associated with its sole-benefit use of the NEC and a proportional share of costs resulting from joint-benefit use.

On April 26, 2018, an amendment to the 1991 agreement was executed which incorporates the applicable terms of the NEC cost allocation policy retroactively from October 1, 2015. The Amtrak expense recoveries (shared with CDOT at 65%) were approximately $33,636 in 2023 and $32,200 in 2022.

Impacts from Global Coronavirus Pandemic:

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo ("New York State on PAUSE"), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. Social distancing mandates were eased, and the region moved into a late-pandemic phase. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15,2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. Ridership levels continue to show improvement, although ridership remains significantly below pre-pandemic levels. MTA New York City Subway resumed 24 hours a day service on May 17, 2021, after subway service was shut down overnight for over a year to allow for thorough disinfecting of the system and other enhancements. MTA Metro-North Railroad currently operates on an 93% pre-pandemic service level during the week and 100% on weekends relative to pre-pandemic levels MTA Long Island Rail Road operated on an 87% pre-pandemic service level through the end of 2022. In January of 2023 the Grand Central Madison terminal was opened for LIRR service. Service was initially run as a shuttle between Jamaica and Grand Central Madison terminals. Full LIRR service to Grand Central Madison began in February, resulting in a 41% increase in overall LIRR service.

Ridership and Traffic Update: Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, ridership compared to the pre-pandemic equivalent day in 2019 is down 28 percent on the subways, 43 percent for bus (combined NYCT bus and MTA Bus Company), 23 percent on MTA Metro-North Railroad, and 24 percent on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are closely resembling pre-pandemic levels.

For additional information, refer to Note 16 to Long Island Rail Road's Financial Statements for more information regarding the impact from the COVID-19 pandemic.

The 2023 MTA November Plan

The 2023 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2023 November Forecast, the 2024 Final Proposed Budget and a Financial Plan for the years 2024 to 2027, updates the 2023 July Financial Plan (the "July Plan"). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial and operational impacts stemming from the Covid-19 pandemic, and the recovery of the MTA Region.

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100 million for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1.15 billion through the Plan period.

During 2023, MTA operating agencies identified and have been implementing numerous operating efficiencies initiatives will result in $1.95 billion in savings over the Plan period, with $1.88 billion impacting MTA and an additional $71 million impacting the CDOT subsidy for Metro-North's Connecticut service. This expands on the July Plan initiatives, which identified savings of $921 million to the MTA and also lowered the CDOT subsidy by $46 million. The November Plan recognizes an additional $958 million in savings over the Plan period, along with a further reduction in the CDOT subsidy by $25 million. Among the actions identified in the July and November Plans:

Long Island Rail Road and Metro-North Railroad have been working together over the past year to identify and incorporate industry best practices in their equipment shops as well as scheduling work along the rail right-of-way. Shop-specific practices are being adjusted for more efficient workflow to reduce the impacts of unplanned events ($87M). Improved rail equipment scheduling for required maintenance and inspections along with ensuring proper staffing at shop locations will result in reductions to overtime ($77M). Equipment and crew are being more efficiently scheduled to match with demand ($50M). Both railroads are working to ensure appropriate inventory is available for required maintenance ($151M). Management oversight of operating contracts is better aligning third-party services at work locations along the right-of-way ($46M).

The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. Savings targets have been fully met through 2024, with unidentified savings totaling $218 million from 2025 through 2027 remaining below-the-line in the November Plan.

The November Plan includes several financial plan re-estimates:

Include a $100 million Farebox Revenue Loss Provision in 2024 to account for short-term fare evasion impacts on farebox revenue.

Incorporates into Agency financial plans revised wage assumptions and safety and security initiatives that were included below-the-line in the July Plan.

One-time State aid of $300 million in 2023, included in the NYS 2023-24 Enacted Budget to address the extraordinary impact of the COVID pandemic on MTA operating revenues, will be made in two equal $150 million disbursements to MTA, at the end of 2023 and at the end of the first quarter of 2024.

Subsidies are lower by $138 million over the Plan period. The 2023 Payroll Mobility Tax forecast is reduced by $44 million to reflect year-to-date shortfalls in receipts. Receipts from the For-Hire Vehicle Surcharge have been reduced by $109 million over the Plan period, reflecting slower growth than had been previously projected. Collectively, receipts from the Mortgage Recording Tax, the Urban Taxes and MTA Aid are $15 million favorable in 2023, reflecting receipts through October.

Initial inclusion of operating revenue and expenses related to Metro-North's Penn Station Access train service, which is scheduled to commence in 2027.

Dramatic increases in interest rates have propelled MTA-wide investment income to be a substantial source of revenue to subsidize operations. Based on current investment returns, investment income increases have been conservatively forecast to exceed the July Plan forecast by $148 million over the Plan period.

Adjustment to reflect the delayed receipt of COVID expense reimbursement from FEMA.

Adjustments in the timing of Committed to Capital operating funds.

Use of $17 million over the Plan period from the OPEB Trust. The July Plan anticipated use of $258 million over the Plan period.

Other local subsidy resources which were freed up from the receipt of Federal reimbursement for COVID losses will be applied to close remaining annual deficits. The Plan assumes $1.37 billion of resources will be used to close the 2023 deficit and followed by $220 million in 2024; resources are not expected to be needed for 2025 and 2026, with the remaining $469 million used to balance 2027. The timing change is primarily due to the delay in the receipt of FEMA reimbursement of COVID-related expenses.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info.

Contacting MTA Controller's Office

This financial report is designed to provide our customers and other interested parties with a general overview of MTA finances and to demonstrate MTA's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
	2023	**2022**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		(Restated)
CURRENT ASSETS:		
Cash (Note 3)	$ 21,026	$ 19,155
Fare cards	4,940	2,575
Invested funds at MTA (Note 13)	96,285	12,439
Receivables:		
Due from MTA and affiliated agencies (Note 13)	452,351	723,170
Due from NYSDOT	653	1,334
Due from AMTRAK	1,666	1,005
Rents	5,588	5,626
Other	31,725	32,064
Less: allowance for doubtful accounts	(3,108)	(6,440)
Receivables—net	488,875	756,759
Materials and supplies, net of allowance of $76,687 and $72,991 in 2023 and 2022, respectively	172,590	165,317
Advance to defined benefit pension trust		-
Prepaid expenses and other current assets	171,748	30,753
Total current assets	955,464	986,998
NONCURRENT ASSETS:		
Capital assets (Notes 2 and 5):		
Land and construction work-in-progress	2,753,197	2,321,913
Other capital assets, net of accumulated depreciation	4,570,400	4,598,461
Other non current receivables	67,808	111,118
Total noncurrent assets	7,391,405	7,031,492
Total assets	8,346,869	8,018,490
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pension (Note 7)	533,067	388,236
Deferred outflows for postemployment benefits other than pensions (Note 8)	331,112	351,938
Total deferred outflows of resources	864,179	740,174
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 9,211,048	$ 8,758,664

(Continued)

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
	2023	2022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		(Restated)
CURRENT LIABILITIES:		
Accounts payable	$ 87,134	$ 73,680
Due to MTA and affiliated agencies (Note 13)	169,253	201,690
Due to CDOT	54,632	52,182
Accrued expenses:		
Salaries, wages and payroll taxes	114,401	95,726
Vacation and sick pay benefits	114,645	105,749
Other	40,391	40,440
Total accrued expenses	269,437	241,915
Current portion—retirement and death benefits		-
Current portion of estimated liability arising from injuries to persons (Note 11)	10,935	11,888
Current portion—loans payable (Note 6)	2,231	2,398
Current portion lease payable (Note 9)	14,253	12,153
Current portion subsciption-based IT arrangements payable (Note 10)	1,028	1,102
Environmental remediation (Note 12)	710	710
Unearned revenues	3,619	4,225
Total current liabilities	613,232	601,943
NONCURRENT LIABILITIES:		
Net liability for other postemployment benefits (Note 8)	1,698,580	1,854,464
Net pension liability (Note 7)	840,920	572,904
Estimated liability arising from injuries to persons (Note 11)	41,516	43,993
Loans payable (Note 6)	3,988	6,219
Environmental remediation (Note 12)	5,693	2,560
Lease payable (Note 9)	213,429	215,392
Subsciption-based IT arrangements payable (Note 10)	4,724	5,752
Other long-term liabilities (Note 14)	2,755	2,846
Total noncurrent liabilities	2,811,605	2,704,130
Total liabilities	3,424,837	3,306,073
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension (Note 7)	2,354	67,229
Deferred inflows from post employment benefits other than pensions (Note 8)	482,662	311,354
Deferred inflows from leases (Note 9)	64,868	112,741
Total deferred inflows of resources	549,884	491,324
NET POSITION:		
Net investment in capital assets	7,083,944	6,677,358
Unrestricted deficit	(1,847,617)	(1,716,091)
Total net position	5,236,327	4,961,267
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 9,211,048	$ 8,758,664

See notes to financial statements. (Concluded)

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands)

	Business-Type Activities	
	2023	**2022** (Restated)
OPERATING REVENUES:		
Passenger	$ 558,352	$ 448,196
Rents and utilities	36,028	25,853
Advertising	11,211	13,268
Other	198	-
Total operating revenues	605,789	487,317
OPERATING EXPENSES:		
Salaries and wages	698,203	655,586
Retirement and other employee benefits	355,014	301,976
Postemployment benefits other than pensions	103,745	131,746
Electric power	85,571	93,824
Fuel	27,402	33,795
Insurance	19,084	18,924
Claims	4,403	648
Maintenance and other operating contracts	112,520	97,532
Environmental remediation	4,635	137
Professional service contracts	42,819	38,998
Materials and supplies	115,069	99,788
Depreciation and amortization	362,671	336,894
Other	30,976	30,138
Total operating expenses	1,962,112	1,839,986
OPERATING LOSS	(1,356,323)	(1,352,669)
NONOPERATING REVENUES:		
Operating subsidies from MTA	625,950	493,606
Federal Transit Authority (“FTA”) Reimbursement	28,273	558,846
CDOT subsidies	264,603	246,566
Other nonoperating revenues (expenses)	(2,885)	(5,591)
Total nonoperating revenues—net	915,941	1,293,427
LOSS BEFORE CAPITAL CONTRIBUTIONS	(440,382)	(59,242)
CAPITAL CONTRIBUTIONS—MTA contributions for capital projects	715,442	912,064
CHANGE IN NET POSITION	275,060	852,822
NET POSITION—Beginning of year	4,961,267	4,108,445
NET POSITION—End of year	$ 5,236,327	$ 4,961,267

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
($ in thousands)

	Business-Type Activities	
	2023	2022 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 557,746	$ 446,517
Rents, advertising, and other receipts	21,866	24,239
Payroll and related fringe payments	(1,527,119)	(1,066,096)
Other operating expenses	(227,886)	(128,785)
Net cash used in operating activities	(1,175,393)	(724,125)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating subsidies from MTA	625,950	493,606
Operating subsidies from CDOT	263,908	246,199
Other non-operating revenues—net	3,579	(5,166)
MTA Loan		-
FTA reimbursement	278,250	58,570
Net cash provided by noncapital financing activities	1,171,687	793,209
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from leases	20,630	17,794
Payments of leases and subscription-based IT arrangements	(27,101)	(26,418)
Capital contributions from MTA	137,625	73,624
Capital expenditures incurred for capital program	(125,577)	(131,720)
Net cash used in capital related financing activities	5,577	(66,720)
NET INCREASE IN CASH	1,871	2,363
CASH—Beginning of year	19,155	16,792
CASH—End of year	$ 21,026	$ 19,155
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$(1,356,323)	$(1,352,669)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	362,671	336,894
Net increase in accounts payable, accrued expenses, other liabilities, unearned revenues	77,333	154,871
Net decrease in receivables	(110,807)	142,017
Net increase in materials and supplies, prepaid expenses and other current assets, other assets	(148,267)	(5,238)
NET CASH USED IN OPERATING ACTIVITIES	$(1,175,393)	$ (724,125)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ 626,027	$ 727,488
Capital assets related liabilities	(10,059)	40,815
Interest expenses for leases and Subscription-based IT arrangements	7,425	7,495
Interest income from leases	1,347	3,283
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 624,740	$ 779,081

See notes to financial statements.

METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Dollars in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The Metro-North Commuter Railroad Company (the "MTA Metro-North Railroad") is a component unit of the Metropolitan Transportation Authority, established in September 1982 pursuant to the New York State Public Authorities Law and is a part of the related financial reporting group of the MTA. The MTA is a component unit of the State of New York.

The MTA Metro-North Railroad performs a public service by providing essential commuter passenger transportation between New York City and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland Counties in New York State, and New Haven and Fairfield Counties in Connecticut. The Company has direct operating responsibility for the entire New Haven commuter railroad line under a service agreement among MTA, MTA Metro- North Railroad and the Connecticut Department of Transportation ("CDOT"). It also has direct operating responsibility for the Harlem/Hudson Lines in New York State. In addition, pursuant to a service agreement between the MTA Metro-North Railroad and New Jersey Transit Rail Operations, Inc. ("New Jersey Transit") the Company funds certain net operating costs of the Port Jervis and Pascack Valley Lines operated by New Jersey Transit.

MTA Metro-North Railroad is operationally and legally independent of the MTA. MTA Metro-North Railroad enjoys certain rights typically associated with separate legal status. However, MTA Metro-North Railroad is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability and MTA Metro-North Railroad is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the MTA Metro-North Railroad and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include MTA Metro-North Railroad in its consolidated financial statements.

Substantial deficits result from providing these services and the MTA Metro-North Railroad expects that such deficits will continue in the foreseeable future. Funding for the MTA Metro-North Railroad's operations and capital needs is provided by MTA and CDOT. MTA obtains the required funds from state and federal grants, the sale of bonds to the public and other sources. Certain funding by MTA is made to the MTA Metro-North Railroad on a discretionary basis. The continuance of the MTA Metro-North Railroad's operations has been, and will continue to be, dependent upon the receipt of adequate funds from the MTA, as well as subsidies provided by CDOT.

The MTA Metro-North Railroad is not liable for real estate or personal property taxes on its properties, or sales taxes on substantially all of its purchases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with GAAP.

The MTA Metro-North Railroad applies Governmental Accounting Standards Board (“GASB”) Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”) Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards—The MTA Metro-North Railroad adopted the following GASB Statements for the year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

The MTA evaluated all the requirements under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of subscription assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and decreased by $1,000.

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The following schedule summarizes the net effect of adopting GASB Statement No. 96, in the Consolidated Statement of Net Position as of December 31, 2022 (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Current assets			
Receivables:			
Prepaid expenses and other current assets	$ 30,767	$ (14)	$ 30,753
Total current assets	987,012	(14)	986,998
Noncurrent assets:			
Capital assets:			
Other capital assets—net of accumulated depreciation and amortization	4,592,593	5,868	4,598,461
Total noncurrent assets	7,025,624	5,868	7,031,492
Total assets	8,012,636	5,854	8,018,490
Total assets and deferred outflows of resources	8,752,810	5,854	8,758,664
Current liabilities:			
Current portion-subscription-based information technology arrangement	-	1,102	1,102
Total current liabilities	600,841	1,102	601,943
Noncurrent liabilities:			
Subscription-based information technology arrangements payable	-	5,752	5,752
Total noncurrent liabilities	2,698,378	5,752	2,704,130
Total liabilities	3,299,219	6,854	3,306,073
Net position:			
Net investment in capital assets	6,678,344	(986)	6,677,358
Unrestricted deficit	(1,716,077)	(14)	(1,716,091)
Total net position	4,962,267	(1,000)	4,961,267
Total liabilities, deferred inflows of resources and net position	8,752,810	5,854	8,758,664

*** Right of Use Assets and Accumulated Amortization are included in Capital assets, net of accumulated depreciation and amortization on the Statement of Net Position.*

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In addition, revenues, expenses and net position as of December 31, 2022 were required to be restated by GASB 96 as follows (in millions):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Operating expenses:			
Professional service contracts	39,899	(901)	38,998
Depreciation and amortization	335,150	1,744	336,894
Total operating expenses	1,839,143	843	1,839,986
Operating loss	(1,351,826)	(843)	(1,352,669)
Nonoperating revenues:			
Other non-operating revenues (expenses)	(5,434)	(157)	(5,591)
Total nonoperating revenues—net	1,293,584	(157)	1,293,427
Loss before capital contributions	(58,242)	(1,000)	(59,242)
Change in net position	853,822	(1,000)	852,822
Net position—beginning of year	4,108,445	-	4,108,445
Net position—end of year	4,962,267	(1,000)	4,961,267

*Amortization of Right of Use Assets are included in depreciation and amortization on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in the consolidated statement of cash flows (in millions) for certain subscription-based information

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technology arrangements previously classified as professional service contracts for the year ended December 31, 2022:

Year-Ended December 31, 2022	**As Previously Stated**	**GASB Statement No. 96 Impact**	**Restatement Reported**
Cashflows from operating activities:			
Other operating expenses	(129,699)	914	(128,785)
Net cash used in operating activities	(725,039)	914	(724,125)
Cashflow from capital and related financing activities:			
Payments from leases and subscription bases IT arrangements	(25,504)	(914)	(26,418)
Net cash provided by (used in) capital financing activities	(65,806)	(914)	(66,720)
Reconciliation of cash flows from operating activities:			
Operating loss	(1,351,826)	(843)	(1,352,669)
Depreciation and amortization	335,150	1,744	336,894
Net (decrease) increase in material & prepaid expense	(5,251)	13	(5,238)
Net cash used in operating activities	(725,039)	914	(724,125)
Noncash capital and related financing activities:			
Capital assets related liabilities	33,961	6,854	40,815
Interest expenses for leases and subscription-based IT arrangements	7,338	157	7,495
Total noncash capital and related financing activities	772,070	7,011	779,081

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, the MTA concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA Metro-North Railroad upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

Capital Assets—Effective January 1, 2020, in accordance with GASB Statement No. 89, the MTA Metro-North no longer capitalizes interest costs related to the construction of capital assets.

Use of Management's Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Invested Funds at MTA—The MTA, on behalf of the MTA Metro-North Railroad, invests funds which are not immediately required for the MTA Metro-North Railroad's operations in securities permitted by the MTA's All-Agency Investment Guidelines in accordance with the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The MTA has no financial instruments with significant individual or group concentration of credit risk. The Authority categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Due from/to MTA and Constituent Authorities—Due from/ to MTA and constituent authorities consists of reimbursements due from the MTA Capital Program for billed and unbilled charges relating to capital projects, farecards and intercompany operating receivables, payables, and inter-agency loan transactions. Receivables are recorded as amounts due to Metro-North Railroad, reduced by an allowance for doubtful accounts, to report the receivables at their net realizable value.

Materials and Supplies—Materials and supplies, except for repaired and repairable items, are recorded at average cost. Reserve for obsolete and excess materials was $76,687 and $72,991 in 2023 and 2022, respectively. Repaired items, such as engines and motors, are valued at 50% of their current purchase price.

Fare Cards—MTA Metro-North Railroad sells joint prevalued MetroCard ("fare cards") on consignment on behalf of an affiliated agency. Such fare cards are recorded at cost and reimbursed to the affiliated agency upon sale.

Capital Assets—Capital assets and improvements include all land, buildings, leasehold improvements, and equipment of the MTA Metro-North Railroad having a useful life of greater than two years and having a cost of at least $25.

Capital assets are stated at historical cost, or at estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. GASB Statement No. 87, *Leases* are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives, 25 to 30 years for road and structures, 50 years for rail and buildings, and 3 to 20 years for other equipment. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment loss on assets to be sold, if any, is based on the estimated proceeds to be received, less estimated costs to sell.

Expenditures for maintenance and repairs that do not extend the useful life of the asset are charged to operations as incurred. Funding for substantially all capital projects of the MTA Metro-North Railroad is provided by MTA. Asset acquisitions funded by MTA on capital projects are transferred to the MTA Metro-North Railroad monthly.

Leases—per GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

Subscription-Based Information Technology Arrangements - as a result of the adoption of GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or MTA's incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

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 10). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: the MTA Metro-North Railroad is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; the MTA Metro-North Railroad is named by a regulator as a responsible or potentially responsible party to participate in remediation; the MTA Metro-North Railroad voluntarily commences or legally obligates itself to commence remediation efforts; or the MTA Metro-North Railroad is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Operating Revenues—Passenger revenues from the sale of tickets are recognized as income as they are sold; unearned revenue is recorded for tickets sold in advance of the period for which the ticket is valid. Revenues from rents, advertising and other related income are recorded when earned.

Nonoperating Revenues—The MTA Metro-North Railroad receives both Capital Contributions and Operating Subsidies from the MTA, and subsidies relating to New Haven Line operations from the Connecticut Department of Transportation. MTA Metro-North received $58,570 from the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA"). Additionally, MTA Metro-North received $278,250 in American Rescue Plan Act of 2021 ("ARPA") funds in 2023. MTA Metro-North recognized this funding as a non-operating subsidy.

Nonexchange Transactions with MTA—In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, funds contributed by MTA for the MTA Metro-North Railroad's capital project expenditures are reported as nonoperating revenue when such expenditures are accrued. MTA contributions for capital projects are included as nonoperating capital projects subsidy in the accompanying statements of revenues, expenses and changes in net position.

The cost of certain services provided by MTA for the benefit of the MTA Metro-North Railroad are accrued as incurred, including the cost of police services relating to the New Haven Line. MTA does not charge the MTA Metro-North Railroad (or other related groups) for the cost of police services relating to the other lines.

CDOT Subsidies—The portion of the deficit from operations relating to the New Haven line recoverable from CDOT is recorded as nonoperating revenue based on billings reflecting the monthly deficit. The CDOT Service Agreement (the "Service Agreement"), dated June 21, 1985, governs the operations of the New Haven Line. The Service Agreement provides for automatic five-year renewals. The present renewal term commenced January 1, 2020 and expires December 31, 2024.

Under the terms of the Service Agreement, CDOT pays 100% of the net operating deficit of the branch lines (New Canaan, Danbury and Waterbury) and 65% of the New Haven main line operating deficit. The New Haven Line's share of the net operating deficit of Grand Central Terminal (GCT) is funded by a fixed fee for the use of GCT, calculated using several years as a base, with annual increases for inflation and the actual cost of operating GCT North End Access beginning in 1999. The Service Agreement also provides that CDOT shall pay 100% of the cost of nonmovable capital assets located in Connecticut, 100% of movable capital assets to be used primarily on the branch lines and 65% of the cost of other movable capital assets allocated to the New Haven Line. Remaining funding for New Haven Line capital assets is provided by MTA. Capital assets completely funded by CDOT are not reflected in the MTA Metro- North Railroad's financial statements, as ownership is retained by CDOT.

The Service Agreement provides that final billings for each year be subject to audit by CDOT. The audits of 2021 and 2022 billing are still open.

Operating and Non-operating Expenses — Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA Metro North (e.g., salaries, 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—The MTA Metro-North Railroad has accrued the full value (including fringe benefits) of all vacation and sick leave benefits earned by employees to date if the leave is attributable to past service and it is probable that the MTA Metro-North Railroad will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. Accruals for vacation benefits were $72,713 and $65,500 at December 31, 2023 and 2022, respectively. Accruals for sick leave benefits were $41,933 and $40,200 at December 31, 2023 and 2022, respectively.

Liability Insurance— The First Mutual Transportation Assurance Company ("FMTAC"), an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits for MTA Metro-North Railroad was $8 million. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits for MTA Metro-North Railroad was $9 million. Effective November 1, 2012 the self-insured retention limits for ELF was increased to $10 million for MTA Metro-North Railroad. Effective October 31, 2015, the self-insured retention limits for ELF was increased to $11 million for the MTA Metro-North Railroad. 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 million. 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 million per occurrence with a $50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189.2 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $357.5 million for a total limit of $407.5 million ($357.5 million excess of $50 million). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50 million.

On March 1, 2023, the "nonrevenue fleet" automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for MTA Long Island Rail Road, MTA Staten Island Railway, MTA Police, MTA Metro-North Railroad, MTA Inspector General, MTA Construction & Development Company, and MTA Headquarters. The program limit is $11 million per occurrence on a combined single limit with a $1 million per occurrence deductible. Primary limits of $6 million were procured through the commercial marketplace. Excess limits of $5 million were procured through FMTAC. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

On December 15, 2023, FMTAC renewed the primary coverage on the Station Liability and Force Account liability policies $11 million per occurrence loss for MTA Metro-North Railroad.

Property Insurance— Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 million within the overall $500 million per occurrence property program as follows: $20.277 million (or 40.55%) of the primary $50 million layer, plus $23.777 million (or 47.55%) of the $50 million excess $50 million layer, plus $14.792 million (or 29.58%) of the $50 million excess $100 million layer, plus $8.827 million (or 17.65%) of the $50 million excess $150 million layer, plus $4.484 million (or 8.96%) of the $50 million excess $200 million layer, plus $12.548 million (or 25.09%) of the $50 million excess $250 million layer, plus $13.547 million (or 27.09%) of the $50 million excess $300 million layer, plus $14.997 million (or 29.99%) of the $50 million excess $350 million layer, plus $18.664 million (or 37.32%) of the $50 million excess $400 million layer, and $15.164 million (or 30.32%) of the $50 million excess $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of “certified” losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act (“TRIPRA”) of 2019. The remaining 20% of the Related Entities’ losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government’s reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any “certified” act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the “certified” acts of terrorism insurance or (3) 100% of any “certified” terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities’ deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

All Agency Protective Liability — FMTAC All-Agency Protective Liability Program. Under the All-Agency Protective Liability Program (“AAPL”), FMTAC directly insures the Related Entities against claims arising out of work performed by independent contractors on capital projects. The policy provides coverage of $2 million per occurrence.

FMTAC All-Agency Protective Excess Liability Program. FMTAC directly insures the Related Entities to provide excess coverage on top of the AAPL. The policy provides coverage of $9 million in excess of $2 million per occurrence, with an $18 million annual aggregate. Any excess is covered by the ELF program.

Self-Insurance and Risk Retention—The MTA Metro-North Railroad is self-insured for liabilities arising from injuries to passengers, employees and others with the exception of injuries to non-employees and off-duty employees arising from occurrences at NYS stations (“Station Liability”), and employees and non- employees, arising from reimbursable project work (“Force Account”). The MTA Metro-North Railroad accrues the estimated total cost for the self-insured liability arising out of these claims. For incidents occurring on or before October 31, 2012, claims arising from Station Liability and Force Account are fully insured up to $9 million per occurrence. That amount was increased to $10 million per occurrence for incidents occurring on or after November 1, 2012 and increased to $11 million on October 31, 2015.

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Concourse Operating Company.

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Retirement Benefits—The MTA Metro-North Railroad's pension plans are governmental plans and, accordingly, are not subject to funding and other requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

MTA Metro-North Railroad adopted the standards of GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for its pension plans.

MTA Metro-North Railroad recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or MTA Metro-North Railroad's proportionate share thereof in the case of a cost-sharing multiple-employer plan, determined as of MTA Metro-North Railroad's measurement date. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—MTA Metro-North adopted the standards of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

The MTA Metro-North recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

Contributed Capital—Capital assets contributed by the MTA and funds due from the MTA for the purchase of capital assets are recorded as capital contributions on the consolidated statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA.

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3. CASH

The bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. The bank balances in 2023 and 2022 that were not insured were maintained in major financial institutions.

At December 31, 2023 and 2022, cash consisted of (in thousands):

	December 31, 2023		December 31, 2022	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits (FDIC)	$ 250	$ 250	$ 250	$ 250
Collateralized deposits	14,384	14,445	14,242	13,910
Uninsured deposits—noncollateralized			-	-
Uninsured amounts held by ticket agents and deposits in transit	6,392		4,663	-
	$ 21,026	$ 14,695	$ 19,155	$ 14,160

Certain of these cash accounts are held in the name of a trustee; the carrying amount of the trustee accounts at December 31, 2023 and 2022 were $6,216 and $4,742, respectively. These accounts include revenue pledged by the MTA Metro-North Railroad as collateral for the MTA Transportation Revenue Bonds, as discussed more fully in Note 4.

4. TRANSPORTATION REVENUE BONDS

The MTA Metro-North Railroad's capital programs are partially funded from the proceeds of bonds, including the MTA's Transportation Revenue Bonds. The MTA's Transportation Revenue Bonds are special obligations of MTA, payable from, and secured by a pledge of:

- the gross operating revenues of the MTA Metro-North Railroad, MTA Long Island Rail Road and the New York City Transit Authority ("MTA New York City Transit") and its component, the Manhattan and Bronx Surface Transit Operating Authority, until monthly deposits of principal and interest are satisfied under the Transportation Revenue Bond Resolution,
- Triborough Bridge and Tunnel Authority's operating surplus,
- general operating subsidies from the State and local governments,
- special tax-supported operating subsidies, and
- station maintenance and service reimbursements.

5. CAPITAL ASSETS

Capital Assets—Capital assets acquired prior to April 1982 were funded primarily by The City, with capital grants made available to the Authority. The City has title to a substantial portion of such assets and, accordingly, these assets are not recorded on the books of the Authority. Subsequent acquisitions, which are part of the capital program, are recorded at cost by the Authority. Funding sources for the acquisition of these capital assets include Federal, State, and City capital grants, grants from the Port

Authority of New York and New Jersey, the proceeds from the issuance of Transportation Revenue Bonds, and various TBTA bonding and other sources.

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-to-use assets consist of the following at January 1, 2022, December 31, 2022 and December 31, 2023 (in thousands):

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The following is a summary of capital assets activity at January 1, 2022, December 31, 2022 and December 31, 2023 (in thousands):

	As of January 1, 2022 (Restated)	Additions (Restated)	Deletions (Restated)	As of December 31, 2022	Additions	Deletions	As of December 31, 2023
Capital assets, not being depreciated:							
Land	$ 117,977	$ -	$ (603)	$ 118,580	$ 3	$	$ 118,583
Construction work-in-progress	1,615,996	926,395	339,058	2,203,333	754,920	323,639	2,634,614
Total capital assets, not being depreciated	1,733,973	926,395	338,455	2,321,913	754,923	323,639	2,753,197
Capital assets, being depreciated:							
Roads	2,290,760	33,736	-	2,324,496	195,122		2,519,618
Buildings and structures	4,201,230	173,299	-	4,374,529	77,804		4,452,333
Buildings and structures under capital leases	23,629	(16)	-	23,613			23,613
West of Hudson improvements	318,787	6,054	-	324,841	4,573		329,414
Passenger cars	1,675,790	111,401	-	1,787,191	24,367		1,811,558
Locomotives	201,912	4,689	-	206,601	452		207,053
Other	691,439	17,397	2,244	706,592	18,418	4,527	720,483
Total capital assets, being depreciated	9,403,547	346,560	2,244	9,747,863	320,736	4,527	10,064,072
Less accumulated depreciation:							
Roads	1,335,568	58,071	(517)	1,394,156	77,823		1,471,979
Buildings and structures	2,065,984	124,123	(196)	2,190,303	132,645		2,322,948
Buildings and structures under capital leases	258	381	-	639	381		1,020
West of Hudson improvements	115,439	11,607	-	127,046	12,027		139,073
Passenger cars	1,032,424	68,894	-	1,101,318	65,751	(27)	1,167,096
Locomotives	142,444	7,416	-	149,860	6,744		156,604
Other	349,096	45,267	1,935	392,428	49,220	4,238	437,410
Total accumulated depreciation	5,041,213	315,759	1,222	5,355,750	344,591	4,211	5,696,130
Total capital assets, being depreciated/amortized—net	4,362,334	30,801	1,022	$4,392,113	(23,855)	316	4,367,942
Capital assets—net	6,096,307	957,196	339,477	6,714,026	731,068	323,955	7,121,139
Right-of-use assets being amortized:							
Leased buildings and structures	225,481	-	-	225,481	9,436		234,917
Leased equipment and vehicles	11,218	1,356	-	12,574	1,041	6	13,609
Leased other	491	-	-	491	3,720		4,211
Subscription-based IT arrangements	7,612	-	-	7,612			7,612
Total right-of-use assets being amortized	244,802	1,356	-	246,158	14,197	6	260,349
Less accumulated amortization:							
Leased buildings and structures	13,448	13,532	-	26,980	14,052		41,032
Leased equipment and vehicles	5,196	5,828	-	11,024	1,527		12,551
Leased other	31	31		62	757		819
Subscription-based IT arrangements	-	1,744	-	1,744	1,744		3,488
Total accumulated amortization	18,675	21,135	-	39,810	18,080	-	57,890
Right of use assets being amortized—net	226,127	(19,779)		206,348	(3,883)	6	202,459
Total capital assets, including right-of-use asset—net of depreciation and amortization	$6,322,434	$937,417	$339,477	$6,920,374	$727,185	$323,961	$ 7,323,598

On December 22, 2021, MTA and MTA Metro-North Railroad entered into a Design, Build and Cost sharing agreement for the Penn Station Access Project. The Penn Station Access Project will provide a direct ride into Penn Station for MTA Metro-North Railroad New Haven Line Riders. The total cost of the project is estimated to be $2,900,000 whereby MTA Metro-North Railroad and Amtrak will contribute approximately $2,400,000 and $500,000, respectively. The project is expected to be completed in 2027. As of December 31, 2023, the MTA Metro-North Railroad recorded for this project in the Statement of Net Position as of December 31, 2023, $87,165 as Construction work in progress under Capital Assets, Land and construction work-in-progress.

In 2021 MTA and Metro-North Railroad closed on a Transit Oriented Development project with a real estate developer encompassing property at a commuter parking lot. In exchange for ownership of approximately 75% of the commuter parking lot, the developer built at its own cost and expense a commuter parking garage on the portion of land that Metro-North Railroad retained. The parking garage was valued at the approximate market value of the conveyed property and a gain of $6,100 was recognized as a non- operating revenue.

MTA Metro-North Railroad owns all trackage in New York State including the land and related improvements constituting the New Haven Line between the Connecticut border at Port Chester, New York and Woodlawn Junction. The Harlem and Hudson railroad lines along with the Grand Central Terminal were purchased by MTA on February 28, 2020 (see Note 9).

On April 24, 2015, the Federal Railroad Administration approved a U.S. Federal Railroad Administration loan of $967,100 under its Railroad Rehabilitation and Improvement Financing Program. MTA, on behalf of Metro-North Railroad, and the Long Island Rail Road, applied for funding to improve the safety of signal systems. The loan's purpose was to finance the installment of Positive Train Control, a technology designed to remove the potential for human error that can lead to train-involved accidents. The loan was approved by the MTA Board at its meeting on April 29, 2015 and the loan was closed in May 2015. A total of $690,900 was drawn down till 2020. On May 5, 2021, the MTA prepaid the outstanding obligation in full, terminated all commitments under the Financing Agreement, and cancelled the Bond.

As of December 31, 2023, $60,192,118 is unexpended from the MTA's Capital Program (2005-2024) and $25,084,948 has been committed.

As of December 31, 2022, $66,600,000 is unexpended from the MTA's Capital Program (2005-2024) and $22,900,000 has been committed.

6. LOANS PAYABLE

The MTA and the New York Power Authority ("NYPA") entered into an updated Energy Services Program Agreement ("ESP Agreement"). The ESP Agreement authorized MTA affiliates and subsidiaries to enter into a Customer Installation Commitment ("CIC") with NYPA for turn-key, energy efficiency projects, which would usually be long-term funded and constructed by NYPA. The repayment period for the NYPA loan can be up to 20 years but can be repaid at any time with no penalty.

The NYPA debt service requirements at December 31, 2023 are as follows ($ in thousands):

Year	Principal	Interest	Total
2024	$ 2,231	$ 263	$ 2,494
2025	2,339	148	2,487
2026	544	63	607
2027	179	52	231
2028	188	42	230
2029 - 2032	738	69	807
Total	$ 6,219	$ 637	$ 6,856

The above interest amounts include both fixed and variable rate calculations. Interest on the variable-rate loan is paid at the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") rate of 3.87% as of December 31, 2023 and is reset semi- annually.

7. EMPLOYEE BENEFITS

Deferred Compensation Program—Consists of two defined contribution plans that provide benefits based solely on the amount contributed to each participant's account(s), plus or minus any income, expenses and gains/losses. The Deferred Compensation Program is comprised of the Deferred Compensation Plan for Employees of the MTA, its Subsidiaries and Affiliates ("457 Plan") and the Thrift Plan For Employees of the MTA, its Subsidiaries and Affiliates ("401(k) Plan"). Certain MTA Related Groups employees are eligible to participate in both deferred compensation plans. Both Plans are designed to have participant charges, including investment and other fees, pay for the administrative cost of running the Deferred Compensation Program.

In 1984, the MTA established the 457 Plan to provide benefits competitive with private industry. Only managerial employees were permitted to participate in the Plan and investment options were limited to five funds: a Guaranteed Interest Fund, a Common Stock Fund, a Money Market Fund, a Managed Fund, and a Stock Index Fund. Pursuant Internal Revenue Code ("Code") Section 457, the MTA has established a trust or custodial account to hold plan assets for the exclusive benefit of the participants and their beneficiaries. Participation in the 457 Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 457 Plan, and all income attributable to such compensation, less expenses and fees, are in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 457 Plan is not reflected on the MTA's consolidated statements of net position.

In 1985, the MTA Board adopted the 401(k) Plan, a tax-qualified plan under section 401(k) of the Code, which applies to MNR. The 401(k) Plan remained dormant until 1988 when an IRS ruling "grandfathered" the plan under the Tax Reform Act of 1986. Participation in the 401(k) Plan is now available to non-represented employees and, after collective bargaining, most represented employees. All amounts of compensation deferred under the 401(k) Plan, and all income attributable to such compensation, less expenses and fees, are in trust for the exclusive benefit of the participants and their beneficiaries. Accordingly, the 401(k) Plan is not reflected in the accompanying statements of net position. The 401(k) Plan received a favorable determination letter from the Internal Revenue Service dated October 27, 2016.

As the Deferred Compensation Program's asset base and contribution flow increased, participants' investment options were expanded by the Deferred Compensation Committee with the advice of its Financial Advisor to provide greater diversification and flexibility. In 1988, after receiving an IRS determination letter for the 401(k) Plan, the MTA offered its managers the choice of either participating in the 457 Plan or the 401(k) Plan, which applies to MNR. By 1993, the MTA offered eight investment funds: a Guaranteed Interest Account Fund, a Money Market Fund, a Common Stock Fund, a Managed Fund, a Stock Index Fund, a Government Income Fund, an International Fund and a Growth Fund.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were restructured to set up a four-tier strategy:

1. ***Tier 1***— The MTA Asset Allocation Program provides the MTA Target Year Funds for those participants who would like to make retirement investing easy. Investments are automatically diversified among a range of investment options designed to provide an asset allocation strategy appropriate for an individual's risk and return based on their target retirement date. The mix of investments becomes more conservative as the target date approaches by lessening stock exposure and increasing exposure in fixed-income type investments.

2. ***Tier 2***— The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Barclays Capital U.S. Aggregate (bond) index. The typical objective of an index fund is to achieve approximately the same return as that specific market index. Index funds provide investors with lower-cost investments because they are less expensive to administer than actively managed funds.

3. ***Tier 3***—The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform selected indices. The funds provide a diversified array of distinct asset classes, with a single option in each class. They combine the value and growth disciplines to create a 'core' portfolio for the mid-cap and international categories.

4. ***Tier 4***— Self-Directed Mutual Fund Option is designed for the more experienced investors. Offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this tier.

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $20,500 in 2022 and $22,500 in 2023. For those over age 50, the maximums are $27,000 for 2022 and $30,000 for 2023.

Employer Contributions—Metro-North Railroad employees represented by certain unions who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of the member's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible Metro-North Railroad member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of the member's

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compensation. Eligible Metro-North Railroad members vest in these employer contributions as set forth below:

Years of Service	Vested Percentage
Less than 5	- %
5 or more	100

Additional Deposits (Incoming Rollover or Transfers)— Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans. Under certain conditions, both Plans accepts rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

Forfeitures—Nonvested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the years ended December 31, 2023 and 2022, no forfeitures reduced the Plan's expense.

The following is a summary of activity for the 401k and 457 deferred compensation programs ($ in thousands):

	2023	2022
Contributions:		
Employee contributions—net of loans	$ 51,663	$ 50,110
Participant rollovers	4,654	3,260
Employer contributions	2,465	2,471
Total contributions	$ 58,782	$ 55,841

Pensions—MTA Metro-North Railroad sponsors and participates in two defined benefit pension plans for their employees, the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan") and the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of each of the pension plans follows:

Plan Descriptions

1. *MNR Cash Balance Plan*—The MNR Cash Balance Plan is a single employer, defined benefit pension plan administered by MTA Metro-North Railroad. The 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 became covered under the Metro- North Commuter Railroad Defined Contribution Plan for Management Employees (the "Management Plan") and the MNR Cash Balance Plan was closed to new participants. The assets of the Management Plan were merged with the Metropolitan Transportation Authority Defined Benefit Plan for Non-Represented Employees (now titled as the Metropolitan Transportation Authority Defined Benefit Pension Plan) as of the asset transfer date of July 14, 1995. The MNR Cash Balance Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(a) of the Internal Revenue Code. Accordingly, the MNR Cash Balance Plan is tax-exempt

and is not subject to the provisions of the Employee Retirement Income Security Act (“ERISA”) of 1974.

The MTA Board of Trustees appoints a Board of Managers of Pensions consisting of five individuals who may, but need not, be officers or employees of the company. The Board of Managers control and manage the operation and administration of the Plan’s activities, including establishing and amending contributions and benefits.

The financial information for the MNR Cash Balance Plan is not included in the financial statements of MTA Metro- North Railroad as the balances and activities are not material to MTA Metro-North Railroad. 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, New York, New York, 10004. These statements are also available at www.mta.info.

2. *MTA Defined Benefit Plan*—The MTA Defined Benefit Pension Plan (the “MTA Plan” or the “Plan”) is a cost sharing, multiple-employer pension plan. The Plan covers certain MTA Long Island Rail Road nonrepresented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA Long Island Rail Road represented employees hired after December 31, 1987 and certain MTA Metro-North Railroad represented employees. MTA Staten Island Railway represented and nonrepresented employees and certain employees of the MTA Bus Company (“MTA Bus”). MTA Long Island Rail Road, MTA Metro-North Railroad, MTA, MTA Staten Island Railway and MTA Bus contribute to the MTA Plan, which offers distinct retirement, disability retirement and death benefit programs for their covered employees and beneficiaries.

   The MTA Defined Benefit Plan is administered by the Board of Managers of Pensions. The MTA Plan, including benefits and contributions, may be amended by action of the MTA Board.

   The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the MTA, Deputy Chief, Controller’s Office, 2 Broadway, New York, New York, 10004. This report is also available at www.mta.info.

Benefits Provided

1. MNR Cash Balance Plan

Pension Benefits—Participants of the Plan obtain a nonforfeitable right to their accrued benefit upon the earlier of (a) the completion of 5 years of service with the 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 65. Participants of the MNR Cash Balance Plan 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.

Participants of the Plan are eligible for early retirement benefits upon termination of employment, the attainment of age 62, or age 60 and completion of 15 years of service, or age 55 and the completion of 30 years of service. The early retirement benefits paid is the normal retirement pension deferred to age 65 or an immediate pension equal to the life annuity actuarial equivalent of a participant's Escalating Annuity at normal retirement date indexed by the Initial Benefit Escalator from early retirement date to normal retirement date and reduced by 5/9 of 1% for each month retirement precedes age 65 up to 60 months and 5/18 of 1% for each month after 60 months.

For members with cash balances who are currently members of the Metropolitan Transportation Authority Defined Benefit Pension Plan, an additional benefit is provided equal to the amount needed to bring their total benefits (i.e., Railroad Retirement Tier I and II benefits, Conrail Plan benefits, Cash Balance Plan benefits, and MTA Defined Benefit Pension Plan benefits) up to a minimum of 65% of their 3-year final average pay under the MTA Defined Benefit Plan. In no event will the Additional Benefit exceed 2% of 3-year final average pay multiplied by the Conrail Management Service prior to July 1, 1983. This benefit is payable as a life annuity and is reduced for commencement prior to age 65 in the same manner as the regular cash balance benefit. This additional benefit is payable only in the form of a life annuity or 100% or 50% contingent annuity.

Death Benefits—Benefits are paid to vested participants' beneficiaries in the event of a participants' death. The amount of benefits payable is the participant's account balance at the date of his or her death. Pre-retirement death benefits paid for a participant's death after 55 is equal to the amount the spouse would have received had the participant elected retirement under the normal form of payment on the day preceding his death. Pre-retirement death benefits paid for a participant's death before 55 is equal to the amount the spouse would have received had the participant survived to age 55 and retired under the normal form of payment on that date. The benefit is based on service to the participant's date of death and is payable beginning on the date the participant would have attained age 55.

In lieu of the above benefit, the surviving spouse can elect to receive the participant's account balance in a single lump sum payment immediately. If the participant was not married, the participant's beneficiary is entitled to receive the participant's Account Balance as of the participant's date of death in a single lump sum payment.

2. *MTA Defined Benefit Plan*

Pension Benefits—Retirement benefits are paid from the Plan to covered MTA Metro-North Railroad employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirements. A participant is eligible for an early retirement allowance 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 are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on the first day of the month following the participant's 62nd birthday.

Certain represented employees of the MTA Metro-North Railroad continue to make contributions to the Plan for 15 years. Certain represented employees of the MTA Metro-North Railroad are eligible for an early retirement allowance upon termination if the participant has attained age 60 and completed at least 5 years of credited service or has attained age 55 and completed at least 30 years of credited service. The early retirement allowance is reduced one-quarter of 1% per month for each full month that retirement predates age 60 for certain represented employees of the MTA Metro-North Railroad.

Effective in 2007, members and certain former members who become (or became) employed by another MTA agency which does not participate in the Plan continue to accrue service credit based on such other employment. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the final average salary of the subsequent MTA agency, if higher. Moreover, the Plan benefit will be reduced by the benefit, if any, payable by the other plan based on such MTA agency employment. Such member's disability and ordinary death benefit will be determined in the same way.

Death and Disability Benefits—In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after 10 years of credited service for covered MTA Metro-North Railroad management and represented employees.

The disability retirement allowance for covered MTA Metro-North Railroad management is calculated based on the participant's credited service and final average salary ("FAS") but not less than ⅓ of FAS.

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 employee after completion of one year of credited service. The death benefit payable is calculated based on a multiple of a participant's salary based on years of credited service up to three years and is reduced beginning at age sixty-one. There is also a post-retirement death benefit which, in the 1st year of retirement, is equal to 50% of the pre-retirement death benefit amount, whichever is greater, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years. This death benefit is payable in a lump sum distribution. Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Metro-North Railroad employee and dies as the result of an on-the-job accidental injury. This death benefit is paid as a pension equal to 50% of the participant's salary and is payable to the spouse for life, or, if none, to children until age eighteen (or twenty-three, if a student), or if none, to a dependent parent.

In 2020, an amendment to the MTA Defined Benefit Plan was approved by the MTA Board to provide a COVID-19 Accidental Death Benefit. Chapter 89 of the Laws of 2020 (Chapter 89) was passed by the Legislature, and signed by the Governor, on May 30, 2020. Chapter 89 enacted Sections 361-b, 509-a and 607-i of the Retirement and Social Security Law and Section 13-149.1 of the New York City Administrative Code, to provide a special line-of-duty Accidental Death Benefit to eligible members of the Plan. This special benefit expired on August 31, 2021.

Retirement benefits establishment and changes for representative employees are collectively bargained and must be ratified by the respective union and the MTA Board. For nonrepresented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

Membership

Membership in the MNR Cash Balance Plan as of the date of the actuarial valuation consisted of the following:

	January 1, 2023	January 1, 2022
Retirees and beneficiaries receiving benefits	20	23
Vested formerly active members not yet receiving benefits	5	5
	25	28

Contributions and Funding Policy

1. *MNR Cash Balance Plan*

Funding for the 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 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 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 plan. MTA Metro-North Railroad anticipated that no further contributions would be made to the Plan. However, due to changes in actuarial assumptions and market performance, additional contributions were made to the Plan in several subsequent years.

Actual employer contributions for the years ended December 31, 2023 and 2022 were $13 and $4, respectively.

2. *MTA Defined Benefit Plan*

MTA Metro-North Railroad's contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the Plan are recognized in the period in which the contributions are due.

The following summarizes the types of employee contributions made to the Plan:

Effective January 1, 1994, MTA Metro-North Railroad non-represented employees are required to contribute to the Plan to the extent that Railroad Retirement Tier II employee contribution is less than the pre-tax cost of the 3% employee contributions. Effective October 1, 2000, employee contributions, if any, were eliminated after ten years of contributing to the Plan. MTA Metro-North Railroad employees may purchase prior service from January 1, 1983 through December 31, 1993 by paying the contributions that would have been required of that employee for the years in question, calculated as described in the first sentence, had the Plan been in effect for those years.

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On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions (‘ADCs”) for MTA-Sponsored Plans. The MTA’s Metro-North railroad proportionate share of the prepayments for the MTA Defined Benefit Plan was $276,190 of which $140,590 has been amortized in 2023.

Covered MTA Metro-North Railroad represented employees who first became eligible to be Plan participants prior to January 30, 2008 contribute 3% of salary. Certain Metro-North represented employees, depending on their collective bargaining agreements, were required to make employee contributions until the completion of required years of credited service as per the relevant collective bargaining agreements.

Contributions as a percent of covered payroll were 17.74% and 20.01% for the years ended December 31, 2023 and 2022, respectively. The actual contributions for the years ended December 31, 2023 and 2022, were $138,374 and $135,463, respectively.

Net Pension Liability

MTA Metro-North Railroad’s net pension liabilities for each of the pension plans reported at December 31, 2023 and 2022, were measured as of December 31, 2022 and 2021, respectively. The total pension liability at December 31, 2022 and 2021, for the MTA Defined Benefit Plan was determined by actuarial valuations as of the valuation date of December 31, 2022 and July 1, 2021, respectively. The total pension liability at December 31, 2022 and 2021, for the MNR Cash Balance plan was determined by an actuarial valuation as of the valuation date of December 31, 2022. Each of the pension plans total pension liabilities was calculated based on the discount rate and actuarial assumptions below and then projected forward to the measurement date. Information about the fiduciary net position of each qualified pension plan has been determined on the same basis as reported by each respective qualified pension plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the respective qualified pension plan and investments are reported at fair value.

Actuarial Assumptions

The actuarial assumptions used in the January 1, 2022 and January 1, 2021 valuations for the MTA plans are based on the results of actuarial experience studies dated October 4, 2019 covering the period from January 1,2012 to December 31,2017 and January 1, 2015 through December 31, 2020 dated April 21, 2022.

The 2023 and 2022 post-retirement mortality study dated April 21, 2022, are based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 and January 1,2012 to December 31, 2017, respectively for all MTA plans.

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 measurement date.

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The total pension liability in the actuarial valuations was determined using the following actuarial assumptions for each of the pension plans as follows:

	January 1, 2022		January 1, 2021	
	MNR Cash Balance Plan	**MTA Defined Benefit Plan**	**MNR Cash Balance Plan**	**MTA Defined Benefit Plan**
Pre-retirement	Pri-2012 Employee mortality table for Males and Females with blue collar adjustments.	Pri-2012 Employee Mortality Table with 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	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.	Pri-2012 Retiree mortality table for blue collar adjustments multiplied by 97% for males and 100% 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	Not applicable	PRI-2012 Disabled Annuitant mortality table for males and females.	Not applicable	RP-2014 Disabled Annuitant mortality table for males and females.

	January 1, 2023		January 1, 2022	
	MNR Cash Balance Plan	**MTA Defined Benefit Plan**	**MNR Cash Balance Plan**	**MTA Defined Benefit Plan**
Pre-retirement	Pri-2012 Employee mortality table for Males and Females with blue collar adjustments.	Pri-2012 Employee Mortality Table with Males and Females with blue-collar adjustments.	Pri-2012 Employee mortality table for Males and Females with blue collar adjustments.	Pri-2012 Employee Mortality Table with Males and Females with blue-collar adjustments.
Post-retirement	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.	Pri-2012 Retiree mortality table for blue collar adjustments multiplied by 97% for males and 100% table for females.	Pri-2012 Retiree mortality table with blue collar adjustments multiplied by 97% for males and 100% for females.	Pri-2012 Retiree mortality table for blue collar adjustments multiplied by 97% for males and 100% table for females.
Post-retirement Disabled Lives	Not applicable	PRI-2012 Disabled Annuitant mortality table for males and females.	Not applicable	PRI-2012 Disabled Annuitant mortality table for males and females.

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Expected Rate of Return on Investments

The best-estimate range for the long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2022 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Core Fixed Income	Bloomberg Barclays Aggregate	100.00 %	2.16 %
Assumed Inflation—Mean			2.40%
Assumed Inflation—Standard Deviation			1.41%
Portfolio Nominal Mean Return			4.56%
Portfolio Standard Deviation			4.22%
Long Term Expected Rate of Return selected by MTA			4.00%

The target allocation and best estimates of arithmetic real rates of return ("RROR") for each major asset class included in each of the pension funds are as follows:

December 31, 2022	MNR Cash Balance Plan		MTA Defined Benefit Plan	
Asset Class	Target Asset Allocation	Real Rate of Return	Target Asset Allocation	Real Rate of Return
US core fixed income	100%	2.16%	10.50%	2.27%
US long bonds			2.00%	2.51%
US inflation-indexed bonds			2.00%	1.58%
US high yield bonds			3.00%	4.40%
US bank/leveraged loans			1.50%	3.79%
Private Credit			7.00%	6.99%
Emerging market bonds			2.00%	4.99%
US large caps			18.00%	5.64%
US small caps			7.00%	7.25%
Foreign developed equity			12.00%	6.90%
Emerging markets equity			4.50%	9.58%
Emerging Markets small cap equity			1.50%	9.81%
US REITS			1.00%	6.71%
Private real estate property			4.00%	4.86%
Private equity			7.00%	10.74%
Commodities			4.00%	2.96%
Hedge funds—multistrategy			13.00%	4.52%
	100 %		100.00 %	
Assumed inflation—mean		2.40 %		2.33 %
Assumed inflation—standard deviation		1.41 %		1.41 %
Portfolio nominal mean return as per actuary		4.56 %		8.08 %
Portfolio standard deviation		4.22 %		12.42 %
Long term expected rate of return selected by MTA		4.00 %		6.50 %

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Discount Rate

As of December 31, 2022 and December 31, 2021, the discount rates used to measure the total pension liability of the MNR Cash Balance Plan were 4.00%.

As of December 31, 2022 and December 31, 2021, the discount rates used to measure the total pension liability of the MTA Defined Benefit Plan was 6.50%.

The projection of cash flows used to determine the discount rate assumed that plan contributions would be made in accordance with the Employer funding policy as projected by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability—MNR Cash Balance Plan

Changes in Metro-North Railroad's net pension liability for the Metro-North Cash Balance Plan for the year ended December 31, 2023, based on the December 31, 2022 measurement date and for the year ended December 31, 2022, based on the December 31, 2021 measurement date, are as follows (in thousands):

	Metro-North Cash Balance Plan		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability**
Balance as of December 31, 2021	$ 355	$ 351	$ 4
Changes for calendar year 2021:			
Interest on total pension liability	10		10
Effect of plan changes			
Effect of economic/demographic (gains) or losses	(6)		(6)
Effect of assumption changes or inputs	(16)		(16)
Benefit payments	(33)	(33)	
Administrative expense			
Net investment income		(43)	43
Employer contributions		4	(4)
Balance as of December 31, 2022	$ 310	$ 279	$ 31

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	Metro-North Cash Balance Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance as of December 31, 2020	$378	$394	$(15)
Changes for calendar year 2020:			
Interest on total pension liability	11	-	11
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	(11)	-	(11)
Effect of assumption changes or inputs	15	-	15
Benefit payments	(38)	(38)	-
Administrative expense	-	-	-
Net investment income	-	(5)	5
Employer contributions	-	-	-
Balance as of December 31, 2021	$355	$351	$ 4

MTA Metro-North Railroad's—Cash Balance Plan

The following presents MTA Metro-North Railroad's net pension liability/(asset) as of December 31, 2023 calculated using the current discount rate at January 1, 2023 of 4.0% for the Plan, as well as what the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.0%) or 1-percentage point higher (5.0%) than the current rate:

	1% Decrease 3.0%	Current Discount Rate 4.0%	1% Increase 5.0%
		(in thousands)	
Net pension liability/(asset)	$ 49	$ 31	$ 14

The following presents MTA Metro-North Railroad's net pension liability/(asset) as of December 31, 2022 calculated using the current discount rate at January 1, 2022 of 3.0% for the Plan, as well as what the net pension liability/ (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (2.0%) or 1-percentage point higher (4.0%) than the current rate:

	1% Decrease 2.0%	Current Discount Rate 3.0%	1% Increase 4.0%
		(in thousands)	
Net pension liability/(asset)	$ 27	$ 4	$ (16)

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MTA Metro-North Railroad's Proportionate Share of the Net Pension Liability—MTA Defined Benefit Plan

The following table presents MTA Metro-North Railroad's proportionate share of the net pension liability of the MTA Defined Benefit Plan at (in thousands):

	December 31, 2022	December 31, 2021
MTA Metro-North Railroad's proportion of the net pension liability	33.51 %	34.21 %
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 840,889	$ 572,899

MTA Metro-North Railroad's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the calendar year.

The following table presents MTA Metro-North Railroad's proportionate share of the net pension liability as of December 31, 2022 based upon the January 1, 2022 actuarial valuation calculated using the discount rate of 6.5% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate (in thousands):

	1% Decrease 5.5%	Current Discount Rate 6.5%	1% Increase 7.5%
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 1,172,546	$ 840,889	$ 562,335

The following table presents MTA Metro-North Railroad's proportionate share of the net pension liability as of December 31, 2021 based upon the January 1, 2021 actuarial valuation calculated using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) than the current rate (in thousands):

	MTA Defined Benefit Plan		
	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
MTA Metro-North Railroad's proportionate share of the net pension liability	$ 894,649	$ 572,899	$ 302,701

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Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

MTA Metro-North Railroad recognized pension expense related to each pension plans as follows (in thousands):

	December 31, 2023	December 31, 2022
Pension plans		
MNR cash balance plan	$ (12)	$ 3
MTA defined benefit plan	182,554	132,826
Total	$ 182,542	$ 132,829

The pension expenses are presented net of reimbursable expenses of $15,040 and $15,506 and 401k employer contributions of $2.5 and $2.5 in 2023 and 2022, respectively.

At December 31, 2023, MTA Metro-North Railroad reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

($ in thousands)	MNR Cash Balance Plan		MTA Defined Benefit Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$	$ 73,584	$ 2,354	$ 73,584	$ 2,354
Changes in assumptions			153,690		153,690	
Net difference between projected and actual earnings on pension plan investments	40		167,117		167,157	
Changes in proportion and differences between contributions and proportionate share of contributions			249		249	
Employer contribution to plan subsequent to the measurement date of net pension liability	13		138,374		138,387	
Total	$ 53	$	$ 533,014	$ 2,354	$533,067	$ 2,354

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At December 31, 2022, MTA Metro-North Railroad reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

($ in thousands)	MNR Cash Balance Plan		MTA Defined Benefit Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -	$ 63,615	$ 3,547	$ 63,615	$ 3,547
Changes in assumptions	-	-	189,524	2,673	189,524	2,673
Net difference between projected and actual earnings on pension plan investments	-	3	-	61,006	-	61,009
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	12,834	-	12,834	-
Employer contribution to plan subsequent to the measurement date of net pension liability	4	-	122,259	-	122,263	-
Total	$ 4	$ 3	$388,232	$ 67,226	$388,236	$ 67,229

The annual differences between the projected and actual earnings on investments are amortized over a five-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over closed periods ranging from 7.8 to 8.6 years for the MTA Defined Benefit Plan, beginning in the year in which the deferred amount occurs.

The amounts of $138,386 and $122,263 reported as deferred outflows of resources related to pensions resulting from the Company's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years-ended December 31, 2024 and December 31, 2023, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023 will be recognized as pension expense (income) as follows:

($ in thousands) Year Ending December 31:	MNR Cash Balance Plan	MTA Defined Benefit Pension Plan	Total
2024	$ 5	$ 75,591	$ 75,596
2025	10	96,284	96,294
2026	14	78,863	78,877
2027	11	98,313	98,324
2028		29,340	29,340
Thereafter		13,895	13,895
Total	$ 40	$ 392,286	$ 392,326

8. OTHER POSTEMPLOYMENT BENEFITS

The MTA Metro-North participates in a defined benefit OPEB plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan ("OPEB Plan"). A description of the Plan follows:

(1) Plan Description

The MTA Retiree Welfare Benefits Plan ("OPEB Plan") and the related Trust Fund ("Trust") was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA Metro-North's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of the MTA Metro-North Railroad are members of the following pension plans: the MTA Defined Benefit Plan and the MNR Cash Balance Plan. Certain employees of MTA Metro-North Railroad participate in the 401(k) Plan. Eligible employees of the MTA may elect to join the New York State Voluntary Defined Contribution Plan ("VDC").

The MTA Metro-North Railroad participates in the New York State Health Insurance Program ("NYSHIP") and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans.

The MTA Metro-North Railroad is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility—To qualify for benefits under the OPEB Plan, a former employee of the MTA Metro-North Railroad must:

(a) have retired;

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(b) be receiving a pension (except in the case of the 401(k) Plan);

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan, the MNR Cash Balance Plan, the 401(k) Plan or the VDC; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—The MTA Metro-North Railroad is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, the MTA Metro-North paid $67,494 and $64,075 of PAYGO to the OPEB Plan, respectively. In addition, the OPEB Plan paid $58,925 in OPEB benefits in 2021. The PAYGO amounts include an implicit rate subsidy adjustment of $19,241 and $18,457 for the years ended December 31, 2023, and 2022, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2023 and December 31, 2022, respectively.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2021 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premium's structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and December 31, 2021, the employer made a cash payment for retiree healthcare of $18,457 and $17,151, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

Blended and Age-Adjusted Premium (in thousands)	2022 Retirees	2021 Retirees
Total blended premiums	$ 45,618	$ 41,774
Employment payment for retiree healthcare	18,457	17,151
Net payments	64,075	58,925
Payments from liquidation of trust	-	-
Net contributions	$ 64,075	$ 58,925

(2) Net OPEB Liability

At December 31, 2023 and December 31, 2022, the MTA Metro-North reported net OPEB liability of $1,698,580 and $1,854,464, respectively, for its proportionate share of the Plan. The net OPEB liability was measured as of the OPEB's Plan's fiscal year-ends of December 31, 2022 and December 31, 2021, respectively. The total OPEB liability as of December 31, 2023 and December 31, 2022 was determined by an actuarial valuation date of July 1, 2021 and rolled forward to December 31, 2023 and December 31, 2022. The MTA Metro-North's proportion of the net OPEB liability was based on a projection of the MTA Metro-North's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2023 and December 31, 2022, the MTA Metro-North's proportion was 7.57% and 7.43%, respectively.

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or Net Asset Value. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report or at www.mta.info.

(3) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including any changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. The MTA Metro-North may not be obligated to provide the same types or levels of benefits to retirees in the future.

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The total OPEB liability was determined by actuarial valuations performed on July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2022 and December 31, 2021, the measurement dates. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	December 31, 2023	December 31, 2022
Valuation date	July 1, 2022	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%, net of expenses	2.06%, net of expenses
Inflation	2.33 %	2.30 %
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25 %	4.25 %
Investment rate of return	3.72 %	2.12 %

Salary Scale—salaries are assumed to increase by years of service.

Rates are shown below:

Managers

Years of Service	Rate of Increase	Rate of Increase
0–1	8.00 %	8.00 %
2	7.00	7.00
3	6.50	6.50
4	5.50	5.50
5	5.00	5.00
6	4.90	4.90
7	4.80	4.80
8	4.70	4.70
9	4.60	4.60
10+	3.25–4.50	3.25–4.50

Represented Employees

Years of Service	Rate of Increase	Rate of Increase
0–1	12.50 %	12.50 %
2	11.50	11.50
3–4	10.00	10.00
5	6.00	6.00
6	4.25	4.25
7	4.00	4.00
8	3.75	3.75
9	3.50	3.50
10+	3.25	3.25

Healthcare Cost Trend—The Society of Actuaries (SOA) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries. This model as the foundation for the trend with certain adjustments including assumed administrative cost trend where applicable and removing the impact of age-related morbidity. Trend rates also reflect the expected impact of short-term inflation.

Healthcare Cost Trend Rates—The following lists illustrative rates for NYSHIP trend assumptions (all amounts are in percentages).

	NYSHIP	
Trend from Year Ending	**Pre-65 Trend**	**Post-65 Trend**
2022	14.10 %	13.40 %
2023	6.70	5.90
2024	7.00	6.70
2025	6.40	6.40
2026	5.80	5.80
2027	5.10	5.10
2028	4.90	4.90
2029	4.70	4.70
2030	4.50	4.50
2040	4.10	4.10
2050	4.20	4.20
2060	4.20	4.20
2070	3.90	3.90
2080	3.70	3.70
2090	3.70	3.70
2100	3.70	3.70

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rates, which are 3.7% for medical and pharmacy.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement, mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type:

Rail Member (LI Bus, LIRR, Metro-North and SIRTOA): Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants, and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2022.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US cash	100.00 %	1.31 %
Long term expected rate of return selected by MTA		3.72

Discount Rate—The discount rate used in this valuation to measure the total OPEB liability was updated to incorporate GASB Statement No. 75 guidance.

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 of 3.72% and December 31, 2021 of 2.06%.

Sensitivity of the MTA Metro-North Railroad's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents the MTA Metro-North Railroad's proportionate share of the net OPEB liability, as well as what the MTA Metro-North Railroad's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement:

December 31, 2023	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Proportionate share of the net OPEB liability	$ 1,932,660	$ 1,698,529	$ 1,505,116

December 31, 2022	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (1.06%)
Proportionate share of the net OPEB liability	$ 2,144,395	$ 1,854,464	$ 1,619,227

Sensitivity of the MTA Metro-North Railroad's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents the MTA Metro-North Railroad's proportionate share of the net OPEB liability, as well as what the MTA Metro-North Railroad's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

December 31, 2023	1% Decrease	Cost Current Trend Rate * (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 1,456,412	$ 1,698,529	$ 2,003,405

December 31, 2022	1% Decrease	Healthcare Cost Current Trend Rate * (in thousands)	1% Increase
Proportionate share of the net OPEB liability	$ 1,575,044	$ 1,854,464	$ 2,212,146

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2023 and December 31, 2022, the MTA Metro-North Railroad recognized OPEB expense of $103,745 and $131,746, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over an 7.6 year closed period, beginning the year in which the deferred amount occurs.

The MTA Metro-North Railroad reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,933	$ 2,569	$ 30,778	$ 3,118
Changes in assumptions	117,444	312,222	145,067	109,137
Changes in proportion	117,807	167,871	108,517	199,099
Net difference between projected and actual earnings on OPEB plan investments	1,434	-	3,501	-
Employer contributions to the plan subsequent to the measurement of net OPEB liability	67,494	-	64,075	-
Total	$ 331,112	$ 482,662	$ 351,938	$ 311,354

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year Ending December 31:	
2024	$ (31,031)
2025	(36,092)
2026	(33,146)
2027	(27,736)
2028	(28,058)
Thereafter	(62,980)
	$ (219,043)

9. LEASES

MTA Metro-North entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be made during the lease term, using MNR's incremental borrowing rate at the time of valuation ranging from 0.72% to 5.87% if an applicable stated or implicit rate is not available. The initial measurement of MTA Metro-North leased asset and lease liability for those agreements was as of January 1, 2021. The lease liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The lease asset is amortized ion a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For lessor leases, a lease receivable and deferred inflow of resources were measured as of January 1, 2021. Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources were recognized on a straight-line basis over the term of the lease.

As Lessor

MNR leases its land, building, station space, equipment, and right of way to other entities. These leases have terms between 1 year to 90 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, MNR also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	**2022**
Lease revenue	$ 13,001	$ 23,882
Interest revenue	1,347	3,284
Other variable revenue	18,191	4,533

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A summary of activity in lease receivable for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	December 31,2023	December 31,2022
Balance- beginning of year	$ 132,168	$ 144,728
Additions/ remeasurements	(27,344)	1,803
Receipts	(19,282)	(14,363)
Balance- end of year	85,542	132,168
Less current portion	(17,734)	(21,050)
Lease receivable noncurrent	67,808	111,118

MTA recognized $7,351 and $43 revenue associated with residual value guarantees and termination penalties for years ended December 31, 2023 and 2022, respectively

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows:

December 31	Principal	Interest	Total
2024	$ 17,830	$ 1,946	$ 19,776
2025	16,290	1,543	17,833
2026	14,725	1,161	15,886
2027	10,617	845	11,462
2028	9,253	594	9,847
2029–2033	15,588	750	16,338
2034–2038	376	170	546
2039–2043	417	111	528
2044–2048	167	56	223
2049–2053	103	42	145
2054–2058	2	30	32
2059–2063	3	29	32
2064–2068	4	29	33
2069–2073	4	28	32
2074–2078	5	27	32
2079–2083	6	26	32
2084–2088	7	24	31
2089–2093	9	23	32
2094–2098	11	21	32
2099–2103	13	19	32
2104–2108	16	16	32
2109–2113	96	6	102
Total	$ 85,542	$ 7,496	$ 93,038

As Lessee

Metro-North leases building, office space, storage space, equipment, vehicle, and cell tower space from other entities. These leases have terms between 1 year to 31 years, with payments required monthly, quarterly, or annually.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was $756 for the year ended December 31, 2023 and $1,714 for the year ended December 31, 2022. MTA Metro-North recognized $0 expense attributable to residual value guarantees and termination penalties for years ended December 31, 2023 and 2022.

A summary of activity in lease liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	December 31,2023	December 31,2022
Balance- beginning of year	$ 227,545	$ 242,643
Additions/ remeasurements	14,191	1,356
Payments	(14,054)	(16,454)
Balance- end of year	227,682	227,545
Less current portion	(14,253)	(12,153)
Lease liability noncurrent	$ 213,429	$ 215,392

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows:

Year Ended December 31	Principal	Interest	Total
2024	$ 14,253	$ 7,181	$ 21,434
2025	15,282	6,694	21,976
2026	14,524	6,217	20,741
2027	14,925	5,750	20,675
2028	15,101	5,270	20,371
2029–2033	86,328	18,802	105,130
2034–2038	26,345	8,713	35,058
2039-2043	14,229	6,069	20,298
2044-2048	17,167	3,131	20,298
2049-2053	9,528	298	9,826
Total	$ 227,682	$ 68,125	$ 295,807

Significant Lease Transaction—On August 29, 2013, MTA Metro-North Railroad entered into a Fourth Lease Modification, Extension and Expansion Space Agreement with SLG Graybar Mesne Lease, LLC for space at 420 Lexington Ave, New York, NY 10170 also known as the Graybar Building ("Graybar"). This agreement extends the lease term originally expiring in 2016, for an additional term of approximately 20 years. In addition, the agreement grants the Company expanded square footage.

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA Metro North entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using MTA's incremental borrowing rate at the time of valuation ranging from 1.72% to 5.87% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Metro North's subscription asset and lease liability was as of January 1, 2022. The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

MTA Metro North's subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 1 year to 7 years, with payments required monthly, quarterly, or annually. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $4,139 and $2,189 for the years ended December 31, 2023 and December 31, 2022, respectively. MTA Metro North recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and December 31, 2022, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	December 31,2023	December 31,2022
Balance- beginning of year	$ 6,854	$ 7,612
Additions/ remeasurements	-	-
Payments	(1,102)	(758)
Balance- end of year	5,752	6,854
Less current portion	(1,028)	(1,102)
SBITA liability noncurrent	$ 4,724	$ 5,752

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows:

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Year Ended December 31	Principal	Interest	Total
2024	$ 1,028	$ 125	$ 1,153
2025	3,400	82	3,482
2026	1,166	10	1,176
2027	99	3	102
2028	59	1	60
2029–2033			
Total	$ 5,752	$ 221	$ 5,973

11. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability arising from claims related to injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2023 and 2022, is presented below:

($ in thousands)	2023	2022
Balance—beginning of year	$ 55,881	$ 58,203
Activity during the year:		
Current year claims and changes in estimates	10,735	17,353
Claims paid—settlements only	(14,165)	(19,675)
Balance—end of year	52,451	55,881
Less current portion	(10,935)	(11,888)
Long-term liability	$ 41,516	$ 43,993

12. ESTIMATED LIABILITY FOR POLLUTION REMEDIATION OBLIGATIONS

MTA Metro-North Railroad has implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The statement establishes standards for determining when expected pollution remediation outlays should be accrued as a liability or, if appropriate, capitalized. An operating expense and corresponding liability, measured at its current value using the expected cash flow method, have been recognized for certain pollution remediation obligations that are no longer able to be capitalized as a component of a capital project.

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists
- MTA Metro-North Railroad is in violation of a pollution prevention-related permit or license

- MTA Metro-North Railroad is named by a regulator as a responsible or potentially responsible party to participate in remediation
- MTA Metro-North Railroad is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- MTA Metro-North Railroad voluntarily commences or legally obligates itself to commence remediation efforts

MTA Metro-North Railroad does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. In addition, MTA Metro-North Railroad does not expect any recoveries of cost that would have a material effect on the recorded obligations.

In accordance with GASB Statement No. 49, pollution remediation expense provisions totaling $4,635 and $140 were recorded on the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2023 and 2022, respectively. The expense provision was measured at its current value utilizing the prescribed expected cash flow method.

As of December 31, pollution remediation liabilities of $710 (short-term) and $5,693 (long-term) for 2023 and $700 (short-term) and $2,600 (long-term) for 2022 were recorded. These consist primarily of future remediation activities associated with lead and asbestos abatement.

13. RELATED PARTY TRANSACTIONS

The MTA Metro-North Railroad and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. The MTA Metro-North Railroad's subsidies from MTA for use in operations are recorded as credits to operations when received. Funds for the MTA Metro-North Railroad's capital project expenditures are also provided by MTA. The MTA Metro-North Railroad recognizes funds contributed by MTA for the MTA Metro-North Railroad's capital project expenditures as nonoperating revenue.

The MTA Metro-North Railroad also sells joint prevalued fare cards on consignment on behalf of an affiliated agency. These amounts are reflected in the accompanying statements of net position. The following table shows the dollar volume of such related party transactions at December 31, 2023 and 2022:

	2023	2022
Payments to MTA and affiliated agencies	$ 145,641	$ 134,414
Payments from MTA and affiliated agencies	14,193	79,266

The resulting receivables and payables from the above transactions are recorded in the due from/to MTA and affiliated agencies account included in the accompanying statements of net position.

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Due from/to MTA and affiliated agencies consists of the following at December 31, 2023 and 2022:

($ in thousands)	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 452,277	$ (163,488)	$ 723,017	$ (198,461)
Affiliated agencies	74	(5,765)	153	(3,229)
Total MTA and affiliated agencies	$ 452,351	$ (169,253)	$ 723,170	$ (201,690)

In addition, MTA Metro-North Railroad had investments in the MTA Investment Pool of $96,285 and $12,439 at December 31, 2023 and 2022, respectively.

On July 29, 1998, the MTA, the MTA New York City Transit and Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") entered into a lease and related agreements whereby each agency, as sub lessees, will rent an office building at Two Broadway in lower Manhattan, for an initial lease term through June 30, 2048, renewable for two additional 15-year terms. Through separate triple-net sublease agreements, the lease was appointed 21% to MTA, on behalf of the MTA Long Island Railroad and the MTA Metro-North Railroad, 68.7% to the MTA New York City Transit, and 10.3% to the MTA Bridges and Tunnels. Total annual rental payments over the initial lease term are $1,600,000. Base building and tenant improvements at Two Broadway were financed through the issuance by MTA of Two Broadway Certificates of Participation. The MTA Long Island Railroad and the MTA Metro-North Railroad are obligated to pay 21% of the ground lease payments and payments relating to the Two Broadway Certificates of Participation.

Pursuant to an agreement by and among the MTA, the MTA Long Island Railroad, the MTA Metro-North Railroad, the MTA New York City Transit and the MTA Bridges and Tunnels; the MTA New York City Transit and the MTA Bridges and Tunnels have agreed to reimburse the MTA Long Island Rail Road and the MTA Metro-North Railroad for the space occupied by the MTA New York City Transit and the MTA Bridges and Tunnels. Presently, the MTA, the MTA New York City Transit and the MTA Bridges and Tunnels occupy substantially all of the space at Two Broadway and rent is paid directly to the landlord.

14. OTHER LONG-TERM LIABILITIES

A summary of activity in other long-term liabilities for the years ended December 31, 2023 and 2022, is presented below:

($ in thousands)	2023	2022
Balance—beginning of year	$ 2,846	$ 15,975
Activity during the year:		
Deferred payroll taxes		(13,099)
Deferred rent on lease		-
Other	(91)	(30)
Balance—end of year	$ 2,755	$ 2,846

15. COMMITMENTS AND CONTINGENCIES

From time to time, the MTA Metro-North Railroad becomes aware of the existence of pollutants and/or hazardous waste at MTA Metro-North Railroad facilities. When estimates can be made of the cost to remediate pollutants and/or hazardous waste at MTA Metro-North Railroad facilities, amounts are recorded in the financial statements.

Management has reviewed with counsel all actions and proceedings against or involving the MTA Metro-North Railroad, including personal injury claims. While the ultimate outcome of such actions and proceedings cannot be predicted with certainty at this time, management believes that losses, if any, in excess of amounts accrued, resulting from such actions will not be material to the financial position, results of operations or cash flows of the MTA Metro- North Railroad.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or the MTA Metro- North Railroad have been infrequent in prior years.

16. NOVEL CORONAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA has seen ridership steadily improve since the low point of ridership during the pandemic in 2020; but continues to be well-below 2019 levels.

Coronavirus Aid, Relief and Economic Security Act, ("CARES Act")—The CARES Act is a $2.2 trillion economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration's ("FTA") formula funding provisions provided approximately $4 billion to MTA. Funding was provided at a 100 percent Federal share, with no local match required, and is available to support operating, and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA's initial grant application of $3.9 billion.

On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98 million in additional formula grant allocations to MTA for a CARES Act grant total of $4.0 billion. As of December 31, 2020, a total of $4.0 billion was released to MTA for operating assistance that occurred from January 20, 2020, through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF")—Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA placed with the MLF $450.72 million of notes, which were repaid on March 1, 2022. In addition, MTA issued into the MLF a second time by placing $2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. On December 15, 2023, the maturity date of the BANs, the MTA used funds on hand to retire the $2.907 billion loan in full. As of December 31, 2023, the MTA had no outstanding obligations to the MLF.

Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA")— On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA") that includes $900 billion for various COVID-19 economic relief programs to address hardships caused by the coronavirus pandemic and a $1.4 trillion government funding package to fund the government through September 30, 2021.Included in the legislation's $45 billion in financial assistance to the transportation industry, including $16 billion for another round of airline employee and contractor payroll support: $14 billion for transit; $10 billion for highways; $2 billion for intercity buses; $2 billion for airports; and $1 billion for Amtrak. The MTA received $4.1 billion in aid from the CRRSAA between December 2021 ($0.6 billion) and January 2022 ($3.5 billion).

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 package includes $30 billion of direct federal aid to transportation agencies. The MTA received $6.1 billion in aid from ARPA in 2022.In September of 2022, Additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received $769 million in additional aid in the fourth quarter of 2022.

Federal Emergency Management Agency ("FEMA") Reimbursement—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $893 million of direct COVID-19-related expenses incurred from the start of the pandemic through May 11, 2023 was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing COVID-19-related expense reimbursement from FEMA.

17. SUBSEQUENT EVENTS

In 2024, MTA Metro-North Railroad is prepaying the 2025 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Pension Plans on a monthly basis. As of May 29, 2024, the prepayment amounts for MTA Metro North Railroad's portion of the MTA Defined Benefit Plan was $96,166,840.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE METRO-NORTH COMMUTER RAILROAD COMPANY CASH BALANCE PLAN AT DECEMBER 31:
(In thousands, except %)

	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY:								
Service cost	$	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	10	11	14	18	20	21	24	29
Effect of liability gains and losses		-	-	-	(11)	12	(15)	(10)
Effect of assumption changes or inputs	(16)	15	11	4	-	-	-	18
Effect of economic/demographic (gains) or losses	(6)	(11)	10					
Benefit payments and withdrawals	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)
Net change in total pension liability	(45)	(23)	(70)	(31)	(49)	(38)	(68)	(76)
TOTAL PENSION LIABILITY—Beginning	355	378	448	479	528	566	634	710
TOTAL PENSION LIABILITY—Ending(a)	310	355	378	448	479	528	566	634
FIDUCIARY NET POSITION:								
Employer contributions	4	-	9	-	5	-	23	18
Net investment income	(43)	(5)	32	40	-	20	16	6
Benefit payments and withdrawals	(33)	(38)	(105)	(53)	(58)	(71)	(77)	(113)
Administrative expenses		-	3	(3)	-	-	-	3
Net change in plan fiduciary net position	(72)	(43)	(61)	(16)	(53)	(51)	(38)	(86)
PLAN FIDUCIARY NET POSITION—Beginning	351	394	455	471	523	574	612	698
PLAN FIDUCIARY NET POSITION—Ending(b)	279	351	394	455	471	523	574	612
EMPLOYER'S NET PENSION LIABILITY—Ending(a)-(b)	$ 31	$ 4	$ (16)	$ (7)	$ 8	$ 5	$ (8)	$ 22
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	90.09 %	98.91 %	104.20 %	101.45 %	98.28 %	99.01 %	101.39 %	96.56 %
COVERED-EMPLOYEE PAYROLL	$	$ -	$ -	$ 277	$ 278	$ 268	$ 648	$ 995
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	%	- %	- %	(2.35)%	2.97 %	1.95 %	(1.22)%	2.20 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available, in accordance with GASB Statement No. 68. Information was not readily available for periods prior to 2015.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31:
(In thousands, except %)

	2022	2021	2020	2019	2018	2017	2016	2015
PROPORTION OF THE NET PENSION LIABILITY	33.51 %	34.21 %	34.72 %	35.10 %	35.24 %	36.10 %	36.33 %	35.43 %
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	$ 840,889	$ 572,890	$ 672,605	$ 605,988	$ 494,107	$ 370,698	$ 460,804	$ 457,065
ACTUAL COVERED-EMPLOYEE PAYROLL	$ 772,184	$ 676,909	$ 672,888	$ 653,851	$ 627,407	$ 589,000	$ 598,291	$ 562,928
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS A PERCENTAGE OF THE AUTHORITY'S COVERED-EMPLOYEE PAYROLL	85.88 %	84.63 %	100.04 %	92.68 %	78.75 %	62.94 %	77.02 %	81.19 %
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	71.57 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %	70.44 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available, in accordance with GASB Statement No. 68. Information was not readily available for periods prior to 2015.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO ALL PENSION PLANS FOR THE YEARS ENDED DECEMBER 31:
(Amounts in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
MNR CASH BALANCE PLAN:									
Actuarially determined contribution	$ 13	$ 4	$ -	$ -	$ 9	$ 5	$ -	$ 23	$ -
Actual employer contribution	13	4	-	-	9	5	-	23	14
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14)
Covered payroll	$ -	$ -	$ -	$ 277	$ 278	$ 268	$ 471	$ 846	$ 1,474
Contributions as a % of covered payroll	- %	- %	- %	- %	3.09 %	2.03 %	- %	2.68 %	0.96 %
MTA DEFINED BENEFIT PENSION PLAN:									
Actuarially determined contribution	$138,374	$135,463	$133,645	$136,422	$122,819	$116,000	$114,407	$105,508	$ 96,983
Actual employer contribution	138,374	135,463	137,242	137,690	122,819	116,005	120,515	99,083	70,500
Contribution deficiency (excess)	$ -	$ -	$ (3,597)	$ (1,268)	$ -	$ (5)	$ (6,108)	$ 6,425	$ 26,483
Covered payroll	$722,184	$676,909	$672,888	$697,241	$723,599	$698,639	$616,231	$596,129	$648,852
Contributions as a % of covered payroll	19.16 %	20.01 %	20.40 %	19.75 %	16.97 %	16.60 %	19.56 %	16.62 %	10.87 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available, in accordance with GASB Statement No. 68. Information was not readily available for periods prior to 2015.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
NOTES TO SCHEDULE OF MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO ALL PENSION PLANS

Except for the investment return and benefit escalator assumptions, all other assumptions used are consistent with the assumptions used in the January 1, 2022 Actuarial Valuation Report dated January 1, 2023. The following actuarial methods and assumptions were used in the January 1, 2022 funding valuation for the Metro-North Commuter Railroad Company Cash Balance Plan:

	MNR Cash Balance Plan
Valuation dates	January 1, 2022
Measurement date	December 31, 2022
Actuarial cost method	Unit Credit
Amortization method	One year amortization of the unfunded liability, if any.
Asset valuation method	Actuarial value equals market value
Inflation	2.40%
Actuarial assumptions:	
Discount rate	2.25%
Investment rate of return	4.00%—net of investment expenses
Mortality	Based on experience of all MTA members reflecting mortality improvement generational basis using scale MP-2021
Salary increases	N/A
Cost-of-living adjustments	N/A

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms

There were no changes of benefit terms noted for the January 1, 2022 funding valuation.

Changes of Assumptions

The report reflects updates to the mortality assumptions in accordance with a mortality experience study dated April 21, 2022.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN
(In thousands, except %)

AT DECEMBER 31	2022	2021	2020	2019	2018
PROPORTION OF THE NET OPEB LIABILITY	7.57 %	7.43 %	8.31 %	7.75 %	7.92 %
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	$ 1,698,580	$ 1,854,464	$ 2,028,743	$ 1,635,681	$ 1,553,115
ACTUAL COVERED-EMPLOYEE PAYROLL	$ 722,184	$ 676,909	$ 682,336	$ 562,643	$ 698,639
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AS A PERCENTAGE OF THE AUTHORITY'S COVERED-EMPLOYEE PAYROLL	235.20 %	273.96 %	297.32 %	290.71 %	22.31 %
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	0.05 %	- %	- %	1.93 %	1.86 %

Note: This schedule is intended to show information for ten years.
However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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METRO-NORTH COMMUTER RAILROAD COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE MTA METRO-NORTH COMMUTER RAILROAD COMPANY'S CONTRIBUTIONS TO THE MTA OPEB PLAN AND NOTES TO SCHEDULE OF CONTRIBUTIONS TO THE MTA OPEB PLAN FOR THE YEARS ENDED DECEMBER 31:
(In thousands, except %)

	2023	2022	2021	2020	2019	2018
ACTUARIALLY DETERMINED CONTRIBUTION	N/A	N/A	N/A	N/A	N/A	N/A
ACTUAL EMPLOYER CONTRIBUTION [1]	$ 67,494	$ 64,075	$ 58,925	$ 38,580	$ 57,345	$ 54,762
CONTRIBUTION DEFICIENCY (EXCESS)	N/A	N/A	N/A	N/A	N/A	N/A
COVERED PAYROLL	$ 722,184	$ 676,909	$ 682,336	$ 562,643	$ 723,599	$ 698,639
ACTUAL CONTRIBUTION AS A PERCENTAGE OF COVERED PAYROLL	9.35 %	9.46 %	8.64 %	6.86 %	7.92 %	7.84 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $19,241, $18,457, $10,767, $19,322, $19,213, and $18,346 for the years ended December 31, 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Notes to Schedule of the MTA Metro-North Commuter Railroad Companies Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	July 1, 2021
Measurement date	December 31, 2022
Discount rate	3.72%—net of expenses
Inflation	2.33%
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Normal cost increase factor	3.64%
Investment rate of return	3.72%

Changes of Benefit Terms: In the July 1, 2021 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions: In the July 1, 2021 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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Metropolitan Transportation Authority ("MTA")
MTA Bus Company

(Component Unit of the MTA)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Required Supplementary Information, and
Independent Auditor's Report

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MTA BUS COMPANY
(Component Unit of the MTA)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of MTA Bus Company (the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Company is a component unit of the MTA. The MTA is a component unit of the State of New York. The Company requires significant subsidies from, and has material transactions with, the MTA, the City of New York and the State of New York. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the Company adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of MTA Bus's Proportionate Share of Net Pension Liability in the MTA Defined Benefit Plan, the Schedule of MTA Bus's Contributions for all Pension Plans, the Schedule of MTA Bus's Proportionate Share of Net OPEB Liability in the MTA OPEB Plan, and the Schedule and Notes to the Schedule of MTA Bus's Contributions to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

__________, 2024

MTA BUS COMPANY
(Component Unit of the MTA)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2023 AND 2022
($ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—The following is a narrative overview and analysis of the financial activities of MTA Bus Company ("MTA Bus" or the "Company")—Component Unit of the Metropolitan Transportation Authority for the years ended December 31, 2023 and 2022. It is intended to serve as an introduction to MTA Bus's financial statements, which have the following Components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements, (3) Notes to Financial Statements, and (4) Required Supplementary Information.

Management's Discussion and Analysis—The MD&A provides an assessment of how MTA Bus's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA Bus's overall financial position. It may contain opinions, assumptions or conclusions by MTA Bus's management that should not be considered a replacement for and must be read in conjunction with the financial statements described below.

Financial Statements—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that MTA Bus presently controls (assets), consumption of net assets by MTA Bus that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that MTA Bus has little or no discretion to avoid (liabilities), and acquisition of net assets by MTA Bus that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position, show how MTA Bus's net position changed during the year. It accounts for all the current year's revenues and expenses, measures the financial results of MTA Bus's operations over the past year and can be used to determine how MTA Bus has funded its costs.

The Statements of Cash Flows provide information about MTA Bus's cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing, capital and related financing and investing activities.

Notes to Financial Statements—The Notes to Financial Statements provide information that is essential to understanding the basic financial statements, such as MTA Bus's accounting methods and policies, details of cash and investments, capital assets, employee benefits, lease transactions and future commitments and contingencies of MTA Bus. Any other events or developing situations that could materially affect MTA Bus's financial position, results of operations and cash flows.

Required Supplementary Information (Unaudited)—The Required Supplementary Information provides information concerning MTA Bus's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

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FINANCIAL REPORTING ENTITY

MTA Bus is a public benefit corporation established pursuant to the New York State Public Authorities Law, to operate local and express bus service within The City of New York ("The City"). MTA Bus is a Component Unit of the Metropolitan Transportation Authority, which is a Component Unit of the State of New York and whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York Metropolitan area.

The Authority requires, and will likely continue to require, substantial subsidies from various governmental sources in order to maintain its operations in the future. The Authority estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to the Authority are not sufficient to meet its needs, the Authority must raise fares, curtail its service and operations, or defer certain other expenditures (not including maintenance) in order to continue operating within the limits of the funds.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the changes in MTA Bus's financial position for the years ended December 31, 2023 and 2022. The changes from year to year are due to, among other things, the continuing purchase of new buses. It should be noted that for purposes of MD&A, summaries of the financial statements and tables presented conform to MTA Bus's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Total Assets, Distinguishing Between Capital Assets, Current Assets and Deferred Outflows of Resources

				Increase (Decrease)	
(In thousands)	**2023**	**2022**	**2021 (Restated)**	**2023–2022**	**2022–2021**
Capital assets, at cost	$ 1,092,643	$1,047,034	$1,077,077	$ 45,609	$ (30,043)
Accumulated depreciation & amortization	(580,447)	(583,276)	(665,954)	2,829	82,678
Capital assets, net	512,196	463,758	411,123	48,438	52,635
Total other assets	786,204	838,495	347,837	(52,291)	490,658
Total assets	1,298,400	1,302,253	758,960	(3,853)	543,293
Deferred outflows of resources	460,027	383,834	402,923	76,193	(19,089)
Total assets and deferred outflows of resources	$ 1,758,427	$1,686,087	$1,161,883	$ 72,340	$ 524,204

Significant Changes in Assets Include:

December 31, 2023 versus 2022

Capital assets include, but are not limited to: structures, construction of buildings, acquisition of buses, equipment and service vehicles, and right-of-use assets for leases on buildings and structures.

MTA Bus's Capital assets, at cost, amounted to $1,092.6 million and $1,055.2 million as of December 31, 2023 and 2022, respectively. The December 31, 2023 balance consisted of 61.9% buses, 25.7% depots and yards, 6.8% assets under construction of buses and facility upgrades, 5.4% facilities, data processing equipment and other, and 0.2% service vehicles.

Capital assets, net, increased from December 31, 2022 by $48.4 million or 10.4%. The net increase is mainly comprised of additions to fixed assets of $176.0 million for 96 buses placed in service, offset by asset disposals of $56.7 million for 110 buses fully depreciated/disposed and depreciation of $53.9 million. The additions included $56.8 million for buses placed in service, $18.1 million to assets under construction for the Spring Creek, JFK, College Point, Eastchester and LaGuardia depot renovations and upgrades, and $8.6 million for a new bus radio system.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables from New York City. This also includes the receivables from leases of MTA Bus's land, buildings, equipment, and right of way to third. Refer to Note 6 for additional information.

Total other assets decreased by $52.3 million or 6.2% compared with the prior year. This is due to decreases in MTA Investment Pool of $19.5 million, due from affiliates of $103.0 million and subsidy receivable from New York City of $2.5 million, and cash of $0.1 million. These decreases were offset by increases in prepaid expenses of $62.5 million of which $60.6 million pertained to MTA Bus's portion of the 2024 projected Actuarially Determined Contributions for the MTA Defined Benefit Plan, other subsidy of $8.7 million, other receivable of $0.3 million, and materials and supplies of $1.3 million.

Deferred outflows of resources increased by $76.2 million or 20%. This was due to an increase of $65.6 million related to pension, primarily due to changes in difference between projected and actual experience in plan investment earnings. In addition, there was an increase of $10.6 million related to OPEB, primarily due to changes in the proportionate share and difference in employer contributions. See Note 7 and 8 to the financial statements for more information regarding MTA Bus's pension and other postemployment benefits, respectively.

December 31, 2022 versus 2021

MTA Bus's Capital assets, at cost amounted to $1,047.0 million and $1,077.0 million as of December 31, 2022 and 2021, respectively. Of the December 31, 2022, total buses accounted for 63.7%, facilities, data processing equipment and other were 5.5%, service vehicles were 0.3%, assets under construction consisting of buses and facility upgrades were 4.4%, and depots and yards were 26.1%.

Capital assets include, but are not limited to: structures, construction of buildings, and the acquisition of buses, equipment and service vehicles. Right-of-use assets for leases on buildings and structures has been included as a result of implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases,* with retroactive effect of this adoption as of January 1, 2021. Refer to Note 2 for additional information.

Capital assets, net increased from December 31, 2021 by $52.6 million or 14.4%. The net increase is mainly comprised of additions to fixed assets of $227.8 million (127 buses placed in service), offset by asset disposals of ($132.4) million (264 buses fully depreciated/disposed) and depreciation of ($49.7) million. The additions included $80.6 million for buses placed in service, $12.1 million for the new fare payment system and $9.6 million to assets under construction for the Spring Creek, JFK, College Point, Eastchester and LaGuardia depot renovations and upgrades.

Total current assets increased by $490.7 million or 141.1% compared with the prior year. This is due to increases in due from affiliates of $525.0 million, subsidy receivable from New York City of $3.2 million, other subsidy receivable of $9.7 million, other receivable of $1.0 million and materials and supplies of

$1.3 million. These increases were offset by a decrease in cash of $0.3 million, decrease in invested funds at MTA of $48.7 million and a decrease in prepaid expenses of $0.5 million.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, State and regional mass transit taxes receivables from New York City. This also includes the receivables from leases of MTA Bus's land, buildings, equipment, and right of way to third parties as a result of implementation of GASB No. 87, *Leases*. Refer to Note 6 for additional information.

Deferred outflows of resources reflect deferred outflows from pension activities and deferred outflows from OPEB activities.

MTA Bus is reporting deferred outflows of resources related to pension liabilities of $173.8 million at December 31, 2022. See Note 7 to the financial statements for more information regarding MTA Bus's pensions.

MTA Bus is reporting deferred outflows of resources related to OPEB liabilities of $210.0 million at December 31, 2022. See Note 8 to the financial statements for more information regarding MTA Bus's other postemployment benefits.

Total Liabilities, Distinguishing Between Current Liabilities, Noncurrent Liabilities and Deferred Inflows of Resources

				Increase (Decrease)	
(In thousands)	**2023**	**2022**	**2021 (Restated)**	**2023–2022**	**2022–2021**
Total current liabilities	$ 268,172	$ 199,811	$ 218,390	$ 68,361	$ (18,579)
Total noncurrent liabilities	1,684,314	1,589,879	1,559,168	94,435	30,711
Total liabilities	1,952,486	1,789,690	1,777,558	162,796	12,132
Total deferred inflows of resources	266,577	218,016	203,403	48,561	14,613
Total liabilities and deferred inflows of resources	$ 2,219,063	$ 2,007,706	$ 1,980,961	$ 211,357	$ 26,745

Significant Changes in Liabilities Include:

December 31, 2023 versus 2022

Current liabilities include accounts payable, accrued expenses, current portion of long-term debt, pollution remediation liabilities, current portion of long-term lease liability, and other current liabilities.

At the end of 2023, MTA Bus's total liabilities consisted primarily of postemployment benefits for 43.5%, injuries to persons (workers compensation and public liability) for 26.7%, and net pension liability for 19.4%.

Total current liabilities increased from December 31, 2022 to December 31, 2023 by $68.4 million or 34.2%. The increase was primarily due to an increase in due to MTA and affiliated agencies of $28.6 million, an increase in accrued expenses of $39.0 million, and an increase in accounts payable of $0.8 million.

Non-current liabilities include claims for injuries to persons, postemployment benefits, long-term lease liability, and other non- current liabilities.

Total noncurrent liabilities increased by $94.4 million or 5.9%. The increase was attributable to an increase in net pension liability of $122.3 million, increase in liabilities from injuries to persons of $19.8 million and an increase in pollution remediation of $0.6 million. These increases were offset by a decrease in postemployment benefits other than pensions of $48.3 million.

Deferred inflows of resources increased by $48.6 million or 22.3%. This was due to an increase of $89.9 million related to OPEB, primarily due to changes in assumptions. This increase was offset by a decrease in pension of $41.3 million, primarily due to changes in the difference between projected and actual investment earnings. See Note 8 and 7 to the financial statements for more information regarding MTA Bus's other postemployment benefits and pension, respectively.

December 31, 2022 versus 2021

At the end of 2022, MTA Bus's total liabilities consisted primarily of postemployment benefits, 49.9%, injuries to persons (workers compensation and public liability), 26.7%, and net pension liability, 14.2%.

Total current liabilities decreased from December 31, 2021 to December 31, 2022 by $18.6 million or 8.5%. The decrease was due to a decrease in accrued expenses of $18.8 million, and a decrease in due to MTA and affiliated agencies of $5.1 million. These decreases were offset by an increase in accounts payable of $5.3 million.

Current liabilities include accounts payable, accrued expenses, current portion of long-term debt, pollution remediation liabilities, and other current liabilities. This also includes the current portion of long-term lease liability as a result of the implementation of GASB Statement No. 87, *Leases*. Refer to Note 2 for additional information.

Total noncurrent liabilities increased from December 31, 2021 to December 31, 2022 by $30.7 million or 2.0%. The increase was due to an increase in postemployment benefits other than pensions of $34.2 million and an increase in liabilities from injuries to persons of $39.6 million. These increases were offset by a decrease in net pension liability of $43.0 million and a decrease in pollution remediation of $0.1 million.

Non-current liabilities include claims for injuries to persons, postemployment benefits and other non-current liabilities. This also includes the long-term lease liability as a result of the implementation of GASB Statement No. 87, *Leases*. Refer to footnote 2 for additional information.

Deferred inflows of resources reflect pension related deferred inflows and deferred inflows from OPEB activities. As a result of the implementation of GASB Statement No. 87, *Leases*, a deferred inflow of resources from leases at the amount of the lease receivable was recognized. Refer to footnote 2 for additional information.

MTA Bus is reporting deferred inflows of resources related to pension liabilities of $96.6 million at December 31, 2022. See Note 7 to the financial statements for more information regarding MTA Bus's pensions.

MTA Bus is reporting deferred inflows of resources related to OPEB liabilities of $121.4 million at December 31, 2022. See Note 8 to the financial statements for more information regarding MTA Bus's postemployment benefits.

Total Net Position, Distinguishing Among Net Investment in Capital Assets and Unrestricted Amounts

(In thousands)	2023	2022	2021 (Restated)	Increase (Decrease) 2023–2022	Increase (Decrease) 2022–2021
Net investment in capital assets	$ 494,232	$ 463,758	$ 410,081	$ 30,474	$ 53,677
Unrestricted (deficit)	(954,868)	(785,377)	(1,229,159)	(169,491)	443,782
Total net position	$ (460,636)	$ (321,619)	$ (819,078)	$ (139,017)	$ 497,459

Net position represents the residual interest in MTA Bus's assets after liabilities are deducted and consist of two components: net investment in capital assets, and unrestricted. Net investment in capital assets includes capital assets and right-of-use lease assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted.

Significant Changes in Net Position Include:

December 31, 2023 versus 2022

Total net position was ($460.6) million at the end of 2023, a net decrease of $139.0 million from the end of 2022. The net decrease was due to operating losses of $779.8 million, offset by capital contributions of $83.1 million, and net non-operating income of $557.7 million.

December 31, 2022 versus 2021

Total net position was ($321.6) million at the end of 2022, a net increase of $497.5 million from the end of 2021. The net increase was comprised of capital contributions of $101.8 million, net non-operating income of $1,126.2 million, offset by operating losses ($730.5) million.

Condensed Statements of Revenues, Expenses and Changes in Net Position

(In thousands)	Year Ended December 31, 2023	2022	2021 (Restated)
Total operating revenues	$ 193,045	$ 186,802	$ 146,738
Total operating expenses	(972,822)	(917,387)	(881,062)
Operating loss	(779,777)	(730,585)	(734,324)
Nonoperating revenues/(expenses)			
Operating subsidies from NYC	522,443	525,054	456,587
Other nonoperating revenue	35,246	601,172	332,410
Total nonoperating revenues	557,689	1,126,226	788,997
Gain (loss) before capital contributions	(222,088)	395,641	54,673
Capital contributions	83,071	101,818	90,425
Changes in net position	(139,017)	497,459	145,098
Net position, beginning of year	(321,619)	(819,078)	(964,176)
Net position, end of year	$ (460,636)	$ (321,619)	$ (819,078)

Revenues from Fares/Ridership:

December 31, 2023 versus 2022

Bus revenues from fares totaled $178.6 million in 2023 versus $163.4 million in 2022, an increase of $15.1 million, resulting from increased ridership and bus fares.

Total passenger ridership was 86.2 million in 2023 versus 82.6 million in 2022, an increase of 3.6 million, or 4.4%. This increase is attributed to increased use of public transportation post COVID-19.

December 31, 2022 versus 2021

Bus revenues from fares totaled $163.4 million in 2022 versus $140.2 million in 2021, an increase of $23.3 million, resulting from increased ridership.

Total passenger ridership was 82.6 million in 2022 versus 71.4 million in 2021, an increase of 11.2 million, or 15.6%. This increase is attributed to increased use of public transportation as vaccinations against COVID-19 increased.

Operating Expenses, by Major Function

(In thousands)	2023	2022	2021 (Restated)	Increase (Decrease) 2023–2022	Increase (Decrease) 2022–2021
Salaries and wages	$ 407,710	$ 394,230	$ 390,098	$ 13,480	$ 4,132
Retirement and other employee benefits	242,579	205,884	206,037	36,695	(153)
Postemployment benefits other than pensions	65,437	73,395	69,220	(7,958)	4,175
Fuel	33,217	40,677	23,657	(7,460)	17,020
Electric power	2,309	2,437	2,139	(128)	298
Insurance	5,621	5,440	5,212	181	228
Public liability claims	58,409	50,004	40,094	8,405	9,910
Materials and supplies	40,195	40,286	37,990	(91)	2,296
Professional services	30,032	25,613	26,959	4,419	(1,346)
Pollution remediation services	759	119	11	640	108
Maintenance and other operating expenses	24,895	25,269	28,448	(374)	(3,179)
Depreciation and amortization	53,854	49,206	47,597	4,648	1,609
Other business expenses	7,805	4,827	3,600	2,978	1,227
Total operating expenses	$ 972,822	$ 917,387	$ 881,062	$ 55,435	$ 36,325

December 31, 2023 versus 2022

Total operating expenses increased by $55.4 million or 6.0% versus the prior year, as follows:

- Salaries and wages exceeded 2022 by $13.5 million or 3.4%, due to increased salaries resulting from implementation of gross wage increases and retroactive wage accruals from contract settlements.
- Retirement and other employee benefits increased by $36.7 million or 17.8% primarily due to increase in pension expense based on the current actuarial valuation under GASB 68.
- Postemployment benefits other than pensions decreased by $7.9 million or 10.8% based on the current actuarial valuation under GASB 75.
- Fuel costs decreased by $7.5 million or 18.3%, due to lower prices.
- Insurance expense increased by $0.2 million or 3.3%, due to higher premiums. This is comprised of excess liability, property and other insurance coverage paid under the MTA All-Agency insurance programs.
- Public liability and no fault claims increased by $8.4 million or 16.8%. This resulted from higher loss emergence than expected based on historical data.
- Professional service contracts increased by $4.4 million or 17.3% due to higher management fees for services provided by other MTA agencies, particularly NYC Transit and MTA Headquarters.
- Other business expenses increased by $2.9 million or 61.7% primarily due to higher debit/credit card fees from the OMNY fare payment system, other non-operating purchases, metro mobility tax, and other miscellaneous charges.

December 31, 2022 versus 2021

Total operating expenses increased by $36.3 million or 4.1% versus the prior year, as follows:

- Salaries and wages exceeded 2021 by $4.1 million or 1.1%, due to increased salaries resulting from contract settlements/retroactive wage accruals.
- Retirement and other employee benefits decreased by $0.2 million.
- Postemployment benefits other than pensions increased by $4.2 million in accordance with the provisions of GASB 75.
- Fuel costs increased by $17.0 million or 71.9%, due to higher prices and the resumption of bus service that was previously reduced due to the Coronavirus pandemic.
- Insurance expense increased by $0.2 million or 4.4%, due to higher premiums. This is comprised of excess liability, property and other insurance coverage paid under the MTA All-Agency insurance programs.
- Public liability and no fault claims increased by $9.9 million. This resulted from increased exposure as ridership increased by 15.6% in 2022 vs 2021.
- MTA Bus relies extensively on professional services provided by other MTA agencies, particularly NYC Transit, the Business Service Center, and MTA Headquarters. Professional service contracts decreased by $1.3 million.
- Other business expenses increased by $1.2 million. This includes Automated Fare Collection ("AFC") revenue collection fees paid to New York City Transit Authority, debit/credit card fees from the OMNY fare payment system, office supplies and other miscellaneous charges.

Nonoperating Revenues and Expenses

As defined by the letter of agreement between The City of New York ("The City") and MTA, The City is to provide operating assistance subsidies to MTA Bus. These subsidies amounted to $522.4 million and $525.1 million in 2023 and 2022, respectively.

Since the outbreak of the Coronavirus pandemic in March 2020, federal legislative actions have provided additional subsidies to MTA Bus. The first was the CARES Act, which provided $335.5 million to MTA Bus in 2020. Subsequently, MTA Bus was allocated $308.5 million through the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") in 2021. Finally, MTA Bus was allocated $547.4 million in American Rescue Plan Act ("ARPA") funds in 2022.

In 2023, pursuant to MTA Board approval, MTA Bus received $12.3 million in discretionary Mortgage Recording Tax—2 ("MRT-2") monies as a subsidy from the MTA. The funds were used to pay commercial paper debt totaling $1.2 million.

Capital contributions of $83.1 million in 2023 and $101.8 million in 2022 represent capital program funding from several sources including bonds, Federal, State and City funding.

Budget Highlights

Financial:

Total revenue from fares in 2023 was $178.6 million. Passenger revenue was up $15.1 million over 2022 levels, resulting from increased ridership and bus fares.

Operations:

The focus on improving service, introducing new buses and performing scheduled maintenance on the bus fleet, as well as aggressive shop programs to improve the existing fleet yielded continued notable improvements in the reliability of the bus fleet. In addition, a significant level of facility work continued during 2023 to upgrade conditions and comply with environmental regulations. Additional work needs to be done to improve facility conditions in 2024 and beyond.

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Overall Financial Position and Results of Operations

MTA Bus is responsible for both the local and express bus operations of the seven previously private bus companies, consolidating their operations, maintaining current buses, purchasing new buses to replace the aging fleet currently in service, and adjusting schedules and route paths to better match travel demand. MTA Bus operates 44 local bus routes and 3 Select Bus Service routes in the Bronx, Brooklyn, and Queens; and 43 express bus routes between Manhattan and the Bronx, Brooklyn, or Queens. It has a fleet of 1,310 buses, which makes MTA Bus the 10th largest bus fleet in the United States and Canada, serving nearly 400,000 riders daily.

Between 2005 and 2023, MTA Bus purchased 754 new high capacity, high customer amenity express buses, 389 new environmentally friendly hybrid electric local buses, 213 new compressed natural gas (CNG) buses, 128 new low-floor articulated buses, and 121 new diesel standard buses. During 2023, 96 new buses were placed in service.

Economic Conditions

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 21.8 million trips (7.8%), MTA New York City Transit bus paid ridership decreased by 7 million trips (-8%), MTA Long Island Rail Road paid ridership increased by 3.2 million trips (22.3%), MTA Metro-North Railroad paid ridership increased by 2.3 million trips (16.5%), MTA Bus paid ridership decreased by 192 thousand trips (-0.9%), and MTA Staten Island Railway paid ridership increased by 52 thousand trips (9.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program ("CBDTP"), which objective is to reduce congestion in Manhattan's

Central Business District ("CBD") and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment ("EA") as required under the National Environmental Policy Act for the Federal Highway Administration ("FHWA") to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact ("FONSI"), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board ("TMRB") issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority ("TBTA") for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act ("SAPA"), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations—Bus revenues from fares totaled $178.6 million in 2023 versus $163.4 million in 2022. Total ridership was 86.2 million in 2023 versus 82.6 million in 2022, an increase in passenger ridership of 3.6 million, or 4.4%. The increase in revenue is attributable to increased ridership and bus fares. Calendar year 2023 ended with a $89.9 million cash surplus, while 2022 ended with a surplus of $109.4 million. This was attributable to the timing of New York City subsidy payments which cover shortfalls in working capital, and receipt of funds from the American Rescue Plan Act ("ARPA") during 2023. The MTA expects that, over time, Federal and State economic stimulus measures and the rebuilding of downtown infrastructure will further improve the New York City economy.

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—As last approved by the CPRB, the Bus Company's portion of the MTA's 2000-2004, 2005-2009, 2010-2014, 2015-2019 and 2020-2024 Capital Programs totaled $501.6 million, $152.0 million, $297.0 million, $376.0 million, and $839.4 million, respectively.

On September 25, 2019, the MTA Board approved a fully funded 2020-2024 Capital Program. This submission was approved by the CPRB on January 1, 2020.

As of December 31, 2023, $500.0 million has been committed under the 2000-2004 Program, of which $496.0 million has been expended.

Among the projects included in the 2005-2009 MTA Bus Company Capital Program are initiatives to bring bus maintenance facilities up to a state of good repair and to replace heavy duty, non-revenue vehicles. As of December 31, 2023, $142.0 million has been committed under the 2005-2009 Program, of which $139.0 million has been expended.

The MTA Board approved 2010-2014 MTA Bus Company Capital Program, as last amended in 2019, includes projects to replace the aging bus fleet, replace outdated depot equipment, improve depot facilities, and repair Superstorm Sandy damaged MTA Bus facilities. As of December 31, 2023, $291.0 million has been committed under the 2010-2014 Program, of which $278.0 million has been expended.

The MTA Board approved 2015-2019 MTA Bus Company Capital Program, as last amended in 2023, includes projects to replace the aging bus fleet, replace outdated depot equipment, and improve depot facilities. As of December 31, 2023, $331.0 million has been committed under the 2015-2019 Program, of which $291.0 million has been expended.

The MTA Board approved 2020–2024 MTA Bus Company Capital Program, as last amended in 2022, includes projects to replace the aging bus fleet, replace outdated depot equipment, and improve depot facilities. As of December 31, 2023, $656.0 million has been committed under the 2020-2024 Program, of which $26.0 million has been expended.

CAPITAL FINANCING

The MTA 2000-2004 Capital Program includes $501.6 million in capital projects for MTA Bus, a substantial portion of which is designed for bus fleet replacement. The MTA 2005-2009 Capital Program includes $152.0 million in capital projects for MTA Bus, which includes improvements to bus maintenance and storage facilities. The MTA 2010-2014 Capital Program, as last approved by the MTA Board on September 25, 2019, includes $297.0 million in capital projects for MTA Bus, which includes bus fleet replacement and depot improvements, plus an additional $11.0 million for Superstorm Sandy repairs. The MTA 2015-2019 Capital Program includes $376.0 million for MTA Bus, which includes bus fleet replacement and depot improvements. The 2020-2024 Capital Program includes $839.3 million for MTA Bus, which includes bus fleet replacement as well as depot and equipment investments.

The MTA Bus capital projects included in the MTA 2000-2004 Capital Program, the MTA 2005-2009 Capital Program, the MTA 2010-2014 Capital Program, the MTA 2015-2019 Capital Program, and the MTA 2020-2024 Capital Program are funded from a combination of Federal grants, city funds, MTA Bond proceeds, and other sources. The combined funding sources for the 2000-2004 MTA Bus Company Capital Program include $49.0 million in City funds, $327.6 million in MTA Bond proceeds, and $125.0 million from other sources. The combined funding sources for the 2005-2009 MTA Bus Company Capital Program include $107.7 million in Federal funds, $41.4 million in City funds, and $2.9 million from other sources. The combined funding sources for the 2010-2014 MTA Bus Company Capital Program, as last amended by the MTA Board in September 2019, include $203.6 million in Federal funds, $50.9 million in City funds and $42.5 million in MTA Bond proceeds. The MTA Bus Company will also receive $11.0 million in federal reimbursement proceeds for Superstorm Sandy repair. The combined funding sources for the 2015-2019 MTA Bus Company Capital Program, as last approved by the MTA Board, includes $133.0 million in Federal funds, $32.0 million in City funds, and $211.0 million in MTA Bond proceeds. The 2020-2024 MTA Bus Company Capital Program will be funded by a combination of Federal, City and local capital resources.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The 2023 MTA November Financial Plan

The 2023 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2023 November Forecast, the 2024 Final Proposed Budget and a Financial Plan for the years 2024 to 2027, updates the 2023 July Financial Plan (the "July Plan"). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial and operational impacts stemming from the Covid-19 pandemic, and the recovery of the MTA Region.

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100 million for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1.15 billion through the Plan period.

During 2023, MTA operating agencies identified and have been implementing numerous operating efficiencies initiatives will result in $1.95 billion in savings over the Plan period, with $1.88 billion impacting MTA and an additional $71 million impacting the CDOT subsidy for Metro-North's Connecticut service. This expands on the July Plan initiatives, which identified savings of $921 million to the MTA and also lowered the CDOT subsidy by $46 million. The November Plan recognizes an additional $958 million in savings over the Plan period, along with a further reduction in the CDOT subsidy by $25million. Among the actions identified in the July and November Plans:

New York City Transit ("NYCT") is working toward improving employee availability across all divisions, with efforts targeting critical job titles in the Division of Subways and Division of Buses to reduce positions and overtime related to backfilling shifts ($341M). In addition, overtime assignments will be strategically managed, ensuring compliance with timekeeping rules and reducing overtime hours in targeted functions ($68M).

The Division of Subways at NYCT, working with their Operations, Maintenance and Procurement stakeholders, is addressing critical station and infrastructure cleaning previously handled via more costly third-party contracts ($204M); has adjusted the car equipment maintenance approach ($203M); is obtaining efficiencies in rail material acquisition ($61M); is implementing energy efficient initiatives throughout stations, yards and on subway cars ($60M); is reorganizing terminal station car cleaning ($25M) and is lengthening crew tours for more efficient train operations staffing ($8M).

The Division of Buses at NYCT has identified changes to bus maintenance schedules utilizing predictive maintenance tools ($35M); and improved analysis of vehicle condition and performance to allow for better maintenance planning ($25M). Aligned with these operational efficiencies are the bus lane violation revenues and unscheduled bus operation overtime savings related to the Automated Bus Lane Enforcement ("ABLE") measures through camera installation on additional buses and expanded enforcement, as permitted through the State 2023-24 Enacted Budget ($80M). Paratransit trip-booking improvements utilizing self-service functionality will create savings and provide a better Paratransit customer experience ($16M).

Long Island Rail Road and Metro-North Railroad have been working together over the past year to identify and incorporate industry best practices in their equipment shops as well as scheduling work along the rail right-of-way. Shop-specific practices are being adjusted for more efficient workflow to reduce the impacts of unplanned events ($87M). Improved rail equipment scheduling for required maintenance and inspections along with ensuring proper staffing at shop locations will result in reductions to overtime ($77M). Equipment and crew are being more efficiently scheduled to match with demand ($50M). Both railroads are working to ensure appropriate inventory is available for required maintenance ($151M). Management oversight of operating contracts is better aligning third-party services at work locations along the right-of-way ($46M).

Bridges and Tunnels reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions($103M).

The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. Savings targets have been fully met through 2024, with unidentified savings totaling $218 million from 2025 through 2027 remaining below-the-line in the November Plan.

The November Plan includes several financial plan re-estimates:

● Include a $100 million Farebox Revenue Loss Provision in 2024 to account for short-term fare evasion impacts on farebox revenue.

● Incorporates into Agency financial plans revised wage assumptions and safety and security initiatives that were included below-the-line in the July Plan.

● One-time State aid of $300 million in 2023, included in the NYS 2023-24 Enacted Budget to address the extraordinary impact of the COVID pandemic on MTA operating revenues, will be made in two equal $150 million disbursements to MTA, at the end of 2023 and at the end of the first quarter of 2024.

● Subsidies are lower by $138 million over the Plan period. The 2023 Payroll Mobility Tax forecast is reduced by $44 million to reflect year-to-date shortfalls in receipts. Receipts from the For-Hire Vehicle Surcharge have been reduced by $109 million over the Plan period, reflecting slower growth than had been previously projected. Collectively, receipts from the Mortgage Recording Tax, the Urban Taxes and MTA Aid are $15 million favorable in 2023, reflecting receipts through October.

● Initial inclusion of operating revenue and expenses related to Metro-North's Penn Station Access train service, which is scheduled to commence in 2027.

● Reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by $55 million. B&T continues to ramp up its toll collection efforts.

● Dramatic increases in interest rates have propelled MTA-wide investment income to be a substantial source of revenue to subsidize operations. Based on current investment returns, investment income increases have been conservatively forecast to exceed the July Plan forecast by $148million over the Plan period.

● Adjustment to reflect the delayed receipt of COVID expense reimbursement from FEMA.

● Adjustments in the timing of Committed to Capital operating funds.

● Use of $17 million over the Plan period from the OPEB Trust. The July Plan anticipated use of $258 million over the Plan period.

● Reduce the 2024 projection of the Central Business District Tolling Program's net revenue from $600 million to $400 million, reflecting a more conservative first year estimate given timing risks.

Other local subsidy resources which were freed up from the receipt of Federal reimbursement for COVID losses will be applied to close remaining annual deficits. The Plan assumes $1.37 billion of resources will be used to close the 2023 deficit and followed by $220 million in 2024; resources are not expected to be needed for 2025 and 2026, with the remaining $469 million used to balance 2027. The timing change is primarily due to the delay in the receipt of FEMA reimbursement of COVID-related expenses.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info.

Impacts from Global Coronavirus Pandemic

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo ("New York State on PAUSE"), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. Social distancing mandates were eased, and the region moved into a late-pandemic phase. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15,2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. Ridership levels continue to show improvement, although ridership remains significantly below pre-pandemic levels. MTA New York City Subway resumed 24 hours a day service on May 17, 2021, after subway service was shut down overnight for over a year to allow for thorough disinfecting of the system and other enhancements. MTA Metro-North Railroad currently operated on an 93% pre-pandemic service level during the week and 100% on weekends relative to pre-pandemic levels. MTA Long Island Rail Road operated on an 87% pre-pandemic service level through the end of 2022. In January of 2023 the Grand Central Madison terminal was opened for LIRR service. Service was initially run as a shuttle between Jamaica and Grand Central Madison terminals. Full LIRR service to Grand Central Madison began in February. resulting in a 41% increase in overall LIRR service.

● ***Ridership and Traffic Update***. Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, ridership compared to the pre-pandemic equivalent day in 2019 is down 28 percent on the subways, 43 percent for bus (combined NYCT bus and MTA Bus Company), 23 percent on MTA Metro-North Railroad, and 24 percent on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are closely resembling pre-pandemic levels.

● For additional information, refer to Note 14 of the Financial Statements regarding the impact from the COVID-19 pandemic.

Labor Update

The status of MTA Bus's collective bargaining agreements is as follows:

- TWU Local 100
  - An MOU between MTA Bus Company and the TWU covering the period from May 16, 2019 through May 15, 2023 was approved by the MTA Board on January 23, 2020. Negotiations for a successor agreement began on April 17, 2023.
- ATU Local 1179
  - An Impasse Award was issued covering the contract period from May 2012 through October 2019. The Parties began negotiations for a successor agreement which were paused based on notice from MTA that a reevaluation of our budget and bargaining position is necessary in light of the financial

burden resulting from the pandemic. The Union subsequently filed for impasse on or about August 4, 2020. The impasse award was issued on or about December 19, 2021 covering the term from November 1, 2019 to October 31, 2023.

- ATU Local 1181
  - An MOU covering the contract period from July 2012 through October 2019 was ratified by the MTA Board on July 25, 2018. An initial bargaining session was held on May 28, 2021, and the Parties are in the process of scheduling follow-up meetings.
- TWU Local 106, TSO (Transit Supervisors Organization)
  - An MOU between MTA Bus Company and TWU, Local 106 expired in 2013. The Parties proceeded to an Interest Arbitration and an award was issued on December 28, 2018, covering the period from June 8, 2013 through August 31, 2018. The Parties began negotiations for a successor agreement which were paused based on notice from MTA that a reevaluation of our budget and bargaining position is necessary in light of the financial burden resulting from the pandemic. The Union filed for impasse on or about June 11, 2020 and the case proceeded to hearing. The Parties entered into an MOU covering the period from September 2018 through December 2020, which was ratified by the Board on June 23, 2021.
- United Transit Leadership Organization (“UTLO”)
  - The UTLO and MTA Bus Company entered a preliminary MOU in November 2018, covering the period from November 2017 through June 2019. The Parties agreed to continue discussions regarding finalizing an initial collective bargaining agreement, which is still pending. The Parties entered into a successor MOU covering the period from July 1, 2019 through December 31, 2021, which was ratified by the MTA Board on December 15, 2021.
- TWU Local 100 (Administrative Personnel)
  - The TWU was certified as the bargaining representative for certain administrative, professional and technical titles on or about December 18, 2017. The Parties entered a limited MOU covering the period through July 13, 2019. The Parties agreed to continue discussions regarding finalizing an initial collective bargaining agreement. The Parties have held some initial discussions.

CONTACTING MTA CONTROLLER’S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of MTA Bus’s finances and to demonstrate accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller’s Office, 2 Broadway, New York, NY 10004.

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DRAFT

MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF NET POSITION
DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash (Note 3)	$ 206	$ 374
MTA Investment Pool (Note 4)	89,887	109,399
	90,093	109,773
Receivables:		
Due from MTA and other affiliated agencies (Note 13)	583,902	686,934
Subsidy due from New York City	6,309	8,789
Other subsidy	19,280	10,566
Other	1,703	1,379
Total receivables	611,194	707,668
Materials and supplies inventory—net of allowances of $2,749 and $2,827 in 2023 and 2022, respectively	17,175	15,839
Prepaid expenses and other current assets	67,742	5,215
Total current assets	786,204	838,495
CAPITAL ASSETS:		
Construction work in progress (Note 5)	74,136	45,613
Capital assets—net of accumulated depreciation and amortization (Note 5)	438,060	418,145
Capital assets—net (Note 5)	512,196	463,758
Total assets	1,298,400	1,302,253
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows for pensions (Note 7)	239,435	173,796
Deferred outflows for OPEB (Note 8)	220,592	210,038
Total Deferred Outflows of Resources	460,027	383,834
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,758,427	$ 1,686,087
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 8,486	$ 7,678
Accrued expenses:		
Salaries, wages and payroll taxes	16,722	17,953
Vacation and sick pay benefits	52,087	48,846
Current portion—estimated liability from injuries to persons (Note 10)	69,600	48,000
Current portion—pollution remediation projects (Note 12)	7,678	7,474
Lease liability—current (Note 6)	-	508
Other	43,922	28,268
Total accrued expenses	190,009	151,049
Due to MTA and other affiliated agencies (Note 13)	69,677	41,084
Total current liabilities	268,172	199,811
Postemployment benefits other than pensions (Note 8)	849,708	898,016
Estimated liability arising from injuries to persons (Note 10)	451,560	431,800
Net pension liability (Note 7)	377,911	255,552
Pollution remediation projects (Note 12)	5,135	4,511
Total noncurrent liabilities	1,684,314	1,589,879
Total liabilities	1,952,486	1,789,690
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows for pensions (Note 7)	55,249	96,643
Deferred inflows for OPEB (Note 8)	211,328	121,373
Total deferred inflows of resources	266,577	218,016
NET POSITION:		
Net Investment in Capital Assets	512,196	463,758
Unrestricted (deficit)	(972,832)	(785,377)
Total net position	(460,636)	(321,619)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 1,758,427	$ 1,686,087

See notes to financial statements.

MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
OPERATING REVENUES:		
Fare revenue	$ 178,571	$ 163,430
Rents, freight, and other revenue	14,474	23,372
Total operating revenue	193,045	186,802
OPERATING EXPENSES:		
Salaries and wages	407,710	394,230
Retirement and other employee benefits	242,579	205,884
Postemployment benefits other than pensions	65,437	73,395
Fuel	33,217	40,677
Electric power	2,309	2,437
Insurance	5,621	5,440
Public liability claims	58,409	50,004
Materials and supplies	40,195	40,286
Professional services	30,032	25,613
Pollution remediation services	759	119
Maintenance and other operating expenses	24,895	25,269
Depreciation and amortization	53,854	49,206
Other business expenses	7,805	4,827
Total operating expenses	972,822	917,387
OPERATING LOSS	(779,777)	(730,585)
NONOPERATING REVENUES/EXPENSES:		
NYC Operating subsidies	522,443	525,054
Federal subsidy—ARPA (2022)	-	547,424
Other Nonoperating revenues	35,255	28,506
MTA Subsidy	-	25,250
Interest expense	(9)	(8)
Total nonoperating revenues	557,689	1,126,226
GAIN BEFORE CAPITAL CONTRIBUTIONS	(222,088)	395,641
CAPITAL CONTRIBUTIONS	83,071	101,818
CHANGE IN NET POSITION	(139,017)	497,459
NET POSITION—Beginning of year	(321,619)	(819,078)
NET POSITION—End of year	$ (460,636)	$ (321,619)

See notes to financial statements.

MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from passenger, tenants, advertisers, and others	$ 182,752	$ 184,990
Cash payments for payroll and related employee costs	(729,825)	(654,145)
Cash payments to suppliers for goods and services	(173,058)	(201,198)
Net cash used in operating activities	(720,131)	(670,353)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Subsidies received from NYC—operations	524,923	521,808
Subsidies received from Federal CRRSAA/CARES Act	142,067	47,353
MTA Subsidy	-	25,250
Receipt of mortgage recording tax revenue and TA reimburse	23,783	23,788
Net cash provided by noncapital financing activities	690,773	618,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payments of leases	(536)	(542)
Capital contributed	83,071	101,818
Capital project costs incurred for capital program	(84,328)	(102,846)
Net cash used in capital and related financing activities	(1,793)	(1,570)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Decrease in invested funds at MTA	19,512	48,690
Earnings on investments	11,471	4,718
Net cash provided by investing activities	30,983	53,408
NET DECREASE IN CASH	(168)	(316)
CASH—Beginning of year	374	690
CASH—End of year	$ 206	$ 374

(Continued)

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MTA BUS COMPANY
(Component Unit of the MTA)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (779,777)	$ (730,585)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	53,854	49,206
Changes in operating assets and liabilities:		
(Increase) in receivables	(48,073)	(35,579)
(Increase) in material and supplies, and prepaid expenses	(63,863)	(459)
Increase in payables, accrued expenses and other liabilities	117,728	47,064
NET CASH USED IN OPERATING ACTIVITIES	$ (720,131)	$ (670,353)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA Contributed capital assets	$ 957,382	$ 939,827
Interest expense for leases	1	8
TOTAL NONCASH CAPITAL & RELATED FINANCING ACTIVITIES	$ 957,383	$ 939,835

See notes to financial statements. (Concluded)

1. BASIS OF PRESENTATION

Reporting Entity—The accompanying financial statements present the accounts of MTA Bus Company ("MTA Bus"), which is a public benefit corporation created pursuant to the Public Authorities Law (the "Act") of the State of New York (the "State") to operate public bus service within The City of New York ("The City"). MTA Bus, which is a Component Unit of the Metropolitan Transportation Authority (MTA), was created to take over the operations of seven private bus lines that operated under franchises from The City of New York.

MTA Bus is operationally and legally independent of the MTA. MTA Bus enjoys certain rights typically associated with separate legal status. However, MTA Bus is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability, and MTA Bus is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the MTA Bus and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under GAAP, the MTA is required to include MTA Bus in its consolidated financial statements.

MTA Bus has material transactions with affiliated agencies included in the MTA financial reporting group. Such agencies include the MTA, the New York City Transit Authority ("NYCTA"), and the Manhattan and Bronx Surface Transit Operating Authority ("MaBSTOA"). All material transactions between MTA Bus and affiliated agencies have been recorded as of December 31, 2023 and 2022.

MTA Bus is part of the financial reporting group of the MTA and is included in the consolidated financial statements of the MTA in accordance with GASB Statement No. 14. The MTA is a Component Unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the State Comptroller as a public benefit corporation.

Operations—Operations are conducted per the letter agreement dated December 8, 2004, between The City and the MTA, which includes provisions for the lease of City bus assets including real property and related facilities, buses and related materials and supplies, and any other assets acquired by The City and made available to MTA Bus for the operations of the former private bus lines.

The City has the option to terminate the letter agreement at any time upon one year's written notice to the MTA. In the event of termination, The City is required to assume the assets and liabilities, including OPEB and pension liabilities, of MTA Bus and must pay or make provisions for the payment of any outstanding debt incurred by the MTA on behalf of MTA Bus. Any liabilities incurred by the franchised bus companies prior to the date of acquisition are liabilities of The City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accompanying consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

MTA Bus applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards

MTA Bus adopted the following GASB Statements for the period ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The adoption of this Statement for the year ended December 31, 2023, with retroactive effect as of January 1, 2022, did not have an impact on the financial position, results of operations and cash flows of MTA Bus

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements ("APAs"). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of MTA Bus.

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of MTA Bus.

Accounting Standards Issued but Not Yet Adopted

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

Capital Assets — The City owns or leases the real property, including buildings and improvements, used as bus depots and yards. Accordingly, these assets are not recorded on the books of MTA Bus.

However, MTA Bus records certain other capital assets, which are primarily buses and related equipment (see Note 5). Capital assets have minimum useful life of 2 years and cost of more than $25,000.

Capital assets are recorded at cost and are depreciated on a straight-line basis over 12 years for buses, with lives generally ranging from 5 to 15 years for other capital assets.

Long lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Impairment loss on assets to be sold, if any, is based on the estimated proceeds to be received, less estimated cost to sell.

Expenditures for maintenance and repairs which do not extend the useful life of assets are charged to operations as incurred.

Accumulated depreciation and amortization are reported as reductions of capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Leases—As a result of the adoption of GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

Subscription-Based Information Technology Arrangements - as a result of the adoption of GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or MTA's incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

Operating and Non-operating Expenses—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating MTA Bus (e.g., salaries, insurance, depreciation, lease amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases, subsidies paid to counties, etc.) are reported as non-operating expenses.

Capital Contribution—Capital funds contributed by the MTA are recorded as capital contributions on the statement of revenues, expenses and changes in net position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributed for the years ended December 31, 2023 and 2022, amounted to $83.1 million and $101.8 million, respectively.

Fare Revenue—Revenues from the sale of farecards are recognized as income as the farecards are used and are reported as operating income.

Materials and Supplies inventory—Materials and supplies are recorded at weighted average cost, net of a reserve for obsolete/excess inventory.

Invested Funds at MTA—The MTA, on behalf of MTA Bus, invests funds which are not immediately required for MTA Bus's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA.
MTA Bus records its position in the investment pool based upon a net asset value derived on assets invested in the pool plus all realized income and losses earned. Unrealized appreciation, which is not significant to MTA Bus, is retained on the MTA's books and not included in MTA Bus's financial statement.

Investments maturing and expected to be liquidated within a year have been classified as current assets in the financial statements of MTA Bus. Investments are recorded on the Statements of Net Position at fair value which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in the fair value of investments, is reported as investment income.

Receivables—Receivables are recorded as amounts due to MTA Bus.

Use of Management Estimates—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

The City Operating Subsidy—Pursuant to the letter agreement between The City and the MTA, The City has agreed to pay MTA Bus the difference between the actual costs of operation of the formerly franchised private bus lines and all revenues and other reimbursement subsidies. For calendar years 2023 and 2022, MTA Bus received cash payments of $524.9 million and $521.8 million, respectively, in operating assistance from The City. At years ended December 31, 2023 and 2022, MTA Bus recorded a subsidy receivable due from The City of approximately $6.3 million and $8.8 million, respectively, pursuant to the agreement between MTA Bus and The City's Office of Management and Budget.

Advances from The City—Environmental Remediation—In accordance with the supplemental agreement between The City and the MTA, on behalf of MTA Bus, The City agreed to fund an Environmental Remediation Reserve Fund for $6.3 million. With the assistance of the NYCT (CPM Environmental Engineering) and independent consultants working on behalf of the New York City Department of Design and Construction, six Bus Company depots were designated for environmental soil and groundwater remediation work totaling $6.3 million. The City funded this reserve in June 2007 for the initial $6.3 million project, as well as future projects. In July 2011 and December 2021, The City funded the Environmental Remediation Reserve Fund with an additional $11.1 million and $2.2 million, respectively. During 2023, MTA Bus reduced the Environmental Remediation Reserve Fund by $0.1 million, based on actual cash expenditures, leaving a balance of $7.7 million as of December 31, 2023. The Environmental Remediation Reserve Fund is held by the MTA on behalf of MTA Bus and is reported as Due from Affiliates—operating. Refer to Note 13 for more information.

Mortgage Recording Tax-2—In 2007, the MTA Board approved the allocation of Mortgage Recording Tax ("MRT-2") receipts to MTA Bus. These funds are to be administered by the MTA Treasurer and used solely for funding the 2005-2009 Capital Program debt service requirements. Amounts budgeted from MRT-2 funds for such purposes were $12.3 million for 2023. The $12.3 million received in 2023 was used to repay $1.2 million for debt service on Transportation Revenue Bonds.

Pension Plans—MTA Bus adopted the standards of GASB Statement No. 68, *Accounting & Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and subsequent effective amendments to these standards, for its pension plans.

MTA Bus recognizes a net pension liability for 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 MTA's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a Component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a Component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a Component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—MTA Bus adopted the standards of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

GASB has issued Statements No. 74 and 75, which replaced GASB Statements No. 43 and 45. The effective date of GASB Statement No. 74 (which applies to financial reporting on a plan basis) is the year ended December 31, 2017. The effective date of GASB Statement No. 75 (which applies to financial reporting by contributing employers) is the year ended December 31, 2018.

MTA Bus recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

NYCT Reimbursement—In accordance with the MTA's 2008 Adopted Budget Staff Summary, the NYCT will reimburse MTA Bus approximately $11.5 million per year for debt service, which reflects the fact that the Federal grants and matching City moneys originally intended for use by the City franchise buses taken over by MTA Bus could not be used by MTA Bus, so they were assigned to NYCT for use in its capital projects.

Risk Management—Prior to January 1, 2006, Liberty Lines Express, Queens Surface, New York Bus Service and Command Bus were covered for the cost of injury liability and property damage under the New York City Department of Transportation insurance pool program. This insurance program covered the administration and payment of claims without the need for self-insurance coverage on the part of the former private lines.

Subsequent to January 1, 2006, the former private bus lines are now self-insured up to certain per occurrence limits for liability claims arising from injuries to persons, excluding employees, under the MTA's various insurance programs. Claims arising between January 1, 2006, and October 31, 2006, are subject to a $7.0 million per occurrence limit; claims arising between October 31, 2006, and October 31, 2009, are subject to an $8.0 million per occurrence limit; and claims arising after October 31, 2009, are subject to a $9.0 million per occurrence limit. Effective November 1, 2012, claims are subject to a $10.0 million per occurrence limit. Effective October 31, 2015, claims are subject to an $11.0 million per occurrence limit. The annual cost associated with injuries to persons, other than employees, and damage to third-party property, is reflected in expenses as public liability claims in the accompanying statements of revenues, expenses and changes in net position.

Liability Insurance—First Mutual Transportation Assurance Company (FMTAC), an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limit is $8.0 million. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limit is $9.0 million. Effective November 1, 2012 the self-insured retention limits for ELF was increased to $10.0 million. Effective October 31, 2015, the self-insured retention limits for ELF were increased to $11.0 million. 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 $50.0 million. 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 Related Entities above their specifically assigned self-insured retention with a limit of $50.0 million per occurrence with a $50.0 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189.2 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Related Entities additional coverage limits of $357.5 million for a total limit of $407.5 million ($357.5 million excess of $50.0 million). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50.0 million.

On March 1, 2023, the "nonrevenue fleet" automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for the MTA and its subsidiaries and affiliates with the exception of NYCT, MTA Bus and TBTA. The program limit is $11.0 million per occurrence on a combined single limit with a $1.0 million per occurrence deductible. Primary limits of $6.0 million were procured through the commercial marketplace. Excess limits of $5.0 million were procured through FMTAC. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

On March 1, 2023, the "Access-A-Ride" automobile liability policy program was renewed. This program provides third-party auto liability insurance coverage to vendors under the Access-A-Ride contract, to perform services on behalf of MTA New York City Transit. This policy provides a $3.0 million per occurrence to fund self-insured losses.

Property Insurance—Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities* in excess of a $25.0 million per occurrence deductible, subject to an annual $75.0 million aggregate deductible. The total All Risk program annual limit is $500.0 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage. Supplementing the $500.0 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100.0 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215.0 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5.0 million and less than the $200.0 million TRIPRA trigger up to a maximum recovery of $200.0 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215.0 million. Recovery under the terrorism policy is subject to a deductible of $25.0 million per occurrence and $75.0 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75.0 million, future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

*Related entities are Triborough Bridge & Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

Injuries to Employees—MTA Bus's predecessor's workers' compensation program was insured through American International Group (AIG). This policy was continued through January 2, 2006. When New York Bus and Command Bus became members of MTA Bus, their workers' compensation exposures were rolled into the AIG program. At the time of its merger with MTA Bus, coverage for Queens Surface was underwritten by Zurich American Insurance Company, which was also retained through January 2, 2006.

Effective January 3, 2006, and on a prospective basis, the MTA, on behalf of MTA Bus, established a master workers' compensation program with AIG. This insurance coverage provides both claims management and risk financing up to the statutory limits set by the State of New York, including acts of terrorism. When the other private bus lines (Green Bus, Jamaica Buses, and Triboro Coach) were merged into MTA Bus in the first quarter of 2006, they were rolled into the AIG program.

As risk of loss from worker's compensation claims was borne by AIG, MTA Bus did not record a liability reserve in the financial statements at December 31, 2008. Premium payments for worker's compensation coverage amounted to approximately $12.0 million and $13.8 million for the calendar years 2008 and 2007, respectively.

Effective January 2, 2009, MTA Bus established a self-insured workers' compensation program, and has recorded a $207.2 million and $189.6 million liability reserve in the financial statements at December 31, 2023 and 2022, respectively. During calendar year 2023 and 2022, $28.6 million and $26.8 million was paid to beneficiaries, respectively.

Pollution Remediation Projects—Effective January 1, 2008, pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 12). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations. Pollution remediation obligations occur when any one of the following obligating events takes place: MTA Bus is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; MTA Bus is named by a regulator as a responsible or potentially responsible party to participate in remediation; MTA Bus voluntarily commences or legally obligates itself to commence remediation efforts; or MTA Bus is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

3. CASH

Cash in bank accounts are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

Cash in bank account balances in 2023 and 2022 that were not insured were maintained in major financial institutions. Management periodically reassesses the credit worthiness of such financial institutions.

Cash at December 31, 2023 and 2022, consists of the following (in thousands):

	2023		2022	
	Book Balance	Bank Balance	Book Balance	Bank Balance
Insured (FDIC) and collateralized deposits	$ 107	$ 290	$ 301	$ 348
Commercially insured funds on-hand and in transit	99	384	73	971
Total cash	$ 206	$ 674	$ 374	$ 1,319

The on-hand and in-transit funds consist primarily of passenger revenue funds collected but not yet deposited and petty cash.

4. MTA INVESTMENT POOL

The MTA, on behalf of MTA Bus, invests funds which are not immediately required in MTA Bus's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by MTA's agent, in custody accounts, in the name of the MTA. MTA categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA's investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs).

MTA Bus's earnings from short term investments were $11,471,445 and $4,718,550 for the years ended December 31, 2023 and 2022, respectively, included in "Other Nonoperating revenues" in the Statement of Revenues, Expenses and changes in Net Position. At December 31, 2023 and 2022, MTA Bus had intercompany investment pool balances of $89.9 million and $109.4 million, respectively, reported in the Statements of Net Position, which were attributable to the timing of subsidy payments from The City for working capital expenditures and receipt of funds from the American Rescue Plan Act (ARPA) during 2023.

5. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of MTA Bus having a minimum useful life of two years and having a cost of more than $25,000. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 Leases are classified as right-of- use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of capital and right-of-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 12 years for buses, with lives generally ranging from 5 to 15 years for other capital assets. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

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Capital and right-of-use assets consist of the following at January 1, 2022, December 31, 2022 and December 31, 2023:

(In thousands)	January 1, 2022	Additions/ Reclassifications	Deletions/ Reclassifications	December 2022	Additions/ Reclassifications	Deletions/ Reclassifications	December 2023
Capital assets not being depreciated:							
construction work-in-progress	$ 68,706	$ 102,376	$ (125,468)	$ 45,613	$ 102,266	$ (73,743)	$ 74,136
Total capital assets not being depreciated	68,706	102,376	(125,468)	45,613	102,266	(73,743)	74,136
Capital assets being depreciated:							
Buses	718,681	80,626	(132,419)	666,889	65,523	(55,969)	676,443
Equipment	28,064	12,127	-	40,191	-	-	40,191
Depots and yards	16,802	-	-	16,802	-	-	16,802
Service vehicles	3,060	-	-	3,060	-	(496)	2,564
Other	240,223	32,715	-	272,938	8,218	(218)	280,938
Total capital assets being depreciated	1,006,830	125,468	(132,419)	999,880	73,741	(56,683)	1,016,938
Less accumulated depreciation:							
Buses	(550,395)	(28,122)	132,419	(446,098)	(32,897)	55,969	(423,026)
Equipment	(23,611)	(3,272)	-	(26,883)	(2,143)	-	(29,026)
Depots and yards	(14,543)	(400)	-	(14,943)	(356)	-	(15,299)
Service vehicles	(2,674)	(145)	-	(2,819)	(126)	496	(2,449)
Other	(74,195)	(17,266)	-	(91,462)	(17,834)	218	(109,078)
Total accumulated depreciation	(665,418)	(49,206)	132,419	(582,205)	(53,356)	56,683	(578,878)
Total capital assets being depreciated—net	341,412	76,262	-	417,675	20,385	-	438,060
Capital assets—net	410,118	178,638	(125,468)	463,288	122,651	(73,743)	512,196
Right of Use Assets being amortized:							
Leased buildings and structures	1,540	-	-	1,540	28	-	1,568
Total Right of Use Assets being amortized	1,540	-	-	1,540	28	-	1,568
Less accumulated amortization:							
Leased buildings and structures	(535)	(535)	-	(1,070)	(498)	-	(1,568)
Total accumulated amortization	(535)	(535)	-	(1,070)	(498)	-	(1,568)
Right of Use Assets being amortized—net	1,005	(535)	-	470	(470)	-	-
Total Capital Assets, including Right of Use Asset—net of depreciation and amortization	$ 411,123	$ 178,103	$ (125,468)	$ 463,758	$ 122,181	$ (73,743)	$ 512,196

Effective January 1, 2020, in accordance with GASB Statement No. 89, the MTA no longer capitalizes interest costs related to the construction of capital assets.

As of December 31, 2023, $1,920.0 million has been committed to MTA Bus's 2000-2004, 2005-2009, 2010-2014, 2015-2019 and 2020-2024 Capital Programs.

As of December 31, 2023, $60.2 billion is unexpended from the MTA's Capital Programs (2005-2024) and $25.1 billion has been committed.

As of December 31, 2022, $66.6 billion is unexpended from the MTA's Capital Programs (2005-2024) and $22.9 billion has been committed.

6. LEASES

MTA Bus entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA's incremental borrowing rate at the time of valuation ranging from 0.72% to 5.64% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Bus's leased asset and lease liability for those agreements was as of January 1, 2021. The lease liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

As Lessee

MTA Bus leases bus terminal space and cell tower space from other entities. These leases have terms between 1 year to 3 years, with payments required monthly or annually.

There is no lease liability subsequent to December 31, 2023 as all leases expired during the year.

7. EMPLOYEE BENEFITS:

Pensions—MTA Bus participates in a defined benefit pension plan for their employees, the Metropolitan Transportation Authority (the "MTA" or "Authority") Defined Benefit Pension Plan (the "MTA Defined Benefit Pension Plan" or the "Plan").

The following brief description of the MTA Defined Benefit Pension Plan is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

Plan Description

General—The Plan represents a cost-sharing employer defined benefit pension plan sponsored by the Authority and administered by the Board of Managers of Pension (the "Board of Managers"), covering as relevant to the MTA Bus Company ("MTA Bus") certain represented and management employees of MTA Bus, including represented and non-represented employees who were formerly employed by Liberty Lines Express, Inc., New York Bus Tours, Inc., Command Bus Company, Green Bus Lines Inc., Jamaica Buses Inc., Triboro Coach Corporation and represented and most non-represented employees formerly employed by Queens Surface Corporation.

The Plan contains multiple but distinct benefit structures for the employees of MTA Bus which are based on the plans covering those employees prior to their becoming MTA Bus employees. MTA Bus non-represented employees and employees represented by the UTLO are covered by separate programs. Assets and liabilities are pooled and a single cash contribution amount and annual pension cost is determined. The Plan is designed to satisfy the applicable requirements for governmental plans under Section 401(a) and 501(b) of the Internal Revenue Code. Accordingly, the Plan is tax-exempt and is not subject to the provisions of the Employee Retirement Income Security Act ("ERISA") of 1974.

Funding for the Plan is provided by the Authority, MTA Metro-North Railroad, MTA Long Island Rail Road, MTA Bus and MTA Staten Island Railway which are public benefit corporations that receive a significant portion of their operating and capital financing requirements from New York City, New York State, federal and regional governmental units and from the sale of bonds to the public. Certain funding is made on a discretionary basis. The continuance of funding for the Plan has been, and will continue to be, dependent upon the receipt of adequate funds.

Plan Administration—The Defined Benefit Pension Plan is administered by the Board of Managers which is comprised of the persons holding the following positions:

(i) the Chairman of the MTA;

(ii) the MTA Chief Financial Officer;

(iii) the MTA Director of Labor Relations; and

(iv) the agency head of each participating Employer.

(a) Designation of Others—Any member of the Board of Managers, serving as such by virtue of holding a position described in (a) of this section, may, by written authorization filed with the Secretary who shall notify the other members of the Board of Managers, designate another individual, not then a member of the Board of Managers, to serve in that member's stead, in accordance with procedures established with the approval of the Executive Director. Any such authorization may be revoked by the designating member at any time in writing filed in the same manner.

The Board of Managers shall be the agent for the service of legal process with respect to the Plan. No bond or other security is required in any jurisdiction of the Board of Managers or any member thereof except as required by law.

A stand-alone financial report may be obtained by writing to the MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004. Pension plan financials can also be found at www.mta.info.

Benefits Provided

MTA Defined Benefit Pension Plan

Pension Benefits—Retirement benefits paid from the Plan to covered represented MTA Bus employees include service retirement allowances or early retirement allowances. Under the programs covering all represented employees at Baisley Park, Eastchester, La Guardia, Spring Creek, and Yonkers Depots and the represented employees at College Point Depot, JFK, Far Rockaway a participant is eligible for a service retirement allowance upon termination if the participant has attained age 65 and completed at least 5 years of credited service or if the participant has attained age 57 and completed at least 20 years of credited service. A participant hired prior to June 2009 from Baisley Park, College Point, and La Guardia Depots is eligible for an early retirement allowance if the participant has attained age 55 and completed 20 years of credited service. Terminated participants with 5 or more years of credited service who are not eligible to receive a service retirement allowance or early retirement allowance are eligible for a deferred vested benefit. Deferred vested benefits are payable on an unreduced basis on or after the participant attains age 65.

The MTA Bus retirement programs covering TWU, ATU and TSO represented employees are fixed dollar plans, i.e., the benefits are a product of credited service and a specific dollar amount.

The retirement benefits for certain former employees of the Alliance Companies 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.

An MTA Bus non-represented or UTLO operating employee hired prior to April 1, 2012 participates in a Tier 4 25/55 operating retirement platform. A Tier 4 25/55 operating retirement platform participant with 25 years of Allowable Service receives upon retirement at age 55 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to 2% multiplied by FAS multiplied by service accrued after January 1, 2017, up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by service accrued after January 1, 2017 in excess of 30 years of total service.

An MTA Bus non-represented non-operating employee hired prior to April 1, 2012 participates in a Tier 4 57/5 non-operating retirement platform. A Tier 4 57/5 non-operating retirement platform participant receives upon retirement at age 57 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to, for those with less than 20 years of total service, 1 2/3% multiplied by FAS multiplied by total service accrued after January 1, 2017, or, for those with 20 or more years of total service, 2% multiplied by FAS multiplied by total service accrued after January 1, 2017, up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by total service accrued after January 1, 2017 in excess of 30 years of total service.

An MTA Bus non-represented or UTLO operating employee hired on or after April 1, 2012 participates in a Tier 6 25/55 operating retirement platform. A Tier 6 25/55 operating retirement platform participant with 25 years of Allowable Service receives upon retirement at age 55 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior to January 1, 2017, plus a FAS benefit equal to 2% multiplied by FAS multiplied by service accrued after January 1, 2017 up to 30 years of total service, plus 1.5% multiplied by FAS multiplied by service accrued after January 1, 2017 in excess of 30 years of total service. The flat rate benefit is vested after the completion of five years of total service and the FAS benefit is vested after the completion of ten years of total service.

An MTA Bus non-represented non-operating employee hired on or after April 1, 2012 participates in a Tier 6 63/10 non-operating retirement platform. A Tier 6 63/10 non-operating retirement platform participant receives upon retirement at age 63 a flat rate benefit equal to $1,380.00 ($115 x 12) for each year of service prior January 1, 2017, plus a FAS benefit equal to, for those with less than 20 years of total service, 1.67% multiplied by FAS multiplied by total service accrued after January 1, 2017, or, for those with 20 or more years of total service, 1.75% multiplied by FAS multiplied by total service accrued after January 1, 2017, up to 20 years of such service, plus 2% multiplied by FAS multiplied by total service accrued after January 1, 2017 in excess of 20 years of total service. The flat rate benefit is vested after the completion of five years of total service and the FAS benefit is vested after the completion of ten years of total service.

Reduced early retirement benefits are payable under all platforms. The Tier 6 definition of wages for civilian members includes an overtime ceiling which limits overtime compensation for pension purposes to no more than $17,067 for 2020, indexed annually thereafter. Any overtime compensation earned in excess of the overtime ceiling is excluded from the final average salary calculation. The Tier 6 definition of wages also excludes wages in excess of the annual salary paid to the New York State Governor, lump-sum payments for deferred compensation, sick leave, accumulated vacation or other credits for time not worked.

TWU, ATU and TSO members who retire after November 16, 2016, and UTLO members and non-represented employees who retire after January 1, 2017 will have their pension benefit increased by a Cost of Living Adjustment (“COLA”). The COLA is an annual adjustment to the retirement benefit based on the Consumer Price Index (“CPI”). The following retirees are eligible to receive a COLA: disability retirees, regardless of age, who have been retired for at least 5 years; retirees who are at least age 62 and have been retired for at least 5 years; and retirees who are at least age 55 and have been retired for at least 10 years. Surviving spouses receiving a joint-and-survivor option benefit are eligible to receive 50% of the monthly COLA that would have been paid to the retiree. For TWU, ATU and TSO members, the COLA calculation is based on the first $18,000 of the retiree’s normal retirement benefit. For UTLO members and non-represented employees, the COLA calculation is based on the first $18,000 of the retiree’s final average salary benefit component. The COLA amount may not be less than 1% nor more than 3% in any year. Once COLA payments begin, they continue automatically and increase each September.

Certain MTA Bus employees represented by TWU Local 100 were granted pension service credit for periods of employment at Liberty Lines Express, Inc. prior to January 3, 2005, with the increase in the Plan benefit offset by the benefit accrued under the TWU-Westchester Private Bus Lines Pension Plan.

Death and Disability Benefits—In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after ten years of covered MTA Bus service. Pursuant to the MTA Bus programs, the disability benefit of TWU, ATU and TSO members is the same as the service retirement benefit.

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.

For MTA Bus employees, there is varied death benefit coverage under the Plan. For all represented and non-represented MTA Bus employees at Eastchester and Yonkers Depots and represented MTA Bus employees at Baisley Park, College Point, Far Rockaway, JFK, La Guardia and Spring Creek Depots, if a participant dies prior to being eligible for a retirement benefit, the participant's beneficiary may elect to receive a refund of the participant's contributions plus interest.

Moreover, the spouses of the above employees who are vested are entitled to a presumed retirement survivor annuity which is based on a 50% Joint and Survivor annuity. The date as of which such annuity is determined and on which it commences varies among the different programs depending on whether the participants are eligible for retirement and for payment of retirement benefits.

In addition, the spouse of a non-represented MTA Bus employee at Spring Creek, JFK, La Guardia, Baisley Park and Far Rockaway, if such employee is age 55 and has 15 years of service and is a terminated member with a vested benefit which is not yet payable, may elect the presumed retirement survivor annuity or 1/2 the participant's accrued benefit paid monthly and terminating on the 60th payment or the spouse's death. The spouse of a non-represented MTA Bus employee at Yonkers Depot may also receive a pre-retirement survivor annuity from the supplemental plan. If there is no such spouse, the actuarial equivalent of such annuity is payable.

The dependent children of MTA Bus 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).

On July 22, 2020, the MTA Board adopted temporary a COVID-19 Accidental Death Benefits, providing eligible surviving beneficiaries with the option to elect a monthly annuity in lieu of an ordinary death benefit, in certain programs of the Plan. On July 21, 2021, the MTA Board adopted amendments to extend the COVID-19 Accidental Death Benefits for active members of the Plan whose death was caused by COVID-19 from March 1, 2020 through December 31, 2023.

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, 2023.

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-representative employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

Contributions and Funding Policy

MTA Defined Benefit Pension Plan

MTA Bus's contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the Plan are recognized in the period in which the contributions are due. The following summarizes the types of employee contributions made to the Plan.

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 %

Contributions for years ended December 31, 2023 and 2022 were $62.2 million and $60.9 million, respectively. These costs represent the required actual contributions for the year stated.

Contributions as a percent of covered payroll are 15.8% and 15.8%, for the years ended December 31, 2023 and 2022, respectively.

Net Pension Liability

MTA Bus's net pension liability reported at December 31, 2023 was measured as of December 31, 2022. The total pension liability for the Plan was determined as of the actuarial valuation date of January 1, 2022 and rolled forward to the measurement date of December 31, 2022. MTA Bus's net pension liability reported at December 31, 2022 was measured as of December 31, 2021. The total pension liability for the Plan was determined as of the actuarial valuation date of January 1, 2022 and rolled forward to the measurement date of December 31, 2022. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions

The total pension liabilities in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for each pension plan, applied to all periods included in the measurement date:

	MTA Defined Benefit Plan	
Valuation Date	**January 1, 2022**	**January 1, 2021**
Investment Rate of Return	6.5% per annum, net of investment expenses.	6.5% per annum, net of investment expenses.
Salary Increases	Varies by years of employment, and employee group; 2.75% General Wage Increases for 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.
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.25%; 3.25% for Railroad Retirement Wage Base.
Cost-of Living Adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans.

Transit Members ("MTA Bus"): *Pre.H-2012 ("BC")*—Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was 6.50% for the MTA Defined Benefit Plan. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The target allocation and best estimates of arithmetic real rates of return (RROR) for each major asset class included in each of the pension funds are as follows:

	MTA Defined Benefit Plan	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
US Core Fixed Income	10.50 %	2.27 %
US Long Bonds	2.00	2.51
US Inflation-Indexed Bonds	2.00	1.58
US High Yield Bonds	3.00	4.40
US Bank/Leveraged Loans	1.50	3.79
Private Credit	7.00	6.99
Emerging Markets Bonds	2.00	4.99
US Large Caps	18.00	5.64
US Small Caps	7.00	7.25
Foreign Developed Equity	12.00	6.90
Emerging Markets Equity	4.50	9.58
Emerging Markets Small Cap Equity	1.50	9.81
US REITs	1.00	6.71
Private Real Estate Property	4.00	4.86
Private Equity	7.00	10.74
Commodities	4.00	2.96
Hedge Funds—MultiStrategy	13.00	4.52
	100.00 %	
Assumed Inflation—Mean		2.33 %
Assumed Inflation—Standard Deviation		1.41 %
Portfolio Nominal Mean Return		8.08 %
Portfolio Standard Deviation		12.42 %
Long Term Expected Rate of Return selected by MTA		6.50 %

Discount Rate

As of December 31, 2023 and 2022, the discount rate used to measure the total pension liability of the MTA Defined Benefit Plan was 6.50% and 6.50%, respectively.

The projection of cash flows used to determine the discount rate assumed that plan contributions will be made in accordance with the Employer funding policy as projected by the Plan’s actuary. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

MTA Bus's Proportion of Net Pension Liability—MTA Defined Benefit Plan

The following table presents MTA Bus's proportionate share of the net pension liability of the MTA Defined Benefit Plan at December 31, 2023 and 2022, and the proportion percentage of the net pension liability of the MTA Defined Benefit Plan allocated to MTA Bus:

	2023	2022
	(in thousands, except for %)	
MTA Bus's proportionate share of the net pension liability	$ 377,911	$ 255,553
MTA Bus's proportion of the net pension liability	15.06 %	15.26 %

MTA Bus's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the fiscal year.

The following table presents MTA Bus's proportionate share of the net pension liability calculated using the discount rate of 6.50% for the MTA Defined Benefit Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate (in thousands):

MTA Bus's Proportionate Share of the Net Pension Liability	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
2023	$ 526,963	$ 377,911	$ 252,724
2022	415,912	255,552	124,222

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2023 and 2022, MTA Bus recognized pension expense of $77.5 million and $44.2 million, respectively.

At December 31, 2023 and 2022, MTA Bus reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in thousands):

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,070	$ (1,058)	$ 28,376	$ (1,583)
Changes in assumptions	69,071	-	84,541	(1,192)
Net difference between projected and actual earnings on pension plan investments	75,105	-	-	(27,213)
Changes in proportion and differences between contributions and proportionate share of contributions	-	(54,191)	-	(66,655)
Employer contribution to plan subsequent to the measurement date of net pension liability	62,189	-	60,879	-
Total	$ 239,435	$ (55,249)	$ 173,796	$ (96,643)

The annual differences between the projected and actual earnings on investments are amortized over a five-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over the weighted average remaining service life of all members, beginning the year in which the deferred amount occurs.

For the year ended December 31, 2023 and 2022, $62.2 million and $60.9 million, respectively, were reported as deferred outflows of resources related to pension resulting from MTA Bus's contributions subsequent to the measurement dates. The amount of $62.2 million will be recognized as a reduction of the net pension liability in the year-ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pension at December 31, 2023 have already been recognized.

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, pay for the administrative cost of running the Deferred Compensation Program.

The Deferred Compensation Program is administered and may be amended by the Deferred Compensation Committee.

In 1998, the Deferred Compensation Committee approved the unbundling of the Plans. In 2008, the Plans' investment choices were restructured to set up a four-tier strategy:

- Tier 1—The MTA Target-Year Lifecycle Funds, which are comprised of a mix of several funds, most of which are available as separate investments in the Deferred Compensation Program. The particular mix of investments for each Fund is determined by the "target" date, which is the date the money is intended to be needed for retirement income.
- Tier 2—The MTA Index Funds offer a tier of index funds, which invest in the securities of companies that are included in a selected index, such as the Standard & Poor's 500 (large cap) Index or Russell Mid Cap Index.
- Tier 3—The MTA Actively Managed Portfolios, which are comprised of actively managed portfolios that are directed by one or a team of professional managers who buy and sell a variety of holdings in an effort to outperform a selected index. These institutional strategies provide participants with a diversified array of distinct asset classes, with a single fund option in each class to simplify the decision-making process.
- Tier 4—Self-Directed Mutual Fund Option is designed for the more experienced investors. Offers access to an expanded universe of mutual funds from hundreds of well-known mutual fund families. Participants may invest only a portion of their account balances in this Tier.

In 2011, the Deferred Compensation Program began offering Roth contributions. Employees can elect after-tax Roth contributions and before-tax contributions in both the 401(k) Plan and the 457 Plan. The total combination of Roth after-tax contributions and regular before-tax contributions cannot exceed the IRS maximum of $22,500 or $30,000 for those over age 50 for the year ending December 31, 2023.

The two Plans offer the same array of investment options to participants. Eligible participants for the Deferred Compensation Program include employees (and in the case of MTA Long Island Bus, former employees) of:

- MTA
- MTA Long Island Rail Road
- MTA Bridges and Tunnels
- MTA Long Island Bus
- MTA Metro-North Railroad
- MTA New York City Transit
- MTA Staten Island Rapid Transit
- MTA Capital Construction
- MTA Bus

Matching Contributions—Certain members who were employed by Queens Surface Corporation on February 26, 2005, and who became employees of MTA Bus on February 27, 2005, receive a matching contribution equal to 50% of member's before-tax contributions provided that the maximum matching contribution shall not exceed 3% of the member's base pay. MTA Bus also made a basic contribution equal to 2% of the member's compensation. There have been no matching contributions since 2018 as all formerly eligible employees are either retired or are now in the MTA Bus pension plan.

Additional Deposits (Incoming Rollover or Transfers)—Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and after-tax assets from other eligible retirement plans into the 401(k) and 457 Plans. Under certain conditions, both Plans accept rollovers from all eligible retirement plans (as defined by the Code), including 401(a), 457, 401(k), 403(b), and rollover IRAs.

Forfeitures—Nonvested contributions are forfeited upon termination of employment. For the years ended December 31, 2023 and 2022, no forfeiture money was used to offset the employer contributions or for plan expenses.

The Trustee for the MTA Deferred Compensation Program is Prudential Bank & Trust FSB. Recordkeeper and/or Administrative Services are provided by Prudential Retirement Insurance & Annuity Company ("PRIAC"). Investment management services are provided by Prudential Retirement Insurance & Annuity Company and Galliard Capital Management: separate accounts are managed by Denver Investment Advisors Conestoga Capital Advisors and TCW-Metropolitan West Asset Management. Financial Advisor Mercer reviews the investment policies as stipulated by the Investment Committee, the Plans' portfolios and the Investment Managers' performance.

8. OTHER POSTEMPLOYMENT BENEFITS

MTA Bus participates in a defined benefit other postemployment benefits ("OPEB") plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan ("OPEB Plan"). A description of the Plan follows:

(1) Plan Description

The MTA Retiree Welfare Benefits Plan ("OPEB Plan") and the related Trust Fund ("Trust") was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with MTA Bus's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of MTA Bus are members of the MTA Defined Benefit Plan.

The MTA Bus Company participates in the New York State Health Insurance Program ("NYSHIP") and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans. MTA Bus retirees do not participate in NYSHIP. These benefits are provided either through a self-insured health plan, a fully insured health plan or an HMO.

The MTA Bus Company is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility—To qualify for benefits under the OPEB Plan, a former employee of MTA Bus must:

(a) have retired;

(b) be receiving a pension (except in the case of the 401(k) Plan);

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—

– Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—MTA Bus is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, MTA Bus paid $34.3 million and $32.1 million of PAYGO to the OPEB Plan, respectively. The PAYGO amounts include an implicit rate subsidy adjustment of $563 and $681 for the years ended December 31, 2023 and 2022, respectively. There were no additional prior year implicit rate subsidy adjustments for the year ended December 31, 2023.
The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2020 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and December 31, 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and 2021, the employer made a cash payment for retiree healthcare of $563 and $681, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

Blended and Age-Adjusted Premium	2022 Retirees	2021 Retirees
	(in thousands)	
Total blended premiums	$ 33,782	$ 31,372
Employment payment for retiree healthcare	563	681
Net payments	$ 34,345	$ 32,053

(2) Net OPEB Liability

At December 31, 2023 and 2022, MTA Bus reported a net OPEB liability of $849.7 million and $898.0 million, respectively, for its proportionate share of the Plan's net OPEB liability. The net OPEB liability was measured as of the OPEB Plan's fiscal year-end of December 31, 2022 and 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and July 1, 2019, and rolled forward to December 31, 2022 and 2021, respectively. MTA Bus's proportion of the net OPEB liability was based on a projection of MTA Bus's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2023 and 2022, MTA Bus's proportion was 3.79% and 3.60%, respectively.

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or Net Asset Value. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report or at www.mta.info.

(3) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. MTA Bus may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2022 and July 1, 2020. Update procedures were used to roll forward the total OPEB liability to December 31, 2022, 2021 and 2020, the measurement dates. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2021	July 1, 2021	July 1, 2019
Measurement date	December 31, 2022	December 31, 2021	December 31, 2020
Discount rate	3.72%, net of expenses	2.06%, net of expenses	2.12%, net of expenses
Inflation	2.33 %	2.25 %	2.25 %
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	4.25 %	4.25 %	4.25 %
Salary Increases	3.00 %	3.00 %	3.00 %
Investment rate of return	3.72 %	2.06 %	2.12 %

Healthcare Cost Trend—The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2021 utilizing the baseline assumptions included in the model, except inflation of 2.25% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). The self-insured trend is applied directly for represented employees. No self-insured post-65 trend is assumed during 2021 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2023.

Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP and self-insured trend assumptions for MTA Bus (all amounts are in percentages).

Trend from Year Ending	**NYSHIP**		**MTA Bus**	
	< 65	**>=65**	**< 65**	**>=65**
2021	12.2	0.3	5.8	(6.8)
2022	14.1	13.4	6.3	5.4
2023	6.7	5.9	7.0	5.9
2024	7.0	6.7	7.2	7.2
2025	6.4	6.4	6.5	6.6
2026	5.8	5.8	5.9	5.9
2027	5.1	5.1	5.2	5.1
2028	4.9	4.9	5.0	4.9
2029	4.7	4.7	4.8	4.7
2030	4.5	4.5	4.6	4.5
2040	4.2	4.1	4.2	4.1
2050	4.2	4.2	4.2	4.2
2060	4.0	4.0	4.1	4.1
2070	3.9	3.9	3.9	3.9
2080	3.7	3.7	3.7	3.7
2090	3.7	3.7	3.7	3.7
2100	3.7	3.7	3.7	3.7

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date are based on the ultimate rates, which are 3.7% for NYSHIP costs, 3.7% for self-insured medical and pharmacy costs, and 3.6% for Medicare Part B costs.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans.

Transit Members (MTA Bus): *Pre.H-2012 (BC)*—Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 92%.

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Cash	100 %	1.31 %
Assumed Inflation—Mean		2.33 %
Assumed Inflation—Standard Deviation		1.41 %
Portfolio Nominal Mean Return		3.64 %
Portfolio Standard Deviation		2.05 %
Long Term Expected Rate of Return selected by MTA		3.72 %

Discount Rate—The discount rate used in this valuation to measure the total OPEB liability was updated to incorporate GASB Statement No. 75 guidance.

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 and 2021 of 3.72% and 2.06%, respectively.

Sensitivity of MTA Bus's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents MTA Bus's proportionate share of the net OPEB liability, as well as what MTA Bus's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement:

Proportionate Share of the Net OPEB Liability	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
		(in thousands)	
2023	$ 966,835	$ 849,708	$ 752,951
2022	1,038,387	898,016	784,083

Sensitivity of MTA Bus's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents MTA Bus's proportionate share of the net OPEB liability, as well as what MTA Bus's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

Proportionate Share of the Net OPEB Liability	1% Decrease	Healthcare Cost Current Trend Rate* (in thousands)	1% Increase
2023	$ 728,587	$ 849,708	$ 1,002,226
2022	762,790	898,016	1,071,194

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2023 and 2022, MTA Bus recognized OPEB expense of $65.4 million and $73.4 million, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over an 8.1 year closed period, beginning the year in which the deferred amount occurs.

At December 31, 2023 and 2022, MTA Bus reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in thousands)			
Differences between expected and actual experience	$ 13,473	$ (1,285)	$ 14,905	$ (1,510)
Changes in assumptions	58,751	(156,188)	70,248	(52,849)
Net difference between projected and actual earnings on OPEB plan investments	717	-	1,695	-
Changes in proportion and differences between contributions and proportionate share of contributions	113,306	(53,855)	91,137	(67,014)
Employer contribution to plan subsequent to the measurement date of net OPEB liability	34,345	-	32,053	-
Total	$ 220,592	$ (211,328)	$ 210,038	$ (121,373)

For the years ended December 31, 2023 and 2022, $34.3 million and $32.1 million was reported as deferred outflows of resources related to OPEB. This amount includes both MTA Bus's contributions subsequent to the measurement date and an implicit rate subsidy adjustment that will be recognized as a reduction of the net OPEB liability in the years ended December 31, 2023 and December 31, 2022, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year Ending December 31:	(in thousands)
2024	$ (1,984)
2025	(4,515)
2026	1,432
2027	7,122
2028	(9,129)
Thereafter	(18,007)
	$ (25,081)

9. DUE TO NYCTA

NYCTA bills MTA Bus for the administration and payment of health and welfare claims, for materials and supplies issued from NYCTA storerooms, and for NYCTA employees that have been permanently assigned to MTA Bus. In addition, MTA Bus is charged for the cost of labor and overhead for operating support (mainly NYCTA Department of Buses) and for employees assigned to MTA Bus to perform facilities-related maintenance, construction and repair work.

10. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

MTA Bus establishes its liability for injuries to persons, excluding employees, on the basis of independent actuarial estimates of future liability. A summary of activity in estimated liability arising from injuries to persons and damage to third-party property, for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
	(in thousands)	
Balance—beginning of year	$ 290,186	$ 269,497
Activity during the year:		
Current year claims and changes in estimates	58,346	48,798
Claims paid	(34,531)	(28,109)
Balance—end of year	314,001	290,186
Less—current liability	(45,500)	(24,600)
Noncurrent liability	$ 268,501	$ 265,586

Not included in the 2023 and 2022 amounts are $24.1 million and $23.4 million, respectively, of current liability and $183.1 million and $166.2 million, respectively, of noncurrent liability related to employees.

11. CONTINGENCIES

Neither the MTA nor its Component Unit, MTA Bus, assumed any liability for claims, suits, and any other pending litigation matters arising from or in connection with the operation of the former seven privately franchised bus companies prior to their merger dates into MTA Bus. Beginning January 3, 2006, and on each of the three merger dates occurring thereafter (Green Bus on January 9, 2006, Jamaica Bus on January 30, 2006, and Triboro Coach on February 2006), MTA Bus assumed responsibility for all liability claims arising from operating the former City bus routes. Legal counsel to MTA Bus believes that there is no litigation or claims that could have a material effect on the financial position of MTA Bus.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of MTA Bus have been infrequent in prior years.

12. ENVIRONMENTAL POLLUTION REMEDIATION

In accordance with GASB Statement No. 49, a pollution remediation expense provision totaling $758,602 and a corresponding liability were recorded on the Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. As of December 31, 2023, and 2022, the pollution remediation liability totaled $12.8 million and $12.0 million, respectively, primarily consisting of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, soil contamination, and arsenic contamination at MTA Bus. MTA Bus does not anticipate any changes in the near future that would have a material impact on the recorded obligations due to changes resulting from price increase or reduction, technology, or changes in applicable laws or regulations. In addition, MTA Bus does not expect any recoveries of cost that would have a material effect on the recorded obligations.

During 2005, environmental consultants, on behalf of the New York City Department of Design performed on site investigation at the former Green, Jamaica and Triboro Coach Bus lines prior to their merger into MTA Bus. As a result of the site investigations, these depots were found to require extensive soil and groundwater remediation. The Transit Authority's Capital Programs Management Environmental Engineering Division estimated that the cost to remediate the contaminated sites would total approximately $4.3 million. During 2006, the New York State Department of Environmental Conservation issued stipulation and consent decrees requiring MTA Bus to commence soil and ground water remediation at the College Point and Eastchester depots. The estimated cost for cleanup efforts at these sites was approximately $2.0 million. Pursuant to the letter agreement between The City and the MTA, remediation costs will be reimbursable by The City and, as such, a reserve for environmental remediation was not recorded in MTA Bus's financial statements. As stated in Note 2, The City funded the $6.3 million in estimated costs for potential environmental remediation. In July 2011 and December 2021, The City funded the Environmental Remediation Reserve Fund with an additional $11.1 million and $2.2 million, respectively. At December 31, 2023, the Environmental Remediation Reserve fund had a balance of $7.7 million remaining for future Environmental projects.

	2023	2022
	(in thousands)	
Balance beginning of year	$ 11,985	$ 12,297
Activity during the year:		
Current year changes in estimates	962	(47)
Payments	(134)	(265)
Balance end of year	12,813	11,985
Less—current liability	(7,678)	(7,474)
Non current liability	$ 5,135	$ 4,511

13. RELATED PARTY TRANSACTIONS

MTA Bus receives support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back. Funds for MTA Bus's capital project expenditures are also provided by MTA. MTA Bus recognizes funds contributed by MTA for MTA Bus's capital project expenditures as contributed capital.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2023 and 2022 (in thousands):

	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 553,431	$ 25,239	$ 669,007	$ 11,880
Affiliated agencies	30,471	44,438	17,927	29,204
Total MTA and affiliated agencies	$ 583,902	$ 69,677	$ 686,934	$ 41,084

14. NOVEL CORONAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development has been the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA has seen ridership steadily improve since the low point of ridership during the pandemic in 2020; but continues to be well-below 2019 levels.

Coronavirus Aid, Relief and Economic Security Act ("CARES Act')—The CARES Act is a $2.2 trillion economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration's ("FTA") formula funding provisions provided approximately $4 billion to MTA. Funding was provided at 100 percent Federal share, with no local match required, and is available to support operating, and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA's initial grant application of $3.9 billion. On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98 million in additional formula grant allocations to MTA for a CARES Act grant total of $4.0 billion. As of December 31, 2020, a total of $335.5 million has been released to MTA Bus for operating assistance that occurred from January 20, 2020 through July 31, 2020. MTA Bus has received all CARES Act funding as provided in the first congressional relief package.

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF")— Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA placed with the MLF $450.72 million of notes, which were repaid on March 1, 2022. In addition, MTA issued into the MLF a second time by placing $2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. On December 15, 2023, the maturity date of the BANs, the MTA used funds on hand to retire the $2.907 billion loan in full. As of December 31, 2023, the MTA had no outstanding obligations to the MLF.

Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA")—On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA") that includes $900 billion for various COVID-19 economic relief programs to address hardships caused by the coronavirus pandemic and a $1.4 trillion government funding package to fund the government through September 30, 2021. Included in the legislation is $45 billion in financial assistance to the transportation industry, including $16 billion for another round of airline employee and contractor payroll support: $14 billion for transit; $10 billion for highways; $2 billion for intercity buses; $2 billion for airports; and $1 billion for Amtrak. The MTA received $4.1 billion in aid from CRRSAA between December 2021 and January 2022. MTA Bus received $261.2 million in December 2021 with the balance of $47.3 million received in January 2022.

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 package includes $30 billion of direct federal aid to transportation agencies. The MTA received $6.1 billion in aid from ARPA in 2022. In September of 2022, Additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received $769 million in additional aid in the fourth quarter of 2022.

Federal Emergency Management Agency ("FEMA") Reimbursement—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $893 million of direct COVID-19 related expenses, of which $47.1 million pertained to MTA Bus, incurred from the start of the pandemic through May 11, 2023 was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing COVID-19 related expense reimbursement from FEMA.

15. SUBSEQUENT EVENTS

There are no material subsequent events as of May 31, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S PROPORTIONATE SHARE OF NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PLAN
FOR THE YEARS ENDED DECEMBER 31

	MTA Defined Benefit Plan							
	2022	2021	2020	2019	2018	2017	2016	2015
				(in thousands, except %)				
MTA Bus's proportion of the net pension liability	15.06 %	15.26 %	15.41 %	17.08 %	17.11 %	16.45 %	20.10 %	15.94 %
MTA Bus's proportionate share of the net pension liability	$ 377,911	$ 255,553	$ 298,534	$ 294,880	$ 301,790	$ 166,590	$ 269,740	$ 205,690
MTA Bus's actual covered-employee payroll	$ 386,168	$ 370,580	$ 380,786	$ 367,056	$ 367,802	$ 323,411	$ 325,651	$ 289,491
MTA Bus's proportionate share of the net pension liability as a percentage of its covered-employee payroll	97.86 %	68.96 %	78.40 %	80.34 %	82.05 %	51.51 %	82.83 %	71.05 %
Plan fiduciary net position as a percentage of the total pension liability	68.14 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %	70.44 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S CONTRIBUTIONS FOR ALL PENSION PLANS FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015
					(in thousands, except %)				
MTA Defined Benefit Plan									
Actuarially determined contribution	$ 62,189	$ 60,879	$ 59,629	$ 60,549	$ 59,768	$ 56,731	$ 52,133	$ 44,927	$ 43,852
Actual employer contribution	62,189	60,879	59,629	61,100	59,769	57,264	50,479	44,300	45,928
Contribution deficiency (excess)	$ -	$ -	$ -	$ (551)	$ (0.907)	$ (533)	$ 1,654	$ 627	$ (2,077)
Covered payroll	$ 393,942	$ 386,168	$ 370,580	$ 380,786	$ 367,056	$ 367,802	$ 323,411	$ 325,651	$ 289,491
Contributions as a % of covered payroll	15.79 %	15.76 %	16.09 %	16.05 %	16.28 %	15.57 %	15.61 %	13.60 %	15.87 %

Notes to Schedule of MTA Bus's Contributions to Pension Plan:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors: covered employees.

Changes of Benefit Terms

The January 1, 2018 funding valuation reflects Arbitration and Impasse Awards and an MOU between MTA Bus and ATU Local 1179/1181 and TSO Local 106 TWU Local 100 that provide enhanced benefits to covered employees. The January 1, 2016 funding valuation reflects an Arbitration Award between MTA Bus and TWU Local 100 that provides enhanced benefits to covered employees.

There were no changes of benefit terms in the January 1, 2017 and 2015 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the January 1, 2016 and January 1, 2015 funding valuation.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

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MTA BUS COMPANY
(Component Unit of the MTA)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
IN THE MTA OPEB PLAN AT

Plan Measurement Date (December 31):	2022	2021	2020	2019	2018
		(in thousands, except %)			
MTA Bus's proportion of the net OPEB liability	3.79 %	3.60 %	3.54 %	3.85 %	3.24 %
MTA Bus's proportionate share of the net OPEB liability	$ 849,708	$ 898,016	$ 863,774	$ 813,117	$ 633,567
MTA Bus's covered payroll	$ 386,168	$ 370,580	$ 380,786	$ 367,056	$ 367,802
MTA Bus's proportionate share of the net OPEB liability as a percentage of covered payroll	220.04 %	242.33 %	226.84 %	221.52 %	172.26 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.05 %	0.00 %	0.00 %	1.93 %	1.76 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 75, information was not readily available for periods prior to 2017.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF MTA BUS'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019	2018
			(in thousands, except %)			
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution[1]	$ 34,345	$ 32,053	$ 28,880	$ 25,646	$ 28,339	$ 23,214
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 393,942	$ 386,168	$ 370,580	$ 380,786	$ 367,056	$ 367,802
Actual contribution as a percentage of covered payroll	8.72 %	8.30 %	7.79 %	6.74 %	7.97 %	6.31 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $563, $681, $595, $791, $975, and $770 for the years ended December 31, 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Notes to Schedule of MTA Bus's Contribution to the OPEB Plan:

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2021
Measurement date	December 31, 2022
Discount rate	3.72%, net of expenses
Inflation	2.33 %
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Normal cost increase factor	4.25 %
Salary increases	3.00 %
Investment rate of return	3.72 %

Changes of benefit terms: In the July 1, 2017 actuarial valuation, there were no changes to the benefit terms.

Changes of assumptions: In the July 1, 2017 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Changes in Actuarial Assumptions since Prior Valuation: The retirement rates for other non-represented members were revised to reflect changes in retirement eligibility conditions, as they are now eligible for MABSTOA style pension benefits. The impact of this change is considered a plan change.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 75, information was not readily available for periods prior to 2017.

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Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2023 and 2022, Required Supplementary Information, and Independent Auditor's Report

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Triborough Bridge and Tunnel Authority (the "Authority"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

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therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of Net Pension Liability in the New York City Employees' Retirement System, Schedule of the Authority's Contributions to the New York City Employees' Retirement System, Schedule of the Authority's Proportionate Share of Net OPEB Liability in the MTA OPEB Plan, and Schedule of the Authority's Contributions to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

___________, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels" or "Authority") for the years ended December 31, 2023 and 2022. This discussion and analysis is intended to serve as an introduction to MTA Bridges and Tunnels' financial statements which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements (3) Notes to the Financial Statements, and (4) Required Supplementary Information.

Management's Discussion and Analysis

This MD&A provides an assessment of how MTA Bridges and Tunnels' position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA Bridges and Tunnels' overall financial position. It may contain opinions, assumptions, or conclusions by MTA Bridges and Tunnels' management that should not be considered a replacement for and must be read in conjunction with the financial statements.

The Financial Statements Include

The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that MTA Bridges and Tunnels presently controls (assets), consumption of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that MTA Bridges and Tunnels has little or no discretion to avoid (liabilities), and acquisition of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how MTA Bridges and Tunnels' net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of MTA Bridges and Tunnels' operations over the twelve months and can be used to determine how MTA Bridges and Tunnels has funded its costs.

The Statements of Cash Flows provide information about MTA Bridges and Tunnels' cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements Provide

Information that is essential to understanding the financial statements, such as MTA Bridges and Tunnels' basis of presentation, and significant accounting policies, details of cash and investments, capital assets, employee benefits, long-term debt, lease transactions, future commitments and contingencies, and subsequent events of MTA Bridges and Tunnels.

The notes to the financial statements also describe any other events or developing situations that could materially affect MTA Bridges and Tunnels' financial position.

Required Supplementary Information

The Required Supplementary Information provides information about the changes in the net pension liability and net other postemployment benefits ("OPEB") liability, employer contributions for the OPEB and pension plans, related ratios and actuarial assumptions used to calculate the net pension liability and net OPEB liability.

FINANCIAL REPORTING ENTITY

Triborough Bridge and Tunnel Authority is a public benefit corporation, separate and apart from the State of New York, without any power of taxation. Triborough Bridge and Tunnel Authority is empowered to operate and maintain nine toll bridges and tunnels and the Battery-Parking Garage, all located in New York City. The board members of the Metropolitan Transportation Authority ("MTA") also serve as the Board of Triborough Bridge and Tunnel Authority. Triborough Bridge and Tunnel Authority operates under the name of MTA Bridges and Tunnels and is a component unit of the MTA. The MTA is a component unit of the State of New York.

MTA Bridges and Tunnels' operations and capital costs (debt obligations) for its bridges and tunnels are paid by the revenues it generates from its facilities. MTA Bridges and Tunnels' surplus amounts are used to fund transit and commuter operations and finance capital projects for the transit and commuter systems operated by other affiliates and subsidiaries of the MTA.

On April 1, 2019 the MTA Reform and Traffic Mobility Act ("the Act") was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-J, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling capital lock-box fund which is kept separate and apart from TBTA operating monies. The fund shall consist of monies received through the Central Business District Tolling Program (CBDTP), as well as real estate transfer tax ("Mansion Tax") and Portions of City and State wide sales taxes ("Internet Tax").

Monies in the fund are be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the Authority, or to the City of New York subject to the memorandum of understanding including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling Collection System and the Central Business District tolling Customer Service Center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19.

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CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA Bridges and Tunnels' financial position for the years ended December 31, 2023 and 2022. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with MTA Bridges and Tunnels' financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs) have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* with retroactive effect of this adoption as of January 1, 2022. Refer to footnote 2 for additional information.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, receivables and prepaid expenses. This also includes the receivable from applicable leases of MTA Bridges and Tunnels garage spaces and bridges and tunnels easement rights to third parties.

Deferred outflows of resources reflect: deferred outflows from pension and OPEB.

(In thousands)

Assets and Deferred Outflows of Resources	As of December 31, 2023	2022 (Restated)*	2021	Increase/(Decrease) 2023–2022	2022–2021 (Restated)*
Current Assets	$ 4,116,915	$ 3,266,605	$ 4,704,026	$ 850,310	$ (1,437,421)
Capital Assets—Net	7,966,767	7,794,878	7,631,332	171,889	163,546
Other Assets	9,707,466	7,877,044	25,515	1,830,422	7,851,529
Deferred Outflows of Resources	413,508	463,696	579,546	(50,188)	(115,850)
Total Assets and Deferred Outflows of Resources	$ 22,204,656	$ 19,402,223	$ 12,940,419	$ 2,802,433	$ 6,461,804

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021

Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2023 versus 2022:

Total assets and deferred outflows of resources increased by $2,802,433 for the year ended December 31, 2023.

Current assets increased by $850,310 primarily due to an increase in the loan receivable from MTA of $1,884,785 and unrestricted investments of $117,549, accounts receivable of $115,183, restricted invested funds at MTA of $59,422; invested funds at MTA – unrestricted of $16,524; offset by a decrease in restricted investments of $1,224,034 and an increase in the allowance of doubtful accounts of $126,961.

Capital assets, net, increased $171,889 for the year ended December 31, 2023. This was primarily due to increases in primary structures of $227,620, roadway of $83,747, buildings of $26,688, property road and equipment of $6,721, open road tolling systems and equipment of $1,896 and offset by a decrease in other of $334. These increases in assets were offset by accumulated depreciation and amortization of $204,221. Refer to Capital Asset footnote for further details.

Other assets increased by $1,830,422 for the year ended December 31, 2023. This was primarily due to an increase in the loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of $1,673,765, and noncurrent portion of unrestricted investments of $158,092; offset by a decrease in lease receivable of $1,243, and a decrease in derivative instruments of $192.

Deferred outflows of resources decreased by $50,188. This was due to decreases in deferred financing costs of $81,659 and in the deferred outflows related to pension of $6,382 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System ("NYCERS"). These decreases were offset by increases in the deferred outflows of resources related to OPEB of $37,428 and the change in fair market value of derivative instruments of $425.

<u>December 31, 2022 versus 2021:</u>

Total assets and deferred outflows of resources increased by $6,461,804 for the year ended December 31, 2022.

Current assets decreased by $1,437,421 for the year ended December 31, 2022. This was primarily due to a increase in restricted short- term investments of $798,927, interest receivable of $39,119 and accounts receivable of $36,645. This increase was offset by decreases in unrestricted short-term investments of $10,467; cash of $208,226 due to the transfer of internet and mansion tax for the MTA Capital Program and allowance for doubtful accounts $49,642.

Capital assets, net, increased $163,546 for the year ended December 31, 2022. This was primarily due to increases in roadway of $433,312, primary structures of $252,910, property road and equipment of $39,246, open road tolling systems and equipment of $1,807, buildings of $11,158 and other of $6,245, SBIT assets of $663,830. These increases in assets were offset by accumulated depreciation and amortization of $206,445 and decrease in construction work in progress of $375,350. Refer to Capital Asset footnote for further details.

Other assets increased by $7,851,529 for the year ended December 31, 2022. This was primarily due to a new loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of $7,851,529.

There was a decrease in deferred outflows of resources of $115,850. This was due to decreases in the deferred outflows of resources related to OPEB of $19,836; change in fair market value of derivative instruments of $98,998; and deferred financing costs of $18,490 offset by an increase in the deferred outflows related to pension of $21,474 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System.

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Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non- Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, current portion of long-term lease liabilities and other current liabilities. This also includes the current portion of long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liabilities and other non-current liabilities. This also includes GASB 96 long-term subscription liability.

Deferred inflows of resources reflect unamortized gains on debt refunding, deferred inflows related to leases, pension and OPEB.

(In thousands)

Total Liabilities and Deferred Inflows of Resources	**As of December 31, 2023**	**2022 (Restated)***	**2021**	**Increase/(Decrease) 2023–2022**	**2022–2021 (Restated)***
Current Liabilities	$ 3,438,282	$ 1,252,423	$ 1,507,010	$ 2,185,859	$ (254,587)
Noncurrent Liabilities	22,396,545	$ 20,687,389	$ 13,813,471	1,709,156	$ 6,873,918
Deferred Inflow of Resources	320,083	$ 234,942	$ 257,243	85,141	$ (22,301)
Total Liabilities and Deferred Inflows of Resources	$ 26,154,910	$ 22,174,754	$ 15,577,724	$ 3,980,156	$ 6,597,030

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2023 versus 2022:

Total liabilities and deferred inflows of resources increased by $3,980,156 for the year ended December 31, 2023.

Current liabilities increased by $2,185,859 for the year ended December 31, 2023. This was primarily due to an increase in reclassification of long-term debt obligations from noncurrent to current of $1,835,705; an increase in other unearned revenue of $ 190,396; unearned toll revenues increased by $50,125; increase in surplus paid to NYCTA of $18,560, increase in surplus paid to MTA of $22,973 and an increase in due from MTA Bus of $7,075. In addition, accounts payable increased by $26,365; interest payable increased by $44,025 and capital accruals increased by $29,305. These increases were primarily offset by the following decreases: accrued salaries of $34,020, payable to MTA of $4,532 and the current portion of claims payable of $459.

Non-current liabilities increased by $1,709,156 for the year ended December 31, 2023. This was mainly due to the increase in long-term debt obligations of $1,763,390 for issuance of net Sales Tax bonds of $1,239,076 and PMT bonds of $707,584. These increases were offset by the following: a decrease in senior and subordinate bonds of $183,271; OPEB liability of $35,999 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71; and decrease in net pension liability of $23,534.

Deferred inflows of resources increased by $85,141. This was mainly attributable to an increase of $241,832 related to OPEB as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions; offset by a decrease of $155,318 in the amortization of deferred inflows of resources for leases and a decrease of $1,373 related to pensions primarily on changes in the projected versus actual plan investment earnings.

December 31, 2022 versus 2021:

Total liabilities and deferred inflows of resources increased by $6,597,030 for the year ended December 31, 2022.

Current liabilities decreased by $254,587 for the year ended December 31, 2022. This was primarily due to a decrease in unearned toll revenues by $18,847 decrease in surplus paid to NYCTA of $3,681 and MTA of $1,233; decrease of accounts payable of $34,726; decrease of current portion claims payable $1,867, and payable to MTA of $334,829 primarily due to reimbursements to MTA for capital projects. These were offset by increases in interest payable of $40,207 and unearned interest revenue of $45,366 primarily due to the issuance of new PMT bonds; reclassification of long-term debt obligations of $50,125 from noncurrent to current; and increase in accrued salaries of $6,102 attributable to an increase in labor reserves. In addition, the current portion of Subscription-based IT Arrangements increased by $140 due to implementation of GASB-96.

Non-current liabilities increased by $6,873,918 for the year ended December 31, 2022. This was mainly due to the increase in long-term debt obligations of $6,940,901 for the issuance of new PMT bonds of $6,172,585, Sales Tax bond of $758,796, and senior and subordinate bonds of $9,520. There was also an increase in net pension liability of $107,586 based upon the most current valuation report in accordance with GASB Statements No. 68 and GASB No. 71. In addition, the long-term portion of Subscription-based IT Arrangements increased by $488 due to implementation of GASB 96. These increases were offset by a decrease in OPEB liability of $79,332 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71; and decrease in net derivative liabilities of $99,018.

There was a net decrease in deferred inflows of resources of $22,301. This was mainly attributable to an increase of $84,477 related to OPEB due to change in assumptions and proportionate share and difference in employer contributions; offset by a decrease of $104,869 related to pensions primarily on changes in the projected versus actual plan investment earnings, and $1,463 amortization of deferred inflows of resources as a result of implementation of GASB Statement No. 87, *Leases*.

Total Net Position, Distinguishing Among Net Investment in Capital Assets and Unrestricted Amounts

(In thousands)

Net Position	As of December 31, 2023	2022 (Restated)*	2021	Increase/(Decrease) 2023–2022	2022–2021 (Restated)*
Net investment in capital assets	$ 2,014,666	$ 2,105,369	$ 2,147,095	$ (90,703)	$ (41,726)
Restricted	1,245,040	$ 2,409,990	$ 1,606,192	$ (1,164,950)	$ 803,798
Unrestricted	(7,209,960)	$ (7,287,890)	$ (6,390,592)	$ 77,930	$ (897,298)
Total net position	$ (3,950,254)	$ (2,772,531)	$ (2,637,305)	$ (1,177,723)	$ (135,226)

*GASB 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

The negative net position resulted from assets transferred to MTA and NYCTA for prior years' debt financing incurred on their behalf Net position represents the residual interest in the MTA Bridges and Tunnels assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets include capital assets and right-of-use lease and subscription assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted. In 2022, the total net position was restated and decreased by $36 due to the implementation of GASB No. 96, *Subscription Based IT Arrangements*. Refer to footnote 2 for additional information.

Significant Changes in Net Position

December 31, 2023 versus 2022:

In 2023, the total net position decreased by $1,177,723. This was due to operating income of $1,754,284, non-operating income of $265,836, relief of MTA transfers in of $202,935 and offset by transfers out to MTA and NYCTA for operating surplus of $1,289,102, Sales Tax bond proceeds transfer of $1,517,688 and internet and mansion tax transfers of $593,988.

December 31, 2022 versus 2021:

In 2022, the total net position decreased by $135,226. This was due to operating income of $1,686,577, non-operating income of $497,117, relief of MTA transfers in of $372,656 and offset by transfers out to MTA and NYCTA for operating surplus of $1,184,711 and contribution for labor settlement to MTA of $7,740 to settle inter-company loan balance, internet and mansion tax transfers of $1,041,465, and Sales Tax bond proceeds transfer of $457,660.

Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	Years Ended December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023–2022	2022–2021 (Restated)*
Operating revenues	$ 2,446,842	$ 2,356,751	$ 2,194,414	$ 90,091	$ 162,337
Operating expenses	(692,558)	$ (670,174)	$ (652,629)	$ (22,384)	$ (17,545)
Operating income	1,754,284	$ 1,686,577	$ 1,541,785	$ 67,707	$ 144,792
Nonoperating revenue, net excluding transfers	265,836	$ 497,117	$ 396,864	$ (231,281)	$ 100,253
Income before transfers	2,020,120	$ 2,183,694	$ 1,938,649	$ (163,574)	$ 245,045
Transfers in—MTA	202,935	$ 372,656	$ 491	$ (169,721)	$ 372,165
Transfers out	(3,400,778)	$ (2,691,576)	$ (2,133,131)	$ (709,202)	$ (558,445)
Changes in net position	(1,177,723)	$ (135,226)	$ (193,991)	$ (1,042,497)	$ 58,765
Net position—Beginning of year	(2,772,531)	$ (2,637,305)	$ (2,443,314)	$ (135,226)	$ (193,991)
Net position—End of year	$ (3,950,254)	$ (2,772,531)	$ (2,637,305)	$ (1,177,723)	$ (135,226)

*GASB 96 restatement is as of 01/01/2022, therefore 2022 balances are not comparative with 2021.

Operating Revenues

For the year ended December 31, 2023, the operating revenues increased by $90,091 as compared to December 31, 2022. The year 2023 only reflects 4.9 months of the toll increase effective August 6, 2023 while 2022 reflected a full year effect of the toll increase effective April 11, 2021. Total crossings in 2023 were 335.1 million versus 326.3 million in 2022, an increase of 2.7%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

For the year ended December 31, 2022, the operating revenues increased by $162,337 as compared to December 31, 2021. The year 2022 reflected the full year effect of the toll increase effective April 11, 2021 while 2021 only reflected 8.5 months of the toll increase. Total crossings in 2022 were 326.3 million versus 307.3 million in 2021, an increase of 6.2%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

Revenue by Major Source

MTA Bridges and Tunnels tolls accounted for 98.9% and 98.9% of operating revenues in 2023 and 2022, respectively. The remaining revenue primarily represented income from parking fees (net of operating expenses) collected at the Battery Parking Garage and fees collected from E-ZPass customers.

Toll revenues (net of bad debt expense relating to toll collections) were $2,418,755 and $2,332,384 for the years ended December 31, 2023 and December 31, 2022, respectively.

Operating Expenses

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2023, as compared to the prior year by $22,384. This was primarily due to the increases in maintenance and other operating contracts of $5,033 mainly due to major maintenance and painting projects; depreciation and amortization expense of $19,855; insurance of $4,428, and retirement and other benefits of $3,996. These increases were offset by a decrease in OPEB expense of $5,530 and a decrease in professional service contracts by $2,861, salaries and wages of $549 and credit card fees of $1,243.

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2022, as compared to the prior year by $17,545. This was primarily due to the increases in maintenance and other operating contracts of $24,543 mainly due to major maintenance and painting projects; depreciation and amortization expense of $4,212; salaries and wages of $6,953, insurance of $2,767, credit card fees of $5,239; and retirement and other benefits of $5,116. These increases were offset by a decrease in OPEB expense of $21,820 and professional service contracts decrease of $12,831.

Non-Operating Revenues (Expenses)

Net non-operating revenues decreased by $231,281 for the year ended December 31, 2023. This was mainly due to decreases in the following: interest income of $226,566 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA; mansion tax of $167,825; and investment income of $9,727. This was offset by an increase in interest income on PMT of $172,949.

Net non-operating revenues increased by $100,253 for the year ended December 31, 2022. This was mainly due to increases in mansion tax and investment income of $118,787 and $13,003 respectively for CBDTP, interest income of $127,256 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA. This was offset by increase in interest expense of $141,213, mostly related to senior bonds, including the new PMT interest expense and premium/discount, decrease in internet tax of $16,857 and increase in interest expense-leases of $710 due annual amortization. In addition, there was an increase in interest expense for SBITA of $10 due to the implementation of GASB 96.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions/Results of Operations

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Two key economic factors that have statistically significant relationships to changes in traffic volumes are regional non-farm employment and inflation (CPI-U). Based on data from the U.S. Bureau of Labor Statistics, regional employment 2023 and 2022 increased by 2.5% and 5.9%, respectively. Inflation was 6.1% in 2022 but decreased to 3.8% in 2023.

2023 was the highest traffic year for B&T, with 335.1 million paid crossings. This was an increase of 1.7% for the 329.4 million paid crossings in 2019. In addition to the fully rebounded traffic volumes, the 2023 toll increase resulted in toll revenue for 2023 to total $2,418.8 million, which was $347.4 million, or 16.8% higher than 2019.

E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E ZPass market share decreased slightly overall, with a slight decrease in Passenger Vehicles market share and a slight decrease in Commercial vehicles market share from 2022 to 2023.

	2023	**2022**	**2021**
Total	93.6 %	95.1 %	94.9 %
Average weekday	93.9	95.6	95.3
Passenger vehicles	93.8	95.4	95.2
Commercial vehicles	95.8	97.1	96.7
Average weekend	92.8	94.2	93.9

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

MTA Bridges and Tunnels' facilities are all in a state of good repair. MTA Bridges and Tunnels' portion of the MTA's Capital Program for 2020-2024 totals $2,823,241,930.09 (this excludes $503,000,000.00 for CBDTP discussed below) for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2023 were $ 828,507,384.28 bringing the total commitment under the five-year plan to $1,580,647,362.52.

MTA Bridge and Tunnels' portion of the MTA's Capital Program for 2015-2019 totals $2,710,149,483.62 for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2023 were $659,266.00, bringing the total commitment under the five-year plan to $2,499,126,384.25. All planned major projects in the 2015-2019 program have been committed.

MTA Bridges and Tunnels' portion of the Capital Program for 2010-2014 totals $2,021,982,198.02 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter of 2023. The total commitments under the five-year plan are $1,942,929,700.36.

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MTA Bridges and Tunnels' portion of the Capital Program for 2005-2009 totals $1,126,736,111.60 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter of 2023. The total commitments under the five-year plan are $1,114,969,419.50.

Approximately 80% of the projected expenditures in the 2020-2024 Capital Program will be incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. Other major projects in the 2020-2024 Capital Program include the Dyckman Street substation upgrade at the Henry Hudson Bridge, lighting and power redundancy and resiliency improvements at the Bronx-Whitestone Bridge, tower elevator replacement at the Marine Parkway Bridge, rehabilitation of the substructure of the Cross Bay Bridge, and the rehabilitation/replacement of the facility monitoring and safety systems at the Queens Midtown Tunnel and Hugh Carey Tunnel.

Approximately 62% of the projected expenditures in the 2015-2019 Capital Program have been incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. All major projects in the 2015-19 program have been completed.

Approximately 63% of the expenditures in the 2010-2014 Capital Program have been incurred at three facilities: the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Verrazano-Narrows Bridge. All major projects from the 2010-2014 program have been completed.

Approximately 62% of the expenditures in the 2005-2009 Capital Program have been incurred at four facilities: the Verrazano-Narrows Bridge, the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Throgs Neck Bridge. All major projects from the 2005-2009 program have been completed.

MTA Bridges and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals $700,334,099.77 of which $546,911,561.05 is for facility restoration and $153,422,538.72 is for facility mitigation projects. A program reduction to remove nearly $65 million in unused program reserves was conducted at the end of the first quarter. There were no further commitments made during the fourth quarter of 2023. The total commitment under these plans is $677,843,954.14 to date.

Approximately 92% of the expenditures have been incurred at the Hugh L. Carey and Queens Midtown Tunnels.

On April 11, 2019, legislation was signed into law enabling the Triborough Bridge and Tunnel Authority (TBTA) to implement the nation's first ever Central Business District Tolling Program (CBDTP) as part of the Fiscal Year 2020 New York State Budget. The planning, design, construction, operations and maintenance of the CBDTP will primarily be the responsibility of TBTA though it will also require the involvement of various other regional agencies and stakeholders. The CBDTP will reduce congestion and enhance mobility in Manhattan's Central Business District (south of and inclusive of 60th street).

MTA Bridges and Tunnels' Central Business District Tolling Program (CBDTP) totals $503,000,000, which represents the total capital budget established to support the entire CBDTP. Key components include program and construction management; design, construction, and integration of the toll technology system and infrastructure; development of Customer Service Centre Software and build-out: the Environmental Assessment; and outreach and education. A contract with TransCore was executed on October 31,2019, one month ahead of schedule. TransCore will design, build, operate, and maintain the tolling system. There were no new commitments made during the fourth quarter of 2023. The total commitments under this plan are $402,498,674.24 to date.

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CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Ridership and Traffic Update

2023 was the highest traffic year ever for TBTA, 2.7% greater than 2022 traffic crossings, and 1.6% greater than 2019, which had been TBTA's previous high traffic year.

Verrazzano-Narrows Bridge Rebate Programs

The cost of the 2022-2023 (covering the period April 2022 through March 2023) Verrazzano-Narrows Bridge Rebate Programs totaled $32 million. The rebates for Staten Island Residents were $23.2 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program were $8.8 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was $25 million ($19.7 million Resident Program and $5.3 million Commercial Program) and the MTA contribution was $7 million ($3.5 million Resident Program and $3.5 million Commercial Program).

The projected annualized cost of the 2024-2025 (covering the period April 2024 through March 2025) Verrazzano-Narrows Bridge Rebate Programs is expected to total $39.4 million. The rebates for Staten Island Residents are estimated to be $32.2 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be $7.2 million. The State's contribution is projected to be $26 million ($15.5 million Resident Program and $7.5 million Commercial Program) and the MTA contribution is $7 million ($3.5 million Resident Program and $3.5 million Commercial Program). An additional $6.4 million has been allocated from the Outer Borough Transportation Account to fund the Staten Island Resident Program.

If, as a result of unexpected toll transaction activity, MTA Bridges and Tunnels estimates that such MTA and State funds allocated to the MTA for the 2024-2025 Verrazzano-Narrows Bridge Rebate Programs, net of offsets, will be insufficient to fund the 2024-2025 Verrazzano-Narrows Bridge Commercial Rebate Program for the full Program year, MTA Bridges and Tunnels may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds. However, in the event that such MTA and State funds allocated to MTA for the 2024-2025 Verrazzano-Narrows Bridge Rebate Programs are fully depleted at any time during the 2023-2024 Verrazzano-Narrows Bridge Rebate Programs annual period, the 2024-2025 Verrazzano-Narrows Bridge Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable New York Customer Service Center E-ZPass toll for the Verrazzano-Narrows Bridge.

The Verrazzano-Narrows Bridge Rebate Programs will continue into future years provided that (a) MTA's annual period contribution does not exceed $7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

TBTA reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions ($103 million). The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. Savings targets have been fully met through 2024, with unidentified savings totaling $218 million from 2025 through 2027 remaining below-the-line in the November Plan. The November Plan includes several financial plan re-estimates. One re-estimates reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by $55 million. TBTA continues to ramp up its toll collection efforts.

Impacts From Global Coronavirus Pandemic

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On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo ("New York State on PAUSE"), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridges and Tunnels' crossing traffic and toll revenues. Social distancing mandates were eased, and the region moved into a late-pandemic phase. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15,2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact MTA Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
($ In thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**2023**	**2022** (Restated)
CURRENT ASSETS:		
Cash - unrestricted (Note 3)	$ 9,318	$ 9,038
Unrestricted investments (Notes 4 and 5)	341,718	224,169
Restricted investments (Notes 4 and 5)	777,983	2,002,017
Invested funds at MTA - unrestricted (Note 5)	393,729	377,205
Invested funds at MTA - restricted (Note 5)	467,395	407,973
Accrued interest receivable	41,993	39,424
Accounts receivable	633,760	518,577
Less allowance for doubtful accounts	(484,712)	(357,751)
Lease receivable as lessor (Note 14)	1,174	1,463
Due from MTA BUS (Note 19)	5,785	-
Due from NYCTA (Note 19)	1,925	825
Due from MTA (Note 19)	2,217	3,299
Loan receivable from MTA (Note 19)	1,916,410	31,625
Prepaid expenses	8,220	8,741
Total current assets	4,116,915	3,266,605
NON-CURRENT ASSETS:		
Capital assets (Note 6)		
Land and construction work-in-progress	568,404	537,383
Other capital assets (net of accumulated depreciation)	7,398,363	7,257,495
Total capital assets - (net of accumulated depreciation and amortization)	7,966,767	7,794,878
Unrestricted investments (Notes 4 and 5)	158,092	-
Lease receivable as lessor (noncurrent) (Note 14)	11,602	12,845
Due From MTA (Note 19)	9,534,518	7,860,753
Derivative instruments assets (Note 13)	3,254	3,446
Total non-current assets	17,674,233	15,671,922
TOTAL ASSETS	21,791,148	18,938,527
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	73,524	79,906
Related to other post-employment benefits (Note 8)	193,228	155,800
Accumulated decreases in fair value of derivative instruments (Note 13)	71,358	70,933
Loss on refunding debt	75,398	157,057
TOTAL DEFERRED OUTFLOWS OF RESOURCES	413,508	463,696
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 22,204,656	$ 19,402,223

(Continued)

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
($ In thousands)

LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION	**2023**	**2022** (Restated)
CURRENT LIABILITIES :		
Accounts payable and Accrued Expenses	$ 134,944	$ 108,579
Accrued expenses:		
Interest	145,919	101,894
Capital Accrual	60,975	31,670
Payable to MTA (Note 19)	38,956	43,488
Payable to NYCTA — operating expense (Note 19)	38	39
Accrued salaries	2,060	36,080
Accrued vacation and sick pay benefits	18,616	18,278
Total accrued expenses	266,564	231,449
Current portion — long-term debt (Notes 9 to 12)	2,215,785	380,080
Current portion - Subscription-based IT Arrangements	144	140
Current portion - estimated liability from injuries to persons (Note 16)	4,415	4,874
Due to NYCTA - operating surplus (Note 1 and 19)	101,055	82,495
Due to MTA (Note 1 and 19)	126,265	103,292
Due to MTA Bus (Note 19)	7,075	-
Other unearned revenue	242,903	52,507
Unearned tolls revenue (includes $105,881 and $83,307 in		-
2023 and 2022, respectively, due to other toll agencies)	339,132	289,007
Total current liabilities	3,438,282	1,252,423
NON-CURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 16)	55,741	51,530
Postemployment benefits other than pensions (Note 8)	872,112	908,111
Long-term debt (Notes 9 to 12)	21,163,969	19,400,579
Net Pension Liability (Note 7)	143,873	167,407
Derivative instrument liabilities (Note 13)	34,012	34,608
Due to MTA - change in fair value of derivative (Note 13 and 18)	40,600	39,771
Lease Payable, as lessee (Note 14)	85,894	84,895
Subscription-based IT arrangements payable (Note 15)	344	488
Total non-current liabilities	22,396,545	20,687,389
TOTAL LIABILITIES	25,834,827	21,939,812
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 7)	53,083	54,456
Related to OPEB	255,305	13,473
Related to Leases	11,695	167,013
Total Deferred Inflows of Resources	320,083	234,942
NET POSITION:		
Net investment in capital assets	2,014,666	2,105,369
Restricted	1,245,040	2,409,990
Unrestricted	(7,209,960)	(7,287,890)
Total net position	(3,950,254)	(2,772,531)
TOTAL LIABILITIES AND NET POSITION	$ 22,204,656	$ 19,402,223

See notes to financial statements. (Concluded)

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
($ In thousands)

	2023	**2022** (Restated)
OPERATING REVENUES:		
Bridges and tunnels	$ 2,418,755	$ 2,332,384
Building rentals and fees	24,664	23,737
Other income	3,423	630
Total operating revenues	2,446,842	2,356,751
OPERATING EXPENSES:		
Salaries and wages	117,949	118,498
Retirement and other employee benefits	55,832	51,836
Post employment benefits other than pensions	49,208	54,738
Electric power	3,673	4,645
Fuel	2,159	2,813
Insurance	18,202	13,774
Maintenance and other operating contracts	150,204	145,171
Professional service contracts	11,875	14,736
Materials and supplies	2,925	3,631
Depreciation and amortization	226,300	206,445
Credit Card Fees	36,830	38,073
Other	17,401	15,814
Total operating expenses	692,558	670,174
Asset impairment and related expenses — (Note 10) net of estimated and probable insurance recoveries		
OPERATING INCOME	1,754,284	1,686,577
NON-OPERATING REVENUES (EXPENSES):		
Build America Bonds subsidy	7,690	8,533
Interest expense	(754,220)	(527,654)
Interest expense - SBITA	(20)	(10)
Interest expense - leases	(7,775)	(7,688)
Interest income on PMT	337,500	164,551
Change in fair value of derivative financial instruments (Note 13)	829	13,789
Change in fair value of derivative due to MTA	(829)	(13,789)
Internet revenue tax	328,887	328,059
Mansion revenue tax	345,253	513,078
Investment Income	3,788	13,515
Other non-operating revenue	4,733	4,733
Total non-operating revenue, net	265,836	497,117
INCOME BEFORE TRANSFERS	2,020,120	2,183,694
TRANSFERS IN — MTA	202,935	372,656

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
($ In thousands)

	2023	2022 (Restated)
TRANSFERS OUT (Note 1):		
New York City Transit Authority	$ (604,535)	$ (546,904)
Metropolitan Transportation Authority	(684,567)	(637,807)
Contribution for labor settlements to MTA	-	(7,740)
Sales Tax bond proceeds transfers	(1,517,688)	(457,660)
Internet and mansion transfers	(593,988)	(1,041,465)
	(3,400,778)	(2,691,576)
CHANGE IN NET POSITION	(1,177,723)	(135,226)
NET POSITION — Beginning of year	(2,772,531)	(2,637,305)
NET POSITION — End of year	$ (3,950,254)	$ (2,772,531)

See notes to financial statements.

(Concluded)

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
($ in thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tolls collected	$ 2,482,787	$ 2,316,708
Building rentals and fees received	26,218	22,581
Payroll and related fringe benefits	(255,762)	(217,031)
Other operating expenses	(182,297)	(244,485)
Net cash provided by operating activities	2,070,946	1,877,773
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer internet & mansion revenue to MTA	(593,988)	(1,041,465)
Internet & mansion tax revenue	673,950	852,678
Proceeds from PMT bonds	2,723,900	6,222,558
PMT loan interest paid on debt	(367,270)	(167,434)
PMT loan principal paid on debt	(31,625)	(8,360)
Proceeds from Sales Tax Bonds	1,235,185	755,758
Transfers of proceeds of sales tax bond to MTAHQ	(1,522,588)	(457,797)
Sales Tax Bonds interest paid on debt	(62,757)	(10,929)
Grants	267,716	-
Subsidies paid to affiliated agencies	(1,259,941)	(1,193,342)
Net cash provided in noncapital financing activities	1,062,582	4,951,667
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for capital assets	(341,085)	(376,917)
Principal payments on Senior, Subordinate, and BAN	(282,000)	(321,695)
Bond proceeds	1,337,498	434,642
Bond refunded	(1,065,947)	-
Receipts from leases	1,863	1,764
Payments of leases & SBIT arrangements	(4,733)	(2,088)
Interest payments	(369,513)	(401,420)
Net cash used in capital and related financing activities	(723,917)	(665,714)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross sales of short-term securities	11,688,757	10,255,499
Gross purchases of short-term securities	(11,233,969)	(10,856,063)
PMT bonds interest received on debt	348,332	235,522
PMT bonds principal received on debt	49,118	35,472
Transfer of PMT bond proceeds to MTAHQ	(3,261,569)	(6,042,382)
Net cash used in investing activities	(2,409,331)	(6,371,952)
NET (DECREASE)/INCREASE IN CASH	280	(208,226)
CASH—Beginning of year	9,038	217,264
CASH—End of year	$ 9,318	$ 9,038

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
($ in thousands)

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:		
Operating income	$ 1,754,284	$ 1,686,577
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	226,300	206,445
On-behalf payments related to rent (Note 14)	(7,383)	(7,437)
GASB 68 pension expense adjustment	(17,709)	(22,210)
GASB 75 OPEB expense adjustment	14,865	24,982
Net (increase) decrease in receivables	964	(28,807)
Net increase in operating payables	79,725	30,175
Net increase in prepaid expenses	(296)	1,627
Net increase in accrued salary costs, vacation and insurance	(29,929)	5,268
Net (decrease) increase in unearned revenue	50,125	(18,847)
NET CASH FROM OPERATING ACTIVITIES	$ 2,070,946	$ 1,877,773
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets related liabilities	$ 125,080	$ 118,085
Contributed capital assets	137,450	352,499
Interest expense for leases	7,795	7,698
Interest income from leases	392	250
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 270,717	$ 478,532
INTEREST EXPENSE INCLUDES AMORTIZATION OF NET (PREMIUM)	$ 65,153	$ (61,299)

See notes to financial statements. (Concluded)

($in thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—The Triborough Bridge and Tunnel Authority (the “Authority” or “MTA Bridges and Tunnels”) is a public benefit corporation created pursuant to the Public Authorities Law (the “Act”) of the State of New York (the “State”). MTA Bridges and Tunnels is a component unit of the Metropolitan Transportation Authority (“MTA”). The MTA is a component unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation. MTA Bridges and Tunnels is operationally and legally independent of the MTA. MTA Bridges and Tunnels enjoy certain rights typically associated with separate legal status including the ability to issue debt. However, MTA Bridges and Tunnels is included in the MTA’s consolidated financial statements as a blended component unit because of the MTA’s financial accountability and MTA Bridges and Tunnels is under the direction of the MTA Board (a reference to “MTA Board” means the board of MTA and/or the boards of the MTA Bridges and Tunnels and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include MTA Bridges and Tunnels in its consolidated financial statements.

MTA Bridges and Tunnels operates seven toll bridges, two toll tunnels, and the Battery Parking Garage.

All Authority toll facilities operate E-ZPass in conjunction with a regional electronic toll collection system. MTA Bridges and Tunnels’ annual net earnings before depreciation and amortization and other adjustments (“operating transfer”) are transferred to the New York City Transit Authority (“TA”) and the MTA pursuant to provisions of the Act. In addition, MTA Bridges and Tunnels annually transfers its unrestricted investment income to the MTA. The operating transfer and the investment income transfer can be used to fund operating expenses or capital projects. The TA receives $24,000 plus 50% of MTA Bridges and Tunnels’ remaining annual operating transfer, as adjusted, to reflect certain debt service transactions and the MTA receives the balance of the operating transfer, as adjusted, to reflect certain debt service transactions, plus the annual unrestricted investment income. Transfers are made during the year. The remaining amount due at December 31, 2023 and 2022, of $227,320 and $185,787, respectively, is recorded as a liability in MTA Bridges and Tunnels’ financial statements. MTA Bridges and Tunnels certified to the City of New York (the “City”) and the MTA that its operating transfer and its unrestricted investment income at December 31, 2023 and 2022, were as follows:

	2023	2022
Operating transfer	$ 1,289,101	$ 1,184,711
Investment income (excludes unrealized gain or loss)	12,369	$ 3,718
	$ 1,301,470	$ 1,188,429

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The MTA Bridges and Tunnels applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards Adopted—The MTA Bridges and Tunnels adopted the following GASB Statements for the year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The MTA Bridges and Tunnels evaluated all the requirements and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of subscription assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and decreased by $36K.

The following schedule summarizes the net effect of adopting GASB Statement No. 96 in the Consolidated Statement of Net Position as of December 31, 2022 (in thousands):

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In addition, revenues, expenses and changes in net position for the year ended December 31, 2022 were required to be restated by GASB Statement No. 96 as follows (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Balance as of			
NONCURRENT ASSETS:			
Capital Assets:			
Other capital assets, net of accumulated depreciation	7,256,903	592	7,257,495
Total noncurrent assets	15,671,330	592	15,671,922
Total Assets	18,937,935	592	18,938,527
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	19,401,631	592	19,402,223
CURRENT LIABILITIES:			
Current portion-Subscription-based IT Arrangements	-	140	140
Total current liabilities	1,252,283	140	1,252,423
NONCURRENT LIABILITIES:			
Subscription-based IT arrangements payable	-	488	488
Total noncurrent liabilities	20,686,901	488	20,687,389
Total liabilities	21,939,184	628	21,939,812
NET POSITION:			
Net Investment in capital assets	2,105,405	(36)	2,105,369
Total net position	(2,772,495)	(36)	(2,772,531)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSTION	19,401,631	592	19,402,223

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	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Operating Expenses:			
Professional service contracts	14,781	(45)	14,736
Depreciation and amortization	206,374	71	206,445
Total operating expenses	670,148	26	670,174
OPERATING Income	1,686,603	(26)	1,686,577
NON-OPERATING REVENUES (EXPENSES):			
Interest expense - SBITA	-	(10)	(10)
Total non-operating revenues, net	497,127	(10)	497,117
Income before contributions and transfers	2,183,730	(36)	2,183,694
CHANGE IN NET POSITION	(135,190)	(36)	(135,226)
NET POSITION-Beginning of Year	(2,637,305)	-	(2,637,305)
NET POSITION-End of Year	(2,772,495)	(36)	(2,772,531)

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in the Consolidated Statement of Cash Flows (in thousands) for certain subscription-based information technology arrangements previously classified as professional service contracts for the year ended December 31, 2022:

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Year-ended December 31,2022			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other operating expenses	(244,530)	45	(244,485)
Net Cashed provided by operating activities	1,877,728	45	1,877,773
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments of Leases & SBIT arrangements	(2,043)	(45)	(2,088)
Net cash provided by (used in) capital financing activities	(665,669)	(45)	(665,714)
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income	1,686,603	(36)	1,686,567
Depreciation and amortization	206,374	71	206,445
Net Cash from Operating Activities	1,877,728	45	1,877,773
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital assets related liabilities	117,457	628	118,085
Interest expenses for leases & SBIT arrangements	7,688	10	7,698
Total Noncash Capital and Related Financing Activities	477,894	638	478,532

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, MTA Bridges and Tunnels concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA Bridges and Tunnels.

GASB Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement has no material impact on the financial position, results of operations or cash flows of MTA Bridges and Tunnels.

Accounting Standards Issued But Not Yet Adopted—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA Bridges and Tunnels upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
100	*Accounting Changes and Error Corrections*	2024
101	*Compensated Absences*	2024
102	*Certain Risk Disclosures*	2024

Use of Management's Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include fair value of investments and derivative instruments, allowances for doubtful accounts, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits. Actual results could differ significantly from those estimates.

Operating Revenues—bridges and tunnels—Revenue is recognized through the fully cashless toll collection system, comprising of toll collection activity and the Tolls-By-Mail video billing. Revenues are earned when the vehicles use the TBTA facilities, however, the cash is either on a prepaid or post-paid basis.

MTA Bridges and Tunnels has two toll rebate programs at the Verrazzano-Narrows Bridge: the Staten Island Resident ("SIR") Rebate Program, available for residents of Staten Island participating in the Staten Island Resident E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge Commercial Rebate Program ("VNB Commercial Rebate Program"), available for commercial vehicles making more than ten trips per month using the same New York Customer Service Center ("NYCSC") E-ZPass account. The

Verrazzano-Narrows Bridge Commercial Rebate Program and Staten Island Resident Rebate Program are funded by the State and the MTA. There is no impact to revenue due to this program.

Non-Operating Revenues—Build America Bonds subsidy—MTA Bridges and Tunnels is receiving cash subsidy payments from the U.S. Treasury equal to 35% of the interest payable on the Series of Bonds issued as "Build America Bonds" and authorized by the Recovery Act. The Internal Revenue Code of 1986 imposes requirements that MTA Bridges and Tunnels must meet and continue to meet after the issuance in order to receive the cash subsidy payments. The interest on these bonds is fully subject to Federal income taxation.

Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") had interest income on the Payroll Mobility Tax senior bonds that were received from MTA. The funding for PMT was received by MTA from Payroll Mobility Tax receipts. This income transferred to MTA Bridges and Tunnels from MTA to covered interest payment on the PMT senior bonds.

On April 1, 2019 the MTA Reform and Traffic Mobility Act ("the Act") was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-j, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling (CBDTP) capital lockbox fund which is kept separate and apart from any other TBTA monies. The fund shall consist of all monies received by MTA Bridges and Tunnels under the Central Business District Tolling Program (CBDTP), as well as revenues of the real estate transfer tax ("Mansion Tax") and Portions of New York City and State sales taxed revenue.

Monies in the fund are to be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the MTA Bridges and Tunnels, or to New York City subject to the memorandum of understanding between the City and MTA Bridges and Tunnels properly allocable to the CBDTP, including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling collection system and the Central Business District tolling customer service center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19. For the years ended December 31, 2023 and 2022 MTA Bridges and Tunnels had internet and mansion tax revenue earned of $674 million and $841 million respectively.

During 2022, Triborough Bridge and Tunnel Authority issued bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These Bonds are issued by MTA Bridges and Tunnels under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The Bonds are MTA Bridges and Tunnels' special, not general, obligations, payable solely from monies in the Obligations Trust Estate pledged by the TBTA Sales Tax Resolution derived primarily from the sales tax receipts that flow into the Central Business District Tolling Capital Lockbox Fund.

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Operating and Non-Operating Expenses—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA Bridges and Tunnels (e.g., salaries, insurance, depreciation, lease and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, etc.) are reported as non-operating expenses.

Investments—MTA Bridges and Tunnels adopted GASB Statement No. 72, Fair Value Measurement and Application, which addresses accounting and financial reporting issues related to fair value measurements. Under the Statement, investment assets and liabilities are to be measured at fair value, which is described as the "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants." Fair Value assumes that the transaction will occur in the MTA's Bridges and Tunnels principal (or most advantageous) market. GASB Statement No. 72 requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The MTA Bridges and Tunnels investment policies comply with the New York State Comptroller's guidelines for such operating and capital policies. Those policies permit investments in, among others, obligations of the U.S. Treasury, its agencies, and instrumentalities, and repurchase agreements secured by such obligations.

Investments are recorded on the MTA Bridges and Tunnels statement of net position at fair value, except for repurchase agreements, which are recorded at amortized cost. All investment income, including changes in the fair value of investments, is reported as revenue on the MTA Bridges and Tunnels statement of revenues, expenses, and changes in net position. Fair values have been determined using quoted market values at December 31, 2023 and December 31, 2022.

Investment derivative instrument contracts are reported at fair value using the income approach.

MTA Investment Pool—The MTA, on behalf of the MTA Bridges and Tunnels, invests funds which are not immediately required for the MTA Bridges and Tunnels' operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The Company has no financial instruments with significant individual or group concentration of credit risk.

Capital Assets—Properties and equipment are carried at cost and are depreciated on a straight-line basis over estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 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, 25 to 100 years for infrastructure, 10 years for open road tolling systems and equipment, and 25 years for open road tolling infrastructure. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Leases— Per GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

Subscription-Based Information Technology Arrangements—As a result of the adoption of GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or MTA's incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

Compensated Absences—MTA Bridges and Tunnels has accrued the full value (including fringe benefits) of all vacation and sick leave benefits earned by employees to date if the leave is attributable to past service and it is probable that MTA Bridges and Tunnels will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

- **Net Position**—MTA Bridges and Tunnels follows the "business type" activity requirements of GASB 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments which requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- **Net investment in Capital Assets**—Capital assets, inclusive of right-of-use assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted

Nonexpendable—Net position subject to externally imposed stipulations such that the Authority maintains them permanently. For the years ended December 31, 2023 and 2022, the Authority did not have nonexpendable net position.

Expendable—Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire with the passage of time. For the years ended December 31, 2023 and 2022, the Authority had expendable restricted net position related to (1) Debt Service of $257,450 and $214,333, (2) the Necessary Reconstruction Reserve of $773,128 and $724,183 and (3) Payroll Mobility Tax $159,963 and $1,167,356, (4) Sale Tax Revenue Bond $54,501 and $304,118, respectively.

- **Unrestricted**—Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors.

Subsidies—Subsidies provided by MTA Bridges and Tunnels represent its operating transfer and investment income computed on an accrual basis, these transfers are made to NYTCA and MTA. In addition, for the years ended December 31, 2023, and 2022 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of $593,988 and $1,041,465, respectively.

Pension Plans—The Authority follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, for its pension plans.

The MTA Bridges and Tunnels recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the MTA Bridges and Tunnels' proportionate share thereof in the case of a cost-sharing multiple-employer plan. The net pension liability is calculated using the qualified pension plan's measurement date. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the year incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

Postemployment Benefits Other Than Pensions—MTA Bridges and Tunnels follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

The MTA Bridges and Tunnels recognizes a proportionate share of the net OPEB liability for the MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan. The change in portion is based on actual contributions from the participating employers.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

3. CASH

The bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited.

Cash at December 31, 2023 and 2022 consists of the following (in thousands):

	2023		2022	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	$ 250	$ 250	$ 250	$ 250
Collateralized deposits	9,068	8,882	$ 8,788	$ 8,608
	$ 9,318	$ 9,132	$ 9,038	$ 8,858

All collateralized deposits are held by the Authority or its agent in the Authority's name.

The MTA, on behalf of itself, its affiliates, and subsidiaries invests funds which are not immediately required for the MTA's operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the MTA will not be able to recover the value of its deposits. While the MTA does not have a formal deposit policy for custodial credit risk, New York State statues govern the MTA's investment policies. The MTA's uninsured and uncollateralized deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

4. INVESTMENTS

MTA Bridges and Tunnels' investment policies comply with the New York State Comptroller's guidelines for investment policies. MTA's All-Agency Investment Guidelines restrict MTA Bridges and Tunnels' investments to obligations of the U.S. Treasury, its agencies and instrumentalities and repurchase agreements backed by U.S. Treasury securities. All investments were managed by the MTA, as MTA Bridges and Tunnels' agent, in custody accounts kept in the name of MTA Bridges and Tunnels for restricted investments and in the name of the MTA Bridges and Tunnels for unrestricted investments. MTA's All-Agency Investment Guidelines state that securities underlying repurchase agreements must have a market value at least equal to the cost of the investment.

MTA Bridges and Tunnels holds its investments at a custodian bank. The custodian must meet certain banking institution criteria enumerated in MTA's Bridges and Tunnels Investment Guidelines. The Investment Guidelines also require the Treasury Division to hold at least $100 of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that MTA Bridges and Tunnels main custodian cannot execute transactions due to an emergency outside of the custodian's control, MTA Bridges and Tunnels has an immediate alternate source of liquidity.

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MTA Bridges and Tunnels categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

MTA Bridges and Tunnels had the following recurring fair value measurements as of December 31, 2023 and 2022 (in thousands):

	December 31, 2023	Fair Value Measurements Level 1	Fair Value Measurements Level 2	December 31, 2022	Fair Value Measurements Level 1	Fair Value Measurements Level 2
Investments by fair value level:						
Debt securities:						
U.S. treasury securities	$1,249,292	$1,016,867	$232,425	$2,209,627	$1,407,834	$801,793
Repurchase agreements	28,501	28,501	-	16,559	16,559	-
Total debt securities	1,277,793	1,045,368	232,425	2,226,186	1,424,393	801,793
Total investments by fair value level	1,277,793	$1,045,368	$232,425	2,226,186	$1,424,393	$801,793
Total investments	$1,277,793			$2,226,186		

Investments classified as Level 1 and Level 2 of the fair value hierarchy, totaling $1,277,793 and $2,226,186 as of December 31, 2023 and 2022, respectively, are valued using quoted prices in active markets. Fair values include accrued interest to the extent that interest is included in the carrying amounts. Accrued interest on investments other than Treasury bills and coupons is included in other receivables on the statements of net position.

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Investments available to pay operating and maintenance expenses, debt service and operating surplus transfers, at December 31, 2023 and 2022, are as follows (in thousands):

Investments	**2023**	**2022**
CURRENT:		
Restricted:		
Bond Proceeds Fund	$ 481,707	$ 1,736,341
Primarily Necessary Reconstruction Fund	38,672	30,824
Debt Service Fund	253,910	229,477
Cost of Issuance Fund	3,694	5,375
Total current—restricted	777,983	2,002,017
Total current—unrestricted	341,718	224,169
TOTAL—CURRENT	$ 1,119,701	$ 2,226,186
LONG TERM:		
Unrestricted:		
Senior PMT Bond	$ 158,092	$ -
Total Long - unrestricted	158,092	-
TOTAL LONG TERM	$ 158,092	$ -

The unexpended bond proceeds of the General Purpose Revenue Bonds 1980 Resolution, not including proceeds held for the Transportation Project, were restricted for payment of capital improvements of MTA Bridges and Tunnels' present facilities. The Debt Service Funds are restricted for the payment of debt service as provided by the bond resolutions.

The fair value of the above investments consists of $341,718 and $224,169 in 2023 and 2022 in unrestricted investments respectively, and $777,982 and $2,002,017 in 2023 and 2022 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 2.925% to 5.079% for the year ended December 31, 2023 and 0.089% to 2.941% for the year ended December 31, 2022. The net unrealized gain on investments was $8,973 and $9,547 for the years ended December 31, 2023 and 2022, respectively.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of bond price's sensitivity to a 100-basis point change in interest rates (in thousands).

	December 31, 2023		December 31, 2022	
	Fair Value	Duration (in Years)	Fair Value	Duration (in Years)
U.S. Treasuries	$ 1,249,292	0.01	$ 2,209,627	0.01
Repurchase agreements	28,501	*	16,559	*
Total fair value	1,277,793		2,226,186	
Modified duration	-	0.01	-	0.01
Total investments	$ 1,277,793		$ 2,226,186	

* Duration is less than a month

Credit Risk—At December 31, 2023 and 2022, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in thousands):

Quality Rating from Standard & Poor's	December 31, 2023	Percent of Portfolio	December 31, 2022	Percent of Portfolio
Not Rated	$ 28,501	2 %	$ 16,559	1 %
U.S. Government	1,249,292	98	$ 2,209,627	99
Total	1,277,793	100 %	$ 2,226,186	100 %
Total investment	$ 1,277,793		$ 2,226,186	

5. MTA INVESTMENT POOL

The MTA, on behalf of MTA Bridges and Tunnels, invests funds which are not immediately required for MTA Bridges and Tunnels' operations in securities permitted by the MTA's All-Agency Investment Guidelines in accordance with the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The MTA has no financial instruments with significant individual or group concentration of credit risk. MTA Bridges and Tunnels categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA Bridges and Tunnels' investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs). The amounts related to investment pool funds for the year ended December 31, 2023 were $393,729 for short-term unrestricted and $467,395 for short-term restricted. The amounts related to investment pool funds for the year ended December 31, 2022 were $377,205 for short-term unrestricted and $407,973 for short-term restricted.

6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA Bridges and Tunnels' having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available.

GASB Statement No. 87, *Leases* are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

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The following is a summary of capital assets activity at January 1, 2022, December 31, 2022 and December 31, 2023:

	Balance January 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2022	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2023
Capital assets not being depreciated:							
Land	$ 52,940	$ -	$ -	$ 52,940	$ -	$ -	$ 52,940
Construction in progress	859,793	368,349	743,699	484,443	369,800	338,779	515,464
Total capital assets not being depreciated	912,733	368,349	743,699	537,383	369,800	338,779	568,404
Capital assets being depreciated:							
Leasehold improvement—2 Broadway	45,020	-	-	45,020	-	-	45,020
Primary structures	4,167,690	252,910	-	4,420,600	227,620	-	4,648,220
Toll equipment	574	-	-	574	1,065	-	1,639
Buildings	692,764	11,158	-	703,922	26,688	-	730,610
Roadway	2,375,955	433,312	-	2,809,267	90,545	6,798	2,893,014
Property—road and equipment	842,618	39,246	-	881,864	6,721	-	888,585
ORT systems and equipment	465,427	1,807	-	467,234	831	-	468,065
Other	269,322	6,245	-	275,567	12,837	13,171	275,233
Total capital assets being depreciated	8,859,370	744,678	-	9,604,048	366,307	19,969	9,950,386
Less accumulated depreciation:							
Leasehold improvement—2 Broadway	30,248	319	-	30,567	(763)	-	29,804
Primary structures	740,009	43,173	-	783,182	47,254	-	830,436
Toll equipment	45	14	-	59	46	-	105
Buildings	255,927	17,458	-	273,385	17,929	-	291,314
Roadway	760,394	88,948	-	849,342	97,327	551	946,118
Property—road and equipment	73,831	21,737	-	95,568	22,365	-	117,933
ORT systems and equipment	90,228	23,208	-	113,436	23,272	-	136,708
Other	234,035	9,859	-	243,894	9,864	13,073	240,685
Total accumulated depreciation	2,184,717	204,716	-	2,389,433	217,294	13,624	2,593,103
Total capital assets being depreciated—net of accumulated depreciation	6,674,653	539,962	-	7,214,615	149,013	6,345	7,357,283
Capital assets—net	7,587,386	908,311	743,699	7,751,998	518,813	345,124	7,925,687
Right of use assets being amortized							
Leased buildings and structures	45,604	-	-	45,604	-	-	45,604
Subscription Base-IT Arrangements	237	426	-	663	-	-	663
Total right of use assets being amortized	45,841	426	-	46,267	-	-	46,267
Less accumulated depreciation—right of use assets							
Leased buildings and structures	1,658	1,658	-	3,316	1,658	-	4,974
Subscription Base-IT Arrangements	-	71	-	71	142	-	213
Total accumulated depreciation	1,658	1,729	-	3,387	1,800	-	5,187
Right of use assets being amortized—net	44,183	(1,303)	-	42,880	(1,800)	-	41,080
Total capital assets, including right of use asset—net	$ 7,631,569	$ 907,008	$ 743,699	$ 7,794,878	$ 517,013	$ 345,124	$ 7,966,767

In 2023 and 2022, capital asset additions included $21,899 and $16,147, respectively, of costs incurred by engineers working on capital projects.

7. EMPLOYEE BENEFITS

Plan Description

NYCERS—The New York City Employees Retirement System (NYCERS) Plan is a cost-sharing, multiple-employer retirement system for employees of The City of New York ("The City") and certain other governmental units whose employees are not otherwise members of The City's four other pension systems. NYCERS administers the New York City Employees Retirement System qualified pension plan. This plan covers employees of MTA New York City Transit and MTA Bridges and Tunnels.

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the Laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law ("RSSL"), and the Administrative Code of the City of New York ("ACNY"), which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees. NYCERS is a fiduciary component unit of The City and is in the Pension and Other Employee Benefit Trust Funds section of The City's Annual Comprehensive Financial Report ("ACFR").

NYCERS issues a publicly available comprehensive annual financial. This report may be obtained by writing to the New York City Employees' Retirement System at 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724 or at www. nycers.org.

All employees of the Related Group holding permanent civil service positions in the competitive or labor class are required to become members of NYCERS six months after their date of appointment, but may voluntarily elect to join NYCERS prior to their mandated membership date. All other eligible employees have the option of joining NYCERS upon appointment or anytime thereafter. NYCERS members are assigned to a "tier" depending on the date of their membership.

Tier 1 All members who joined prior to July 1, 1973.

Tier 2 All members who joined on or after July 1, 1973 and before July 27, 1976.

Tier 3 Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012.

Tier 4 All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.

Tier 6 Members who joined on or after April 1, 2012.

Benefits Provided—NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (nonjob- related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers.

The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of final salary. The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of final salary.

Tier 2 participants have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit.

Tier 3 participants were later mandated into Tier 4, but could retain their Tier 3 rights. The benefits for Tier 3 participants are reduced by one half of the primary Social Security benefit attributable to service, and provides for an automatic annual cost-of- living escalator in pension benefits of not more than 3.0%.

Tier 4 participants upon satisfying applicable eligibility requirements may be mandated or elected, as applicable, into the Basic 62/5 Retirement Plan, the 57/5 Plan, the 55/25 Plan, the Transit 55/25 Plan, the

MTA Triborough Bridge and Tunnel Authority 50/20 Plan, and the Automotive Member 25/50 Plan. These plans provide annual benefits of 40% to 50% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.5% to 2%) of final salary.

Chapter 18 of the Laws of 2012 created Tier 6. These changes increase the retirement age to 63, require member contributions for all years of service, institute progressive member contributions, and lengthen the final average salary period from 3 to 5 years.

Chapter 56 of the Laws of 2024 amended the RSSL and the Administrative Code of New York to reduce the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for certain Tier 3 and Tier 6 members of NYCERS who joined on or after April 1, 2012.

NYCERS also provides automatic Cost-of-Living Adjustments ("COLA") for certain retirees and beneficiaries, death benefits; and certain retirees also receive supplemental benefits. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 years of service.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the Plan on or after the effective date of such amendments, creating membership tiers.

Contributions and Funding Policy—NYCERS funding policy is to contribute statutorily-required contributions ("Statutory Contributions"), determined by the Chief Actuary for the New York City Retirement Systems, in accordance with State statutes and City laws, and are generally funded by employers within the appropriate Fiscal Year. The Statutory Contributions are determined under the One-Year Lag Methodology ("OYLM"). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for NYCERS' assets to be sufficient to pay benefits when due.

Member contributions are established by law. NYCERS has both contributory and noncontributory requirements, with retirement age varying from 55 to 70 depending upon when an employee last entered qualifying service.

In general, Tier 1 and Tier 2 member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier 3 and Tier 4 members make basic contributions of 3.0% of salary, regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain MTA New York City Transit Authority employees enrolled in the Transit 20-Year Plan, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Effective December 2000, certain MTA New York City Transit Authority Tier 3 and Tier 4 members make basic member contributions of 2.0% of salary, in accordance with Chapter 10 of the Laws of 2000. Certain Tier 2, Tier 3 and Tier 4 members who are participants in special retirement plans are required to make additional member contributions of 1.85%, in addition to their base membership contribution. Tier 6 members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from City service or until they retire.

NYCERS established a "special program" for employees hired on or after July 26, 1976. A plan for employees, who have worked 20 years, and reached age 50, is provided to Bridge and Tunnel Officers, Sergeants and Lieutenants and Maintainers. Also, an age 57 retirement plan is available for all other such MTA Bridges and Tunnels employees. Both these plans required increased employee contributions. Chapter 56 of the Laws of 2022 enacted in April 2022 excludes certain forms of overtime and extracurricular compensation from the salary used to determine Tier 6 Basic Member Contribution rates during the specified period from 2022 to 2024.

Certain retirees also receive supplemental benefits from MTA Bridges and Tunnels. Certain participants are permitted to borrow up to 75% of their own contributions including accumulated interest. These loans are accounted for as reductions in such participants' contribution accounts. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

MTA Bridges and Tunnels is required to contribute at an actuarially determined rate. The contribution requirements of plans members, MTA New York City Transit and MTA Bridges and Tunnels are established and amended by law.

MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2023 and 2022 were $28,691 and $31,973, respectively.

Net Pension Liability—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2023 and December 31, 2022 was measured as of June 30, 2023 and June 30, 2022, respectively. The total pension liability at December 31, 2023 and December 31, 2022 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2022 and June 30, 2021, respectively, and updated to roll forward the total pension liability to the measurement dates, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

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Actuarial Assumptions—The total pension liability in each pension plan's actuarial valuation dates were determined using the following actuarial assumptions for the pension plan:

	NYCERS	
Valuation Date:	**June 30, 2022**	**June 30, 2021**
Investment Rate of Return	7.00% per annum, net of investment expenses	7.00% per annum, net of investment expenses
Salary Increases	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.
Inflation	2.50%	2.50%
Cost-of Living Adjustments	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees
Mortality	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.
Pre-retirement	N/A	N/A
Post-retirement—Healthy Lives	N/A	N/A
Post-retirement—Disabled Lives	N/A	N/A

Expected Rate of Return on Investments—The long-term expected rate of return on investments of 7.0% for the NYCERS plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target asset allocations of the fund and the expected real rate of return (RROR) for the asset class in NYCERS was as of the measurement dates of June 30, 2023 and 2022 and is summarized as follows:

	NYCERS 2023	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
Public markets:		
U.S. public market equities	27.0 %	6.9 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.1
Fixed income	30.5	2.7
Private markets (alternative investments):		
Private equity	8.0	11.1
Private real estate	7.5	7.1
Infrastructure—	4.0	6.4
Opportunistic fixed income	6.0	8.6
	100 %	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

	NYCERS 2022	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
Public markets:		
U.S. public market equities	27.0 %	7.0 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.0
Fixed income	30.5	2.5
Private markets (alternative investments):		
Private equity	8.0	11.3
Private real estate	7.5	6.7
Infrastructure—	4.0	6.0
Opportunistic fixed income	6.0	7.4
	100.0 %	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

Discount Rate—The discount rate used to measure the total pension liability was 7 % for the NYCERS plan as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for the pension plan and that employer contributions will be made at the rates determined by the pension plan’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current and non-active members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MTA Bridges and Tunnels Proportion of Net Pension Liability—NYCERS—The following table presents the MTA Bridges and Tunnels proportionate share of the net pension liability of NYCERS at the measurement date of June 30, 2023 and 2022, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

	2023	2022
	($ in millions)	
Bridges and Tunnels proportion of the net pension liability	0.806 %	0.924 %
Bridges and Tunnels proportionate share of the net pension liability	$ 143.88	$ 167.40

MTA Bridges and Tunnels proportion of the net pension liability was based on the actual contributions made to NYCERS for the years ended June 30, 2023 and 2022, relative to the contributions of all employers in the plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate—The following table presents MTA Bridges and Tunnels proportionate share of the net pension liability calculated using the discount rate of 7.0% for NYCERS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate used as of each measurement date:

	1% Decrease (6.00%)	Discount Rate (7.00%) (in Millions)	1% Increase (8.00%)	1% Decrease (6.00%)	Discount Rate (7.00%) (in Millions)	1% Increase (8.00%)
s and Tunnels proportionate e of the net pension liability	$ 233.13	$ 144.88	$ 68.53	$ 266.40	$ 167.40	$ 83.79

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2023 and 2022, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

Pension Plans	2023	2022
NYCERS	$ 10,982	$ 9,762

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For the years ended December 31, 2023 and 2022, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in millions)	
Differences between expected and actual experience	$ 16,187	$ 641
Changes in assumptions		2,925
Net difference between projected and	-	-
actual earnings on pension plan investments	17,936	-
Proportionate share of contributions	9,251	49,517
Employer contribution to plan subsequent to the	-	-
measurement date of net pension liability	30,150	-
Total	$ 73,524	$ 53,083

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in millions)	
Differences between expected and actual experience	$ 14,520	$ 3,680
Changes in assumptions	28	5,355
Net difference between projected and		
actual earnings on pension plan investments	30,596	-
Proportionate share of contributions	6,245	45,421
Employer contribution to plan subsequent to the		
measurement date of net pension liability	28,517	-
Total	$ 79,906	$ 54,456

The annual differences between the projected and actual earnings on investments are amortized over a five-year-closed period beginning the year in which the difference occurs.

The following table presents the recognition periods used by each pension plans to amortize the annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions, beginning the year in which the deferred amount occurs.

	Recognition Period (in Years)		
Pension Plan	Difference between Expected and Actual Experience	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contribution	Changes in Actuarial Assumptions
NYCERS	5.55	5.55	5.55

For the years ended December 31, 2023 and 2022, $30,150 and $28,517, respectively, were reported as deferred outflows of resources related to pensions resulting from MTA Bridges and Tunnels contributions subsequent to the measurement date. The amount of $30,150 will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023, will be recognized as pension expense as follows (in millions):

Years Ending December 31	Increase/(Decrease) in Pension Expense
2024	$ (4,268)
2025	(11,174)
2026	9,066
2027	(2,641)
2028	(692)
Thereafter	
Total	$ (9,709)

Deferred Compensation Plans—As permitted by Internal Revenue Code Section 457, MTA Bridges and Tunnels has established a trust or custodial account to hold plan assets for the exclusive use of the participants and their beneficiaries.

Certain MTA Bridges and Tunnels employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. MTA Bridges and Tunnels did not contribute to the plan in 2023 and 2022.

8. OTHER POSTEMPLOYMENT BENEFITS

MTA Bridges and Tunnels participates in a defined benefit other postemployment benefits (“OPEB”) plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (“OPEB Plan”). A description of the Plan follows:

(1) Plan Description

The MTA Retiree Welfare Benefits Plan (“OPEB Plan”) and the related Trust Fund (“Trust”) was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA Bridges and Tunnels various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

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The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of MTA Bridges and Tunnels are members of the NYCERS pension plan.

MTA Bridges and Tunnels participates in the New York State Health Insurance Program (“NYSHIP”) and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization (“PPO”) plan and several Health Maintenance Organization (“HMO”) plans.

MTA Bridges and Tunnels is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility—To qualify for benefits under the OPEB Plan, a former employee of MTA Bridges and Tunnels must:

(a) have retired;

(b) be receiving a pension (except in the case of the 401(k) Plan);

(c) have at least 10 years of credited service as a member of NYCERS, and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—MTA Bridges and Tunnels is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2023 and 2022, MTA Bridges and Tunnels paid $37,617 and $32,898, respectively, of PAYGO to the OPEB Plan.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. A depletion date of Trust assets is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2022 and 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and 2021, the employer made a cash payment for retiree healthcare of $1,763 and $1,290, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

Blended and Age-Adjusted Premium	**2022 Retirees**	**2021 Retirees**
	(In thousands)	
Total blended premiums	$ 31,135	$ 27,565
Employment payment for retiree healthcare	1,763	$ 1,290
Net payments	$ 32,898	$ 28,855

(2) Net OPEB Liability

At December 31, 2023 and 2022, MTA Bridges and Tunnels reported a net OPEB liability of $872,112 and $908,111, respectively, for its proportionate share of the Plan's net OPEB liability. The net OPEB liabilities were measured as of the OPEB Plan's fiscal year-end of December 31, 2022 and 2021, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021 and July 1, 2021 respectively, and rolled forward to December 31, 2022 and 2021, respectively. The MTA Bridges and Tunnels proportion of the net OPEB liability was based on a projection of the MTA Bridges and Tunnels long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2023 and 2022, the MTA Bridges and Tunnels proportion was 3.89% and 3.64%, respectively.

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB Plan. The OPEB Plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported are fair value based on quoted market prices or net asset value.

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(3) Actuarial Assumptions

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. MTA Bridges and Tunnels may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2021 and July 1, 2021 respectively and update procedures were used to roll forward the total OPEB liability to December 31, 2022 and 2021, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	2023	**2022**
Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%—net of expenses	2.06%—net of expenses
Inflation	2.33%	2.25%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Investment rate of return	3.72%	2.06%

Salary Increases

Salary Scale—salaries are assumed to increase by years of service. Rates are shown below:

Years of Employment	2023 Rate of Increase	2022 Rate of Increase
0	11.00 %	11.00 %
1	10.00	10.00
2	9.00	9.00
3	8.00	8.00
4	7.00	7.00
5	6.00	6.00
6	5.00	5.00
7	4.00	4.00
8	3.80	3.80
9	3.60	3.60
10+	3.50	3.50

Healthcare Cost Trend—The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2021 utilizing the baseline assumptions included in the model, except inflation of 2.33% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). No self-insured post-65 trend is assumed during 2022 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2023.

The valuation reflects the actuaries understanding of the impact in future health costs due to the Affordable Care Act ("ACA") passed into law in March 2010. An excise tax for high-cost health coverage or "Cadillac" health plans was included in ACA. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. In December 2019, the President signed into law the "Further Consolidated Appropriations Act, 2020" (the "Act"), which included the permanent repeal of the "Cadillac" tax, effective January 1, 2020. The impact of the elimination of the "Cadillac" tax on the Triborough Bridge and Tunnel Authority's OPEB liability is approximately $12.6 million and was reflected in the valuation dated July 1, 2019 and in the reporting year-ended December 31, 2020.

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Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP trend assumptions for MTA Bridges and Tunnels (all amounts are in percentages).

	NYSHIP 2023		MTA Bridges and Tunnels 2023	
Fiscal Year	**<65**	**>=65**	**<65**	**>=65**
2023	6.70 %	5.90 %	7.10 %	4.90 %
2024	7.00	6.70	7.20	6.10
2025	6.40	6.40	6.40	6.40
2026	5.80	5.80	5.80	5.80
2027	5.10	5.10	5.10	5.10
2028	4.90	4.90	4.90	4.90
2029	4.70	4.70	4.70	4.70
2039	4.10	4.10	4.10	4.10
2049	4.10	4.10	4.10	4.10
2059	4.20	4.20	4.20	4.20
2069	3.90	3.90	3.90	3.90
2079	3.70	3.70	3.70	3.70
2089	3.70	3.70	3.70	3.70
2099	3.70	3.70	3.70	3.70
2109	3.70	3.70	3.70	3.70
2119	3.70	3.70	3.70	3.70

	NYSHIP 2022		MTA Bridges and Tunnels 2022	
Fiscal Year	**<65**	**>=65**	**<65**	**>=65**
2022	5.30 %	4.60 %	5.20 %	3.60 %
2023	5.10	4.60	5.00	3.90
2024	4.80	4.60	4.80	4.30
2025	4.60	4.60	4.60	4.60
2026	4.50	4.50	4.50	4.50
2027	4.40	4.40	4.40	4.40
2028	4.30	4.30	4.30	4.30
2029	4.20	4.20	4.20	4.20
2039	3.90	3.90	3.90	3.90
2049	3.90	3.90	3.90	3.90
2059	3.80	3.80	3.80	3.80
2069	3.80	3.80	3.80	3.80
2079	3.50	3.50	3.50	3.50
2089	3.30	3.30	3.30	3.30
2099	3.30	3.30	3.30	3.30
2109	3.30	3.30	3.30	3.30

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rate, which is 3.7% for medical and pharmacy costs.

Mortality—Preretirement and postretirement health annuitant rates are projected on a generational basis using Scale AA. As a generational table, it reflects mortality improvements both before and after the measurement date. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2011 to December 31, 2015 for the MTA-sponsored pension plans.

Preretirement—RP-2000 Employee Mortality Table for Males and Females with blue-collar adjustments.

Postretirement Healthy Lives—95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.

Postretirement Disabled Lives—RP-2014 Disabled Annuitant mortality table for males and females.

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return was determined using by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumption as of December 31, 2022 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Short(1-3Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr Tr USD	100 %	1.31 %
Assumed Inflation - Mean			2.33 %
Assumed Inflation - Standard Deviation			1.41 %
Portfolio Nominal Mean return			3.64 %
Portfolio Standard Deviation			2.05 %
Long term expected rate of return selected by MTA			**3.72 %**

Discount Rate—The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 and 2021, of 3.72% and 2.06%, respectively.

Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement (in thousands):

2023	**1% Decrease 2.72%**	**Discount Rate 3.72%**	**1% Increase 4.72%**
Proportionate share of the net OPEB liability	$ 992.33	$ 872.11	$ 772.80

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2022	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Proportionate share of the net OPEB liability	$ 1,050.06	$ 908.11	$ 792.89

Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement (in thousands):

2023	1% Decrease	Cost Current Trend Rate*	1% Increase
Proportionate share of the net OPEB liability	$ 819.48	$ 872.11	$ 1,028.65

2022	1% Decrease	Cost Current Trend Rate*	1% Increase
Proportionate share of the net OPEB liability	$ 771.37	$ 908.11	$ 1,083.24

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2023 and 2022, MTA Bridges and Tunnels recognized OPEB expense of $52,482 and $57,880, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

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MTA Bridges and Tunnels reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows (in thousands):

	December 31, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,829	$ (1,319)
Changes in assumptions	60,300	(160,306)
Net difference between projected and actual earnings on OPEB plan investments	736	-
Changes in proportion and differences between contributions and proportionate share of contributions	80,746	(93,680)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	37,617	-
Total	$ 193,228	$ (255,305)

	December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,072	$ (1,527)
Changes in assumptions	71,038	(53,443)
Net difference between projected and actual earnings on OPEB plan investments	1,714	-
Changes in proportion and differences between contributions and proportionate share of contributions	35,078	(112,043)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	32,898	-
Total	$ 155,800	$ (167,013)

At December 31, 2023 and 2022, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of $193,227 and $155,800, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment of $37,617 that will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023, will be recognized in OPEB expense as follows (in thousands):

Years Ending December 31	
2024	$ 16,716
2025	19,315
2026	16,913
2027	13,543
2028	10,375
Thereafter	22,832
	$ 99,694

9. LONG-TERM DEBT

MTA Bridges and Tunnels issues long-term bonds to fund its own capital projects, as well as the Transportation Projects for NYCTA and Commuter rails, through the following four credits:

- General Revenue Bonds,
- Payroll Mobility Tax Bonds,
- Sales Tax Bonds and
- Subordinate Revenue Bonds.

The MTA and MTA Bridges and Tunnels entered into a Payroll Mobility Tax Financing Agreement (the “Financing Agreement”), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes (“Mobility Tax Receipts”) and certain fees, surcharges and taxes (“Aid Trust Account Receipts,” and together with the Mobility Tax Receipts, “PMT Receipts”) in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

During 2022, the Authority issued bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These bonds were issued by the Authority under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The bonds are MTA Bridges and Tunnels' special, not general, obligations, payable solely from monies in the Obligations Trust Estate pledged by the TBTA Sales Tax Resolution derived primarily from the sales tax receipts that flow into the Central Business District Tolling Capital Lockbox Fund.

The following represents MTA Bridges and Tunnels' issuance of long-term debt in 2023:

- On January 12, 2023, MTA Bridges and Tunnels issued $764,950 Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2023A (Climate Bond Certified) (the Series 2023A Bonds) are being issued to (i) refund certain of the Metropolitan Transportation Authority's (MTA) outstanding Transportation Revenue Bonds and Dedicated Tax Fund Bonds, as more fully described herein (collectively, the Refunded Bonds), and (ii) pay certain financing, legal and miscellaneous expenses.

- On February 14, 2023, MTA Bridges and Tunnels issued $828,225 Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds, Series 2023A ("the Series 2023A Bonds"). Proceeds from the transaction will be used (i) to refund certain outstanding bonds of MTA Bridges and Tunnels and (ii) pay certain financing, legal, and miscellaneous expenses.

- On March 14, 2023, MTA Bridges and Tunnels issued $1,253,750 Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2023A ("the Series 2023A Bonds"). Proceeds from the transaction will be used (i) to finance approved transit and commuter project included in the 2020-2024 Capital Program and (ii) finance a portion of the capital costs of the Central Business District Tolling and (iii) pay certain financing, legal and miscellaneous expenses.

- On March 16, 2023, MTA purchased $1,032,146 for three portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through November 15, 2026. The funds were deposited in three escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose.

- On June 22, 2023, MTA Bridges and Tunnels remarked 2001C of $75,560 The irrevocable direct-pay letter of credit issued by State Stree Bank and Trust Co, was replaced with an irrevocable direct-pay letter of credit issued by Barclays Bank PLC.

- On June 22, 2023, On July 6, 2023, MTA Bridges and Tunnels issued $600,000 PMT Bond 2023B, Series 2023B to refund certain outstanding transportation revenue and finance transit and commuter projects. On July 6, 2023, MTA Bridges and Tunnels issued $600,000 PMT Bond 2023B, Series 2023B to refund certain outstanding transportation revenue bonds and finance transit and commuter projects.

- On August 17, 2023 MTA Bridges and Tunnels issued $370,030 of General Revenue Bonds, Series 2023B. The proceeds will be used to finance bridge and tunnel projects in the capital program and pay financing, legal and miscellaneous expenses.

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- On October 19, 2023, MTA Bridges and Tunnels issued $1,130,200, Payroll Mobility Tax Senior Lien Bond 2023C, Series 2023C are being issued to refund certain of MTA outstanding Transportation Revenue Bonds and Dedicated Tax Fund Bonds and pay financing, legal and miscellaneous expenses.

- On December 13, 2023, MTA Bridges and Tunnels remarked 2005B-4a of $102,500 changed from a Term Rate Mode to a Daily Mode and a irrevocable direct-pay letter of credit was issued by TB Bank, N.A

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2023 and 2022, is comprised of the following (in thousands):

		2023		2022
Senior Revenue Bonds (Notes 10)	$	9,022,218	$	8,783,214
PMT Bonds (Note 10)		9,743,957		9,036,372
Subordinate Revenue Bonds (Note 11)		191,309		605,040
CBD BAN (Note 12)		208,613		217,157
Sales Tax Revenue Bond (Note 13)		1,997,872		758,796
Total long-term debt—net of premiums and discounts	$	21,163,969	$	19,400,579

MTA Bridges and Tunnels has entered into several Letter of Credit Agreements and Standby Bond Purchase Agreements (together, "Credit and Liquidity Agreements") as listed on the table below.

TBTA General Revenue	2001C	Barclays Bank	June 26, 2028
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 17, 2025
TBTA General Revenue	2005A	Barclays Bank	January 24, 2024
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	Bank of America, N.A.	June 22, 2027
TBTA General Revenue	2005B-4c	U.S. Bank National Assoc.	May 23, 2025
TBTA General Revenue	TBTA 2018E Taxable	Bank of America, N.A.	December 5, 2025

According to the terms of the Credit and Liquidity Agreements, if the remarketing agent fails to remarket any of the bonds listed above that are tendered by the holders, the bank is required (subject to certain conditions) to purchase such unremarketed portion of the bonds. Bonds owned by the bank and not remarketed after a specified amount of time (generally 90 days) are payable to the bank as a term loan over five years in ten equal semiannual principal payments including interest thereon. As of December 31, 2023, there were no term loans outstanding.

Bond Refundings—From time to time, MTA Bridges and Tunnels issue refunding bonds to achieve debt service savings or other benefits. The proceeds of refunding bonds are generally used to purchase U.S. Treasury obligations that are placed in irrevocable trusts. The principal and interest within the trusts will be used to repay the refunded debt. The trust account assets and the refunded debt are excluded from the statement of net position.

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At December 31, 2023 and 2022, the following amounts of MTA Bridges and Tunnels bonds, which have been refunded, remain valid debt instruments and are secured solely by and payable solely from their respective irrevocable trusts.

	2023	2022
	(In thousands)	
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	$ 121,720	$ 160,365
Special Obligation Subordinate Bonds	26,985	$ 43,640
Total	$ 148,705	$ 204,005

MTA Bridges and Tunnels had no refunding transactions that resulted in any gains/losses against aggregate debt service payments in 2023 and 2022.

Unamortized losses related to bond refundings were as follows (in millions):

	December 31, 2021	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2022	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2023
TBTA:							
General Revenue Bonds	$ 154	$ -	$ (17)	$ 137	$ (47)	$ (13)	$ 77
Subordinate Revenue Bonds	22	-	(2)	20	(21)	(1)	(2)
	176	-	(19)	157	(68)	(14)	75
Total	$ 176	$ -	$ (19)	$ 157	$ (68)	$ (14)	$ 75

10. DEBT—SENIOR REVENUE/PMT BONDS/SALE TAX BONDS

Senior Revenue Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
Series 2001B&C, 4.10%–5.25%	$ 296,400	$ 82,425	$ -	$ 6,865	$ 75,560
Series 2002F	246,480	102,935	-	8,570	94,365
Series 2003B	250,000	128,055	-	9,630	118,425
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	558,300	-	3,300	555,000
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	62,255	-	60,855	1,400
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-2 - BAB	280,400	263,020	-	9,265	253,755
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	151,415	-	113,340	38,075
Series 2012B	1,353,055	662,620	-	431,120	231,500
Series 2013B	257,195	129,495	-	129,495	-
Series 2013C	200,000	133,035	-	118,035	15,000
Series 2014A	250,000	175,655	-	5,595	170,060
Series 2015A	225,000	182,890	-	3,695	179,195
Series 2015B	65,000	56,120	-	1,460	54,660
Series 2016A	541,240	485,300	-	46,645	438,655
Series 2017A	300,000	286,585	-	-	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	17,185	703,805
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	400,000	400,000	-	-	400,000
Series 2023A	-	-	828,225	-	828,225
Series 2023B	-	-	370,030	-	370,030
	$ 11,114,120	8,319,110	1,198,255	965,055	8,552,310
Add net unamortized bond (discount) and premium		762,803	224,824	235,134	752,493
		$ 9,081,913	$ 1,423,079	$ 1,200,189	$ 9,304,803

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Senior Revenue Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Issued	Principal Repayments	December 31, 2022
Series 2001B&C, 4.10%–5.25%	$ 296,400	$ 89,025	$ -	$ 6,600	$ 82,425
Series 2002F	246,480	111,175	-	8,240	102,935
Series 2003B	250,000	137,320	-	9,265	128,055
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	561,600	-	3,300	558,300
Series 2008B	252,230	156,125	-	29,375	126,750
Series 2009A-1	150,000	62,700	-	445	62,255
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-2 - BAB	280,400	271,890	-	8,870	263,020
Series 2011A	609,430	25,425	-	25,425	-
Series 2012A	231,490	156,835	-	5,420	151,415
Series 2012B	1,353,055	763,190	-	100,570	662,620
Series 2013B	257,195	142,540	-	13,045	129,495
Series 2013C	200,000	137,540	-	4,505	133,035
Series 2014A	250,000	180,985	-	5,330	175,655
Series 2015A	225,000	186,410	-	3,520	182,890
Series 2015B	65,000	57,545	-	1,425	56,120
Series 2016A	541,240	491,820	-	6,520	485,300
Series 2017A	300,000	300,000	-	13,415	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	-	720,990
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	-	-	400,000	-	400,000
	$ 10,714,120	8,164,380	400,000	245,270	8,319,110
Add net unamortized bond (discount) and premium		762,803	37,764	69,123	731,444
		$ 8,927,183	$ 437,764	$ 314,393	$ 9,050,554

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Debt Service Requirements Senior Revenue:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	$ 282,585	$ 388,706	$ 671,291
2025	367,560	376,244	743,804
2026	400,355	358,298	758,653
2027	419,220	338,668	757,888
2028	444,905	318,492	763,397
2029–2033	1,964,200	1,322,688	3,286,888
2034–2038	1,354,775	991,137	2,345,912
2039–2043	1,054,395	675,352	1,729,747
2044–2048	1,217,860	416,299	1,634,159
2049–2053	731,430	178,553	909,983
2054–2058	315,025	31,814	346,839
	$ 8,552,310	$ 5,396,251	$ 13,948,561

PMT Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
PMT 2021A	$1,238,210	$1,238,210	$ -	$ -	$ 1,238,210
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	848,225	-	26,730	821,495
PMT 2022A	592,680	592,680	-	-	592,680
PMT 2022B	1,000,015	1,000,015	-	4,895	995,120
PMT 2022C	927,950	927,950	-	-	927,950
PMT 2022D	765,690	765,690	-	-	765,690
PMT 2022E	700,200	700,200	-	-	700,200
PMT 2022A-BAN	951,370	951,370	-	-	951,370
PMT 2022B-BAN	766,540	766,540	-	-	766,540
PMT 2023A	-	-	764,950	-	764,950
PMT 2023B	-	-	600,000	-	600,000
PMT 20233	-	-	1,130,200	-	1,130,200
	$8,168,435	8,160,075	2,495,150	31,625	10,623,600
Add net unamortized bond (discount) and premium		907,923	153,175	24,331	1,036,767
		$9,067,998	$2,648,325	$ 55,956	$11,660,367

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PMT Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Issued	Principal Repayments	December 31, 2022
PMT 2021A	$1,238,210	$1,238,210	$ -	$ -	$1,238,210
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	856,585	-	8,360	848,225
PMT 2022A	-	-	592,680	-	592,680
PMT 2022B	-	-	1,000,015	-	1,000,015
PMT 2022C	-	-	927,950	-	927,950
PMT 2022D	-	-	765,690	-	765,690
PMT 2022E	-	-	700,200	-	700,200
PMT 2022A-BAN	-	-	951,370	-	951,370
PMT 2022B-BAN	-	-	766,540	-	766,540
	$2,463,990	2,463,990	5,704,445	8,360	8,160,075
Add net unamortized bond (discount) and premium		408,157	575,972	76,206	907,923
		$2,872,147	$6,280,417	$ 84,566	$9,067,998

Debt Service Requirements PMT:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	$ 1,916,410	$ 494,386	$ 2,410,796
2025	31,425	402,382	433,807
2026	333,435	394,453	727,888
2027	507,875	383,315	891,190
2028	468,755	371,897	840,652
2029–2033	1,731,005	1,692,755	3,423,760
2034–2038	950,720	1,482,967	2,433,687
2039–2043	1,496,580	1,120,480	2,617,060
2044–2048	1,439,750	726,049	2,165,799
2049–2053	1,539,140	301,320	1,840,460
2054–2058	208,505	65,861	274,366
	$ 10,623,600	$ 7,435,865	$ 18,059,465

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Sales Tax Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
SALES TAX 2022A	$ 700,000	$ 700,000	$ -	$ -	$ 700,000
SALES TAX 2023A	-	-	1,253,750	-	1,253,750
	$ 700,000	700,000	1,253,750		1,953,750
Add net unamortized bond (discount) and premium		58,795	(11,915)	2,758	44,122
		$ 758,795	$ 1,241,835	$ 2,758	$ 1,997,872

Debt Service Requirements Sales Tax:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	$ -	$ 90,718	$ 90,718
2025	2,015	90,668	92,683
2026	2,455	90,556	93,011
2027	2,925	90,422	93,347
2028	3,420	90,263	93,683
2029–2033	55,945	445,155	501,100
2034–2038	101,415	425,130	526,545
2039–2043	142,280	393,834	536,114
2044–2048	295,900	346,547	642,447
2049–2053	348,170	270,675	618,845
2054–2058	587,920	163,680	751,600
2059-2063	411,305	48,095	459,400
	$ 1,953,750	$ 2,545,743	$ 4,499,493

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

11. DEBT—SUBORDINATE REVENUE BONDS

Subordinate revenue bonds had no new issuances in 2023 or 2022.

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Subordinate Revenue Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Retirements during 2023	December 31, 2023
Series 2002E	$ 756,095	$ -	$ -	$ -
Series 2013A	761,599	659,905	(434,635)	225,270
Series 2013D	313,975	59,290	(24,895)	34,395
	$ 1,831,669	719,195	(459,530)	259,665
Add net unamortized bond (discount) and premium		(30,875)	82,441	51,566
		$ 688,320	$ (377,089)	$ 311,231

Subordinate Revenue Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Retirements during 2022	December 31, 2022
Series 2002E	$ 756,095	$ -	$ -	$ -
Series 2013A	761,599	712,255	(52,350)	659,905
Series 2013D	313,975	83,265	(23,975)	59,290
	$ 1,831,669	795,520	(76,325)	719,195
Add net unamortized bond (discount) and premium		(30,875)	(2,165)	(33,040)
		$ 764,645	$ (78,490)	$ 686,155

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	$ 16,790	$ 1,500	$ 18,290
2025	17,605	781	18,386
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	225,270	-	225,270
	$ 259,665	$ 2,281	$ 261,946

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

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12. BOND ANTICIPATION NOTES

On June 10, 2021, MTA Bridges and Tunnels issued $192,835 General Revenue Bond Anticipation Notes, Series 2021A. The net proceeds were issued to finance capital costs for the Central Business District Tolling Program.

(In thousands)	December 31, 2022	Issued	Principal Repayments and Retirements During 2023	December 31, 2023
Series 2021A	$ 192,835	$ -	$ -	$ 192,835
Add net unamortized bond premium	24,322	-	(8,545)	15,777
	$ 217,157	$	$ (8,545)	$ 208,612

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	$ -	$ 9,642	$ 9,642
2025	192,835	9,642	202,477
2026	-	-	-
	$ 192,835	$ 19,284	$ 212,119

13. GASB 53—DERIVATIVE INSTRUMENTS

For the year ended December 31, 2023, the MTA Bridges and Tunnels is reporting gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of $829, $34,011 and $71,358, respectively. The gain of $829 is related to swaps on MTA bonds which is offset by a loss of $829 reflected in other operating income. Also recognized in the same period are derivative instrument assets of $3,254.

For the year ended December 31, 2022, the MTA Bridges and Tunnels is reporting gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of $13,789, $34,608 and $70,933, respectively. The gain of $13,789 is related to swaps on MTA bonds which is offset by a loss of $13,789 reflected in other operating income. Also recognized in the same period are derivative instrument assets of $3,446.

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GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments
Summary Information as of December 31, 2023

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2023 (In millions)	Fair Values as of 12/31/2023 (In millions)
Investment Swap	MTA Transportation Revenue Bond	2002G-1	Pay-fixed Swap	N/A	N/A	4/1/2016	$ 46,805	$ (0.164)
	MTA Transportation Revenue Bond	2022E	Pay-fixed Swap	N/A	N/A	4/1/2016	88,330	(3.029)
Hedging Swaps	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed Swap	Cash flow	Dollard Offset	7/5/2005	185,000	(6.753)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	15,515	(0.367)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed Swap	Cash flow	Synthetic Instrument	7/5/2005	555,000	(20.259)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	7,000	(0.185)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2023, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2022, are as follows (in thousands):

(In Millions)	Changes In Fair Value Classification	Changes In Fair Value Amount	Fair Value at December 31, 2023 Classification	Fair Value at December 31, 2023 Amount	Notional Amount
Government Activities					
Cash flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	$ 0.425		$(27,590)	$762,515
Investment swap— pay-fixed interest rate swaps	Investment income	$ 0.829		(3.170)	$135,135

The summary above reflects a total number of six (6) swaps and hedging relationships that were reviewed for GASB Statement No. 53 Hedge Accounting treatment. Of that total, four (4) were deemed effective using Synthetic Instrument Method.

For the four (4) hedging relationships, the Synthetic Instrument Method was utilized to determine effectiveness. Under the Synthetic Instrument Method, if the rate determined by dividing the historical Swap and Bond payments (Fixed Swap payments + Floating Bond payments—Floating Swap payments) by the hedge notional amount produces an "Actual Synthetic Rate" that is within 90% to 111% of the corresponding fixed swap rates then the hedging derivative instrument is deemed to be effective.

14. LEASES

MTA Bridges and Tunnels entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA Bridges and Tunnels incremental borrowing rate at the time of valuation ranging from 0.72% to 5.64% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Bridges and Tunnels leased assets and lease liabilities for those agreements was as of January 1, 2021. The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For lessor leases, a lease receivable and deferred inflow of resources were measured as of January 1, 2021. Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor

MTA Bridges and Tunnels leases garage spaces and bridges and tunnels easement rights to other entities. These leases have terms between 1 year to 39 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the year ended December 31, 2023 and 2022 is presented below (in thousands):

	2023	**2022**
Lease revenue	$1,716	$1,909
Interest revenue	392	250
Other variable revenue	4	14

The balance of lease receivable as of December 31, 2023 and 2022 are as follows (in thousands):

	December 31, 2023	**December 31, 2022**
Balance - beginning of year	$ 14,308	$ 15,795
Additions/remeasurements	(62)	28
Receipts/Interest	(1,470)	(1,515)
Balance - end of year	12,776	14,308
Less current portion	(1,174)	(1,463)
Lease receivable—noncurrent	$ 11,602	$ 12,845

MTA Bridges and Tunnels did not recognize any revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022, respectively.

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The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	$ 1,174	$ 368	$ 1,542
2025	1,237	340	1,577
2026	1,335	309	1,644
2027	1,357	276	1,633
2028-2032	1,817	1,132	2,949
2033–2037	1,487	944	2,431
2038–2042	276	802	1,078
2043–2047	488	734	1,222
2048–2052	802	616	1,418
2053–2057	1,214	429	1,643
2058–2062	1,589	156	1,745
Total	$ 12,776	$6,106	$ 18,882

As Lessee

MTA Bridges and Tunnels is a lessee of the 2 Broadway building lease. This lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. MTA Bridges and Tunnels implicit borrowing rate at the time of valuation was 9.11%.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was $2.7 million and $2.7 million for the years ended December 31, 2023 and 2022, respectively. MTA Bridges and Tunnels did not recognize any expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022.

A summary of activity in lease liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	$ 84,895	$ 83,983
Additions/remeasurements	-	-
Payments/Interest	999	912
Balance - end of year	85,894	84,895
Less current portion	-	-
Lease liability—noncurrent	$ 85,894	$ 84,895

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	$ (429)	$ 7,843	$ 7,414
2025	(470)	7,883	7,413
2026	(515)	7,928	7,413
2027	(564)	7,977	7,413
2028	(617)	8,030	7,413
2029–2033	4,271	39,423	43,694
2034–2038	14,177	35,429	49,606
2039–2043	27,379	26,242	53,621
2044–2048	42,662	9,500	52,162
Total	$85,894	$ 150,255	$ 236,149

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 $996 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, 2022 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 48.7%, 7.4% and 43.9%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2023 and 2022, the total of the rental payments charged to the Authority were $4.9 million and $4.7 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA Bridges and Tunnels entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using the Authority's incremental borrowing rate at the time of valuation ranging from 2.46% to 4.66% if an applicable stated or implicit rate is not available.

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The initial measurement of the Authority's subscription asset and lease liability was as of January 1, 2022. The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

MTA Bridges and Tunnels subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 1 year to 7 years, with payments required monthly, quarterly, or annually. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were $12 and $13 for the years ended December 31, 2023 and December 31, 2022, respectively. The Authority recognized $0 and $0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and December 31, 2022, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	$ 628	$ 237
Additions/remeasurements	-	427
Payments/Interest	(140)	(36)
Balance - end of year	488	628
Less current portion	(144)	(140)
SBITA Liability—noncurrent	$ 344	$ 488

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2024	$ 144	$ 14	$ 158
2025	154	8	162
2026	154	2	156
2027	22	1	23
2028	14	-	14
2029–2033	-	-	-
Total	$ 488	$ 25	$ 513

16. RISK MANAGEMENT

MTA Bridges and Tunnels is exposed to various risks of loss related to torts; theft of, damage to, and destruction of its assets; injuries to persons, including employees; and natural disasters.

MTA Bridges and Tunnels is self-insured up to $3.2 million per occurrence for liability arising from injuries to persons, excluding employees. MTA Bridges and Tunnels is self-insured for work related injuries to employees and for damage to third party property. MTA Bridges and Tunnels provides reserves to cover the self-insured portion of these claims, including a reserve for claims incurred but not reported. The annual cost arising from injuries to employees and damage to third-party property is included in "Retirement & other employee benefits" and "Insurance" in the accompanying statements of revenues, expenses, and changes in net position.

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, as of December 31, 2023 and 2022, is as follows (in thousands):

	2023	2022
Balance—beginning of year	$ 56,404	$ 55,890
Activity during the year:		
Current year claims and changes in estimates	6,131	$ 7,036
Claims paid	(2,379)	$ (6,522)
Balance—end of year	60,156	$ 56,404
Less current portion	(4,415)	$ (4,874)
Long-term liability	$ 55,741	$ 51,530

Liability Insurance— The First Mutual Transportation Assurance Company ("FMTAC"), an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: $8 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road, and MTA Metro-North Railroad; $2.3 million for MTA Long Island Bus and MTA Staten Island Railway; and $1.6 million for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: $9 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $2.6 million for MTA Long Island Bus and MTA Staten Island Railway; and $1.9 million 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 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3 million for MTA Staten Island Railway; and $2.6 million for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015 the self-insured retention limits for ELF were increased to the following amounts: $11 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3.2 million for MTA Staten Island Railway; MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than $50 million. 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 million per occurrence with a $50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189.2 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $357.5 million for a total limit of $407.5 million ($357.5 million excess of $50 million). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50 million.

Property Insurance— Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 million within the overall $500 million per occurrence property program as follows: $20.277 million (or 40.55%) of the primary $50 million layer, plus $23.777 million (or 47.55%) of the $50 million excess $50 million layer, plus $14.792 million (or 29.58%) of the $50 million excess $100 million layer, plus $8.827 million (or 17.65%) of the $50 million excess $150 million layer, plus $4.484 million (or 8.96%) of the $50 million excess $200 million layer, plus $12.548 million (or 25.09%) of the $50 million excess $250 million layer, plus $13.547 million (or 27.09%) of the $50 million excess $300 million layer, plus $14.997 million (or 29.99%) of the $50 million excess $350 million layer, plus $18.664 million (or 37.32%) of the $50 million excess $400 million layer, and $15.164 million (or 30.32%) of the $50 million excess $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

During 2023 there were FMTAC excess loss claim reimbursements of $3,359,115 to MTA Bridges and Tunnels. FMTAC has 0 open claims for MTA Bridges and Tunnels at December, 2023. At December 31, 2023, FMTAC had $1.204 million of assets to insure current and future claims.

*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Operating Company.

17. COMMITMENTS AND CONTINGENCIES

At December 31, 2023 and 2022, MTA Bridges and Tunnels had unused standby letters of credit, relative to insurance, amounting to $1.81 million and $1.81 million, respectively.

MTA Bridges and Tunnels is involved in various litigations and claims involving personal liability claims and certain other matters. Although the ultimate outcome of these claims and suits cannot be predicted at this time, management does not believe that the ultimate outcome of these matters will have a material effect on the financial position, results of operations and cash flows of MTA Bridges and Tunnels.

Under the terms of federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or the Authority have been infrequent in prior years.

As of December 31, 2023, $8,218 million has been committed to MTA Bridges and Tunnels Capital Program.

18. SWAP AGREEMENTS

Swap Agreements Relating to Synthetic Fixed Rate Debt—Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future.

e net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Swap Agreements Relating to Synthetic Fixed Rate Debt

Board-Adopted Guidelines—The MTA adopted guidelines governing the use of swap contracts. The guidelines were amended and approved by the Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives instruments that may be outstanding and specific requirements that must be satisfied for a Related Entity to enter into a swap contract, such as suggested swap terms and objectives, retention of a swap advisor, credit ratings of the counterparties, collateralization requirements and reporting requirements.

Objectives of Synthetic Fixed Rate Debt—To achieve cash flow savings through a synthetic fixed rate, MTA Bridges and Tunnels has entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what MTA Bridges and Tunnels would have paid to issue fixed-rate debt, and in some cases where Federal tax law prohibits an advance refunding to synthetically refund debt on a forward basis.

Terms and Fair Value—The terms, fair values and counterparties of the outstanding swaps of MTA Bridges and Tunnels are reflected in the following tables (as of December 31, 2023).

MTA Bridges and Tunnels Senior Lien Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2023 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2023 (In millions)	Swap Termination Date	Counterparty
Series 2018E (7)	$ 185.000	04/01/16	3.076%	67% of one-month LIBOR (1)	$ (6.753)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e (1)	555.000	07/07/05	3.076%	67% of one-month LIBOR (1)	(20.260)	01/01/32	33% each— JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	$ 740.000				$ (27.013)		

MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2023 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2023 (In millions)	Swap Termination Date	Counterparty
Series 2005A	$ 15.515	04/01/16	3.09%	Lesser of Actual Bond or 67% of one-month LIBOR	$ (0.364)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C (6)	7.000	04/01/16	3.52%	67% of one-month LIBOR (1)	(0.184)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	$ 22.515				$ (0.548)		

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(1) On February 19, 2009, MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2005B-1 were refunded. Notional amounts from the Series 2005B-1 swap were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2002F, MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B-1,2,3 and from November 1, 2027 through November 1, 2030, to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-2,3.

(2) In accordance with a swaption entered on August 12, 1998, the Counterparty paid to MTA Bridges and Tunnels a premium of $22,740,000.

(3) On September 30, 2014, the TBTA Subordinate Revenue Variable Rate Refunding Bonds, Series 2000AB, together with the TBTA Subordinate Revenue Variable Rate Refunding Bonds Series 2000CD, were redesignated as the Series 2000ABCD Bonds and converted from a Weekly Mode to a Term Mode. The swap now hedges the portion of the Series 2000ABCD bonds that originally related to the Series 2000AB bonds.

(4) On December 18, 2012, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.

(5) On November 19, 2013, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.

(6) In accordance with a swaption entered on August 12, 1998, TBTA received an upfront option premium of $22.740, which is being amortized over the life of the swap agreement. Between November 22, 2016 and December 5, 2016, the Variable Rate Certificates of Participation, Series 2004A were redeemed. Corresponding notional amounts from the Series 2004A COPs were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C. Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and TBTA is responsible for 10.3% of the transaction.

(7) On October 27, 2021 the TBTA 2002F VRDB bond were remarketed to a Fixed Rate Mode. Since the bonds were fixed out, the hedging relationship with the TBTA Citi swap was terminated, and a new hedging relationship was established with the TBTA 2018E taxable VRDB bonds.

LIBOR: London Interbank Offered Rate
SIFMA: Securities Industry and Financial Markets Association Index
TRB: Transportation Revenue Bonds

Counterparty Ratings—The current ratings of the counterparties are as follows as of December 31, 2023:

	Ratings of the Counterparty or its Credit Support Provider		
Counterparty	**S&P**	**Moody's**	**Fitch**
U.S. Bank National Association	AA-	A1	AA-
Wells Fargo Bank, N.A.	A+	Aa2	AA-
BNP Paribas North America, Inc.	A+	Aa3	AA-
Citibank, N.A.	A+	Aa3	A+
JPMorgan Chase Bank, NA	A+	Aa2	AA
UBS AG	A+	Aa3	AA-

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Swap Notional Summary—The following table sets forth the notional amount of Synthetic Fixed Rate debt and the outstanding principal amount of the underlying floating rate series as of December 31, 2023 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	$ 185,000	$ 185,000
TBTA 2005B-3	185,000	185,000
TBTA 2005B-2 (a,b,c)	185,000	185,000
TBTA 2005A	102,070	15,515
TBTA 2003B (1,2,3)	118,425	59,815
TBTA 2018E	148,470	125,185
TBTA 2001C	75,560	7,000
2002G-1	46,805	46,805
2022E-2a	99,560	88,330
Total	$ 1,145,890	$ 897,650

Except as discussed below under the heading "Rollover Risk," the swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the principal amount of the associated bonds.

Risks Associated with the Swap Agreements—From MTA's and MTA Bridges and Tunnels' perspective, the following risks are generally associated with swap agreements:

Credit Risk—The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Generally, MTA Bridges and Tunnels' swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA Bridges and Tunnels requires its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ level), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "Collateralization/Contingencies"). As of December 31, 2023, all the valuations were in liability positions to MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The notional amount totals below include all swaps. The counterparties have the ratings set forth above.

Counterparty	Amount (In thousands)	Notional Amount
JPMorgan Chase Bank, NA	$ 185,000	20.61 %
UBS AG	185,000	20.61
Citibank, N.A.	185,000	20.61
BNP Paribas North America, Inc.	185,000	20.61
U.S. Bank National Association	78,825	8.78
Wells Fargo Bank, N.A.	78,825	8.78
Total	$ 897,650	100 %

Basis Risk—The risk that the variable rate of interest paid by the counterparty under the swap and the variable interest rate paid by MTA Bridges and Tunnels on the associated bonds may not be the same. If the counterparty's rate under the swap is lower than the bond interest rate, then the counterparty's payment under the swap agreement does not fully reimburse MTA Bridges and Tunnels for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty's rate on the swap, there is a net benefit to MTA Bridges and Tunnels.

Termination Risk—The risk that a swap agreement will be terminated and MTA Bridges and Tunnels will be required to make a swap termination payment to the counterparty and, in the case of a swap agreement which was entered into for the purpose of creating a synthetic fixed rate for an advance refunding transaction may also be required to take action to protect the tax-exempt status of the related refunding bonds.

The ISDA Master Agreement sets forth certain termination events applicable to all swaps entered by the parties to that ISDA Master Agreement. MTA Bridges and Tunnels have entered separate ISDA Master Agreements with each counterparty that govern the terms of each swap with that counterparty, subject to individual terms negotiated in a confirmation. MTA Bridges and Tunnels is subject to termination risk if its credit ratings fall below certain specified thresholds or if MTA Bridges and Tunnels commits a specified event of default or other specified event of termination. If, at the time of termination, a swap was in a liability position to MTA Bridges and Tunnels, a termination payment would be owed by MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

The ISDA Master Agreements entered with the following counterparties provide that the payments under one transaction will be netted against other transactions entered under the same ISDA Master Agreement:

- JPMorgan Chase Bank, NA with respect to the MTA Transportation Revenue Variable Rate Refunding Bonds, Series 2002D-2 and Series 2012G.

Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

Collateralization—Generally, the Credit Support Annex attached to the ISDA Master Agreement requires that if the outstanding ratings of MTA, MTA Bridges and Tunnels, MTA New York City Transit, or the counterparty falls to a certain level, the party whose rating falls is required to post collateral with a third-party custodian to secure its termination payments above certain threshold valuation amounts. Collateral must be cash or U.S. government or certain Federal agency securities.

The following tables set forth the ratings criteria and threshold amounts relating to the posting of collateral set forth for MTA, MTA Bridges and Tunnels, MTA New York City Transit, and the counterparty for each swap agreement. In most cases, the counterparty does not have a Fitch rating on its long-term unsecured debt, so that criteria would not be applicable in determining if the counterparty is required to post collateral.

The following tables set forth the Additional Termination Events for MTA Bridges and Tunnels and its counterparties.

MTA Bridges and Tunnels Senior Lien

Counterparty Name	MTA Bridges and Tunnels	Counterparty
BNP Paribas North America, Inc.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa1 (Moody's) or BBB+ (S&P)*

* Note: Equivalent Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels Subordinate Lien

Counterparty Name	MTA Bridges and Tunnels	Counterparty
U.S. Bank National Association; Wells Fargo Bank, N.A.	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa2 (Moody's) or BBB (S&P)**

* Note: Equivalent Fitch rating is replacement for Moody's or S&P. If not below Investment Grade, MTA Bridges and Tunnels may cure such Termination Event by posting collateral at a Zero threshold.

** Note: Equivalent Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered under the same ISDA Master Agreement. Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the amounts so that a single sum will be owed by, or owed to, the non-defaulting party.

Rollover Risk—MTA and MTA Bridges and Tunnels are exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When these swaps terminate, MTA or

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MTA Bridges and Tunnels may not realize the synthetic fixed rate offered by the swaps on the underlying debt issues. The following debt is exposed to rollover risk:

MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2018E (swap with Citibank, N.A.)	November 15, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue variable Rate Bonds, Bond series 2022E (swaps with U.S. Bank/ Wells Fargo)	November 1, 2041	January 1, 2030

Collateralization/Contingencies—Under the majority of the swap agreements, MTA Bridges and Tunnels is required to post collateral in the event its credit rating falls below certain specified levels. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain Federal agency securities, based on the valuations of the swap agreements in liability positions and net of the effect of applicable netting arrangements. If MTA Bridges and Tunnels does not post collateral, the swaps may be terminated by the counterparties.

As of December 31, 2023, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $30,758; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

The following tables set forth the ratings criteria and threshold amounts applicable to MTA Bridges and Tunnels and its counterparties.

MTA Bridges and Tunnels Senior Lien

Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (Based on Highest Rating)**	**Counterparty Collateral Thresholds (Based on Highest Rating)**
BNP Paribas North America, Inc.;	Baa1/BBB+: $30 million	A3/A-: $10 million
Citibank, N.A.;	Baa2/BBB: $15 million	Baa1/BBB+ & below: Zero
JPMorgan Chase Bank, NA;	Baa3/BBB- & below: Zero	

Note: MTA Bridges and Tunnels thresholds based on Moody's, S&P, and Fitch ratings. Counterparty thresholds based on Moody's and S&P ratings; Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (Based on Lowest Rating)**	**Counterparty Collateral Thresholds (Based on Lowest Rating)**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Baa3/BBB- & below: Zero *(Note: only applicable as cure for Termination Event)*	Aa3/AA-: $15 million A1/A+ to A3/A-: $5 million Baa1/BBB+ & below: Zero

Note: Thresholds based on Moody's and S&P ratings. Fitch rating is replacement for Moody's or S&P.

Swap Payments and Associated Debt—The following tables contain the aggregate amount of estimated variable-rate bond debt service and net swap payments during certain years that such swaps were entered into in order to: protect against the potential of rising interest rates; achieve a lower net cost of borrowing; reduce exposure to changing interest rates on a related bond issue; or, in some cases where Federal tax law prohibits an advance refunding, achieve debt service savings through a synthetic fixed rate. As rates vary, variable-rate bond interest payments and net swap payments will vary. Using the following assumptions, debt service requirements of MTA's and MTA Bridges and Tunnel's outstanding variable-rate debt and net swap payments are estimated to be as follows:

- It is assumed that the variable-rate bonds would bear interest at a rate of 4.0% per annum.
- The net swap payments were calculated using the actual fixed interest rate on the swap agreements.

MTA Bridges and Tunnels

Years Ending December 31	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Net Swap Payments	Total
	(In millions)			
2024	$ 57.2	$ 31.5	$ (6.4)	$ 82.3
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.3)	54.2
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029–2033	644.2	43.2	(10.1)	677.3
2034–2038	-	2.5	-	2.5

19. RELATED PARTY TRANSACTIONS

MTA Bridges and Tunnels and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back.

The resulting receivables and payables from the above transactions are recorded in the statement of net position.

The Metropolitan Transportation Authority ("MTA") and the Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") entered into a Payroll Mobility Tax Financing Agreement (the "Financing Agreement"), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes ("Mobility Tax Receipts") and certain fees, surcharges and taxes ("Aid Trust Account Receipts," and together with the Mobility Tax Receipts, "PMT Receipts") in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

Triborough Bridge and Tunnel Authority issued bonds backed by payroll mobility tax revenues. The proceeds of these bonds are sent to MTA for the capital needs of New York City Transit and Commuter Rails. The debt service costs associated with these bonds are collected by MTA from New York state and sent to Triborough Bridge and Tunnel Authority, which are then used to pay the bond holders. The total loan receivable for PMT as of December 31, 2023 is $11,451 million.

In July 2022, the Authority issued its inaugural series of Sales Tax Revenues Bonds under the Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox- City Sales Tax) ("Sales Tax Revenue Bond Resolution"). The Sales Tax Revenue Bonds, 2022A obligations were issued to (1) finance approved transit and commuter projects included in the 2020-2024 MTA capital program and (2) to pay certain financing, legal and miscellaneous expenses. The projects funded under the 2022A issuance were not for the benefit of the Authority. The Authority transferred a portion of the proceeds of the 2022A issuance to the MTA and recorded this transaction as a transfer to the MTA in the Authority's Statement of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2022. The Authority is responsible for the payment of all debt service related to the 2022A issuance from the receipts of internet taxes revenues received as part of the City Sales Tax.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2023 and 2022 (in thousands):

	2023		2022	
	Receivable	**(Payable)**	**Receivable**	**(Payable)**
Due from (due to) MTA	$ 2,217	$ (165,221)	$ 3,299	$ (186,551)
Due from (due to) MTA Bus	5,785	(7,075)	-	
Loan receivable due from (due to) MTA	11,450,928	-	7,892,378	-
Due from (due to) affiliated Agencies	1,925	(101,093)	825	(82,534)
	$ 11,460,855	$ (273,389)	$ 7,896,502	$ (269,085)

20. NOVEL CORONAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the

United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development was the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. MTA has seen ridership steadily improve since the low point of ridership during the pandemic in 2020; but continues to be well-below 2019 levels.

Coronavirus Aid, Relief and Economic Security Act ("CARES Act")—The CARES Act is a $2.2 trillion economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration's ("FTA") formula funding provisions provided approximately $4 billion to MTA. Funding was provided at a 100 percent Federal share, with no local match required, and is available to support operating, and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA's initial grant application of $3.9 billion. On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately $98 million in additional formula grant allocations to MTA for a CARES Act grant total of $4.0 billion. As of December 31, 2020, a total of $4.0 billion was released to MTA for operating assistance that occurred from January 20, 2020, through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF")—Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA placed with the MLF $450.72 million of notes, which were repaid on March 1, 2022. In addition, MTA issued into the MLF a second time by placing $2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. On December 15, 2023, the maturity date of the BANs, the MTA used funds on hand to retire the $2.907 billion loan in full. As of December 31, 2023, the MTA had no outstanding obligations to the MLF.

Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA")—On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 ("CRRSAA") that includes $900 billion for various COVID-19 economic relief programs to address hardships caused by the coronavirus pandemic and a $1.4 trillion government funding package to fund the government through September 30, 2021.Included in the legislation's $45 billion in financial assistance to the transportation industry, including $16 billion for another round of airline employee and contractor payroll support: $14 billion for transit; $10 billion for highways; $2 billion for intercity buses; $2 billion for airports; and $1 billion for Amtrak. The MTA received $4.1 billion in aid from the CRRSAA between December 2021 ($0.6 billion) and January 2022 ($3.5 billion).

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 package includes $30 billion of direct federal aid to transportation agencies. The MTA received $6.1 billion in aid from ARPA in 2022.In September of 2022, Additional Assistance Funding was made available to transit systems demonstrating additional pandemic associated needs. MTA received $769 million in additional aid in the fourth quarter of 2022.

Federal Emergency Management Agency ("FEMA") Reimbursement—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $893 million of direct COVID-19-related expenses incurred from the start of the pandemic through May 11, 2023 was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing COVID-19-related expense reimbursement from FEMA.

21. SUBSEQUENT EVENTS

On January 25, 2024, MTA issued $296.340 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance transit and commuter projects included in MTA's approved capital programs, and (ii) pay certain financing , legal and miscellaneous expenses.

On February 8, 2024, MTA issued $1,650.295 of Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program. (ii) to finance a portion of the capital costs of the Central Business District Tolling Program, and (iii) to pay certain financing, legal and miscellaneous expenses.

On March 20, 2024, TBTA issued $300 of Payroll Mobility Tax Bond Anticipation Notes, Series 2024B. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) pay capitalized interest on the Series 2024B Notes accruing through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

On March 27, 2024, the MTA Board approved the Central Business District (CBD) tolling rates recommended by the Traffic Mobility Review Board (TMRB). The CBD is defined as Manhattan south of and inclusive of 60th Street, but excluding the FDR Drive, the West Side Highway, and any surface roadway portion of the Hugh L. Carey Tunnel connecting to West Street. Starting in mid-June 2024, the MTA will implement the Central Business District Tolling Program (CBDTP), which is the nation's first congestion pricing program. Vehicles entering the CBD will be charged a toll. The CBDTP still faces challenges from lawsuits of which the outcome cannot be predicted.

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REQUIRED SUPPLEMENTARY INFORMATION

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TRIBOROGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY IN THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
AT JUNE 30,
(In millions)

	NYCERS								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.806 %	0.924 %	0.933 %	1.212 %	1.222 %	1.155 %	1.308 %	1.266 %	1.205 %
Authority's proportionate share of the net pension liability	$ 143.88	$ 167.41	$ 59.82	$ 255.54	$ 226.29	$ 203.71	$ 271.61	$ 307.60	$ 243.90
Authority's actual covered-employee payroll	$ 147.54	$ 122.95	$ 114.46	$ 121.31	$ 157.46	$ 126.57	$ 130.30	$ 133.89	$ 127.48
Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	97.52 %	136.16 %	52.26 %	210.65 %	143.71 %	160.95 %	208.450 %	229.741 %	191.329 %
Plan fiduciary net position as a percentage of the total pension liability	82.22 %	81.27 %	93.14 %	76.93 %	78.83 %	78.83 %	74.80 %	69.57 %	73.12 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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TRIBOROGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEARS ENDED DECEMBER 31,
(In thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 28,691	$ 31,973	$ 34,591	$ 40,790	$ 48,538	$ 38,697	$ 41,272	$ 44,609	$ 41,812	$ 33,023	$ 33,461
Contributions in relation to the contractually required contribution	28,691	31,973	34,591	40,790	48,538	38,697	41,272	44,609	41,812	33,023	33,461
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$147,542	$122,952	$119,482	$126,895	$164,110	$133,494	$144,992	$137,900	$150,652	$167,988	$ 132,095
Contributions as a percentage of covered-employee payroll	19.45 %	26.00 %	28.95 %	32.14 %	29.58 %	28.99 %	28.47 %	32.35 %	27.75 %	19.66 %	25.33 %

Notes to Authority's Contributions to NYCERS:

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the NYCERS Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms

There were no changes of benefit terms in the June 30, 2022 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2022 funding valuation.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN
AT DECEMBER 31,
(In millions)

Plan Measurement Date (December 31):	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
MTA Bridges and Tunnels proportion of the net OPEB liability	3.89 %	3.64 %	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate sha re of the net OPEB liability	$ 872.112	$ 908.111	$ 987.443	$ 813.359	$ 801.555	$ 823.748
MTA Bridges and Tunnels covered payroll	$ 122.952	$ 119.482	$ 126.895	$ 164.110	$ 133.494	$ 112.716
MTA Bridges and Tunnels proportionate share of the net OPEB liability as a percentage of its covered payroll	709.31 %	760.04 %	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	0 %	0 %	0 %	1.93 %	1.76 %	1.79 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31:
(In thousands)

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution (1)	$ 37,617	$ 32,898	$ 28,855	$ 29,318	$ 29,314	$ 28,291	$ 26,407
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$ 147,542	$ 122,952	$ 119,482	$ 126,895	$ 164,110	$ 133,494	$ 112,716
Actual contribution as a percentage of covered payroll	25.50%	26.76 %	24.15 %	23.10 %	17.86 %	21.19 %	23.43 %

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $2,128, $1,763, $1,290, $2,495, $3,782, $3,650 and $3,450, for the years ended December 31, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 respectively.

Notes to Schedule of the MTA Bridges and Tunnels Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2017
Measurement date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	3.72%—net of expenses	2.06%—net of expenses	2.12%—net of expenses	2.74%—net of expenses	4.10%—net of expenses	3.44%—net of expenses
Inflation	2.33%	2.25%	2.25%	2.50%	2.50%	2.50%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	3.72%	2.06%	2.12%	5.75%	6.50%	6.50%

Changes of Benefit Terms—In the July 1, 2021 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions—In the July 1, 2021 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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Staten Island Rapid Transit Operating Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
Required Supplementary Information, and
Independent Auditor's Report

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Opinion

We have audited the financial statements of the Staten Island Rapid Transit Operating Authority (the "Authority"), a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the Authority is a component unit of the MTA. The MTA is a component unit of the State of New York. The Authority requires significant subsidies from, and has material transactions with, the MTA, the City of New York and the State of New York. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of SIRTOA's Proportionate Share of the Net Pension Liability in the MTA Defined Benefit Pension Plan, Schedule of SIRTOA's Contributions to the MTA Defined Benefit Pension Plan, Schedule of the SIRTOA's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan, and Schedule of the SIRTOA's Contributions to the OPEB Plan and Notes to Schedule of SIROTA's Contribution to the OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. 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.

__________, 2024

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2023 AND 2022
($ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction to the Annual Report—The following is a narrative overview and analysis of the financial activities of Staten Island Rapid Transit Operating Authority ("SIRTOA" or the "Authority") for the years ended December 31, 2023 and 2022. This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Notes to the Financial Statements and Required Supplementary Information.

Management's Discussion and Analysis—This management discussion and analysis ("MD&A") is intended to serve as an introduction to the Authority's financial statements. It provides an assessment of how the Authority's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Authority's overall financial position. It may contain opinions, assumptions or conclusions by the Authority's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements described below.

The Financial Statements Include—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that the Authority presently controls (assets), consumption of net assets by the Authority that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that the Authority has little or no discretion to avoid (liabilities), and acquisition of net assets by the Authority that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how the Authority's net position changed during each year. They account for all of the current year's revenues and expenses, measures the financial results of the Authority over the past year and can be used to determine how the Authority has funded its costs.

The Statements of Cash Flows provide information about the Authority's cash receipts, cash payments, and net changes in cash resulting from operations, non-capital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements—The notes provide information that is essential to understanding the basic financial statements, such as the Authority's accounting methods and policies, details of cash and investments, capital assets, employee benefits, lease transactions, and future commitments and contingencies of the Authority, and information about other events or developing situations that could materially affect the Authority's financial position.

Required Supplementary Information—The Required Supplementary Information provides information concerning the Authority's net pension liability and net other postemployment benefits (OPEB) liability, employer contribution to its pension plan and OPEB, related ratios, and actuarial assumptions used to calculate the net Pension liability and OPEB liability.

FINANCIAL REPORTING ENTITY

SIRTOA is a public benefit corporation and is a component unit of the Metropolitan Transportation Authority ("MTA") and was organized pursuant to the New York State ("State") Public Authorities Law. The Authority operates and maintains the commuter rail service in Staten Island pursuant to an interim arrangement pending renewal of its Lease and Operating Agreement ("Operating Agreement") with The City of New York ("The City"). The Operating Agreement provides that the Authority establish fares required to make operations self-sustaining (as defined in the operating agreement), and pay its operating expenses and The City pays the Authority's capital costs and operating deficits. The City has the option to terminate the Operating Agreement at any time.

The Authority requires, and will likely continue to require, substantial subsidies from various governmental sources in order to maintain its operations in the future. The Authority estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to the Authority are not sufficient to meet its needs, the Authority must raise fares, curtail its service and operations, or defer certain other expenditures (not including maintenance) in order to continue operating within the limits of the funds.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the Authority's financial position as of and for the years ended December 31, 2023 and 2022. Additionally, an examination of major economic factors and industry trends that have contributed to these changes are provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with the Authority's financial statements, which are presented in accordance with generally accepted accounting principles in the United States of America.

Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. The MTA evaluated all the requirements under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* and adopted this Statement for

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the year ended December 31, 2023, with retroactive effect of this adoption as of January 1, 2022. There were no GASB 96 subscriptions for SIRTOA for reporting years 2022 and 2023.

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 market values of hedging derivative instruments that are determined to be effective, unamortized loss on debt refunding, deferred outflows from pension, and deferred outflows from OPEB.

Total assets, distinguishing between capital and other assets, and deferred outflows of resources:

	December 31,			Increase/(Decrease)	
(In thousands)	**2023**	**2022**	**2021**	**2023–2022**	**2022–2021**
Capital assets—net	$ 751,818	$ 695,874	$ 652,184	$ 55,944	$ 43,690
Other assets	75,992	99,250	58,103	(23,258)	41,147
Deferred outflows of resources	51,380	48,873	46,906	2,507	1,967
Total assets and deferred outflows of resources	$ 879,190	$ 843,997	$ 757,193	$ 35,193	$ 86,804

Significant changes in assets and deferred outflows of resources include:

December 31, 2023 versus 2022—Net capital assets increased from December 31, 2022 to December 31, 2023 by $55,944 or 8.0%. The net additions to capital assets of $76,238 or 8.1% resulted from the increase in construction in progress, structures, stations, signals, and right of use assets of $2,674, which was partially offset by an increase in accumulated depreciation and amortization of $22,968. More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

Other assets decreased by $23,258 or 23.4% compared with the prior year. This change is attributable to a decrease in receivable from MTA of $45,291 due to the settlement of receivable from MTA for the American Rescue Plan Act of 2021 ("ARPA"). The decrease was partially offset by an increase in NYC Operating Recovery program funds receivable of $10,859 due to an increase in billings to NYC to cover 2023 Operating deficit, an increase in prepaid expenses and other current assets of $8,198.

Deferred outflows of resources increased by $2,507 or 5.1% compared with prior year. The net increase was due to an increase of $6,917 in pension based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* The increase was partially offset by a decrease of $4,411 in OPEB, primarily due to changes in assumptions based upon the most recent actuarial valuation report in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Refer to Notes 6 and 7 to the financial statements for more information regarding SIRTOA's pension and postemployment benefits other than pension, respectively.

December 31, 2022 versus 2021—Net capital assets increased from December 31, 2021 to December 31, 2022 by $43,690 or 6.7%. The net additions to capital assets of $57,659 or 6.5% resulted from the increase in construction in progress, structures, stations, signals, partly offset by an increase in accumulated depreciation and amortization of $13,969 or 6.0% due to depreciation and amortization of assets. More detailed information about the Authority's capital assets is presented in Note 5 to the financial statements.

Other assets increased by $41,147 or 70.8% compared with the prior year. This increase is primarily attributable to the increase in receivable from MTA of $50,997 mainly due to the receivable from MTA for the American Rescue Plan Act of 2021 ("ARPA"), the increase in MTA capital program funds receivable of $1,476 mainly due to an increase in billings of capital projects in 2022 compared to 2021, and the increase in receivable from New York City Transit Authority of $1,151. The increase was partially offset by a decrease in the NYC operating recovery subsidy receivable of $13,950, estimated for the operating deficit for calendar year 2022.

Deferred outflows of resources increased by $1,967 or 4.2% compared with prior year. The net increase was due to an increase of $5,443 related to OPEB, primarily due to changes in assumptions based upon the most recent actuarial valuation report in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, partially offset by a decrease of $3,476 related to pension based upon the most recent actuarial valuation report in accordance with GASB Statements No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.* Refer to Notes 6 and 7 to the financial statements for more information regarding SIRTOA's pension and postemployment benefits other than pension, respectively.

Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non-Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, pollution remediation liabilities, and other current liabilities.

Non-current liabilities include: net pension liabilities, pollution remediation liabilities, claims for injuries to persons, postemployment benefits and other non-current liabilities.

Deferred inflows of resources reflect the deferred inflows to leases, and actuarial measurements related to pension and OPEB.

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Total liabilities, distinguishing between long-term liabilities and current liabilities, and deferred inflows of resources:

(In thousands)	December 31, 2023	2022	2021	Increase/(Decrease) 2023–2022	2022–2021
Current liabilities	$ 61,237	$ 76,148	$ 43,026	$ (14,911)	$ 33,122
Long-term liabilities	146,800	141,871	138,761	4,929	3,110
Total liabilities	208,037	218,019	181,787	(9,982)	36,232
Deferred inflows of resources	25,075	20,176	17,199	4,899	2,977
Total liabilities and deferred inflows of resources	$ 233,112	$ 238,195	$ 198,986	$ (5,083)	$ 39,209

Significant changes in liabilities and deferred inflows of resources include:

December 31, 2023 versus 2022—Liabilities decreased from December 31, 2022 to December 31, 2023 by $9,982 or 4.6%. Current liabilities decreased by$14,911, primarily due to a decrease of $12,698 in the deficit balance in the temporary cash investments with MTA, a decrease of $10,766 in accrued retroactive wage adjustments, and a decrease in accounts payable of $373. The decrease is partially offset by an increase of $1,327 in accrued sick and vacation pay, increase of $1,264 in due to NYCTA, increase of $865 in estimated liability arising from injuries to persons, and an increase of $5,063 in other liabilities.

The increase in long-term liabilities of $4,929 was mainly due to an increase in net pension liability of $14,938 and an increase in lease payable of $903. The increase is partially offset by a decrease in net OPEB liability of $10,770.

Deferred inflows of resources increased by $4,899 or 24.3% compared with prior year. The increase was primarily caused by a net change in the OPEB balance of $8,716. The increase was partially offset by a decrease in pension of $3,795 primarily due to changes in projected versus actual plan investment earnings based upon the most current actuarial valuation report in accordance with GASB Statements No. 68 and No. 71. Additionally, the increase was partially offset by the increase of $22 related to the amortization of leases in current year. Refer to Notes 6, 7 and 8 to the financial statements for more information regarding the Authority's pension, postemployment benefits other than pension, and leases, respectively.

December 31, 2022 versus 2021—Liabilities increased from December 31, 2021 to December 31, 2022 by $36,232 or 19.9%. Current liabilities increased by$33,122, due primarily to an increase of $27,244 in Due to MTA for changes in the MTA investment pool, increase of $3,611 in accrued retroactive salaries and wages, increase of $1,472 in estimated liability arising from injuries to persons, based upon the most current actuarial valuations and increase of $1,065 in accrued sick and vacation pay. The increase is partially offset by the decrease of $299 in accrued payroll taxes and related liabilities partly due to payment of employer social security taxes covered under the 2020 payroll tax deferral relief offered by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The increase in long-term liabilities of $3,110 was mainly due to the increase in net OPEB liability of $10,453, partially offset by the decrease in net pension liability of $6,221, the decrease in estimate liability arising from injuries to person of $598, based upon the most current actuarial valuations and the decrease in other liabilities of $248 due to payments of lease liability.

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Deferred inflows of resources increased by $2,977 or 17.3% compared with prior year. The net increase was due to pension of $3,288 primarily due to changes in projected versus actual plan investment earnings based upon the most current actuarial valuation report in accordance with GASB Statements No. 68 and No. 71, and increase of $1,812 related to OPEB due to change in assumptions in accordance with GASB Statement No. 75. The increases were partially offset by the decrease of $2,100 related to OPEB primarily due to changes in proportionate share and differences in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 75 and the decrease of $23 related to leases due to amortization of leases in current year. Refer to Notes 6, 7 and 8 to the financial statements for more information regarding the Authority's pension, postemployment benefits other than pension, and leases, respectively.

Total net position, distinguishing among investment in capital assets, restricted amounts, and unrestricted amounts:

	December 31,			Increase/(Decrease)	
(In thousands)	2023	2022	2021	2023–2022	2022–2021
Investment in capital assets	$ 745,105	$ 695,605	$ 651,676	$ 49,500	$ 43,929
Unrestricted	(99,027)	(89,803)	(93,469)	(9,224)	3,666
Total net position	$ 646,078	$ 605,802	$ 558,207	$ 40,276	$ 47,595

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of two sections: net investment in capital assets and unrestricted. Net investment in capital assets include capital assets and right-of-use assets, net of accumulated depreciation and amortization, reduced by outstanding debt, net of applicable debt service reserves. The Authority has no restricted net position. All other assets, deferred outflows of resources, liabilities, and deferred inflows of resources are unrestricted. In 2021, the total net position was restated and decreased by $7 due to the implementation of GASB No. 87, *Leases*.

December 31, 2023 versus 2022 — Total net position was $646,078 at the end of 2023, a net increase of $40,276 or 7.1% from the end of 2022. The net increase was due to nonoperating income of $53,810 and MTA capital contributions of $71,179 offset by an operating loss of $84,713.

December 31, 2022 versus 2021—Total net position was $605,802 at the end of 2022, a net increase of $47,595 or 8.5% from the end of 2021. The net increase was due to nonoperating income of $74,000 and MTA capital contributions of $57,750 offset by an operating loss of $84,155.

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Condensed statements of revenues, expenses, and changes in net position

(In thousands)	Year Ended December 31, 2023	2022	2021	Increase/(Decrease) 2023–2022	2022–2021
Operating revenues	$ 5,447	$ 4,992	$ 3,289	$ 455	$ 1,703
Operating expenses	(90,160)	(89,147)	(78,664)	(1,013)	(10,483)
Operating loss	(84,713)	(84,155)	(75,375)	(558)	(8,780)
Nonoperating revenues (expenses):					
Grants, appropriations, and taxes	8,834	8,409	7,100	425	1,309
Subsidies	47,374	10,471	26,855	36,903	(16,384)
Federal Transit Administration CARES Act reimbursement	43	(10)	-	53	(10)
Federal Transit Administration CRRSAA	-	10	31,224	(10)	(31,214)
Federal Transit Administration ARP	-	55,736	-	(55,736)	55,736
Other nonoperating revenue/ expenses—net	(2,441)	(616)	(23)	(1,825)	(593)
Total net nonoperating revenues	53,810	74,000	65,156	(20,190)	8,844
Loss before capital contributions	(30,903)	(10,155)	(10,219)	(20,748)	64
Capital contributions	71,179	57,750	88,028	13,429	(30,278)
Change in net position	40,276	47,595	77,809	(7,319)	(30,214)
Net position—beginning of year	605,802	558,207	480,398	47,595	77,809
Net position—end of year	$ 646,078	$ 605,802	$ 558,207	$ 40,276	$ 47,595

Revenues, by major source:

(In thousands)	Year Ended December 31, 2023*	2022	2021	Increase/(Decrease) 2023–2022	2022–2021*
Fare revenue	$ 3,618	$ 3,174	$ 2,376	$ 444	$ 798
Student and elderly reimbursement	924	860	474	64	386
Other	905	958	439	(53)	519
Total operating revenue	$ 5,447	$ 4,992	$ 3,289	$ 455	$ 1,703

December 31, 2023 versus 2022— Revenues from fares and student and elderly reimbursements were $4,542 in 2023, an increase of 12.6% from the prior year. Ridership in 2023 was 2.2 million, an increase of 11.0% from 2022. The increase in revenue was due to higher ridership, fare increase and student reimbursements in 2023. Other revenues in 2023 consist mainly of advertising revenue and rental income.

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The decrease in other revenues of $53 or 5.5% from prior year was mainly related to decrease of advertising revenues.

December 31, 2022 versus 2021—Revenues from fares and student and elderly reimbursements were $4,034 in 2022, an increase of 41.5% from the prior year. Ridership in 2022 was 2 million, an increase of 36.9% from 2021. The increase in revenue was due to higher ridership and student reimbursements in 2022 as a result of COVID-19 pandemic recovery. Other revenues in 2022 consist mainly of advertising revenue and rental income. The increase in other revenues of $519 or 118.2% from prior year was mainly related to increase of advertising revenues.

Operating Expenses:

	Year Ended December 31,			Increase/(Decrease)	
	2023	2022	2021	2023–2022	2022–2021
(In thousands)					
Salaries and wages	$ 26,953	$ 33,789	$ 29,118	$ (6,836)	$ 4,671
Health and welfare	8,256	6,423	6,934	1,833	(511)
Pensions	12,140	8,346	9,268	3,794	(922)
Other post employment benefits	6,087	7,819	5,957	(1,732)	1,862
Other fringe benefits	(1,876)	3,705	3,447	(5,581)	258
Traction and propulsion power	5,436	4,804	3,913	632	891
Materials and supplies	2,075	3,071	2,312	(996)	759
Insurance	1,443	1,845	1,299	(402)	546
Public liability claims	1,391	677	(458)	714	1,135
Maintenance and other operating contracts	3,496	2,036	1,291	1,460	745
Professional service contracts	1,381	2,411	2,402	(1,030)	9
Environmental remediation	47	20	733	27	(713)
Depreciation/amortization	22,968	13,969	11,711	8,999	2,258
Other business expenses	363	232	737	131	(505)
Total operating expenses	$ 90,160	$ 89,147	$ 78,664	$ 1,013	$ 10,483

December 31, 2023 versus 2022 — Operating expenses increased by $1,013 or 1.1%. Salaries and wages decreased by $6,836 mainly due to higher vacancies partially offset by an increase in overtime. The increase of $1,833 in health and welfare expense was primarily attributed to the accrual of $1,262 for claims incurred but not paid for self-insured benefits and a net increase of $570 in other health and welfare related expenses. Pension benefits increased by $3,794 and other postemployment benefits decreased by $1,732, based on the most current actuarial valuations. Other Fringe benefits decreased by $5,581 due to more reimbursable expenses in 2023. Traction and propulsion power increased by $632 mainly due to non-traction power partially offset by traction power. Materials and supplies decreased by $996 mainly due to a decrease in the reserve for obsolescence. . Public liability claims increased by $714 based on the most current actuarial valuation update, reflecting higher claims activity. Professional service contracts decreased by $1,030 due to timing of infrastructure safety project. Maintenance and other operating expenses increased by $1,460 due to the timing of operating services projects. Environmental remediation expense increased by $27 mainly due to less projects requiring environmental remediation. Depreciation and amortization expense increased by $8,999 mainly due to additional capital projects reaching substantial completion which includes right-of-way equipment, station accessibility (ADA) improvement assets and amortization expense for new right-of-use lease assets.

December 31, 2022 versus 2021—Operating expenses increased by $10,483 or 13.3%. Salaries and wages increased by $4,671 mainly due to higher overtime expenses as a result of vacancies, offset by lower base pay. The decrease of $511 in health and welfare expense was mainly due to the decrease in employee per capita claims costs. Pension benefits decreased by $922 and other postemployment benefits increased by $1,862, respectively, based on the most current actuarial valuations. Traction and propulsion power increased by $891 mainly due to increase of ridership and utilization of the transportation system after COVID-19 pandemic recovery. Public liability claims increased by $1,135 based on the most current actuarial valuation update, reflecting higher claims activity. Materials and supplies increased by $759 mainly due to higher usage of contact rail and hardware. Maintenance and other operating expenses increased by $745 due to higher cleaning costs related to COVID-19 pandemic response measures. Environmental remediation expense decreased by $713 mainly due to less projects requiring environmental remediation. Depreciation and amortization expense increased by $2,258 mainly due to additional capital projects reaching substantial completion and includes right-of-way equipment, station accessibility (ADA) improvement assets and amortization expense for new right-of-use assets as a result of the adoption of GASB Statement No. 87, Leases with retroactive adoption date of January 1, 2021.

Nonoperating Revenues and Expenses:

Nonoperating revenues include various forms of State, The City, MTA subsidies and operating assistance. These subsidies are subject to annual appropriations by governmental units and periodic approval of the tax subsidies. The City and MTA subsidies are provided primarily to fund the operating deficit of SIRTOA.

December 31, 2023 versus 2022—Tax supported and operating assistance subsidies from New York State and The City increased by $457 compared to 2022 due to the improvement of the COVID-19 pandemic resulting in higher levels of tax supported subsidies. NYC operating recovery subsidy increased by $36,902compared to prior year as the actual 2022 operating deficit was due to no COVID related federal subsidy being granted in 2023. There was no American Rescue Plan Act of 2021 (“ARPA”) allocation for 2023. Capital contributions from the MTA of $71,179 in 2023 increased by $13,429 from 2022 due to timing of capital program funding from several sources including bonds, Federal, State and City funding.

December 31, 2022 versus 2021—Tax supported and operating assistance subsidies from New York State and The City increased by $1,309 compared to 2021 due to the improvement of the COVID-19 pandemic resulting in higher levels of tax supported subsidies. NYC operating recovery subsidy decreased by $16,384 compared to prior year as the actual 2021 operating deficit was less than the estimate reported in the year-ended December 31, 2021.

In 2022, nonoperating revenues included the MTA operating assistance allocation of $55,736 from the Federal government under the COVID-19 pandemic and support program known as the American Rescue Plan Act of 2021 ("ARPA"). There were no Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") allocation for 2022.

Capital contributions from the MTA of $57,750 in 2022 decreased from $88,028 in 2021 due to timing of capital program funding from several sources including bonds, Federal, State and City funding.

Changes in Net Position:

The change in net position represents the net total of capital contributions, operating losses and nonoperating income. Net position increased by $85,428 and $47,595 in 2023 and 2022, respectively. The change in net position for both years was due to capital contributions from the MTA and nonoperating income less operating losses. The 2021 net position decreased by $7 due to adoption of GASB Statement No. 87, *Leases* (See Note 2).

Budget Highlights— Operating revenue in 2023 of $5,447 was below budget by $1,240, or 18.5%. Farebox revenue of $3,618, underran the budget by $.892, or 19.8%, due to lower than projected ridership. Other operating revenue of $1,829, was below budget by $.347, or 15.9%, due mainly to school fare reimbursement underruns and a shortfall in advertising revenue.

Operating expenses of $90,160 were below budget by $8,662, or 8.8%. Labor expenses (including GASB 68 & GASB 75 adjustments to pension and OPEB, respectively) of $51,559 were lower by a net $8,804, or 14.6%. Labor expense favorability of $8,804 was primarily a result of underruns in health & welfare, pension, and other fringe benefits expenses of $6,686 or 31.3%. The following provided a partial offset to general favorability of labor expense categories: unfavorable actuarial valuations of GASB 75 resulted in overruns of $3,931 or 148.4%. Overtime expenses were above budget by $1,046, or 33.8%, due to vacancies and maintenance activities. Reimbursable overhead credits were unfavorable by $.103 vs budget.

Non-labor expenses were under budget by a net $4,812, or 22.9%. Maintenance contract expenses overrran by $1,502, or 53.5% due to timing of operating services projects. Electric power underran the budget by $.261 or 4.9%, due to lower consumption. Claims expense of $1,391, underran the budget by $.518 due to timing of payments. Materials and supplies were over budget by $.304, or 17.2%, due to fleet and facilities maintenance requirements and professional service contracts were lower than budget by $6,441, or 82.3%, due to timing of retaining wall inspection project.

OVERALL FINANCIAL POSITION, RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions— Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. For the fourth quarter compared with the fourth quarter of 2023, MTA New York City Transit subway paid ridership increased by 21.8 million trips (7.8%), MTA New York City Transit bus paid ridership decreased by 7 million trips (-8%), MTA Long Island Rail Road paid ridership increased by 3.2 million trips (22.3%), MTA Metro-North Railroad paid ridership increased by 2.3 million trips (16.5%), MTA

Bus paid ridership decreased by 192 thousand trips (-0.9%), and MTA Staten Island Railway paid ridership increased by 52 thousand trips (9.4%). Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support $15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers' commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of $2.74 per gallon to an average price of $2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2,2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve's monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes ("MRT") and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by $29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were $33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2023—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 $77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were $41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations and Overall Financial Position—Total revenue from fares and student and elderly reimbursements was $4,542 in 2023, an increase of 9.1% from the prior year. Ridership in 2023 was 2.2 million, an increase of 11.0% from 2022. Total non-reimbursable expenses, including depreciation and amortization, pension costs, other post-employment benefits and environmental remediation, were $$90,160 in 2023, an increase of 1.1%.

Going forward, the stability of the Authority's financial position is subject to certain risks, requiring the efficient management of costs, including the establishment of new cost reduction programs, in order to counteract any adverse impacts to revenue streams or cost increases.

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SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program—The MTA has ongoing programs on behalf of its affiliated agencies, subject to approval by the New York State Metropolitan Transportation Authority Capital Program Review Board (the State Review Board), which are intended to improve public transportation in the New York Metropolitan area.

The Transit Authority's portion of the current MTA Capital Program for 2020–2024, which includes SIRTOA, totals $34.0 billion. As of December 31, 2023, $15.6 billion has been encumbered under the five-year plan, of which approximately $4.1 billion has been expended. Funding for the Capital Program comes from new money bonds, federal grants, bonds supported by the payroll mobility tax applied within the MTA regional district, The City capital funding and other sources.

In 2021, SIRTOA committed one project to replace 15,747 feet of mainline track ($35.2 million). In 2021, SIRTOA completed four projects: the construction of a new power substation at Tottenville to improve reliability of train service ($25.0 million), modification of the SIRTOA train tracking system to include a non-reporting block alarm ($2.2 million), stations component repairs at St. George, Clifton, Eltingville, Annadale, Huguenot, and Tottenville stations ($17.1 million), and flood resiliency improvements at St. George Terminal ($51.8 million) to protect the terminal and yard from future storm events.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2023 MTA November Financial Plan (the "November Plan" or "Plan"), which includes the 2023 November Forecast, the 2024 Final Proposed Budget and a Financial Plan for the years 2024 to 2027, updates the 2023 July Financial Plan (the "July Plan"). This Plan, as with all plans beginning with the 2020 July Plan, reflects the ongoing financial and operational impacts stemming from the Covid-19 pandemic, and the recovery of the MTA Region.

Fare evasion on buses has increased over the past few months. MTA is responding to fare evasion with a multipronged approach across all services, and not just on the bus system, consistent with the recommendations from the Blue-Ribbon Commission on Fare Evasion released earlier this year. While it is expected these efforts will reign in fare evasion, this Plan includes, below-the-line, a Farebox Revenue Loss Provision of $100 million for 2024. The need to maintain this provision, or scale back or expand it, will be further evaluated, and necessary revisions will be reflected in the 2024 July Plan.

The November Plan continues to include the resumption of regular biennial fare and toll increases yielding a four percent increase in farebox and toll revenues, proposed for implementation in January 2025 and March 2027. These proposed increases are expected to generate $1.15 billion through the Plan period.

More detailed information on the November Plan can be found in the MTA 2023 Final Proposed Budget – November Financial Plan 2023-2026 Volumes 1 and 2 at www.MTA.info

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash (Note 3)	$ 138	$ 156
Receivables:		
New York City Department of Education	799	1,092
NYC operating recovery	44,585	33,726
Due from New York City Transit Authority (Note 11)	1,802	2,160
Due from MTA (Note 11)	10,506	55,797
MTA capital program funds receivable (Note 11)	4,371	2,011
Other	672	767
Less allowance for doubtful accounts	(14)	(14)
Net receivables	62,721	95,539
Materials and supplies—at average cost—net	3,631	2,229
Prepaid expense and other current assets	9,417	1,219
Total current assets	75,907	99,143
NONCURRENT ASSETS:		
Capital assets (Note 5):		
Construction work-in progress	150,465	193,105
Other capital assets—net of accumulated depreciation and amortization	601,353	502,769
Total capital assets—net of accumulated depreciation and amortization	751,818	695,874
Other non-current receivables	85	107
Total assets	827,810	795,124
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pension (Note 6)	30,894	23,976
Related to OPEB (Note 7)	20,486	24,897
Total deferred outflows of resources	51,380	48,873
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 879,190	$ 843,997

See notes to financial statements.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 1,644	$ 2,017
Accrued retroactive salaries and wages	882	11,648
Accrued sick and vacation pay	6,779	5,452
Accrued payroll taxes and related liabilities	1,304	1,326
Due to New York City Transit Authority (Note 11)	3,367	2,103
Due to MTA (Note 4 and 11)	37,568	50,266
Estimated liability arising from injuries to persons (Note 9)	3,629	2,764
Pollution remediation projects (Note 10)	275	324
Lease payable (Note 8)	726	248
Other	5,063	-
Total current liabilities	61,237	76,148
NONCURRENT LIABILITIES:		
Net pension liability (Note 6)	48,431	33,493
Net OPEB liability (Note 7)	79,504	90,274
Estimated liability arising from injuries to persons (Note 9)	16,679	16,628
Pollution remediation projects (Note 10)	1,262	1,455
Lease payable (Note 8)	924	21
Total noncurrent liabilities	146,800	141,871
Total liabilities	208,037	218,019
DEFERRED INFLOWS OF RESOURCES:		
Related to pension (Note 6)	135	3,930
Related to OPEB (Note 7)	24,834	16,118
Related to leases (Note 8)	106	128
Total deferred inflows of resources	25,075	20,176
NET POSITION:		
Net investment in capital assets	745,105	695,605
Unrestricted	(99,027)	(89,803)
Total net position	646,078	605,802
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 879,190	$ 843,997

See notes to financial statements. (Concluded)

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
OPERATING REVENUES:		
Fare revenue	$ 3,618	$ 3,174
Student fare reimbursement	890	826
Elderly fare reimbursement	34	34
Other	905	958
Total operating revenues	5,447	4,992
OPERATING EXPENSES:		
Salaries and wages	26,953	33,789
Health and welfare	8,256	6,423
Pensions	12,140	8,346
Other post employment benefits	6,087	7,819
Other fringe benefits	(1,876)	3,705
Traction and propulsion power	5,436	4,804
Materials and supplies	2,075	3,071
Insurance	1,443	1,845
Public liability claims (Note 2)	1,391	677
Maintenance and other operating expenses	3,496	2,036
Professional service contracts	1,381	2,411
Environmental remediation	47	20
Depreciation and amortization	22,968	13,969
Other business expenses	363	232
Total operating expenses	90,160	89,147
OPERATING LOSS	(84,713)	(84,155)
NONOPERATING REVENUE—Operating assistance subsidies:		
New York State tax supported subsidy	7,596	7,139
New York State—18B Assistance	619	635
New York City—18B Assistance	619	635
NYC operating recovery subsidy (Note 2)	47,374	10,471
Federal Transit Administration CARES Act reimbursement (Note 11)	43	(10)
Federal Transit Administration CRRSAA (Note 11)	-	10
Federal Transit Administration APRA (Note 11)	-	55,736
Total nonoperating revenues	56,251	74,616
Other nonoperating (expenses) income—net	(2,441)	(616)
Total nonoperating income	53,810	74,000
GAIN/(LOSS) BEFORE CAPITAL CONTRIBUTIONS	(30,903)	(10,155)
CAPITAL CONTRIBUTIONS—MTA contributions for capital projects	71,179	57,750
INCREASE IN NET POSITION	40,276	47,595
NET POSITION—Beginning of year	605,802	558,207
NET POSITION—End of year	$ 646,078	$ 605,802

See notes to financial statements.

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STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 4,860	$ 3,222
Rent and other receipts	883	935
Payroll and related fringe benefits	(53,295)	(50,397)
Other operating expenses	(23,724)	(15,030)
Net cash used in operating activities	(71,276)	(61,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES—Subsidies received	90,523	36,853
Net cash provided by noncapital financing activities	90,523	36,853
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Receipts from leases	25	25
Payments for leases	(270)	(306)
Capital project costs incurred for capital program	(10,514)	(1,545)
Interest paid	(2,972)	(757)
Payments on MTA Transportation bonds issued to fund capital assets	(285)	(274)
Reimbursement of capital project costs from MTA	7,070	252
Net cash used in capital and related financing activities	(6,946)	(2,605)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in MTA investment pool	(12,986)	26,845
Interest and dividends on investment	667	149
Net cash (used in)/provided by investing activities	(12,319)	26,994
NET DECREASE IN CASH	(18)	(28)
CASH—Beginning of year	156	184
CASH—End of year	$ 138	$ 156

See notes to financial statements. (Continued)

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in thousands)

	2023	2022
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss before non-operating revenues and contributions	$ (84,713)	$ (84,155)
Adjustments to reconcile operating loss to net cash used in operating activities—depreciation and amortization	22,968	13,969
Changes in operating assets and liabilities:		
Increase in receivable from New York City Department of Education	293	(827)
Decrease in receivable from MTA	33	-
(Increase) decrease in due from New York City Transit Authority	485	(434)
Decrease (increase) in other receivables	96	245
(Increase) decrease in materials and supplies inventory	(1,402)	(731)
Increase in other assets	(8,198)	(211)
Decrease in deferred outflows of resources related to pension	(6,918)	3,476
Increase in deferred outflows of resources related to OPEB	4,411	(5,442)
Increase in accounts payable and other accrued liabilities	(396)	192
Increase in accrued retroactive salaries and wages	(10,767)	3,611
Increase (decrease) in accrued sick and vacation	1,328	1,065
Decrease in payroll taxes and related liabilities	(22)	(299)
(Decrease) increase in net pension liability	14,938	(6,221)
Increase in due to MTA	211	270
(Decrease) increase in due to New York City Transit Authority	1,264	(125)
Increase in net OPEB liability	(10,771)	10,453
Increase (decrease) in estimated liabilities arising from personal injuries	916	873
Increase in liability for environmental pollution remediation	47	20
Increase (decrease) in deferred inflows of resources related to pension	(3,795)	3,289
Decrease in deferred inflows of resources related to OPEB	8,716	(288)
NET CASH USED IN OPERATING ACTIVITIES	$ (71,276)	$ (61,270)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributed capital assets	$ 71,179	$ 57,750
Capital assets related liabilities	21	269
Interest expense for leases	2	5
Interest income from leases	3	3
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	$ 71,205	$ 58,027

See notes to financial statements. (Concluded)

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1. BASIS OF PRESENTATION

Reporting Entity—The Staten Island Rapid Transit Operating Authority ("SIRTOA" or "Authority") is a public benefit corporation and a component unit of the Metropolitan Transportation Authority ("MTA") organized pursuant to the New York State ("State") Public Authorities Law. SIRTOA is part of the financial reporting group of the MTA and is included in the MTA consolidated financial statements. The MTA is a component unit of the State and is included in the State of New York's Comprehensive Annual Financial Report as a public benefit corporation.

SIRTOA is operationally and legally independent of the MTA. SIRTOA enjoy certain rights typically associated with separate legal status. However, SIRTOA is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability and SIRTOA is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the Authority and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include SIRTOA in its consolidated financial statements.

SIRTOA operates and maintains the commuter rail service in Staten Island pursuant to an arrangement pending renewal of its Lease and Operating Agreement (Operating Agreement) with New York City ("The City"). The Operating Agreement provides that SIRTOA establishes fares required to make operations self-sustaining (as defined in the Operating Agreement), and pays its operating expenses and The City pays SIRTOA's capital costs and operating deficits. The City has the option to terminate the Operating Agreement at any time.

SIRTOA requires and will continue to require substantial subsidies from various governmental sources in order to maintain its operations in the future. SIRTOA estimates that current fare levels and anticipated operating subsidy levels will provide sufficient revenue to meet operating expenses. Subsidies required for future years are presently being determined. If the funds made available to SIRTOA are not sufficient to meet its needs, SIRTOA must raise fares, curtail its services and operations or defer certain other expenditures (but not maintenance) in order to continue operating within the limits of the funds.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

SIRTOA applies GASB Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, Proprietary Accounting and Financial Reporting.

New Accounting Standards — The MTA adopted the following GASB Statements for the year ended December 31, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended.

The Authority evaluated all the requirements and adopted this Statement for the year ended December 31, 2023, with retroactive effect of this adoption as of January 1, 2022. The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to Public-Private and Public-Public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a Service Concession Arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for Availability Payment Arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB 94, the Authority concluded that the adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the Authority.

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GASB Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the Authority.

Accounting Standards Issued but Not Yet Adopted
GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Required Year of Adoption
100	Accounting Changes and Error Corrections	2024
101	Compensated Absences	2024
102	Certain Risk Disclosures	2024

Capital Assets — Properties and equipment are carried at cost and are depreciated on a straight-line basis over their estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Accumulated depreciation and amortization are reported as reductions of capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

Leases – per GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

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Net Position—SIRTOA follows the "business type" activity requirements of GASB Statement No. 34, which requires that resources be classified for accounting and reporting purposes into the following two net position categories:

- ***Net Investment in Capital Assets***—Capital assets, net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- ***Unrestricted***—Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors or may be otherwise limited by contractual agreements with outside parties.

Subsidies—SIRTOA receives operating assistance subsidies under various New York State (the "State") and City programs and from the proceeds of certain taxes instituted by the State for the benefit of the New York City Transit Authority and SIRTOA. These subsidies are subject to annual appropriations by the governmental units and periodic approval of the tax subsidies.

SIRTOA's policy is to record one year's operating assistance subsidy in each fiscal year. Such subsidy is recorded as revenue as the funds are made available. The New York City Transit Authority administers all tax-supported subsidies for SIRTOA on a formula amount determined by passenger ridership and vehicle revenue miles. The tax-based subsidies are recognized as revenue based on the amount of tax collections reported by the State, which are allocable to SIRTOA pursuant to this formula. In 2023 and 2022, the MTA provided SIRTOA with budgeted amounts of operating assistance subsidies as required. The MTA did not make the funds available to SIRTOA before they were required to finance its operations.

Pursuant to a letter agreement between The City and MTA, The City has agreed to pay SIRTOA's annual operating deficit, the difference between the actual operating costs and all revenues, including reimbursements, as an annual subsidy to SIRTOA. At December 31, 2023, SIRTOA recorded a NYC operating recovery receivable and subsidy revenue $44,585 and $47,374respectively for the calendar year 2023. In 2023, SIRTOA received $36,515 from The City for calendar year 2022 operating deficit. At December 31, 2022, SIRTOA recorded a NYC operating recovery receivable and subsidy revenue of $33,726 and $10,471,respectively for the calendar year 2022. In 2022, SIRTOA received $24,421 from The City for calendar year 2021 operating deficit.

In addition to operating and tax supported subsidies, SIRTOA receives expense reimbursement subsidies from The City and the MTA for the costs associated with various capital programs.

MTA Investment Pool—The MTA, on behalf of SIRTOA, invests funds which are not immediately required for SIRTOA's operations in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The Authority categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. SIRTOA's investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs).

Due from/to MTA and Constituent Authorities—Due from/to MTA and constituent Authorities consists of reimbursements due from the MTA Capital Program for billed and unbilled charges relating to capital projects, farecards and intercompany operating receivables, payables, and inter-agency loan transactions.

Prepaid Expenses and Other Current Assets—SIRTOA prepaid $0.8 million in risk management related insurance coverage in 2023. In 2022, SIRTOA prepaid $0.7 million in risk management related insurance coverage and $0.5 million in down payment for the purchase of components associated with the manufacture of the laser train and the engineering costs associated with the design of the train.

Contributed Capital—Capital assets contributed by the MTA are recorded as capital contributions on the statements of Revenues, Expenses, and Changes in Net Position. Contributed capital is recognized upon identification of capital costs to be funded by the MTA. Capital contributions for the years ended December 31, 2023 and 2022, consist of the following:

(In thousands)	2023	2022
Capital assets contributed by MTA from:		
Federal grants	$ 38,464	$ 14,586
Other than federal grants	33,000	43,438
Principal and interest payments on MTA Transportation bonds issued to fund capital assets	(285)	(274)
Total capital contributions	$ 71,179	$ 57,750

Receivables—Receivables are recorded as amounts due to SIRTOA, reduced by an allowance for doubtful accounts, to report the receivables at net realizable value.

Pollution Remediation Projects—Pollution remediation costs are being expensed in accordance with the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (see Note 10). An operating expense provision and corresponding liability measured at current value using the expected cash flow method has been recognized for certain pollution remediation obligations, which previously may not have been required to be recognized, have been recognized earlier than in the past or are no longer able to be capitalized as a component of a capital project. Pollution remediation obligations occur when any one of the following obligating events takes place: SIRTOA is in violation of a pollution prevention-related permit or license; an imminent threat to public health due to pollution exists; SIRTOA is named by a regulator as a responsible or potentially responsible party to participate in remediation; SIRTOA voluntarily commences or legally obligates itself to commence remediation efforts; or SIRTOA is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities.

Public Liability Claims—SIRTOA establishes its liability to employees and to the general public on the basis of independent actuarial estimates of future liability.

Materials and Supplies—Materials and supplies consist of new maintenance parts and supplies, and are recorded at weighted average cost, net of a reserve for obsolescence at December 31, 2023 and 2022 of $342 and $993, respectively.

Revenue Recognition—Revenues from the sales of farecards are recognized as income as the farecards are used and are reported as operating income.

Operating and Non-Operating Expenses—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating SIRTOA (e.g., salaries, insurance, depreciation, lease amortization, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, interest on leases, subsidies paid to counties, etc.) are reported as non-operating expenses.

Pension Plans—SIRTOA adopted the standards of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for its pension plan.

SIRTOA recognizes a proportionate share of the net pension liability for the qualified cost-sharing, multiple-employer pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the pension plan, as of the plan's measurement date. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the year incurred.

Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

Postemployment Benefits Other Than Pensions—SIRTOA adopted the standards of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

SIRTOA recognizes a proportionate share of the net OPEB liability for MTA's cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

Use of Management's Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. In addition, they affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

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3. CASH

Bank balances are insured up to $250 in the aggregate by the Federal Deposit Insurance Corporation ("FDIC") for each bank in which funds are deposited. The difference between the carrying amount and the bank balance for the years ended December 31, 2023 and 2022, is due to deposits in transit offset by any outstanding checks.

At December 31, 2023 and 2022, cash consisted of:

(In thousands)	**2023**		**2022**	
	Carrying Amount	**Bank Balance**	**Carrying Amount**	**Bank Balance**
Insured deposits ("FDIC")	$ 138	$ 150	$ 156	$ 163

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, SIRTOA will not be able to recover the value of its deposits. While SIRTOA does not have a formal deposit policy for custodial credit risk, New York State statues govern SIRTOA's investment policies. SIRTOA's uninsured deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

4. MTA INVESTMENT POOL

The MTA, on behalf of SIRTOA, invests funds which are not immediately required for SIRTOA's operations, in securities permitted by the State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury, U.S. Treasury notes, and U.S. Treasury zero coupon bonds. All investments are held by the MTA's agent, in custody accounts, in the name of the MTA. SIRTOA records its position in the Pool based upon a net asset value derived on assets invested in the Pool plus all realized income and losses earned. SIRTOA's earnings from short-term investments were $575 and $142 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, SIRTOA had a negative investment pool balance of $36,237 and $49,222, respectively, as funds were used for working capital purposes to offset the timing of the NYC operating recovery subsidy. The $36,237 and $49,222 were included in the Due to MTA on the Statements of Net Position.

5. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than $25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-to-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term. Capital and right-to-use assets consist of the following at January 1, 2022, December 31, 2022 and December 31, 2023 (in millions):

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Capital and right-of-use assets consist of the following at January 1, 2022, December 31, 2022 and December 31, 2023 (in thousands):

(In thousands)	**January 1, 2022**	**Additions/ Reclassifications**	**Deletions/ Reclassifications**	**December 31, 2022**	**Additions/ Reclassifications**	**Deletions/ Reclassifications**	**December 31, 202**
Capital assets not being depreciated—							
Construction work-in-progress	$ 325,259	$ 57,659	$ (189,813)	$ 193,105	$ 76,238	$ (118,878)	$ 150,465
Total capital assets not being depreciated	325,259	57,659	(189,813)	193,105	76,238	(118,878)	150,465
Capital assets being depreciated:							
Track	35,254	-	-	35,254	109,339	-	144,593
Structures	79,353	(14)	-	79,339	12	-	79,351
Cars	28,773	-	-	28,773	-	-	28,773
Shops and yard	23,532	184,938	-	208,470	8,527	-	216,997
Stations	360,317	4,814	-	365,131	1,000	-	366,131
Signals	11,056	75	-	11,131	-	-	11,131
Vehicles	3,514	-	-	3,514	-	-	3,514
Equipment and other	14,808	-	-	14,808	-	-	14,808
Total capital asset being depreciated	556,607	189,813	-	746,420	118,878	-	865,298
Less accumulated depreciation:							
Track	(21,247)	(1,087)	-	(22,334)	(2,529)	-	(24,863)
Structures	(47,918)	(1,523)	-	(49,441)	(1,524)	-	(50,965)
Cars	(24,803)	(311)	-	(25,114)	(311)	-	(25,425)
Shops and yard	(20,864)	(1,021)	-	(21,885)	(7,902)	-	(29,787)
Stations	(92,648)	(9,249)	-	(101,897)	(9,329)	-	(111,226)
Signals	(7,015)	(236)	-	(7,251)	(237)	-	(7,488)
Vehicles	(2,849)	(174)	-	(3,023)	(174)	-	(3,197)
Equipment and other	(12,837)	(128)	-	(12,965)	(129)	-	(13,094)
Total accumulated depreciation	(230,181)	(13,729)	-	(243,910)	(22,135)	-	(266,045)
Total capital assets being depreciated—net	326,426	176,084	-	502,510	96,743	-	599,253
Capital assets—net	651,685	233,743	(189,813)	695,615	172,981	(118,878)	749,718
Right of use assets being amortized:							
Leased buildings and structures	739	-	-	739	2,674	-	3,413
Total right of use assets being amortized	739	-	-	739	2,674	-	3,413
Less accumulated amortization:							
Leased buildings and structures	(240)	(240)	-	(480)	(833)	-	(1,313)
Total accumulated amortization	(240)	(240)	-	(480)	(833)	-	(1,313)
Right of use assets being amortized – net	499	(240)	-	259	1,841	-	2,100
Total capital assets, including right of use assets—net of depreciation and amortization	$ 652,184	$ 233,503	$ (189,813)	$ 695,874	$ 174,822	$ (118,878)	$ 751,818

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6. EMPLOYEE BENEFITS

Pension Plan—SIRTOA participates in a defined benefit pension plan for their employees, the Metropolitan Transportation Authority Defined Benefit Plan (the "MTA Defined Benefit Plan"). A brief description of the pension plan follows:

***Plan Description*—**The MTA Defined Benefit Pension Plan (the "MTA Plan" or the "Plan") is a cost sharing, multiple-employer pension plan. The Plan covers certain MTA Long Island Rail Road nonrepresented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA Long Island Rail Road represented employees hired after December 31, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and nonrepresented employees and certain employees of the MTA Bus Company ("MTA Bus"). MTA Long Island Rail Road, MTA Metro-North Railroad, MTA, MTA Staten Island Railway and MTA Bus contribute to the MTA Plan, which offers distinct retirement, disability retirement, and death benefit programs for their covered employees and beneficiaries.

The MTA Defined Benefit Plan is administered by the Board of Managers of Pensions which is comprised of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer. The MTA Plan may be amended by action of the MTA Board.

The pension plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

Benefits Provided:

Pension Benefits—Retirement benefits are paid from the Plan to covered MTA Staten Island Railway employees as service retirement allowances or early retirement allowances. A participant is eligible for a service retirement allowance upon termination if the participant satisfied both age and service requirement. A participant is eligible for an early retirement allowance upon termination if the participant has attained age fifty-five and completed at least ten years of credited service. Terminated participants with five or more years of credited service who are eligible for a deferred vested benefit are not eligible to receive a service retirement allowance or early retirement allowance. Upon retirement, the member's vested retirement benefit from the Plan will be calculated on the Final Average Salary ("FAS"), defined as the highest average compensation over any three consecutive years.

Death Benefits—In addition to service retirement benefits, participants of the Plan are eligible to receive disability retirement allowances and death benefits. Participants who become disabled may be eligible to receive disability retirement allowances after ten years of credited service for covered MTA Staten Island Railway employees. The disability retirement allowance for represented covered MTA Staten Island Railway employees is calculated based on the participant's credited service and FAS but not less than ⅓ of FAS. Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Staten Island Railway employee after completion of one year of credited service. Moreover, an accidental death benefit is payable for the death of a participant who is a covered MTA Staten Island Railway employee and dies as the result of an on-the-job accidental injury.

Death benefits are paid to the participant's beneficiary in the event of the death of a covered MTA Staten Island Railway employee after completion of one year of credited service. The death benefit payable is calculated based on a multiple of a participant's salary based on years of credited service up to three

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years and is reduced beginning at age sixty-one. There is also a post-retirement death benefit which, in the 1st year of retirement, is equal to 50% of the pre-retirement death benefit amount, whichever is greater, 25% the 2nd year and 10% of the death benefit payable at age 60 for the 3rd and later years.

Retirement benefits establishment and changes for representative employees are collectively bargained and must be ratified by the respective union and the MTA Board. For nonrepresented employees, retirement benefits establishment and changes are presented to the MTA Board and must be accepted and approved by the MTA Board.

Contributions and Funding Policy—SIRTOA's contributions are actuarially determined on an annual basis. Amounts recognized as receivables for contributions include only those due pursuant to legal requirements. Employee contributions to the Plan are recognized in the period in which the contributions are due. The following summarizes the types of employee contributions made to the Plan. MTA Staten Island Railway employees contribute 3% of salary except for represented employees hired on or after June 1, 2010 who contribute 4%. For the MTA Staten Island Railway employees, contributions are not required after the completion of ten years of credited service.

The actual employer contributions for the year ended December 31, 2023 and 2022, were $7,915 and $7,802, respectively.

On January 17, 2023 and January 24, 2023, MTA prepaid the 2023 and 2024 projected Actuarially Determined Contributions ("ADCs") for MTA-Sponsored Plans. The SIRTOA proportionate share of the prepayments for the MTA Defined Benefit Plan Additional Plan was $16,510 of which $8,100 has been amortized in 2023.

Net Pension Liability—SIRTOA's net pension liability reported at December 31, 2023 and 2022 were measured as of December 31, 2022 and December 31, 2021, respectively. The total pension liability for the Plan was determined as of the actuarial valuation dates of January 1, 2022 and 2021, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by the Plan. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

Actuarial Assumptions—The total pension liabilities in actuarial valuation dates were determined using the following actuarial assumptions:

Valuation Date	January 1. 2022	January 1. 2021
Investment rate of return	6.50% per annum, net of investment expenses	6.50% per annum, net of investment expenses
Salary increases	Varies by years of employment, and employee group	Varies by years of employment, and employee group
Inflation	2.25%	2.25%
Cost -of living adjustments	60% of inflation assumption or 1.35%, if applicable.	60% of inflation assumption or 1.35%, if applicable.

Mortality—The actuarial assumptions used in the January 1, 2022 and January 1, 2021 valuations for the MTA plans are based on experience of all MTA members reflecting mortality improvements on a generational basis using Scale AA, as recommended by the Society of Actuaries Retirement Plans Experience Committee.

Pre-retirement: Based on experience of all MTA-sponsored pension plan members from January 1, 2015–December 31, 2020 reflecting mortality improvement on a generational basis using Scale MP-2021.

Post-retirement Healthy Lives: Assumption utilized 95% of RP-2000 Healthy Annuitant mortality table for males with Blue Collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.

Post-retirement Disabled Lives: RP-2014 Disabled Annuitant mortality table for males and females.

Expected Rate of Return on Investments—The long-term expected rate of return on pension plan investments was 6.50% for both 2021 and 2022. The rate was determined using a building-block method in which best-estimate ranges of expected future real rates of return ("RROR") (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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The target asset allocation of each of the funds and the expected real rate of returns ("RROR") for each of the asset classes are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
US Core Fixed Income	10.50 %	2.27 %
US Long Bonds	2.00	2.51
US Inflation-Indexed Bonds	2.00	1.58
US High Yield Bonds	3.00	4.40
US Bank/Leveraged Loans	1.50	3.79
Private Credit	7.00	6.99
Emerging Markets Bonds	2.00	4.99
US Large Caps	18.00	5.64
US Small Caps	7.00	7.25
Foreign Developed Equity	12.00	6.90
Emerging Markets Equity	4.50	9.58
Emerging Markets Small Cap Equity	1.50	9.81
US REITs	1.00	6.71
Private Real Estate Property	4.00	4.86
Private Equity	7.00	10.74
Commodities	4.00	2.96
Hedge Funds—MultiStrategy	13.00	4.52
Assumed Inflation—Mean		2.33 %
Assumed Inflation—Standard Deviation		1.41
Portfolio Nominal Mean Return		8.08
Portfolio Standard Deviation		12.42
Long Term Expected Rate of Return selected by MTA		6.50

Discount Rate—As of December 31, 2022 and 2021, the discount rate used to measure the total pension liability of the MTA Plan was 6.50% and 6.50%, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable and that the employer contributions will be made at the rate determined by the Plan's actuary. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments to determine the total pension liability.

SIRTOA's Proportion of Net Pension Liability—The following table presents SIRTOA's proportionate share of the net pension liability of the MTA Plan at the measurement date of

December 31, 2022 and 2021 and the proportion percentage of the net pension liability of the Plan allocated to SIRTOA:

	(Amount in thousands)	
SIRTOA's proportion of the net pension liability	1.93%	2.00%
SIRTOA's proportionate share of the net pension liability	$ 48,431	$ 33,493

SIRTOA's proportion of the respective Plan's net pension liability was based on actual required contributions of the participating employer for the fiscal year-end.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following table presents SIRTOA's proportionate share of the net pension liability calculated using the discount rate for the MTA Plan, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for each measurement date:

December 31, 2022			December 31, 2021		
1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)
(in thousands)					
$ 67,533	$ 48,431	$ 32,388	$ 52,303	$ 33,493	$ 17,697

Pension Expense, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pension—For the years ended December 31, 2023 and 2022, SIRTOA recognized pension expense of $12,140 and $8,346, respectively, related to the Plan.

For the years ended December 31, 2023 and 2022, SIRTOA reported deferred outflows of resources and deferred inflows of resources for the Plan as follows:

(In thousands)	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,238	$ 135	$ 3,719	$ 207
Net difference between projected and actual earnings on pension plan investments	9,625	-	-	3,567
Changes in proportion and differences between contributions and proportionate share of contributions	264	-	1,375	-
Changes in actuarial assumptions	8,852	-	11,080	156
Employer contribution to plan subsequent to the measurement date of net pension liability	7,915	-	7,802	-
Total	$ 30,894	$ 135	$ 23,976	$ 3,930

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in proportion and differences between employer contributions and proportionate share of contributions, and annual difference due to changes in actuarial assumptions are amortized over an 8.3-year close period beginning the year in which the deferred amount occurs.

For the years ended December 31, 2023 and 2022, $7,915 and $7,802, respectively, were reported as deferred outflows of resources related to pension resulting from the Authority's contributions subsequent to the measurement dates. The amount of $7,915 will be recognized as a reduction of the net pension liability in the year-ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pension at December 31, 2023 will be recognized as pension expense as follows:

Year Ending December 31	**(In thousands)**
2024	$ 4,437
2025	5,638
2026	4,799
2027	5,651
2028	1,614
Thereafter	705
Total	$ 22,844

Section 401(k) Plan—SIRTOA's employees may participate in the MTA's deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). The plan was established in 1988 and is currently available to all employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants. Accordingly, no amounts are reflected in the accompanying financial statements for the 401(k) Plan. SIRTOA is not required to, and did not, make any contributions to the Plan in 2023 or 2022.

7. OTHER POSTEMPLOYMENT BENEFITS

SIROTA participates in a defined benefit other postemployment benefits ("OPEB") plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan ("OPEB Plan"). A description of the Plan follows:

Plan Description—The MTA Retiree Welfare Benefits Plan ("OPEB Plan") and the related Trust Fund ("Trust") was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with SIRTOA's various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004.

Benefits Provided—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. The Authority provides benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of SIRTOA are members of the MTA Defined Benefit Plan.

SIRTOA participates in the New York State Health Insurance Program ("NYSHIP") and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization ("PPO") plan and several Health Maintenance Organization ("HMO") plans. Represented employees who retired as of March 1, 2010, June 1, 2010 or January 1, 2013, depending on the union, do not participate in NYSHIP. These benefits are provided either through a self-insured health plan, a fully insured health plan or an HMO.

SIRTOA is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

OPEB Plan Eligibility—To qualify for benefits under the OPEB Plan, a former employee of SIRTOA must:

(a) have retired;

(b) be receiving a pension;

(c) have at least 10 years of credited service as a member of the MTA Defined Benefit Plan; and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—

- Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.
- Represented retired employees must follow the guidelines of their collective bargaining agreements regarding continued health coverage for a surviving spouse or domestic partner and surviving dependents. The surviving spouse coverage continues until spouse is eligible for Medicare for represented employees of MTA Staten Island Railway, retiring on or after:
  - March 2015 for Transportation Communication Union ("TCU"); and
  - December 16, 2015 for United Transportation Union ("UTU") and American Train Dispatchers Association ("ATDA").

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

Contributions—SIRTOA is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the "pay-as-you-go" ("PAYGO") amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the year-ended December 31, 2023 and 2022, SIRTOA paid

$3,346 and $2,999 of PAYGO to the OPEB Plan, respectively. The PAYGO amounts included an implicit rate subsidy adjustment of $0 and $0 for the years ended December 31, 2023 and 2022, respectively.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. Since the amount of benefits paid in 2022 and 2021 exceeded the current market value of the assets, a depletion date is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer 20-Bond General Obligation Index. As a result, the discount rates as of December 31, 2022 and 2021, the measurement dates, are 3.72% and 2.06%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue on the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2022 and 2021, the employer made a cash payment for retiree healthcare of $0 and $0, respectively, as part of the employer's payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees' underlying age-adjusted, retiree benefit costs.

(In thousands) **Blended and Age-adjusted Premium**	**2022** **Retirees**	**2021** **Retirees**
Total blended premiums	$ 2,999	$ 2,868
Employment payment for retiree healthcare	-	-
Net payments	$ 2,999	$ 2,868

Net OPEB Liability—SIRTOA's proportionate share of the Plan's net OPEB liability reported at December 31, 2023 and 2022 was measured as of the OPEB Plan's fiscal year-end of December 31, 2022 and 2021, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021, and rolled forward to December 31, 2022 and 2021, respectively. SIRTOA's proportion of the net OPEB liability was based on a projection of SIRTOA's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. The following table presents the SIRTOA's proportionate share of the net OPEB liability and corresponding proportion percentage at the measurement date:

(In thousands)	**December 31, 2022**	**December 31, 2021**
SIRTOA's proportion of the net OPEB liability	0.354 %	0.362 %
SIRTOA's proportionate share of the net OPEB liability	$ 79,504	$ 90,274

OPEB Plan Fiduciary Net Position—The fiduciary net position has been determined on the same basis used by the OPEB plan. The OPEB plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or net asset value.

Actuarial Assumptions—Actuarial valuation involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. SIRTOA may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by actuarial valuations performed on July 1, 2021. Update procedures were used to roll forward the total OPEB liability to December 31, 2022 and 2021, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72 %	2.06%
Inflation	2.33 %	2.30%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25 %	4.25%
Salary increases	Varies by years of service and differs for members of the various Pension Plans	Varies by years of service and differs for members of the various Pension Plans
Investment rate of return	3.72 %	2.06%

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Salary Scale—Non-represented employee salaries are assumed to increase in accordance with the following schedule for the measurement date December 31, 2022:

Years of Service	Rate of Increase
0 - 1	8.00 %
2	7.00
3	6.50
4	5.50
5	5.00
6	4.90
7	4.80
8	4.70
9	4.60
10	4.50
11	4.25
12	4.00
13	3.75
14	3.50
15+	3.25

Represented employee salaries are assumed to increase in accordance with the following schedule for the measurement date December 31, 2022:

Years of Service	Rate of Increase
0 - 1	12.50 %
2	11.50
3 - 4	10.00
5	6.00
6	4.25
7	4.00
8	3.75
9	3.50
10+	3.25

Healthcare Cost Trend—The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2021 utilizing the baseline assumptions included in the model, except inflation of 2.25% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). The self-insured trend is applied directly for represented employees. No self-insured post-65 trend is assumed during 2021 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2022.

Healthcare Cost Trend Rates—The following lists illustrative rates for the NYSHIP and self-insured trend assumptions for the measurement date December 31, 2022:

	NYSHIP Trend		Self-Insured Trend	
Trend from Year Ending	Pre-65 Trend	Post-65 Trend	Pre-65 Trend	Post-65 Trend
2021 to 2022	5.30 %	4.60 %	5.90 %	- %
2022 to 2023	5.10	4.60	5.60	5.10
2023 to 2024	4.80	4.60	5.40	5.10
2024 to 2025	4.60	4.60	5.10	5.10
2025 to 2026	4.50	4.50	5.00	5.00
2026 to 2027	4.40	4.40	4.90	4.80
2027 to 2028	4.30	4.30	4.70	4.70
2028 to 2029	4.20	4.20	4.60	4.60
2029 to 2030	4.00	4.00	4.50	4.50
2030 to 2031	3.90	3.90	4.40	4.40
2040 to 2041	3.90	3.90	4.30	4.30
2050 to 2051	3.80	3.80	4.20	4.20
2060 to 2061	3.80	3.80	4.20	4.20
2070 to 2071	3.50	3.50	3.90	3.90
2080 to 2081	3.30	3.30	3.70	3.70
2090 to 2091	3.30	3.30	3.70	3.70
2100 to 2101	3.30	3.30	3.70	3.70

For purposes of applying the Entry Age Normal cost method, the healthcare trend prior to the valuation date is based on the ultimate rates, which are 3.3% for NYSHIP costs, 3.7% for self-insured medical and pharmacy costs, and 3.6% for Medicare Part B costs.

Mortality—All mortality rates (except accidental death for active police members) are projected on a generational basis using the Society of Actuaries Mortality Improvement Scale MP-2021. As generational tables, they reflect mortality improvement both before and after the measurement date. The post-retirement mortality assumption is based on an experience analysis covering the period from January 1, 2015 to December 31, 2020 for the MTA-sponsored pension plans. The mortality rates vary by employee type.

For the Authority, the mortality rates are based on the Pri.H-2012(BC) Mortality Table, headcount weighted with blue collar adjustments for males and females with separate rates for employees, healthy annuitants and disabled annuitants. Employee and healthy annuitant male rates are multiplied by 97%.

Expected Rate of Return on Investments—The best-estimate range for the long-term expected rate of return was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions as of December 31, 2022 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US cash	BAML 3-Mon Tbill	100 %	1.31 %
Assumed Inflation-Mean			2.33
Assumed Inflation-Standard Deviation			1.41
Portfolio Norminal Mean Return			3.64
Portfolio Standard Deviation			2.05
Long Term Expected Rate of Return selected by MTA			3.72

Discount Rate—The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2022 and 2021 of 3.72% and 2.06%, respectively.

Sensitivity of SIRTOA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate—The following presents SIRTOA's proportionate share of the net OPEB liability, as well as what SIRTOA's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement.

(In thousands)	December 31, 2022			December 31, 2021		
	1% Decrease (1.72%)	Discount Rate (3.72%)	1% Increase (2.72%)	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Proportionate share of the net OPEB liability	$ 90,463	$ 79,504	$ 70,451	$ 104,386	$ 90,274	$ 78,821

Sensitivity of SIROTA's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates—The following presents SIROTA's proportionate share of the net OPEB liability, as well as what SIROTA's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement:

	1% Decrease	Trend Rate *	1% Increase	1% Decrease	Trend Rate *	1% Increase
Proportionate share of the the net OPEB liability	$ 68,171	$ 79,504	$ 93,774	$ 76,681	$ 90,274	$ 107,684

* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — For the years ended December 31, 2023 and 2022, SIRTOA recognized OPEB expense of $5,702 and $7,819, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

At December 31, 2023 and 2022, SIRTOA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

(In thousands)	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,260	$ 120	$ 1,498	$ 152
Changes in assumptions	5,497	14,614	7,062	5,313
Net difference between projected and actual earnings on OPEB plan investments	69	-	170	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,314	10,100	13,168.00	10,653
Employer contributions to the plan subsequent to the measurement of net OPEB liability	3,346	-	2,999	-
Total	$ 20,486	$ 24,834	$ 24,897	$ 16,118

For the years ended December 31, 2023 and 2022, $3,346 and $2,999, respectively, were reported as deferred outflows of resources related to OPEB resulting from both SIRTOA's contributions subsequent to the measurement date and an implicit rate subsidy adjustment. The amount of $3,346 will be recognized as a reduction of the net OPEB liability in the year-ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 will be recognized in OPEB expense as follows:

Year Ending December 31	(In thousands)
2024	$ (606)
2025	(843)
2026	(1,619)
2027	(1,975)
2028	(307)
Thereafter	(2,344)
Total	$ (7,694)

8. LEASES

SIRTOA entered into various lease agreements that convey control of the right to use other entities' nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be received during the lease term, using SIRTOA's incremental borrowing rate at the time of valuation ranging from 1.9% to 4.17% if an applicable stated or implicit rate is not available. The lease liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor

SIRTOA leases its right of way to other entities. These leases have terms between 4 years to 9 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, SIRTOA also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

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The total amount of inflows of resources recognized for the years ended December 31, 2023 and 2022 is presented below:

(In thousands)	**2023**	**2022**
Lease Revenue	$ 22	$ 22
Interest Revenue	3	3
Other Variable Revenue	-	-

The balance of lease receivables as of December 31, 2023 and December 31, 2022 are as follows:

(In thousands)	**2023**	**2022**
Lease receivables—current	$ 23	$ 22
Lease receivables—noncurrent	85	107
Total lease receivables	$ 108	$ 129

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A summary of activity in lease receivable for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

(In thousands)	2023	2022
Balance - beginning of year	$ 129	$ 151
Additions/remeasurements	-	-
Receipts/Interest	(21)	(22)
Balance - end of year	108	129
Less current portion	(23)	(22)
Lease receivable noncurrent	$ 85	$ 107

SIRTOA recognized $0 and $0 revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows:

Year Ending December 31	Principal	Interest (In thousands)	Total
2024	$ 23	$ 2	$ 25
2025	18	2	20
2026	18	1	19
2027	19	1	20
2028	15	1	16
2029–2033	15	1	16
Total	$ 108	$ 8	$ 116

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As Lessee

SIRTOA leases include building, office space, and snow removal equipment from other entities. These leases have terms of 3 years, with payments required monthly and quarterly.

The amount of lease expenses recognized for variable payment not included in the measurement of lease liability were $19 and $62 for the years ended December 31, 2023 and 2022, respectively. SIRTOA recognized $0 and $0 expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2023 and 2022.

A summary of activity in lease liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

(In thousands)	**2023**	**2022**
Balance - beginning of year	$ 269	$ 508
Additions/remeasurements	2,155	-
Payments/Interest	(774)	(239)
Balance - end of year	1,650	269
Less current portion	(726)	(248)
Lease liability noncurrent	$ 924	$ 21

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ending December 31	Principal	Interest (In thousands)	Total
2024	$ 726	$ 55	$ 781
2025	735	25	760
2026	189	1	190
2027	-	-	-
2028	-	-	-
2029–2033	-	-	-
Total	$ 1,650	$ 81	$ 1,731

9. RISK MANAGEMENT

SIRTOA is exposed to various risks of loss related to torts; theft of damage to and destruction of its assets; injuries to persons, including employees; and natural disasters.

There are a number of claims and suits against SIRTOA for injuries to persons. The amounts claimed are significantly higher than the amount which management estimates will ultimately be paid. Although simple claims for minor amounts are frequently settled shortly after they arise, the settlement of more complex and large claims may take years after the claim is asserted.

It is not possible to determine with any certainty the amount for which each claim will ultimately be settled because there are many subjective factors in such determinations and all of the issues may not be known for months or even years after the incident at issue.

SIRTOA is self-insured up to certain per occurrence limits for liability claims arising from injuries to persons, excluding employees. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limit was $2.3 million per occurrence. Claims arising on or after November 1, 2009, but before November 1, 2012 were subject to a $2.6 million limit. Effective November 1, 2012, the retention limit was increased to $3.0 million. Effective October 31, 2015, the retention limit was increased to $3.2 million. Lower limits applied for claims arising prior to November 1, 2006. SIRTOA is self-insured for work-related injuries to employees. The annual cost associated with injuries to persons, other than employees, and damage to third-party property, is reflected in expenses as public liability claims in the accompanying consolidated statements of revenues, expenses and change in net position.

SIRTOA establishes its liabilities to employees and to the general public on the basis of independent actuarial estimates of future liability.

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A summary of activity in the estimated liability arising from injuries to persons, including employees, and damage to third-party property, for the years ended December 31, 2023 and 2022, is as follows:

(In thousands)	2023	2022
Balance—beginning of year	$ 19,392	$ 18,518
Activity during the year:		
Current year claims and changes in estimates	1,215	1,304
Claims paid	(299)	(430)
Balance—end of year	20,308	19,392
Less current portion	(3,629)	(2,764)
Long-term liability	$ 16,679	$ 16,628

Liability Insurance – First Mutual Transportation Assurance Company (FMTAC), an insurance captive subsidiary of MTA, operates a liability insurance program (ELF) that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limit is $2.3 million for SIRTOA. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limit is $2.6 million for SIRTOA. Effective November 1, 2012, the self-insured retention limits for ELF was increased to $3 million for SIRTOA. Effective October 31, 2015 the self-insured retention limits for ELF was increased to $3.2 million for SIRTOA. 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 million. 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 million per occurrence with a $50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2023, the balance of the assets in this program was $189.2 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $357.5 million for a total limit of $407.5 million ($357.5 million excess of $50 million). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of $50 million.

On March 1, 2023, the “nonrevenue fleet” automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for MTA Long Island Rail Road, MTA Staten Island Railway, MTA Police, MTA Metro-North Railroad, MTA Inspector General, MTA Construction & Development Company and MTA Headquarters. The program limit is $11 million per occurrence on a combined single limit with a $1 million per occurrence deductible. Primary limits of $6 million were procured through the commercial marketplace. Excess limits of $5 million were procured through FMTAC. FMTAC renewed its deductible buy back policy, where it assumes the liability of the agencies for their deductible.

Property Insurance — Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $147.08 million within the overall $500 million per occurrence property program as follows: $20.277 million (or 40.55%) of the primary $50 million layer, plus $23.777 million (or 47.55%) of the $50 million excess $50 million layer, plus $14.792 million (or 29.58%) of the $50 million excess $100 million layer, plus $8.827 million (or 17.65%) of the $50 million excess $150 million layer, plus $4.484 million (or 8.96%) of the $50 million excess $200 million layer, plus $12.548 million (or 25.09%) of the $50 million excess $250 million layer, plus $13.547 million (or 27.09%) of the $50 million excess $300 million layer, plus $14.997 million (or 29.99%) of the $50 million excess $350 million layer, plus $18.664 million (or 37.32%) of the $50 million excess $400 million layer, and $15.164 million (or 30.32%) of the $50 million excess $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year.

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Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire at midnight on May 1, 2025.

During 2023 there were FMTAC excess loss claim reimbursements of $ 0 million to SIRTOA. At December, 31, 2023, SIRTOA had $10 million in outstanding claims requiring FMTAC coverage.

10. CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or SIRTOA have been infrequent in prior years.

Pollution Remediation—In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, in 2023 and 2022, SIRTOA incurred $47 and $20, respectively, in pollution remediation expenses. The expense provision was measured at its current value utilizing the prescribed expected cash flow method (see Note 2). Pollution remediation obligations are estimates subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations. SIRTOA does not expect any recoveries of cost that would have a material effect on the recorded obligations.

A summary of the activity in pollution remediation liability at December 31, 2023 and 2022, were as follows:

(In thousands)	2023	2022
Balance at beginning of year	$ 1,779	$ 2,123
Activity during the year:		
Change in estimates	47	20
Payments	(289)	(364)
Balance at end of year	1,537	1,779
Less current portion	(275)	(324)
Long-term liability	$ 1,262	$ 1,455

SIRTOA's pollution remediation liability primarily consists of future remediation activities associated with asbestos removal, lead abatement, ground water contamination, and soil remediation.

11. RELATED PARTY TRANSACTIONS

SIRTOA receives support services from the MTA in the areas of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, most of which are charged back to SIRTOA through intercompany billings. The MTA also provides funding for SIRTOA's capital investments via MTA debt issuance and federal capital grant pass-throughs. SIRTOA recognizes funds contributed for the purchase of capital assets as contributed capital in the statements of revenues, expenses, and changes in net position. The MTA also provides short-term loans, as required, to supplement SIRTOA's working capital needs.

SIRTOA has intercompany transactions with New York City Transit Authority related to farecard settlements, service agreements, shared operating contracts and other operating receivables and payables. State and City tax—supported subsidies received by SIRTOA from New York City Transit Authority to support operations are recorded as nonoperating revenues.

The resulting receivables and payables from the above transactions are recorded in Due to/from MTA, MTA capital program funds receivable, and Due to New York City Transit Authority, included in the accompanying consolidated statements of net position. Related party transactions consist of the following at December 31, 2023 and 2022:

(In thousands)	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
MTA	$ 14,877	$ (37,568)	$ 57,808	$ (50,266)
New York City Transit Authority	1,802	(3,367)	2,160	(2,103)
Total MTA and New York City Transit Authority	$ 16,679	$ (40,935)	$ 59,968	$ (52,369)

12. SUBSEQUENT EVENTS

There are no material subsequent events as of May 29, 2024.

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REQUIRED SUPPLEMENTARY INFORMATION

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY

(Component Unit of Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN THE MTA DEFINED BENEFIT PENSION PLAN AT DECEMBER 31
(In thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
SIRTOA's proportion of the net pension liability	1.93 %	2.00 %	2.05 %	2.07 %	2.09 %	2.12 %	2.19 %	2.15 %	2.16 %
SIRTOA's proportionate share of the net pension liability	$ 48,431	$ 33,493	$39,714	$35,738	$29,304	$20,029	$22,778	$27,605	$ 22,346
SIRTOA's actual covered-employee payroll	$ 26,539	$ 24,609	$25,210	$24,730	$24,343	$23,461	$28,235	$19,779	$ 18,770
SIRTOA's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	182.49 %	136.10 %	157.53 %	144.51 %	120.38 %	85.37 %	80.67 %	139.57 %	119.05 %
Plan fiduciary net position as a percentage of the total pension liability	68.14 %	77.45 %	72.13 %	73.48 %	73.33 %	79.87 %	71.82 %	70.44 %	74.77 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S CONTRIBUTIONS TO THE MTA DEFINED BENEFIT PENSION PLAN FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 7,914	$ 7,802	$ 7,887	$ 8,055	$ 7,244	$ 6,930	$ 6,719	$ 6,360	$ 5,885	$ 5,865
Actual employer contribution	16,510	7,802	7,887	8,055	7,244	7,876	6,132	5,885	6,165	8,580
Contribution deficiency (excess)	$ (8,596)	$ -	$ -	$ -	$ -	$ (946)	$ 587	$ 475	$ (280)	$ (2,715)
Covered payroll	$ 37,665	$ 26,539	$24,609	$25,210	$24,730	$24,343	$23,461	$28,235	$19,779	$18,770
Contribution as a % of covered payroll	43.83 %	29.40 %	32.05 %	31.95 %	29.29 %	32.36 %	26.14 %	20.84 %	31.17 %	45.71 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available. In accordance with GASB No. 68, information was not readily available for periods prior to 2014.

Notes to Schedule of SIRTOA's Contributions to Pension Plan:
Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the MTA Defined Benefit Plan, are presented as notes to the schedule.

Changes of Benefit Terms
There were no changes of benefit terms in the January 1, 2022 funding valuation.

Changes of Assumptions
There were no changes of benefit assumptions in the January 1, 2022 funding valuation.

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STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY
(Component Unit of the Metropolitan Transportation Authority)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN AT
(In thousands)

Plan Measurement Date (December 31)	2022	2021	2020	2019	2018	2017
SIRTOA's proportion of the net OPEB liability	0.35 %	0.36 %	0.33 %	0.33 %	0.41 %	0.34 %
SIRTOA's proportionate share of the net OPEB liability	$ 79,504	$ 90,274	$ 79,821	$68,705	$79,906	$69,429
SIRTOA's covered payroll	$ 26,539	$ 24,609	$ 25,210	$24,730	$24,343	$20,061
SIRTOA's proportionate share of the net OPEB liability as a percentage of its covered payroll	299.57 %	366.83 %	316.62 %	277.82 %	328.25 %	346.09 %
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	1.93 %	1.76 %	1.79 %

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF SIRTOA'S CONTRIBUTIONS TO THE OPEB PLAN AND NOTES TO SCHEDULE OF SIRTOA'S CONTRIBUTION TO THE OPEB PLAN FOR THE YEARS ENDED DECEMBER 31
(In thousands)

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	n/a	n/a	n/a	n/a	n/a	n/a
Actual employer contribution [1]	3,346	2,999	2,868	1,720	2,492	2,820
Contribution deficiency (excess)	n/a	n/a	n/a	n/a	n/a	n/a
Covered payroll	37,665	26,539	24,610	25,210	24,730	24,343
Actual contribution as a percentage of covered payroll	8.88 %	11.30 %	11.65 %	6.82 %	10.08 %	11.58 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $0, $0, $0, $146, $250, and $283 for the years ended December 31, 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Notes to Schedule of SIRTOA's Contribution to the OPEB Plan:

Methods and Assumptions Used to Determine Contribution Rates:

Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%	2.06%
Inflation	2.33%	2.30%
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	3.72%	2.06%

Changes of Benefit Terms: In the July 1, 2021 valuation, there were no changes to the benefit terms.

Changes of Assumptions: In the July 1, 2021 actuarial valuation, there were updates in healthcare trend assumptions, demographics, and economic assumptions.

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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First Mutual Transportation Assurance Company

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2023 and 2022, and Independent Auditor's Report

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority:

Opinion

We have audited the financial statements of the First Mutual Transportation Assurance Company (the "Company"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

___________, 2024

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction—The following is a narrative overview and analysis of the financial activities of the First Mutual Transportation Assurance Company (the "Company" or "FMTAC") as of and for the years ended December 31, 2023 and 2022. This discussion and analysis are intended to serve as an introduction to the Company's financial statements which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements and (3) Notes to the Financial Statements.

Management's Discussion and Analysis—This MD&A provides an assessment of how the Company's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the Company's overall financial position. It may contain opinions, assumptions or conclusions by the Company's management that should not be considered a replacement for, and must be read in conjunction with, the financial statements.

The Financial Statements Include—The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that FMTAC presently controls (assets), consumption of net assets by FMTAC that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that FMTAC has little or no discretion to avoid (liabilities), and acquisition of net assets by FMTAC that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how the Company's net position changed during each year and accounts for all of the revenues and expenses, measures the success of the Company's operations from an accounting perspective over the past year, and can be used to determine how the Company has funded its costs.

The Statements of Cash Flows provide information about the Company's cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

The Notes to the Financial Statements—The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the financial statements.

FINANCIAL REPORTING ENTITY

On December 5, 1997, the Metropolitan Transportation Authority ("MTA") began its operation of its newly incorporated captive insurance company, FMTAC. FMTAC was created by the MTA to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 Subdivision 5 of the Public Authorities Law of the State of New York.

FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. The MTA is a component unit of the State of New York.

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in the Company's financial position as of December 31, 2023 and 2022. Additionally, examinations of major economic factors that have contributed to these changes are provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are extracted from the Company's financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

	As of December 31,			Increase/(Decrease)	
(In thousands)	**2023**	**2022**	**2021**	**2023–2022**	**2022–2021**
ASSETS:					
Current assets	$ 360,091	$ 368,566	$ 229,578	$ (8,475)	$ 138,988
Noncurrent assets	857,470	744,222	852,278	113,248	(108,056)
Total assets	$1,217,561	$1,112,788	$1,081,856	$ 104,773	$ 30,932

Significant Changes in Assets

December 31, 2023 versus December 31, 2022

Total assets increased by $104,773 or 9.4%, from December 31, 2022 to December 31, 2023. The fluctuation in the total assets of FMTAC was the result of increases in premiums receivable and investments, which was partially offset by a decreases in Cash and Cash Equivalents and Reinsurance Recoverable. Premium receivable increased due to additional Owner Controlled Insurance Programs ("OCIP") and excess loss fund ("ELF") premiums written in 2023. The increase in investments was due to market fluctuations. Cash and Cash Equivalents decreased due to the timing of payments. Reinsurance Recoverable deceased due to the receipt of recoverable balances due to the Company.

December 31, 2022 versus December 31, 2021

Total assets increased by $30,932 or 2.9%, from December 31, 2021 to December 31, 2022. The fluctuation in the total assets of FMTAC was the result of increases in premiums receivable and cash and cash equivalents and offset by a decrease in investments. Premium receivable increased due to additional Owner Controlled Insurance Programs ("OCIP") and Builders Risk premiums written in 2022. Cash and cash equivalents increased due to collected premiums exceeding the amount of claims paid. In addition, there were more investments classified as cash equivalents in 2022 compared to 2021. The decrease in investments was due to market fluctuations.

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(In thousands)	As of December 31, 2023	2022	2021	Increase/(Decrease) 2023–2022	2022–2021
Liabilities and restricted net position:					
Current liabilities	$ 340,460	$ 294,576	$ 216,750	$ 45,884	$ 77,826
Noncurrent liabilities	602,337	625,583	640,496	(23,246)	(14,913)
Total liabilities	942,797	920,159	857,246	22,638	62,913
Restricted net position	274,764	192,629	224,610	82,135	(31,981)
Total liabilities and net positic	$1,217,561	$1,112,788	$1,081,856	$ 104,773	$ 30,932

Significant Changes in Liabilities

December 31, 2023 versus December 31, 2022

Total liabilities from December 31, 2022 to December 31, 2023 increased by $22,638 or 2.5%. The increase in liabilities is due to an increase in unearned premiums and ceded premium payable, which was partially offset by a decrease in loss and loss adjustment expense reserves. The increase in unearned premiums was due to additional premium written for OCIP and to the increase in ceded premiums payable due to ceded premiums in relation to the ELF program. The decrease in loss and loss adjustment expense reserves was due to increase in reserves on OCIP.

December 31, 2022 versus December 31, 2021

Total liabilities from December 31, 2021 to December 31, 2022 increased by $62,913 or 7.3%. The increase in liabilities is due to an increase in unearned premiums, which is partially offset by decreases in loss and loss adjustment expense reserves and ceded premiums payable. The increase in unearned premiums was due to additional premium written for the OCIP and builders risk programs. The decrease in loss and loss adjustment expense reserves was due to lower reserves for the all agency protective liability, OCIP and excess loss programs and partially offset by reserve increases in stations and force and builders risk. The decrease in ceded premiums payable was due to the payment of premiums related to the ELF program.

Significant Changes in Net Position

December 31, 2023 versus December 31, 2022

In 2023, the restricted net position increase of $82,135 is comprised of operating revenues of $112,996 plus non-operating revenue of $47,962 and operating expenses of $78,823.

December 31, 2022 versus December 31, 2021

In 2022, the restricted net position decrease of $31,981 is comprised of operating revenues of $128,790 less non-operating loss of $78,432 and operating expenses of $82,339.

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Condensed Statements of Revenues, Expenses and Changes in Net Position

(In thousands)	2023	2022	2021	Increase/(Decrease) 2023–2022	Increase/(Decrease) 2022–2021
Operating revenues	$112,996	$128,790	$103,234	$ (15,794)	$ 25,556
Operating expenses	78,823	82,339	157,466	(3,516)	(75,127)
Operating income/(loss)	34,173	46,451	(54,232)	(12,278)	100,683
Non-operating (loss)/income	47,962	(78,432)	(8,305)	126,394	(70,127)
Change in net position	82,135	(31,981)	(62,537)	114,116	30,556
Restricted net position—Beginning of year	192,629	224,610	287,147	(31,981)	(62,537)
Restricted net position—End of year	$274,764	$192,629	$224,610	$ 82,135	$ (31,981)

Operating Revenues—Operating revenues between 2022 and 2023 decreased by $15,794 or 12.3%. The decrease is primarily due to a decrease in earned premium for the OCIP casualty program. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating revenues between 2021 and 2022 increased by $25,556 or 24.8%. The increase is primarily due to an increase in earned premium for the OCIP casualty program. Earned premium for OCIP casualty programs are based on completion of the project construction.

Operating Expenses—Operating expenses between 2022 and 2023 decreased by 4.3%, or $3,516. The decrease was primarily due to a decrease in chargeback related expenses from the MTA.

Operating expenses between 2021 and 2022 decreased by 47.7%, or $75,127. The decrease was primarily due to lower builders risk, OCIP and excess loss fund (“ELF”) loss and loss adjustment expenses.

Non-Operating Income—Non-operating income between 2022 and 2023 increased by 161.2%, or $126,394. This is a result of an increase in net unrealized gains, interest and realized gain income on investments held by FMTAC.

Non-operating income between 2021 and 2022 decreased by 844.4%, or $70,127. This is a result of an increase in net unrealized losses and a decrease in interest and realized gain income on investments held by FMTAC.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Results of Operations—Operating as a pure captive insurance company domiciled in the State of New York requires that all business plans and changes to said plans be reviewed and approved by the New York Insurance Department. As of December 31, 2023 and 2022, all programs administered by FMTAC have been reviewed and approved.

As of December 31, 2023 and 2022, FMTAC received its annual loss reserve certification. The actuary determined that reserves recorded by FMTAC were adequate and no adjustments were deemed necessary.

U.S. Insurance Market—The United States Property/Casualty industry recorded a $21.2 billion net underwriting loss in 2023, slightly improving from the $24.0 billion loss recorded in the prior year, as 9.9% growth in net earned premiums was countered by a 4.5% increase in policyholder dividends and a 10% increase in incurred losses and loss adjustment expenses, as well as a 6.4% rise in other underwriting expenses. Losses in the personal lines segment, specifically homeowners' line of business, were primarily responsible for weak underwriting results. Based on data from companies whose 2023 annual statutory statements were received as of March 8 this year, the industry's combined ratio improved slightly to 101.6%, with an estimated catastrophe loss impact of 8.7 points on the 2023 combined ratio, up from an estimated 7.3 points in the prior year. With earned net investment income virtually unchanged from the prior-year period, the lower underwriting loss boosted pre-tax operating income 4.8% to $50 billion. Industry surplus increased to $1.0 trillion at the end of 2023. Net income across US P&C insurance more than doubled from 2022's $44.7 billion to $90.1 billion in 2023.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

MTA Long Island Rail Road—New Hyde Park Collision. On October 8, 2016 while the MTA Long Island Rail Road was conducting track work east of the New Hyde Park Station on track placed out of service, a piece of track equipment derailed fouling live track and was struck by a train carrying passengers, causing the passenger train to derail. Numerous passengers and several employees were injured. There has been a total of 72 claims related to this accident; 57 passenger injuries, 8 employee injuries and the remaining are property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. At this time, 33 lawsuits have been filed against LIRR. LIRR has paid out the entire $11 million FMTAC Force Account retention limit in expenses and settlements and $8.6 million has impacted the ELF program. The current outstanding reserves are $3.3 million and there are 8 open lawsuits.

MTA Long Island Rail Road—Atlantic Terminal Bumper Block Strike. An incident occurred on January 4, 2017 when an MTA Long Island Rail Road Far Rockaway Line train struck a bumper block in the Atlantic Terminal-Brooklyn Station. To date, 122 claims have been put into suit. LIRR has paid out the entire $11 million FMTAC Station Maintenance retention limit in expenses and settlements and $19.57 million has impacted and there are 6 open lawsuits.

NYCTA Bicycle Case— On April 10, 2016, at about 3pm, then 23-years old Robert Liciaga, rode his bicycle through a cordoned-off construction site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated "drop zone." Plaintiff sustained severe and permanent injuries and is confined to a long-term care facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff $110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly $69 million. The Authority appealed. The appellate court heard oral argument in November 2023. A decision is expected early 2024. Settlement has not been productive as plaintiff insists on recovering the entire judgment amount. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

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Terrorism Risk Insurance Act—Effective November 26, 2002, the Terrorism Risk Insurance Act (“TRIA”) was signed in to law. Effective December 22, 2006, TRIA was extended through December 31, 2007. On December 31, 2007, the U.S. Treasury Department issued Interim Guidance Concerning the Terrorism Risk Insurance Program Reauthorization Act of 2007 (“TRIPRA”) which has been extended through December 31, 2014. On January 12, 2015, TRIA was extended through December 31, 2021. In December 2020, TRIA was extended through to December 31, 2027. For additional information, please refer to the property section under Note 5.

Brooklyn NYCT Shooting—On April 12, 2022, at about 8:25 am, a man reported to be Frank Robert James, committed a mass shooting, which led to an explosion and smoke condition on Manhattan-bound N train as it traveled between 59th Street and 36th Street subway stations in Brooklyn. To date, 8 claims have been received and 4 lawsuits have been filed, with 1 lawsuit having 3 named plaintiffs. The cases have been consolidated for discovery and liability and are in the early stages of discovery. Thus, NYCT cannot predict the outcome of the litigation at this time. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

This financial report is designed to provide our customers and other interested parties with a general overview of FMTAC’s finances and to demonstrate FMTAC’s accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Metropolitan Transportation Authority, Deputy Chief, Controller’s Office, 2 Broadway, New York, NY 10004.

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 3)	$ 99,717	$ 136,625
Investments (Note 4)	76,986	99,900
Funds held by reinsurer (Note 5)	8,181	7,817
Premiums receivable due from affiliates (Note 7)	170,300	120,313
Interest income receivable (Note 4)	4,902	3,799
Reinsurance receivable	-	106
Other assets	5	6
Total current assets	360,091	368,566
NONCURRENT ASSETS:		
Investments (Note 4)	776,978	652,315
Premiums receivable due from affiliates (Note 7)	6,257	-
Reinsurance recoverable	73,766	91,424
Owner Controlled Insurance Programs asset	469	483
Total noncurrent assets	857,470	744,222
TOTAL ASSETS	$ 1,217,561	$ 1,112,788
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Unearned premiums	$ 217,580	$ 210,712
Ceded premium payable	12,427	1,717
Reinsurance recoverable reserves (Note 6)	-	106
Loss and loss adjustment expense liability (Note 6)	66,294	69,521
Losses payable	37,185	2,951
Due to affiliates	5,795	8,165
Accrued expenses	1,179	1,404
Total current liabilities	340,460	294,576
NONCURRENT LIABILITIES:		
Loss and loss adjustment expense liability (Note 6)	522,879	534,159
Reinsurance recoverable reserves (Note 6)	73,766	91,424
Ceded premium payable	5,692	-
Total noncurrent liabilities	602,337	625,583
Total liabilities	942,797	920,159
RESTRICTED NET POSITION	274,764	192,629
TOTAL LIABILITIES AND NET POSITION	$ 1,217,561	$ 1,112,788

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	2022
OPERATING REVENUES:		
Gross premiums written	$ 209,657	$ 266,469
Premiums ceded	(90,533)	(54,113)
Change in unearned premiums	(6,128)	(83,566)
Total operating revenues	112,996	128,790
OPERATING EXPENSES:		
Loss and loss adjustment	70,472	72,786
Underwriting	2,083	815
General and administrative	6,268	8,738
Total operating expenses	78,823	82,339
OPERATING INCOME	34,173	46,451
NON-OPERATING INCOME—Net investment income / (loss)	47,962	(78,432)
Total non-operating income / (loss)	47,962	(78,432)
CHANGE IN NET POSITION	82,135	(31,981)
RESTRICTED NET POSITION—Beginning of year	192,629	224,610
RESTRICTED NET POSITION—End of year	$ 274,764	$ 192,629

See notes to financial statements.

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FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands)

	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums and other receipts	$ 74,330	$ 152,118
Payments for claims and other operating expenses	(56,346)	(91,974)
Net cash provided by operating activities	17,984	60,144
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(608,468)	(391,202)
Sales and maturities of investments	508,698	385,899
Earnings on investments	44,878	19,461
Net cash provided by/(used in) investing activities	(54,892)	14,158
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(36,908)	74,302
CASH AND CASH EQUIVALENTS—Beginning of year	136,625	62,323
CASH AND CASH EQUIVALENTS—End of year	$ 99,717	$ 136,625
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 34,175	$ 46,451
Adjustments to reconcile to net cash used in operating activities:		
Net decrease in accounts payable, accrued expenses and other liabilities	25,008	62,248
Net increase in receivables	(41,199)	(48,555)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 17,984	$ 60,144

FIRST MUTUAL TRANSPORTATION ASSURANCE COMPANY
(Component Unit of the Metropolitan Transportation Authority)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity—First Mutual Transportation Assurance Company (the "Company"), a component unit of the Metropolitan Transportation Authority ("MTA"), was incorporated under the laws of the State of New York (the "State") as a pure captive insurance company on December 5, 1997, and commenced operations on that date. The Company was established to maximize the flexibility and effectiveness of the MTA's insurance program and is governed by a Board of Directors consisting of members of the MTA. The Company's financial position and results of operations are included in the MTA's Comprehensive Annual Financial Report. The MTA is a component unit of the State of New York and is included in the State of New York's Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation.

FMTAC is operationally and legally independent of the MTA. FMTAC enjoys certain rights typically associated with separate legal status. However, FMTAC is included in the MTA's consolidated financial statements as a blended component unit because of the MTA's financial accountability, and FMTAC is under the direction of the MTA Board (a reference to "MTA Board" means the board of MTA and/or the boards of the FMTAC and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America ("GAAP"), the MTA is required to include FMTAC in its consolidated financial statements.

The New York captive insurance statute requires a $250 minimum unimpaired paid-in-capital and surplus be maintained by a pure captive insurance company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

FMTAC applies Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards ("GASB Codification") Section P80, *Proprietary Accounting and Financial Reporting*.

Use of Management's Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents—Includes highly liquid investments with a maturity of three months or less when purchased. Cash equivalents are stated at amortized cost, which approximates fair value.

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Investments—Investments are recorded on the statement of net position at fair value, which is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. All investment income, including changes in the fair value of investments, is reported as revenue (as either net investment income or unrealized gain (loss) on investments) on the statement of revenues, expenses and changes in net position.

Restricted Net Position—Net position is restricted for activities related to the payment of insurance claims.

Operating Revenues

Premiums—Earned premiums are determined over the term of their related policies, which approximates one year, or for certain Owner Controlled Insurance Programs ("OCIP"), as a percent of completed construction costs. Accordingly, an unearned premium liability is established for the portion of premiums written applicable to the unexpired period of policies in force or uncompleted construction projects. The Company does not directly pay premium taxes in accordance with its relationship with New York State.

Premiums Ceded—Premiums ceded is where the Company is the named insured, and the insurer is an unrelated third-party re-insurance company. The ceded premiums are expensed over the term of the related policies. This arrangement is explained further in Note 5.

Operating Expenses

Loss and Loss Adjustment Expenses—Loss and loss adjustment expenses are established for amounts estimated to settle incurred losses on individual cases and estimates for losses incurred but not reported.

Loss and loss adjustment expenses are based on loss estimates for individual claims and actuarial estimates and, therefore, the ultimate liabilities may vary from such estimates. Any adjustments to these estimates, which could be significant, will be reflected in income in the period in which the estimates are changed or payments are made.

Non-Operating Revenues and Expenses—Investment income and unrealized gain (loss) on investments account for FMTAC's non-operating revenues and expenses.

Income Taxes—The Company is not subject to income taxes arising on profits since it is a component unit of the MTA. The MTA and its subsidiaries are exempt from income taxes.

3. CASH AND CASH EQUIVALENTS

At December 31, 2023 and 2022, cash and cash equivalents consisted of (in thousands):

	2023		2022	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	$ 250	$ 250	$ 250	$ 250
Loss escrows	26,415	26,415	7,031	7,031
Uninsured deposits	73,052	73,052	129,344	129,344
	$ 99,717	$ 99,717	$ 136,625	$ 136,625

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The Company is required to set aside funds in escrow accounts that are used to settle claims on behalf of the Company. The account balances of the loss escrow are $26,415 and $7,031 as of December 31, 2023 and 2022, respectively.

All other funds are invested by the Company as described in Note 4.

4. INVESTMENTS

The fair value and cost basis of investments consist of the following at December 31, 2023 and 2022 (in thousands):

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Funds for claim payments	$ 526,409	$ 557,004	$ 449,382	$ 505,885
Security trust funds	327,540	338,709	302,833	319,753
	$ 853,949	$ 895,713	$ 752,215	$ 825,638

All investments are registered and held by the Company or its agent in the Company's name.

The Company makes funds available to claims processors to allow for adequate funding for submitted claims. The funds, in the above table, are invested primarily in fixed income investments such as U.S. Government Bonds. All investments outlined above are restricted per the Statements of Net Position and are to be used to pay claims or pay administration expenses of the Company or as collateral for letter of credit obligations.

All funds of the Company not held as cash and cash equivalents are invested by the Company in accordance with the Company's investment guidelines. Investments may be further limited by individual security trust agreements. The Company's investment policies comply with the New York State Comptroller's guidelines for such policies. Those policies permit investments in fixed income securities that are investment grade or higher and the policy also allows for the investment in equities.

All investments are recorded on the Statements of Net Position at fair value and all investment income, including changes in the fair value of investments, is reported as revenue/(expense) on the Statements of Revenues, Expenses and Changes in Net Position. Fair values have been determined using quoted market values at December 31, 2023 and 2022.

The yield to maturity rate was 4.44% for the year ended December 31, 2023, and 4.61% for the year ended December 31, 2022. For the year ended December 31, 2023, the Company had realized losses of $17,372 and had unrealized gains of $31,638. For the year ended December 31, 2022, the Company had realized gains of $8,828 and had unrealized losses of $88,373. Additional investment income was earned from the RCAMP investments and the money market fund. Income from these sources were $2,779 and $1,113 for the years ended December 31, 2023 and 2022, respectively.

Interest Rate Risk and Investments at Fair Value—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of a bond price's sensitivity to 100 basis point change in interest rates. Duration is expressed as a number of years.

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The Company categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the Company's investments. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Listed below are the recurring fair value measurements as of December 31, 2023 and 2022. Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets issued by pricing vendors for those securities.

(In thousands)	**2023**		**2023**			
		Duration		**Fair Value Measurements**		
Investment Type	**Fair Value**	**(Years)**	**Total**	**Level 1**	**Level 2**	**Level 3**
Treasury [1]	$ 374,503	4.32	$ 374,503	$ -	$ 374,503	$ -
Agency [2]	114,461	6.22	114,461	-	114,461	-
Asset backed securities	71,510	3.26	71,510	-	71,510	-
Commercial mortgage backed securities	173,298	5.25	173,298	-	173,298	-
Foreign bonds	9,925	5.66	9,925	9,925	-	-
Corporate bonds	115,154	5.89	115,154	115,154	-	-
Equities	-		-	-	-	-
Total	858,851		858,851	$ 125,079	$ 733,772	$ -
Less accrued interest	(4,661)		(4,661)			
Total investments	$ 854,190		$ 854,190			

Including but not limited to:

[1] U.S. Treasury Notes

[2] Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

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(In thousands)	2022		2022			
		Duration	Fair Value Measurements			
Investment Type	Fair Value	(Years)	Total	Level 1	Level 2	Level 3
Treasury [1]	$ 313,764	3.82	$ 313,764	$ -	$ 313,764	$ -
Agency [2]	93,094	5.63	93,094	-	93,094	-
Asset backed securities	48,116	3.59	48,116	-	48,116	-
Commercial mortgage backed securities	159,729	5.07	159,729	-	159,729	-
Foreign bonds	15,101	5.77	15,101	15,101	-	-
Corporate bonds	125,714	5.81	125,714	125,714	-	-
Equities	480		480	480	-	-
Total	755,998		755,998	$ 141,295	$ 614,703	$ -
Less accrued interest	(3,783)		(3,783)			
Total investments	$ 752,215		$ 752,215			

Including but not limited to:

(1) U.S. Treasury Notes
(2) Fannie Mae, Freddie Mac, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation

Credit Risk—At December 31, 2023, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 318,031	37.0 %
AA	14,190	1.7
A	77,785	9.1
BBB	41,558	4.8
Not rated	73,883	8.6
Credit risk debt securities	525,447	61.2
U.S. Government Notes	333,404	38.8
Total fixed income securities	858,851	100.0 %
Equities		
Less accrued interest	(4,661)	
Total investments	$ 854,190	

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Credit Risk—At December 31, 2022, the following credit quality rating has been assigned by a nationally recognized rating organization (in thousands):

Quality Rating	Fair Value	Percentage of Fixed Income Portfolio
AAA	$ 217,798	28.8 %
AA	33,730	4.5
A	69,051	9.1
BBB	47,058	6.2
Not rated	74,117	9.8
Credit risk debt securities	441,754	58.4
U.S. Government Notes	313,764	41.5
Total fixed income securities	755,518	100.0 %
Equities	480	
Less accrued interest	(3,783)	
Total investments	$ 752,215	

5. INSURANCE PROGRAMS

Property Program—Effective May 1, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, FMTAC directly insures property damage claims of the other MTA Group entities in excess of a $25,000 per occurrence deductible, subject to an annual $75,000 aggregate as well as certain exceptions summarized below. The total program is $500,000 per occurrence covering property of the related entities collectively through self-insured and reinsured in the domestic and offshore marketplaces. Losses occurring after the annual aggregate is exceeded are subject to a deductible of $7,500 per occurrence. The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage. FMTAC's property insurance program has been expanded to include a further layer of $100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. The program is a Catastrophic Bond reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based storm surge reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

FMTAC's property insurance program has been expanded to include a further layer of $100,000 of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. 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.

Terrorism Program—Effective May 1, 2023, FMTAC renewed the terrorism program. Commencing May 1, FMTAC directly insures certified terrorism claims of the other MTA Group entities in excess of a $25,000 per occurrence self-insured retention, subject to an annual $75,000 aggregate as well as certain exceptions summarized below. The total program is $1,075,000 per occurrence covering property of the related entities collectively. FMTAC is reinsured in the domestic, London, and European marketplaces for this coverage. Losses occurring after the retention aggregate is exceeded are subject to a deductible of $7,500 per occurrence. The direct and reinsurance policies are effective from May 1, 2023 to May 1, 2025.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses in 2023, as covered by the Terrorism Risk Insurance Act ("TRIA") of 2019 (originally introduced in 2002). Under the 2020 extension, terrorism acts sponsored by both foreign and domestic organizations are covered. The remaining 20% of MTA Group losses arising from an act of terrorism would be covered under the additional terrorism policy described below. Additionally, no federal compensation will be paid unless the aggregate industry insured losses exceed $200,000 ("trigger") for 2023. There were no certified losses by the United States Government in 2023 that exceeded the trigger. In December 2020, the United States government's reinsurance of TRIA was extended until December 31, 2027.

To supplement the reinsurance to FMTAC through the 2019 Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") program, FMTAC obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism in 2023—up to a maximum recovery of $215,000 for any one occurrence and in the annual aggregate, (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the 20% "certified" acts of terrorism insurance in 2023 or (3) 100% of any "certified" terrorism loss which exceeds $5,000 and less than the $200,000 TRIPRA trigger—up to a maximum recovery of $200,000 for any occurrence and in the annual aggregate.

Excess Loss Fund ("ELF")—On October 31, 2003, the Company assumed the existing ELF program on both a retrospective and prospective basis. The retrospective portion contains the same insurance agreements, participant retentions and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. The coverage limit will remain $50,000 per occurrence or the proceeds of the program whichever is less. On a prospective basis, effective October 31, 2003, the Company issued insurance policies indemnifying the MTA, its subsidiaries and affiliates above their specifically assigned Self-Insured Retention with a limit of $50,000 per occurrence with $50,000 annual aggregate. The balance of the ELF, $77,000 was transferred to and invested by the Company in order to secure any claims assumed from the ELF, as well as to capitalize the prospective programs and insure current and future claims. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. Effective October 31, 2023, FMTAC directly provides an All-Agency Excess Liability Policy to the MTA and its subsidiaries and affiliates. With the exception of one carrier, the limits are fully reinsured in the domestic, London, European and Bermuda marketplaces. The limits include claims arising from acts of terrorism.

Stations and Force Liability—Effective December 15, 2023, the Company renewed its direct insurance for the first $11,000 per occurrence losses for Long Island Rail Road Company (“LIRR”) and Metro-North Commuter Railroad Company (“MNCR”) with no aggregate stop loss protection.

All Agency Protective Liability—The Company issued a policy to cover MTA’s All Agency Protective Liability Program (“AAPL”), which is designeed to protect the MTA and its agencies against the potential liability arising from independent contractors working on capital and noncapital projects. Effective June 1, 2023, the net retention to the Company is $2,000 per occurrence. The Company also issued a policy for $9,000 excess of $2,000 per occurrence with an $18,000 annual aggregate.

Paratransit—Effective March 1, 2023, the Company renewed with the MTA, a self-insured retention reimbursement policy for the auto liability on the New York City Transit (“NYCT”) Paratransit operations. The Company is responsible for the first $2,000 per occurrence. Effective March 1, 2024, the Company renewed with the MTA, a self-insured retention reimbursement policy for the New York City Transit (“NYCT”) Paratransit operations. The Company is responsible for $3,000 per occurrence.

Non-Revenue—Effective March 1, 2023, the Company renewed, with the MTA, a deductible reimbursement policy for the auto liability of MTA’s non-revenue fleet. The Company is responsible for the first $1,000 per occurrence of every claim, excluding Allocated Loss Adjusted Expenses (“ALAE”). Under a separate reinsurance agreement with Travelers, effective March 1, 2023, the Company assumed 100% of the Allocated Loss Adjusted Expenses. Effective March 1, 2023, the Company issued a $5,000 excess of $6,000 per claim policy with no aggregate. Effective March 1, 2024, the Company restructured its non-revenue auto liability policy with the MTA’s non-revenue fleet program. The Company is responsible for $9,000 per occurrence of every claim excess of the $1,000 per occurrence of the commercial insurance program. The commercial insurance program is excess of the MTA’s $1,000 self-insured funding program.

Owner-Controlled Insurance Programs (OCIP)—The MTA purchases Owner Controlled Insurance Programs under which coverage is provided on a group basis for certain agency projects. The Company provides the collateral required by the OCIP insurers to cover deductible amounts. The Company records in the OCIP liability account the amount of principal paid by the MTA to the program. The interest earned is not recognized in the Statements of Revenues, Expenses, and Changes in Net Position. Rather, the amounts are recorded as owner-controlled insurance program asset as the Company may have to make payments to contractors with favorable loss experience.

OCIP (asset)/liability consists of the following on December 31, 2023 and 2022 (in thousands):

	2023	2022
NYCT structures lines	$ 532	$ 532
LIRR/MNCR 2000–2004 Capital Improvement Program	(2,461)	(2,461)
NYCT 2000–2004 line structures/shops, yards and depots Capital Improvements Program	(2,016)	(1,956)
NYCT 2000–2004 stations and escalators/elevators Capital Improvements Program	(761)	(712)
LIRR/MNR 2005–2009 Capital Improvement Program	(21)	(21)
CCC Second Ave. Subway	4,258	4,135
OCIP (asset)	$ (469)	$ (483)

The activity of all funds held by the OCIP reinsurer consists of the following for 2023 and 2022 (in thousands):

	2023	2022
Funds held by OCIP insurers—beginning of year	$ 7,817	$ 7,301
Interest income	349	61
Claims payments	15	455
Funds held by OCIP reinsurer	$ 8,181	$ 7,817

OCIPs Covering 2000–2004 Capital Program—The Company entered into three agreements with AIG covering portions of the 2000–2004 MTA Capital Program effective October 1, 2000: (1) LIRR/MNCR 2000–2004 capital improvement program; (2) NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program; and (3) NYCT 2000–2004 stations and escalators/elevators capital improvement program. The combined collateral requirements are $86,094, which consists of $10,385 for the LIRR/MNCR OCIP, $52,709 for the NYCT 2000–2004 lines structures/shops, yards and depots capital improvement program and $23,000 for the NYCT 2000–2004 stations and escalators/elevators capital improvement program. The collateral posted by the Company to secure its reimbursement of the insurer's payments is invested by the insurer with interest returning to the Company at a guaranteed annual rate of return. The Company earned $63 and $16 during the years ended December 31, 2023 and 2022, respectively. The interest earned will be used to make the Contractor Safety Incentive program payments to contractors with favorable loss experience. Any monies not used to pay losses or utilized for the Contractor Safety Incentive Program will be returned to the agencies at the end of the OCIPs. There were withdrawals from the Company of $123 and $4 and claim payments of $48 and $63 during the years ended December 31, 2023 and 2022, respectively.

OCIP-LIRR/MNCR 2005–2009 Capital Improvement Projects—Effective June 1, 2006, the Company entered into a new OCIP insurance program for LIRR/MNCR for capital projects in the 2005–2009 MTA Capital Program. Like the other programs, the interest income generated from the funds being held will be used to pay Contractor Safety Incentive program payments. The Company has earned $14 and $4 in interest income during the years ended December 31, 2023 and 2022, respectively. There were no withdrawals from the Company during the years ended December 31, 2023 and 2022, respectively.

Second Avenue Subway Project—Effective January 31, 2007, the Company entered into an OCIP program for the $2,500,000 Second Avenue Subway Project. This is a multi-year agreement with AIG covering Workers' Compensation and General Liability for the Third-Party contractors, MTA and all its subsidiaries up to $500,000. This OCIP, like the others, requires the Company to post collateral for all losses related to workers' injuries. In 2023 and 2022, $6,396 and $6,001 has been set aside to cover this exposure, respectively. During 2023 and 2022, the Company earned $272 and $41 in interest, respectively, with withdrawals of $123 and $513 in 2023 and 2022, respectively.

East Side Access Project ("ESA")—Effective April 1, 1999, the Company entered into an OCIP program for the East Side Access Project. It was a multi-year agreement with Liberty Mutual, the insurer, to insure third party contractors and the MTA and all its subsidiaries up to $300,000 for Workers' Compensation and General Liability. The insurer required the Company to hold the collateral and loss funding for the first $500 per occurrence. On April 1, 2016, this coverage was renewed to April 1, 2021 and then in 2021 further extended to April 1, 2023. The program ended as of April 1, 2023. The Company will now hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,900 from General Liability.

East Side Access Project—Excess General Liability—Effective August 1, 2018, the company entered into program to insure $10,000 per occurrence and aggregate of General Liability coverage in excess of $2,000 for claims related to the East Side Access Project. In 2021, this coverage was extended to April 1, 2023. The program ended as of April 1, 2023.

NYCT 2005–2009 Capital Improvements Projects—Effective August 1, 2006, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first $500 per occurrence resulting from Workers' Compensation and General Liability losses during the NYCT's 2005–2009 Capital Improvement Projects.

MTA 2012–2014 Combined Capital Construction Program—Effective October 1, 2012, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2012–2014 Combined Capital Construction Program.

MTA 2015–2019 Combined Capital Construction Program—Effective June 30, 2017, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2015–2019 Combined Capital Construction Program.

MTA 2021–2025 Combined Capital Construction Program Bridge Program—Effective June 30, 2021, the Company entered into a multi-year agreement with Liberty Mutual and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses during the MTA 2021–2025 Combined Capital Construction Bridge Program. On February 9, 2022, this coverage was extended to June 30, 2027.

MTA LIRR 3rd Track Program—Effective January 1, 2018, the Company entered into a multi-year agreement with Starr Indemnity & Liability Company and the MTA whereby the Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $1,500 from General Liability losses until January 1, 2024.

MTA 2022–2024 Mini RFP Program—Effective June 30, 2022, the Company entered into a multi-year agreement with ACE American Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $2,500 from General Liability losses until June 30, 2028.

MTA 2022–2024 Mini RFP Program #2 —Effective September 30, 2023, the Company entered into a multi-year agreement with Liberty Mutual Insurance Company and the MTA. The Company will hold the collateral and loss funding for the first $750 per occurrence resulting from Workers' Compensation and the first $3,000 from General Liability losses until September 30, 2029.

Builder's Risk—Effective October 1, 2001, the Company renegotiated the terms and conditions of the reinsurance coverage it purchased from Zurich for the Builder's Risk Insurance Program ("BR") provided to cover the following 2000–2004 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program
2. NYCT's Lines Structures/Shops, Yards & Depots Capital Improvement Program, and
3. NYCT's Stations & Elevators Capital Improvement Program

The Company's policy and reinsurance agreements provide the capital projects listed above with limits of $50,000 in the aggregate. In consideration of $950 in net retained premium, the Company issues a deductible reimbursement policy with limits of $75 excess of $25 contractor deductible.

Similar to the above BR program, effective July 31, 2006, the Company entered into a new BR program for the following 2005–2009 capital program OCIPs:

1. Long Island Rail Road/Metro-North Commuter Railroad Capital Improvement Program and
2. NYCT's 2005–2009 Capital Improvement Program

The Company's policy and reinsurance agreements from Zurich provide the capital projects listed above with limits of $50,000 in the aggregate. In consideration of $7,500 in net retained premium, the Company issues a deductible reimbursement policy with limits of $475 excess of $25 contractor deductible.

In 2005, the Company received approval to expand its Builder's Risk Insurance Program to directly insure the MTA and its agencies for property claims while various capital improvement projects are under construction. The policy will cover selected capital improvement projects and was bound June 1, 2005, with limits of $300,000 per occurrence subject to the $100,000 self-insured retention. In consideration of a ceded premium of $12,750, the Company purchased reinsurance for the East Side Access Project from Zurich limiting its exposure to the $100,000 per occurrence self-insured retention. In 2007, this limit was bought down to $50,000 for an additional premium of $5,053. In 2014, this coverage was extended to May 31, 2021, for an additional ceded premium of $18,106 and then further extended to December 31, 2022, for an additional ceded premium of $7,202. The Company also purchased reinsurance for the Second Avenue Subway Project. In consideration of ceded premium of $13,362, reinsurance covering losses up to $500,000 excess of $50,000 was purchased from Zurich. The reinsurance purchased by the Company will include an aggregate stop loss provision, whereby the Company will limit its total liability to $125,000 in the aggregate.

Similar to the above BR programs, effective November 1, 2012, the Company entered into a new BR program for various MTA 2012–2014 combined capital program OCIPs. The Company issues a BR policy, to the MTA, with limits of $50,000 per occurrence with a $25 contractor deductible. The Company also purchased reinsurance from ACE with limits of $50,000 per occurrence with at $250 deductible.

Effective June 30, 2017, the Company wrote a builders risk deductible reimbursement policy with the MTA for the 2015-2019 Combined Capital Construction Program with limits of $250 per occurrence, $1,000 per occurrence for peril of Flood with a $25 contractor deductible per claim. The policy expired on June 30, 2023. Effective June 1, 2021, the policy was extended from June 30, 2023 to June 30, 2025 for an additional premium of $480.

On January 1, 2018, the Company wrote a builders risk deductible reimbursement policy with the MTA for the LIRR 3rd Track project with limits of $250 per occurrence with a $25 contractor deductible per claim. The policy will expire on January 1, 2024.

On June 30, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini RFP #1 project with limits of $250 per occurrence with a $25 contractor deductible per claim. The policy will expire on June 30, 2028.

On September 26, 2022, the Company wrote a builders risk liability policy with the MTA for the Metro-North Penn Station Access project with limits of $1,400 per occurrence and in aggregate. The policy was written for 60 days.

On December 31, 2022, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Metro-North Penn Station Access project with limits of $500 per occurrence. The policy will expire on July 29, 2027.

On September 30, 2023, the Company wrote a builders risk deductible reimbursement policy with the MTA for the Mini OCIP #2 project with limits of $250 per occurrence with a $50 contractor deductible per claim. The policy will expire on October 1, 2029.

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6. LOSS AND LOSS ADJUSTMENT EXPENSES AND REINSURANCE

The following schedule presents changes in the loss and loss adjustment expense liabilities during 2023 and 2022 (in thousands):

Loss reinsurance recoverable on unpaid losses and loss expenses	(91,424)	(92,609)
Net balance—beginning of year	603,786	619,727
Loss and loss adjustment expenses	70,472	72,786
Payments attributable to insured events of the current year	(85,085)	(88,727)
Net balance—end of year	589,173	603,786
Plus reinsurance recoverable on unpaid losses and loss expenses	73,766	91,424
Loss and loss adjustment expense liability—end of year	662,939	695,210
Less current portion	66,294	69,627
Long-term liability	$ 596,645	$ 625,583

7. RELATED PARTY TRANSACTIONS

The Company provides insurance coverage for the MTA and its component units. The premium revenue from related parties during the period and receivable for the years ended December 31, 2023 and 2022, was as follows (in thousands):

	2023		2022	
	Receivable	**Earned**	**Receivable**	**Earned**
LIRR	$ 17,613	$ 15,210	$ 14,964	$ 11,743
MNCR	2,773	2,949	1,986	2,089
MTA	156,171	94,837	103,363	114,958
	$ 176,557	$ 112,996	$ 120,313	$ 128,790

Included in General and Administrative expenses for the years ended December 31, 2023 and 2022, respectively, are amounts the MTA charged of $5,818 and $8,297, respectively, to FMTAC for risk management services provided to the Company of which $5,795 and $7,500 remain as a liability at December 31, 2023 and 2022, respectively.

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8. NYCTA BICYCLE CASE

NYCTA Bicycle Case— On April 10, 2016, at about 3pm, then 23-years old Robert Liciaga, rode his bicycle through a cordoned-off construction site beneath an elevated subway line and was struck by a rotted cross tie which was dropped into a designated “drop zone.” Plaintiff sustained severe and permanent injuries and is confined to a long-term care facility. A Kings County Supreme Court jury found MTA NYCT 100% liable and awarded Plaintiff $110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly $69 million. The Authority appealed. The appellate court heard oral argument in November 2023. A decision is expected early 2024. Settlement has not been productive as plaintiff insists on recovering the entire judgment amount. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

9. SUBSEQUENT EVENTS

The Company has evaluated all subsequent events through ___________, 2024, to ensure that these financial statements include appropriate recognition and disclosure of recognized events in the financial statements as of December 31, 2023. As of ___________, 2024, there were no subsequent events that required recognition or disclosure.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of
Metropolitan Transportation Authority

Dear Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the business-type activities of the Metropolitan Transportation Authority (the "Authority"), a component unit of the State of New York, which comprise the statement of net position as of December 31, 2023, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2024, which expresses an unmodified opinion on those financial statements and includes emphasis-of-matter paragraphs regarding (1) the Authority requiring significant subsidies from other governmental entities and (2) regarding the Authority's adoption of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with the Authority's Investment Guidelines, the New York State ("NYS") Comptroller's Investment Guidelines, Section 2925 of the NYS Public Authorities Law, or Section 201.3 of the NYS Public Authorities Law (collectively, the "Investment Guidelines"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the Investment Guidelines, insofar as they relate to accounting matters.

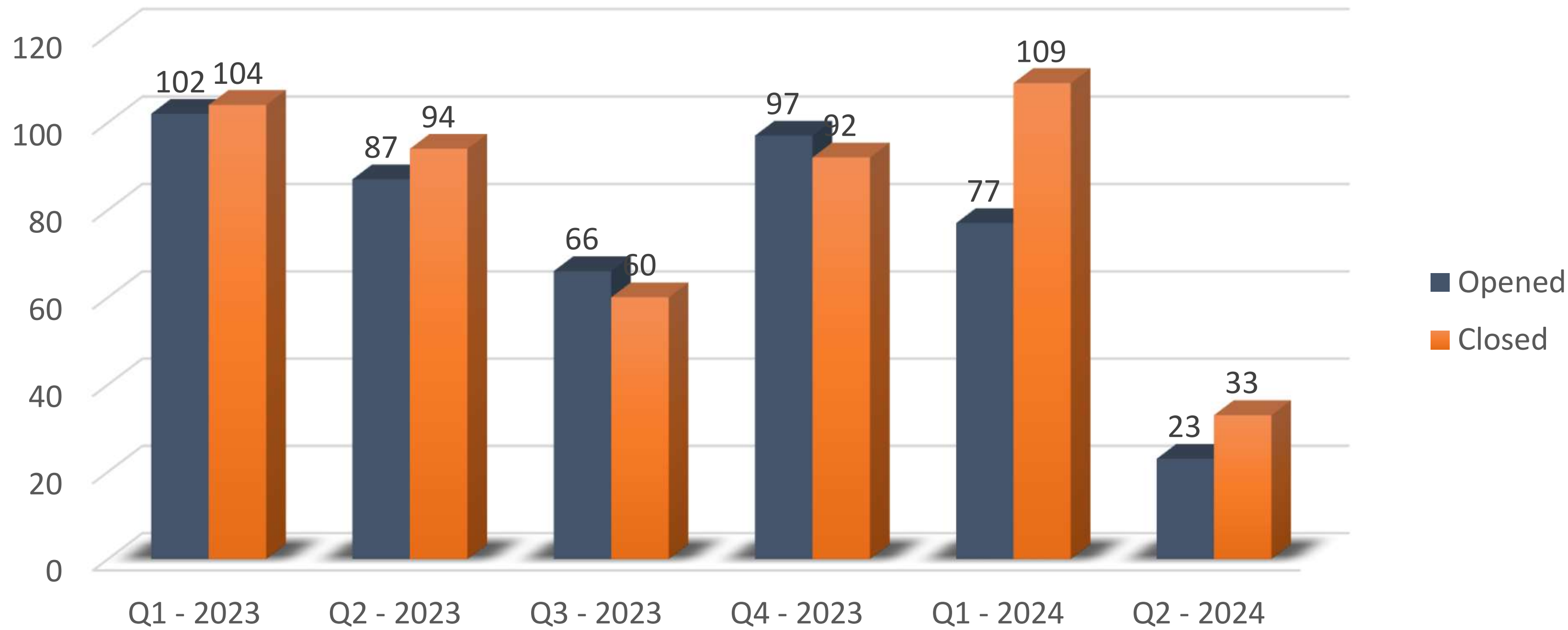
This report is intended solely for the information and use of the board of directors and management of the Authority, and the Office of the New York State Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

May 29, 2024

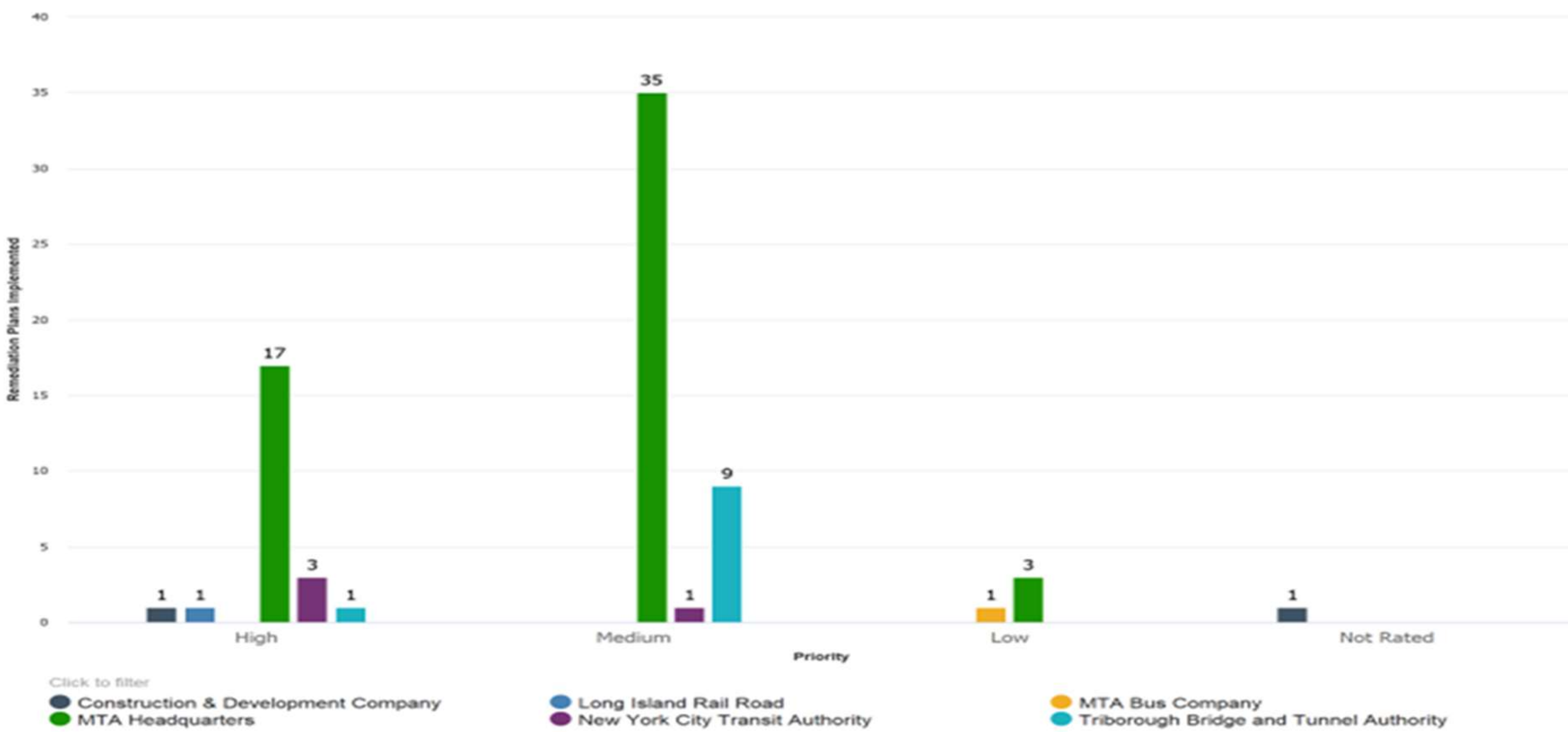
MTA
CORPORATE COMPLIANCE

Remediation Plans Monitoring
Six Months Past Due

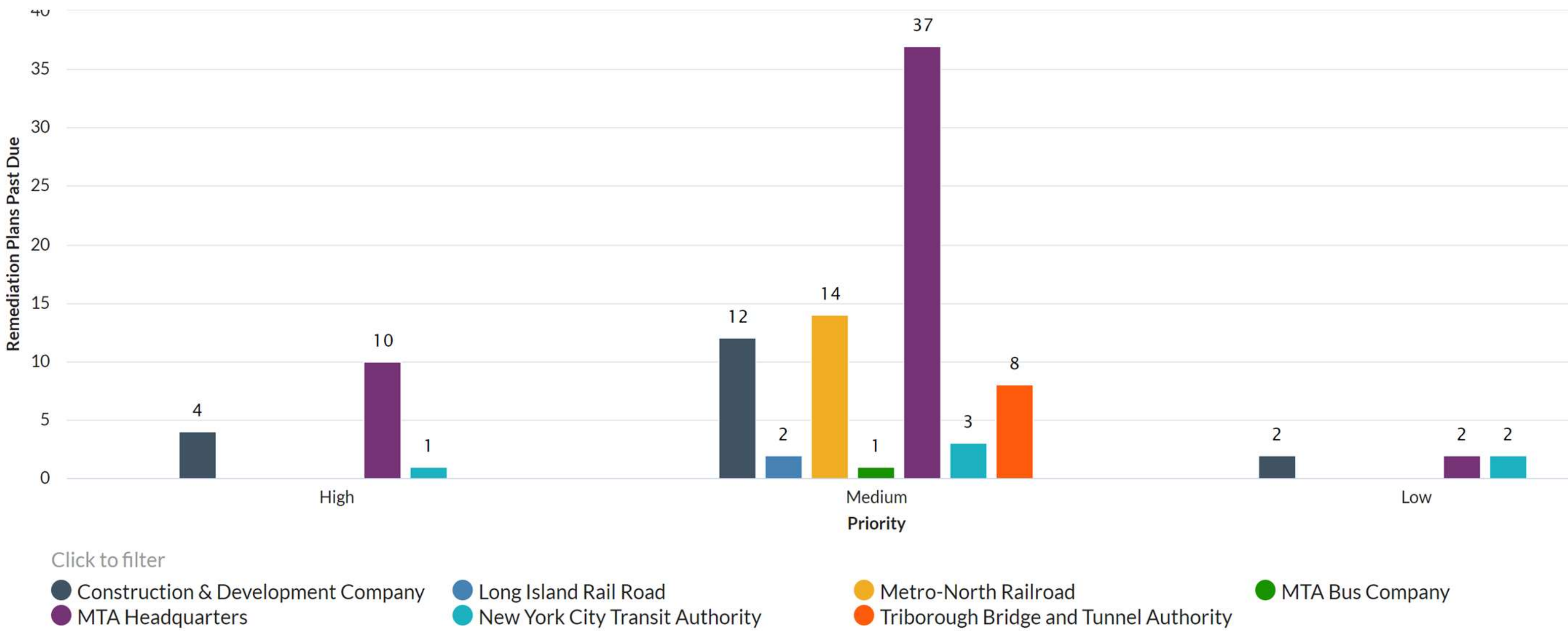
Report to the Audit Committee
May 2024



REMEDIATION PLANS ACTIVITY
TRENDING BY QUARTER



Remediation Plans Implemented Awaiting Closure By Agency & Priority



Remediation Plans Six Months
Past Due by Agency & Priority