Metropolitan Transportation Authority

Audit Committee Meeting

January 2022

Committee Members

J. Barbas, Chair
F. Borelli
D. Jones
R. Linn
R. Mujica, Jr.

Audit Committee Meeting

Monday, 1/24/2022
2:30 - 4:00 PM ET

MTA Board Room - 20th Floor
2 Broadway

1. PUBLIC COMMENTS

2. APPROVAL OF MINUTES
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3. AUDIT COMMITTEE WORK PLAN
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4. QUARTERLY FINANCIAL STATEMENTS - 3RD QUARTER 2021
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5. ENTERPRISE RISK MANAGEMENT AND INTERNAL CONTROL GUIDELINES
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6. COMPLIANCE WITH THE INTERNAL CONTROL ACT

7. 2021 AUDIT PLAN STATUS AND 2022 AUDIT PLAN
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9. OPEN AUDIT RECOMMENDATIONS
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MINUTES OF MEETING
AUDIT COMMITTEE OF THE BOARD
MONDAY, OCTOBER 18, 2021 – 3:00 P.M.
RONAN BOARD ROOM – 20TH FLOOR
2 BROADWAY

The following were present (either in person or virtual):

Honorable:		
Jamey Barbas	**Robert Linn**	**David Jones**
Robert Mujica, Jr.		
M. Woods - MTA	**R. Foran - MTA**	**J. Strohmeyer - Deloitte**
L. Kearse - MTA	**J. McGovern – MTA**	**K. Makiakis - Deloitte**
		J. Hughes - Deloitte
		D. Patel - Deloitte

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1. PUBLIC COMMENTS PERIOD

There were no public speakers.

2. APPROVAL OF MINUTES

The minutes of the July 19th Audit Committee meeting were approved.

3. AUDIT COMMITTEE WORK PLAN

The Auditor General (Michele Woods) noted that there was one change to the October Work Plan. The Single Audit Report from the July Work Plan was moved to the October Audit Committee meeting. The Office of Management and Budget issued a 6-month extension to the MTA for the December 31, 2020 Single Audit Submission, due to the COVID-19 pandemic. Management has been working with the external auditors to complete this report. Finally, the Auditor General noted that this was the fourth and final Audit Committee Work Plan for 2021. The proposed 2022 Work Plan is included in the committee materials for information purposes and any proposed changes will be presented for approval at the January meeting.

The Chair noted that this change to the Work Plan was approved at the July Committee meeting, therefore no vote is required.

4. INDEPENDENT ACCOUNTANT'S REVIEW REPORT – 2nd QUARTER 2021

Jill Strohmeyer (Deloitte) presented to the Committee the results of their review of the MTA's Consolidated Financial Statements for the second quarter of 2021. Jill stated that Deloitte is in the process of completing its quarterly review procedures of the MTA's consolidated interim financial information for the six-month period ending June 30, 2021. A review of the interim financial information consists primarily of analytical procedures and inquiries of management responsible for producing those financial statements. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial information. Deloitte is not expressing such an audit opinion and instead issuing a review report. The quarterly financials are consistent with prior quarters;

there were no adjustments made to these financial statements as a result of their procedures; there were no changes to accounting policies or procedures; and they did not note any deficiencies in internal controls during their quarterly procedures. Upon approval, Deloitte will be in a position to issue its unmodified opinion on the financial statements which is a clean opinion.

Committee member David Jones inquired as to whether a Management Letter is submitted with this presentation. In response, Jill stated that the Management Letter relating to the 2020 audit was discussed at the July meeting, and added that any issues relating to the 2021 audit will be discussed at a future meeting.

A motion was made and seconded to accept the 2nd Quarter 2021 MTA Consolidated Financial Statements.

5. SINGLE AUDIT REPORT

Jill Strohmeyer (Deloitte) briefed the Committee on the Federal and State mandated Single Audits (of the MTA and NYC Transit). She stated that they are in the process of completing their Single Audits of the MTA's Schedules of both Federal and State awards for the year ended December 31, 2020. A Single Audit is a compliance audit conducted in accordance with the auditing standards issued by the AICPA as well as Government Auditing Standards; the requirements of Uniform Guidance; and, any requirements from New York State. Due to COVID-19, the Federal Office of Management and Budget extended the deadline for filing to March 31, 2022 (for December 31 year-ends). With respect to the Federal Single Audit, there were three major programs that were in scope this year. The first being the Federal Transit Cluster (the MTA's largest program); the second being the Public Transportation Emergency Relief Program; and, the third being the Rail and Transit Security Grant Program. These three programs make up $5.3 billion (95%) of the total $5.6 billion of Federal expenditures for the year ended December 31, 2020. There is only one major program for the State Single Audit which is the Statewide Mass Transportation Operating Assistance Program (totaling approximately $150 million). There were no findings to report for either the Federal or State Single Audit nor were there any findings relating to compliance or internal control matters. Jill referred to the Audit Committee package that contained various compliance opinions and internal control reports all of which were unmodified or clean reports.

A motion was made and seconded to accept the Single Audit Reports.

6. APPOINTMENT OF EXTERNAL AUDITORS

In her opening remarks, the Audit Committee Chair (Jamey Barbas) stated that this is the final year of the External Audit Contract between the MTA and Deloitte that was awarded in December 2015. The procurement is in progress for the next contract, which is expected to be awarded at year end. As part of this re-appointment process, the Committee requires the auditor to present to the Committee the results of the most recent inspection of the firm that was conducted by the PCAOB or the Public Company Accounting Oversight Board. Jamey noted that the Board has a copy of the 2019 report that was issued in December 2020. Jill Strohmeyer (Deloitte) then briefed the Committee on the PCAOB comments. She stated that since Deloitte is registered with the PCAOB and that they perform audits of publicly traded companies, every year the PCAOB is required to inspect some of Deloitte's audit working papers prepared in support of those audits. In regard to the 2019 Inspection Report (the latest report available at the time), Jill stated that 58 public issuers were selected for review by the PCAOB, and that they had six comments resulting from their review of those 58 public company engagement audits. The deficiencies identified by the PCAOB primarily related to Deloitte's testing of internal controls and/or substantive testing areas relating to revenue and revenue related accounts and/or inventory. Jill noted that Deloitte had the lowest number of audits with Part 1 findings compared to their other Big 4 competitors. The PCAOB reviews covers the review of public company clients and Jill noted that Deloitte also has a peer review conducted every three years as required by the AICPA. The peer review covers its private company clients including government clients like the MTA. Deloitte's latest peer review report was issued in November 2020 in which Deloitte received a "pass" rating — which is the highest possible rating that an accounting firm can receive.

Committee member David Jones inquired as to whether the MTA is soliciting bids from other audit firms. In response, Michele Woods (Auditor General) stated that an RFP has gone out and that they are evaluating proposals submitted by the firms.

At the end of the meeting, a motion was made and seconded to reappoint Deloitte as the MTA's external auditor for the 2021 financial statements.

7. AUDIT APPROACH PLAN/COORDINATION WITH EXTERNAL AUDITOR

In her opening remarks, the Audit Committee Chair (Jamey Barbas) stated that Jill Strohmeyer (Deloitte) will tell the Committee about Deloitte's audit approach to the 2021 year-end audits of the MTA financial statements. Jill will also discuss any new or proposed changes in accounting principles, regulations or financial reporting practices and its impact to the financial statements. Jill first introduced the key members of the Deloitte audit team: Kostas Makiakis, John Hughes, and Darshan Patel. Makiakis is a Managing Director who signs a number of the MTA stand alone agency audits and John Hughes who is a Senior Manager who works on NYC Transit, SIRTOA and Bus Company audits. Hughes will also be joining the B&T audit team this year. Lastly, Darshan Patel is a Senior Manager who is a Federal and State Single Audit specialist who leads the day-to-day activities of the Single Audits. Jill also mentioned other members of the audit team: Kathleen Candela and Elaine Reyes (second level review partners), John Potts (Actuarial Specialist), and Emilia Maguire (IT Specialist).

Jill then briefed the Committee on Deloitte's Audit Service Plan for the MTA and referenced the discussion of Risk Assessment. Deloitte has identified management override of controls as a significant risk relating to the audit of the financial statements. Jill noted that management override is a significant risk in every audit performed by Deloitte (whether public, private or government client), and that Deloitte has direct and focused procedures to address this risk. Specifically, they look at journal entries made by management and posted to the system, they run special data analytics on those journal entries to determine whether any of those entries exhibit characteristics of fraud. Also, they focus closely on estimates in which there could be bias on the part of management, and they also look at any unusual or significant transactions that occurred during the year. Other additional areas of risk to be examined by Deloitte include: the impact of COVID-19 (cash flow projections, meeting debt covenants, and going concern assumptions); pension and post-employment benefit liabilities; fare revenues (including ticket and passenger revenue); grants, appropriations, and tax revenues (with a focus on CARES and CRRSAA monies); debt; and the compliance requirements relating to State and Federal Single Audits (as directed by the Office of Management and Budget). In regards to internal audits, they do not plan to use the work of internal audit, but they do have conversations with internal audit; read the audit reports issued by internal audits; and use them as part of their risk assessments procedures to determine where and how much testing to perform. With respect to the audit timeline, it is consistent with past years with issuance of the financial statements targeted for the end of May. Jill then referenced page #8 of the Audit Service Plan which listed all of the reports that will be issued by Deloitte in 2021 and she noted that this is consistent with prior years. In regards to the specifics relating to Deloitte's audit methodology, Jill made reference to pages #9 through #16 of the Audit Service Plan. In regards to the latest peer review report, Grant Thornton conducted the peer review and that Deloitte passed its peer review. Jill added that she is required to share this information in accordance with Government Auditing Standards. Jill then referenced the technical update on pages #20 and #21 of the Audit Service Plan which are the new GASB Standards that will impact the MTA in the future or near future. For 2021 there are no accounting pronouncements that the MTA will be required to implement or to adopt. The main reason being is that GASB #95 delayed everything by 12 to 18 months due to COVID. The biggest standard on the horizon that will impact the MTA in 2022 is GASB #87 relating to lease implementation. Lastly, Jill noted that there is no GASB #98 yet since the GASB has been relatively quiet with respect to issuing new standards due to COVID.

8. AUDIT COMMITTEE CHARTER

The Committee reviewed and assessed the Charter, and based on their review there were no proposed changes to the Charter.

9. OPEN AUDIT RECOMMENDATIONS

The Chief Compliance Officer (Lamond Kearse) briefed the Committee on the implementation status of prior audit recommendations. Kearse referenced the latest report on the tracking of open remediation plans that are six-months past their original implementation date. To date, they have been tracking MTA Audit reports and related recommendations. However, effective this month they have now integrated information from the MTA Inspector General's Office as part of their ongoing reporting. Kearse noted that certain "data points" did not exist within the Inspector General reports. Specifically, due dates and priorities were not part of the normal reporting cycle. Therefore, they had to establish implementation dates and priorities for the remediations that need to be addressed in order to track those open remediation plans going forward. Kearse then referenced a slide in the Book that showed a breakdown by agency and by priority of the outstanding remediation plans relating to findings by both MTA Audit and the Inspector General's Office. Lastly, he referenced a slide on the "closing rates" of recommendations.

Committee member Linn then referenced the graph on page #3 which highlighted approximately 47 "high priority" audit recommendations that were more than 180 days past due, of which 25 were related to Construction & Development, and he questioned whether we are focusing our time on these high priority items that are way past due. In response, Kearse noted that due to Transformation, some existing recommendations that were with the agencies relating to capital, have been transferred and reassigned to MTA C&D, which could explain the increase. He added that management is now required to provide documentation to prove that the recommendation has been implemented and this documentation is being reviewed by both Corporate Compliance and MTA Audit in order for the recommendation to be closed. The Auditor General (Michele Woods) added that going forward they can provide the Committee members with a report (generated using GRC Archer) that provides details on all the open recommendations that are past due. Kearse added that they can provide this information but cautioned that some of this information may be sensitive and may be more appropriate for an executive session as opposed to an open meeting.

10. ANNUAL AUDIT COMMITTEE ACTIVITY REPORT

Chair Barbas noted that the four-page report covered the activities of the Audit Committee during the 12-month period ended July 31, 2021 and that a draft had been previously circulated among the Committee members for review and comment.

A motion was made and seconded to approve the year-end Activity Report for submission to the full Board.

11. EXECUTIVE SESSION

Pursuant to Section 105 (1) of the New York State Public Officers Law, upon motion duly made and seconded, the Committee voted to convene an executive session in order to receive a briefing from MTA IT on the Security of Sensitive Data.

12. MOTION TO ADJOURN

The Committee returned to regular session, at which time a motion was made and seconded to adjourn the meeting.

Respectfully submitted,

Michele S Woods

Michele Woods
Auditor General

Metropolitan Transportation Authority

2022 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 2022

Quarterly Financial Statements – 3rd Quarter 2021	External Auditor/CFOs/Controllers
Enterprise Risk Management Update and Internal Control Guidelines	Chief Compliance Officer
Compliance with the Internal Control Act	Chief Compliance Officer/Agency ICOs
2021 Audit Plan Status Report	Auditor General
2022 Audit Plan	Auditor General
Information Technology Report	Chief Technology Officer
Open Audit Recommendations	Agency ICOs/Chief Compliance Officer

May 2022

2021 Audited Financial Statements	External Auditor/CFOs/Controllers
Management's Review of Consolidated Financial Statements	Comptroller
Investment Compliance Report	External Auditor
Open Audit Recommendations	Agency ICOs/Chief Compliance Officer
Contingent Liabilities/Third Party Lawsuits (Executive Session)	General Counsels/External Auditor

July 2022

Quarterly Financial Statements – 1st Quarter 2022	External Auditor/CFOs
Pension Audits (2021)	External Auditor/Comptroller
Management's Review of Pension Audits	Comptroller
Single Audit Report	External Auditor/CFOs
Management Letter Reports	External Auditor/CFOs/Controllers
Review of MTA/IG's Office (FY 2021)	External Auditor
Enterprise Risk Management Update	Chief Compliance Officer
Ethics and Compliance Program	Chief Compliance Officer
Financial Interest Reports	Chief Compliance Officer
MTAAS 2022 Audit Plan Status Report	Auditor General
Open Audit Recommendations	Agency ICOs/Chief Compliance Officer

October 2022

Quarterly Financial Statements – 2nd Quarter 2022	External Auditor/CFOs
Appointment of External Auditors	Committee Chair & Members
Audit Approach Plans/Coordination	External Auditor
Review of Audit Committee Charter	CCO and Committee Chair
Security of Sensitive Data & Systems (Executive Session)	Chief Technology Officer
Open Audit Recommendations	Agency ICOs/Chief Compliance Officer
Annual Audit Committee Report	Committee Chair

2022 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 2022

Quarterly Financial Statements - 3rd Quarter 2021

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 2021.

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 and Agency Internal Control Officers 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 2021/2022 Audit Plans

i. 2021 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 2021.

ii 2022 Audit Plan
A discussion by Audit Services of the areas scheduled to be reviewed in 2022 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.

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

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

MAY 2022

2021 Financial Statements
The MTA public accounting firm will review the results and conclusions of their examination of the 2021 Financial Statements. The agency CFOs/Controllers 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 MTA Comptroller will present a management's review of the 2021 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 and Agency Internal Control Officers 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 2022

Quarterly Financial Statements – 1st Quarter 2022
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 2022.

Pension Audits

i Management's Review of MTA-Managed/Controlled Pension Plan Financial Statements
The MTA Comptroller will present a management's review of the 2021 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 firms 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 external audit firm.

Review of the MTA Inspector General's Office
Representatives of MTA's public accounting firm will provide the results of their 2021 "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 2022 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 and Agency Internal Control Officers will report to the Committee on the status of audit recommendations previously accepted by their respective agency.

OCTOBER 2022

Quarterly Financial Statements – 2nd Quarter 2022
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 2022.

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 the 2022 year-end agency financial audits. 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 2020 adequately complied with the roles and responsibilities outlined in its Charter (i.e. monitoring and overseeing the conduct of MTA's financial reporting process; application of accounting principles; engagement of outside auditors; MTA's internal controls; and other matters relative to legal, regulatory and ethical compliance at the MTA).

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

Open Audit Recommendations

The MTA Chief Compliance Officer and Agency Internal Control Officers 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 2022. This report is prepared in compliance with the Audit Committee’s Charter. After Committee review and approval, the Committee Chair will present the report to the full MTA Board.

DRAFT

Metropolitan Transportation Authority

(A Component Unit of the State of New York)

Independent Auditors' Review Report

Interim Financial Statements as of and
for the Nine-Month Period Ended September 30, 2021

Table of Contents

(A Component Unit of the State of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

($ 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.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, and MTA Bus, 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 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. The MTA engages in Business-Type Activities.

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

- Pension Trust Funds:
  - MTA Defined Benefit Pension Plan
  - The Long Island Railroad 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")

The financial results of the MTA are reported as consolidated financial statements.

OVERVIEW OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

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

Management's Discussion and Analysis

This MD&A provides a narrative overview and analysis of the financial activities of the Metropolitan Transportation Authority and its consolidated subsidiaries and affiliates (the "MTA" or "MTA Group") as of September 30, 2021 and December 31, 2020 and for the nine-month periods ended September 30, 2021 and 2020. For financial reporting purposes, the subsidiaries and affiliates of the MTA are blended component units. This management discussion and analysis is intended to serve as an introduction to the MTA Group's consolidated interim financial statements. It provides an assessment of how the MTA Group's position has improved or deteriorated and identifies the factors that, in management's view, significantly affected the MTA Group's overall financial position. It may contain opinions, assumptions, or conclusions by the MTA Group's management that must be read in conjunction with, and should not be considered a replacement for, the consolidated interim financial statements.

The Consolidated Interim Financial Statements

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

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

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

The Fiduciary Funds Financial Statements

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

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

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

Notes to the Consolidated Interim Financial Statements

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

Required Supplementary Information

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

Supplementary Information - Combining Fiduciary Funds Financial Statements

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

Supplementary Information

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

CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The following sections discuss the significant changes in the MTA Group's financial position as of September 30, 2021 and December 31, 2020 and for the nine-month periods ended September 30, 2021 and 2020. An analysis of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, the information contained within the summaries of the consolidated interim financial statements and the various exhibits presented were derived from the MTA Group's consolidated interim financial statements.

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

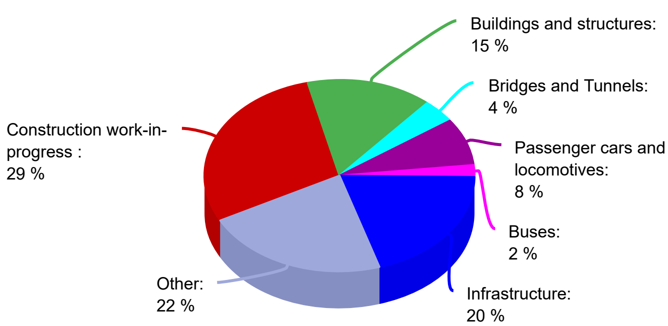
Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, and locomotives.

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.

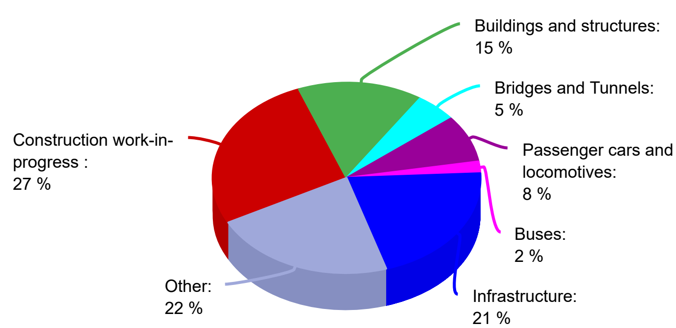
Deferred outflows of resources reflect: changes in fair market values of hedging derivative instruments that are determined to be effective, unamortized loss on refunding, deferred outflows from pension activities, and deferred outflows from OPEB activities.

(In millions)	September 30, 2021	December 31, 2020	Increase / (Decrease)
Capital assets — net (see Note 6)	$ 82,341	$ 80,895	$ 1,446
Other assets	13,612	12,899	713
Total Assets	95,953	93,794	2,159
Deferred outflows of resources	6,051	6,201	(150)
Total assets and deferred outflows of resources	$ 102,004	$ 99,995	$ 2,009

Capital Assets, Net - September 30, 2021



Capital Assets, Net - December 31, 2020



Significant Changes in Assets and Deferred Outflows of Resources Include:

September 30, 2021 versus December 31, 2020

- Net capital assets increased on September 30, 2021 by $1,446, or 1.8%. There was an increase in construction in progress of $2,258, an increase in other capital assets of $443, an increase in infrastructure of $421, an increase in buildings and structures of $274, an increase in buses of $120, an increase in passenger cars and locomotives of $102, and an increase in bridges and tunnels of $55. The increases were offset by a net increase in accumulated depreciation of $2,227. See Note 6 to the MTA's Consolidated Interim 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 improvements made to the East River Tunnel Fire and Life Safety project for 1st Avenue, Long Island City, and construction of three Montauk bridges.
    - 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 $713 or 5.5%. The major items contributing to this change include:
  - A net increase in cash of $656 from net cash flow activities.
  - An increase in State and regional mass transit tax receivable of $87, a decrease in Station Maintenance receivables of $45, an increase in other receivables from New York City and New York State of $28, an increase in other current receivables of $126, an increase in Mortgage Recording tax of $5, and increase in capital project receivables from federal and state government of $41, a decrease in State and local operating assistance of $1. There was also a decrease of $64 in other current assets.
  - A decrease in investments of $155 mainly due to the use of funds for capital and operation
  - A net increase in various other current and non-current assets of $35.
- Deferred outflows of resources decreased by $150 or 2.4%. This was primarily due to a decrease in deferred outflows related to loss on debt refunding of $72, an increase in deferred outflows related to other post-employment benefits of $42, a decrease in deferred outflows related to pensions of $32 and a decrease in deferred outflows related to change in the fair value of derivative instruments of $88.

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

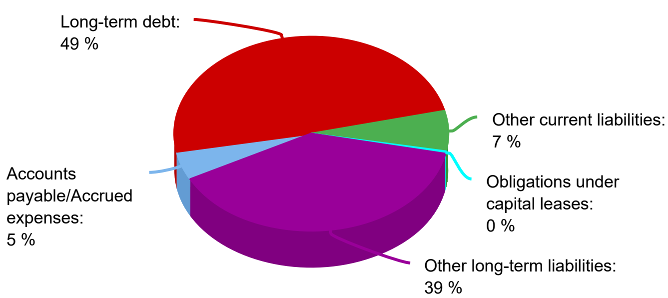
Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, capital lease obligations, pollution remediation liabilities, unredeemed fares and tolls, and other current liabilities.

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

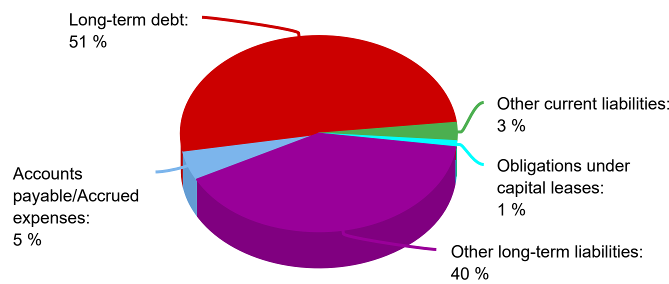
Deferred inflows of resources reflect unamortized gains on refunding, pension related deferred inflows, and deferred inflows from OPEB activities.

(In millions)	September 30, 2021	December 31, 2020	Increase / (Decrease)
Current liabilities	$ 11,305	$ 7,184	$ 4,121
Non-current liabilities	84,091	85,263	(1,172)
Total liabilities	95,396	92,447	2,949
Deferred inflows of resources	2,560	2,565	(5)
Total liabilities and deferred inflows of resources	$ 97,956	$ 95,012	$ 2,944

Total Liabilities - September 30, 2021



Total Liabilities - December 31, 2020



Significant Changes in Liabilities and Deferred Inflows of Resources Include:

September 30, 2021 versus December 31, 2020

- Current liabilities increased by $4,121 or 57.4%. The net increase in current liabilities was primarily due to an increase current portion of long-term debt of $4,142 due mainly to MTAHQ BAN maturing in the next twelve months, and the classification of bond anticipated notes retired by the proceeds of new long term debt issues as required by GASB Statement No. 62, an increase in interest payable of $546, a decrease of $24 in employee related accruals, a decrease in capital accruals of $381, a decrease in other accrued expenses of $23, a decrease in estimated liability arising from injuries to persons (Note 11) of $8. In addition, there was a decrease in unearned revenue of $165, an increase in accounts payable due to vendors of $32, a decrease in derivative fuel hedge liability of $4, and a net increase of $6 in other current payables.
- Non-current liabilities decreased by $1,172 or 1.4%. This decrease was mainly due to:
  - A decrease in the non-current portion of long-term debt of $1,305.
  - A decrease in derivative liabilities of $66 resulting mainly from changes in market valuation and a reduction in the notional number of derivative contracts.
  - An increase in estimated liability arising from injuries to persons (Note 10) of $244 due to revised calculations of the workers' compensation reserve.
  - A decrease in obligations under capital leases of $12.
  - A net decrease in other various non-current liabilities of $33.
- Deferred inflows of resources decreased by $5 or 0.2%, due to gain on refunding of debt of $5.

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

(In millions)	September 30, 2021	December 31, 2020	Increase / (Decrease)
Net investment in capital assets	$ 31,164	$ 32,884	$ (1,720)
Restricted for debt service	1,661	480	1,181
Restricted for claims	288	287	1
Restricted for other purposes	2,064	1,184	880
Unrestricted	(31,129)	(29,852)	(1,277)
Total Net Position	$ 4,048	$ 4,983	$ (935)

Significant Changes in Net Position Include:

September 30, 2021 versus December 31, 2020

At September 30, 2021, total net position decreased by $935 or 18.8%, when compared with December 31, 2020. This change is a result of net non-operating revenues of $4,789 and appropriations, grants and other receipts externally restricted for capital projects of $2,412 offset by operating losses of $8,136.

The net investment in capital assets decreased by $1,720 or 5.2%. Funds restricted for debt service, claims and other purposes increased by $2,062 or 105.7% in the aggregate, mainly due to scheduled debt service payments. Unrestricted net position decreased by $1,277 or 4.3%.

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

(In millions)	Nine-Month Period Ended September 30, 2021	Nine-Month Period Ended September 30, 2020	Increase / (Decrease)
Operating revenues			
Passenger and tolls	$ 3,655	$ 3,194	$ 461
Other	415	344	71
Total operating revenues	4,070	3,538	532
Non-operating revenues			
Grants, appropriations and taxes	5,339	5,423	(84)
Other	817	4,755	(3,938)
Total non-operating revenues	6,156	10,178	(4,022)
Total revenues	10,226	13,716	(3,490)
Operating expenses			
Salaries and wages	4,569	4,651	(82)
Retirement and other employee benefits	2,514	2,577	(63)
Postemployment benefits other than pensions	495	501	(6)
Depreciation and amortization	2,318	2,226	92
Other expenses	2,310	2,305	5
Total operating expenses	12,206	12,260	(54)
Non-operating expenses			
Interest on long-term debt	1,363	1,280	83
Other net non-operating expenses	4	4	-
Total non-operating expenses	1,367	1,284	83
Total expenses	13,573	13,544	29
(Loss) / Gain before appropriations, grants and other receipts externally restricted for capital projects	(3,347)	172	(3,519)
Appropriations, grants and other receipts externally restricted for capital projects	2,412	2,440	(28)
Change in net position	(935)	2,612	(3,547)
Net position, beginning of period	4,983	4,451	532
Net position, end of period	$ 4,048	$ 7,063	$ (3,015)

Revenues and Expenses, by Major Source:

Period ended September 30, 2021 versus 2020

- Total operating revenues increased by $532, or 15.0%. The increase was mainly due to employees returning to work after the Stay At Home Executive Order issued by New York State governor in March 2020 in response to the COVID-19 pandemic. The increase in fare revenue of $86 while toll revenue increased by $375 as vehicular traffic increased. Other operating revenues increased by $71 when compared with the same period in 2020 due to higher advertising revenues and lower paratransit reimbursement subsidy.
- Total non-operating revenues decreased by $4,022, or 39.5%.
  - Grants, appropriations, and taxes decreased by $84 primarily due to an increase in Aid Trust subsidies of $161, decrease in Mass Transportation Operating Assistance of $862, a decrease in Operating Assistance of $88, a decrease in Build America Bond subsidy of $3, an increase from New York City Assistance Fund of $16, an increase in Payroll Mobility Tax of $132, an increase in Internet Sales Tax of $103, an increase in Mortgage Recording tax of $163, an increase in Mansion Tax of $224, an increase in Urban Tax of $46, and an increase in Mass Transportation Trust Fund from New York State of $24.
  - Other subsidies decreased by $3,938 primarily due to Federal government subsidies decreased by $4,010 primarily due to the suspension of Coronavirus Aid Relief, and Economic Security (CARES) Act for the MTA in the 2021, a decrease in other net non-operating expenses of $73, an increase in operating subsidies from New York City of $76 for MTA Bus and MTA Staten Island Railway, an increase in subsidies from the Connecticut Department of Transportation for the MTA Metro-North Railroad of $66, and an increase in Station maintenance of $3.
- Labor costs decreased by $151, or 2.%. The major changes within this category are:
  - Salaries, wages and overtime decreased by $82 primarily due to lower salaries in various agencies.
  - Retirement and employee benefits decreased by $63 based on changes in the actuarial estimates as a result of GASB 68.
  - Postemployment benefits other than pensions decreased by $6 based on changes in the actuarial estimates.
- Non-labor operating costs increased by $97, or 2.1%. The variance was primarily due to:
  - An increase in depreciation of $92 primarily due to more assets placed in service in the current year.
  - An increase in professional service contracts of $39 due to changes in consulting services.
  - An increase in electric power of $18 and fuel of $29 due mainly to increased service levels.
  - An increase in paratransit service contracts of $14.
  - An increase in Maintenance and other operating contracts of $9.
  - An increase in Insurance of $9 mainly due to higher property and liability reserve requirements.
  - A decrease in claims arising from injuries to persons of $100 based on changes in estimated claim provisions.
  - A decrease in material and supplies by $37, mainly due to revised maintenance and repairs requirements for transit and commuter systems.
  - A net increase in other various expenses of $24.
- Total net non-operating expenses increased by $83, or 6.5%, due to an increase in interest on long-term debt of $83 resulting from greater issuances.
- Appropriations, grants and other receipts externally restricted for capital projects decreased by $28, or 1.1% mainly due to timing of requisitioning for Federal and State grants.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions

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

Preliminary MTA system-wide utilization through the third quarter of 2021 has rebounded past the depths experienced in 2020, with ridership up by 112 million trips (15.5%). The first quarter of 2021 was down 296 million trips (57.4%) compared with the first quarter of 2020, since COVID-related ridership loss did not begin until the closing weeks of the first quarter of 2020. The second quarter of 2021 reflects gradual increases in ridership from the depths of the COVID pandemic and was up 231 million trips (410.1%) compared with the second quarter of 2020. The third quarter of 2021 was also favorable, up 177 million trips (117.5%). The effective shut-down in mid-March 2020 of the metropolitan area in response to the COVID-19 pandemic resulted in a severe decline in the utilization of MTA services that began to slowly improve as effective vaccinations became available and the region moved through State-mandated re-opening phases. During the 2021 with vaccinations available, social distancing mandates were eased and the region began moving into a late-pandemic phase with businesses bringing back employees, restaurants and bars increasing seating capacity and cultural institutions reopened. Increases in infections and hospitalizations brought on by a viral resurgence may change conditions during the remainder of the year. During the first nine months of 2021, compared with the first nine months of 2020, MTA New York City Transit subway ridership increased by 11.3 million trips (2.2%); the third quarter change from 2020 was an increase of 96.5 million trips (87.5%). MTA New York City Transit bus increased by 84.3 million trips (60.0%) during the first nine months of 2021, and by 57.8 million trips (233.1%) in the third quarter. MTA Long Island Rail Road ridership declined by 0.9 million trips (3.8%) in the first nine months of the year, while increasing by 4.8 million trips (89.2%) during the third quarter, MTA Metro-North Railroad declined by 2.1 million trips (9.2%) in the first nine months of the year while increasing by 4.5 million trips (101.8%) during the third quarter, MTA Bus increased by 19.6 million trips (63.3%) in the first nine months of the year and by 13.5 million trips (235.5%) during the third quarter, and MTA Staten Island Railway declined by 0.2 million trips (18.7%) during the first nine months of the year while increasing 0.2 million trips (86.5%) during the third quarter. A note on bus ridership figures: From March 20, 2020 through the end of August 2020, entry onto most buses was only permitted through the rear bus door and fares were not collected, and in these instances, ridership was not counted. Vehicle traffic at MTA Bridges and Tunnels facilities during the first nine months of 2021 increased by 41.1 million crossings (22.2%) compared with crossings during the first nine months of 2020. In the third quarter, crossings were up 11.4 million (15.9%) compared with the third quarter of 2020. The 2019 New York State Budget approved congestion pricing in Manhattan south of 60th Street, which will likely impact ridership and vehicle crossings once implemented. While originally scheduled to go into effect in 2021, the MTA only received approval on March 30, 2021, after significant delays, by the Federal Highway Administration to proceed with the Environmental Assessment which will allow for the final design and construction of the tolling infrastructure to proceed.

Seasonally adjusted non-agricultural employment in New York City for the third quarter was higher in 2021 than in 2020 by 189.3 thousand jobs (4.7%). On a quarter-to-quarter basis, New York City employment gained 46.9 thousand jobs (1.1%), the fifth consecutive quarterly increase, following increases of 55.4 thousand jobs (1.4%) during the second quarter of 2021, 26.0 thousand jobs (0.06%) during the first quarter of 2021, 60.9 thousand jobs (1.5%) during the fourth quarter of 2020 and 209.9 thousand jobs (5.5%) during the third quarter. These increases were preceded by the steep decline of 888.8 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 2.0% in the third quarter of 2021, according to the most recent advance estimate released by the Bureau of Economic Analysis; in the second quarter of 2021, the revised RGDP increased 6.7 percent. The increase in third quarter GDP reflected increases in private inventory investment, personal consumption expenditures, state and local government spending and nonresidential fixed investment. These increases were partially offset by decreases in residential fixed investment, federal government spending, and exports; imports, which reduce GDP, also increased. The increase in private inventory investment reflected increases in wholesale trade (led by nondurable goods industries) and in retail trade (led by motor vehicle and parts dealers). The increase in personal consumption expenditures reflected an increase in services (which were widespread, with the largest contributions coming from international travel, transportation services, and health care) that was partly offset by a decrease in goods (primarily reflecting lower spending for motor vehicles and parts). The increase in state and local government spending was led by employee compensation, notably for education. The nonresidential fixed investment increase was led by software and other intellectual property products and was partly offset by decreases for structures and equipment. The decrease in residential fixed investment primarily reflected decreases in improvements and new single-family construction. The federal government decrease was primarily due to the ending of the Paycheck Protection Program, which ended in the second quarter. The decline in exports primarily reflected goods, which was partially offset by an increase in services, and the increase in imports primarily reflected services, led by travel and transportation services. The deceleration in real GDP in the third quarter from the second quarter was led by less spending on goods (led by motor vehicles and parts) and services (led by food services and accommodations).

The New York City metropolitan area's price inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was lower than the national average in the third quarter of 2021, with the metropolitan area index increasing 3.7% while the national index increased 5.3% when compared with the third quarter of 2020. Regional prices for energy products increased 20.3%, while national prices of energy products rose 24.6%. In the metropolitan area, the CPI-U exclusive of energy products increased by 2.8%, while nationally, inflation exclusive of energy products increased 4.1%. The New York Harbor spot price for conventional gasoline increased substantially more, by 83.4%, from an average price of $1.23 per gallon to an average price of $2.26 per gallon between the third quarters of 2020 and 2021.

In its November 3, 2021 announcement, the Federal Open Market Committee ("FOMC") left unchanged its target for the Federal Funds rate in the 0.00% to 0.25% range; the Federal Funds rate target was last changed on March 15, 2020, when it was reduced from a range of 1.50% to 1.75% down to its current range. The FOMC expects to maintain this target range until labor markets have reached levels consistent with the FOMC's assessment of maximum employment and inflation has risen to 2 percent. With inflation having run persistently below the 2 percent target, the FOMC will aim to achieve inflation moderately above 2 percent over time, and longer-term inflation expectations remain well anchored at 2 percent. The FOMC noted that, with progress on vaccinations and strong policy support, indictors of economic activity and employment have continued to strengthen. Sectors most adversely impacted by the COVID-19 pandemic have improved in recent months, but the increase in COVID-19 cases over the summer slowed their recovery. Inflation is elevated, largely reflecting factors that are expected to be transitory, with supply and demand imbalances related to the pandemic and the reopening of the economy having contributed to sizable prices increases in some sectors. Overall financial conditions remain accommodative, in part reflecting policy actions to support the economy and the flow of credit. However, the path of the economy continues to depend on the course of the pandemic. Progress on vaccinations and an easing of supply constraints are expected to support continued gains in economic activity and employment as well as a reduction in inflation. Considering the substantial progress the economy has made, the FOMC decided to begin reducing the monthly pace of its net asset purchases of Treasury securities and agency mortgage-backed securities. While the FOMC judges that similar reductions will likely continue, it is prepared to adjust the pace of purchases if changes are warranted due to revisions in the economic outlook. The FOMC's assessments will consider information on public health, labor market conditions, inflation pressures, and financial and international developments.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law and provided $4.0 billion in funding to the MTA, which assisted in covering operating losses through late July. The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA") became law on December 27, 2020; the MTA expects to receive another $4.0 billion from CRRSAA, although funding has yet to flow to the MTA. More recently, on March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") was signed in law, and MTA expects to receive $6.5 billion in aid from ARPA.

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 the number of 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 was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential real estate and historically low mortgage rates for refinancing resulted in strong MRT revenue. Mortgage Recording Tax collections in the third quarter of 2021 were higher than the third quarter of 2020 by $67.4 (60.7%). Average monthly receipts in the third quarter of 2021 were $9.7 (15.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the third quarter of 2021—which are based on 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 $63.3 (97.4%) higher than receipts during the third quarter of 2020. Average monthly receipts in the third quarter of 2021 were $39.9 (54.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Results of Operations

MTA Bridges and Tunnels - For the nine months ended September 30, 2021, operating revenue from tolls totaled $1,565, which was $375, or 31.5%, higher than the nine months of 2020. Paid traffic for the third quarter of 2021 totaled 226.4 million crossings, which was 41.1 million, or 22.2% above the third quarter of 2020. Traffic continues to recover from the peak of the Covid-19 pandemic with new cases decreasing, higher regional vaccination rates, and general pandemic restrictions eased, traffic for September has recovered to almost 2019 pre-pandemic levels (lower by -2.4%). Gasoline prices continue to rise, while the impacts of weather on traffic levels through September were also negative.

MTA New York City Transit - For the nine months ended September 30, 2021, revenue from fares was $1,617, an increase of $108, or 7.2%, compared to September 30, 2020. For the same comparative period, total operating expenses were lower by $170, or 2.1%, totaling $7,866 for the nine months ended September 30, 2021.

MTA Long Island Rail Road – Total operating revenue for the nine months ended September 30, 2021 was $220, which was lower by $28, or 11.3%, compared to nine months ended September 30, 2020. For the same comparative period, operating expenses were higher by $39, or 2.8%, totaling $1,438 for the nine months ended September 30, 2021.

MTA Metro-North Railroad – For the nine months ended September 30, 2021, operating revenues totaled $186, a decrease of $44, or 19.1%, compared to September 30, 2020. During the same period, operating expenses increased by $58, or 5.2%, to $1,175. For the nine months ended September 30, 2021, fare revenue decreased by 16.6% to $171 compared to September 30, 2020. Passenger fares accounted for 91.9% and 89.2% of operating revenues in 2021 and 2020, respectively. The remaining revenue represents collection of rental income from stores in and around passenger stations and revenue generated from advertising.

The MTA receives the equivalent of four quarters of Metropolitan Mass Transportation Operating Assistance ("MMTOA") receipts each year, with the state advancing the first quarter of each succeeding calendar year's receipts in the fourth quarter of the current year. This results in little or no Metropolitan Mass Transportation Operating Assistance receipts being received during the first quarter of each calendar year. The MTA has made other provisions to provide for cash liquidity during this period. During March 2016, the State appropriated $1.6 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 period ended September 30, 2021 was $487 compared to $324 at September 30, 2020.

Capital Programs

At September 30, 2021, $3,939 had been committed and $1,159 had been expended for the 2020-2024 MTA Bridges and Tunnels Capital Program, $28,086 had been committed and $19,686 had been expended for the combined 2015-2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, and $28,702 had been committed and $26,777 had been expended for the combined 2010-2014 MTA Capital Programs and the 2010-2014 MTA Bridges and Tunnels Capital Program, and $24,127 had been committed and $23,910 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 $54,819 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.

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, $9,792 in MTA bonds, $3,327 in MTA Bridges and Tunnels bonds, $10,701 in Federal funds, $3,000 in State of New York funding, and $3,000 in City of New York funding.

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 Programs 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 Programs 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.

By September 30, 2021, the revised 2015-2019 Capital Programs provided $33,969 in capital expenditures, of which $16,749 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; $6,142 relates to ongoing repairs of, and replacements to, the commuter system operated by MTA Long Island Rail Road and MTA Metro-North Railroad; $7,507 relates to the expansion of existing rail networks for both the transit and commuter systems to be managed by MTA Capital Construction; $258 relates to Planning and Customer Service; $376 relates to MTA Bus Company initiatives; and $2,935 in capital expenditures for ongoing repairs of, and replacements to, MTA Bridges and Tunnels facilities.

The combined funding sources for the revised 2015–2019 MTA Capital Programs and the 2015-2019 MTA Bridges and Tunnels Capital Program, include $8,474 in MTA bonds, $2,942 in MTA Bridges and Tunnels dedicated funds, $9,091 in State of New York funding, $7,421 in Federal funds, $2,667 in City of New York funding, $2,156 in pay-as-you-go ("PAYGO") capital, $943 from asset sale/leases, and $273 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. In 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.

By September 30, 2021, the 2010-2014 MTA Capital provided $31,697 in capital expenditures, of which $11,371 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; $3,917 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; $256 relates to a multi-faceted security program including MTA Police Department; $216 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 $11,625 in MTA Bonds, $2,022 in MTA Bridges and Tunnels dedicated funds, $7,395 in Federal Funds, $132 in MTA Bus Federal and City Match, $719 from City Capital Funds, and $1,277 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 $6,697 in insurance and federal reimbursement proceeds (including interim borrowing by MTA to cover delays in the receipt of such proceeds), $171 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 $23,717 in capital expenditures. By September 30, 2021, 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 $10,954 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, $7,827 in Federal Funds, $2,838 in City Capital Funds, and $1,284 from other sources.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The 2021 MTA July Financial Plan

The 2021 MTA July Financial Plan (the “July Plan” or “Plan”), which includes the 2021 Mid- Year Forecast, the 2022 Preliminary Budget and a Financial Plan for the years 2022 to 2025, updates the February Financial Plan (“the February Plan”). There were a couple of significant developments since the February Plan.

The first significant financial development was the March 11, 2021 signing into law by President Biden of the American Rescue Plan Act of 2021 (ARPA). The $1.9 trillion package is intended to combat the COVID-19 pandemic, including public health and economic impacts, including funding to the MTA, which is estimated to be $6.1 billion.

The second 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 were mostly removed after the state reached its goal of 70% of adults getting at least a first dose of the vaccine.

In the February Plan, ridership was based on the “worst case” scenario developed for the MTA by McKinsey & Co., while vehicular traffic at MTA Bridges and Tunnels’ facilities was based on the midpoint between McKinsey’s “best case” and “worst case” scenarios. Since the beginning of 2021, consolidated MTA ridership has been tracking consistent with the midpoint between the McKinsey scenarios, while MTA Bridges and Tunnels vehicular traffic has been consistently close to the McKinsey “best case” scenario as restrictions were eased and removed. These factors have led MTA to revise projections for the July Plan: anticipated improvement results in $3.7 billion in additional farebox revenue and $799 million in additional toll revenue through 2024 when compared with the February Plan. Despite these positive developments, ridership remains below pre-pandemic levels and McKinsey anticipates a “new normal” ridership level of between 82% and 91% of pre-pandemic levels, the result of continuation of hybrid work schedules, with fewer days per week traveling to an office location, increased online shopping at the expense of brick and mortar locations, slower return of tourism, and increases in alternative travel, such as walking and bicycling.

State and local subsidy and dedicated tax receipts also have improved, with revenue $1.4 billion higher through 2024 compared with the February Plan. However, the impact on the operating budget is less, as Capital Lockbox revenues, including the Mansion Tax and the Internet Marketplace Tax, are being redirected back to provide support for the Capital Program, reducing overall subsidies available to cover the operating budget by $515 million.

More detailed information on the February Plan can be found in the MTA 2021 Adopted Budget February Financial Plan 2021-2024 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 has eased, and the region moved into a late-pandemic phase. 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 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 Long Island Rail Road currently operates on an 83% pre-pandemic service level. MTA Metro-North Railroad currently operates on an 83% pre-pandemic service level during the week and 100% on weekends relative to pre-pandemic levels.

- ***Ridership and Traffic Update.*** Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, October 14, 2021 ridership compared to the pre-pandemic equivalent day in 2019 is down 47 percent on the subways, 40 percent for bus (combined NYCT bus and MTA Bus Company), 51 percent on MTA Metro-North Railroad, and 46 percent on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are nearly at pre-pandemic levels with toll revenues comprising approximately 12% of our operating budget net of bridge and tunnel operations and associated debt service.
- ***Federal Legislative Actions.*** Three major pieces of federal emergency legislation have provided and will provide incremental federal aid to the MTA. The first was the CARES Act, which was signed into law on March 27, 2020. The CARES Act, through the Federal Transit Administration's ("FTA") formula funding provisions provided $4.0 billion to MTA. The second major COVID-19 pandemic aid bill was the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 ("CRRSAA"), which became law on December 27, 2020. The MTA will receive $4.1 billion in aid from the CRRSAA. The third major COVID-19 pandemic aid bill is the $1.9 trillion "American Rescue Plan Act of 2021 ("ARPA") which was signed into law by President Biden on March 11, 2021. MTA is expected to receive $6.1 billion in federal aid from ARPA. Details on the timing of receipt of amounts from the CRRSAA and ARPA are not yet available. Release of such funds by the FTA was awaiting agreement of the final allocation of CRRSAA and ARPA monies among the states of New York, New Jersey, and Connecticut. On November 9, 2021 an agreement was reached on the allocation of the CRRSAA and ARPA monies among the states.
- ***FEMA Reimbursement.*** The MTA is eligible for Federal Emergency Management Agency ("FEMA") payments in addition to the CARES Act, CRRSAA and ARPA funding, 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 $371.4 of direct COVID-19 related expenses incurred from the start of the pandemic through December 31, 2020, the cut-off date established by FEMA, was submitted by MTA to FEMA for reimbursement.

For additional information, refer to Note 14 to the MTA's Consolidated Financial Statements for more information regarding the impact from the COVID-19 pandemic.

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 September 30, 2021, MTA has drawn down a total of $3.49 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.

All MTA-allocated Superstorm Sandy FTA emergency relief funding/grants have been executed.

Labor Update

In January 2020, the MTA Board approved a labor agreement in which MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority, together with the MTA Bus Company, settled new terms with the Transport Workers Union, Local 100 ("TWU Local 100"). With this development, the MTA was poised to begin a new round of collective bargaining with nearly all its represented employees. Shortly after the MTA Board's approval of the deal, however, the advent of the COVID-19 pandemic disrupted the MTA region and asserted numerous financial and logistical difficulties. The MTA, confronting deep declines in ridership, fare revenues and proceeds from dedicated tax streams, was also challenged by the uncertainty about the duration of the pandemic and its long-term economic consequences. Accordingly, the agency intensified its focus on achieving cost-reducing efficiencies for 2020, on top of the recurring savings that had already been implemented in the previous years. Collective bargaining was "paused" shortly after the onset of the virus, until the post-pandemic reality could be better ascertained.

The interruption of collective bargaining meant that, by early 2021, when the MTA reopened discussions with labor unions, almost all labor agreements, other than with TWU Local 100, were beyond term. The resumption of collective bargaining in the first quarter resulted in several two-year agreements, covering 2019 and 2020, that were approved by the Board in June. These agreements awarded general wage increases of 2.0% and 2.25% for 2019 and 2020, truncating the four-year TWU agreement and deferring its later wage increases (2.5% for 2021 and 2.75% for 2022) until negotiations on further provisions could proceed with improved estimates of the long-term effects of Covid on the MTA.

In addition to these two-year agreements, which cover more than 90% of represented employees in seven unions at LIRR and more than 30% of represented employees in five unions at MTA Metro-North Railroad, the June Board approved labor agreements with three other unions whose prior contracts had expired before 2019. These were consistent with the TWU pattern that had been established for the earlier round.

Although collective bargaining continued in the third quarter of 2021, no new agreements were brought before the Board. The following summarizes in greater detail the status of MTA's labor relations through September 30, 2021.

MTA Long Island Rail Road – As of September 30, 2021, MTA Long Island Rail Road had approximately 7,137 employees. Approximately 6,278 of the railroad's employees are represented by 12 different unions in 19 bargaining units. Collective bargaining efforts in the first and second quarters of 2021 produced several agreements that were ratified and approved by the MTA Board in June. These agreements, reached separately with all MTA Long Island Rail Road unions other than the Brotherhood of Locomotive Engineers and a small group of Supervisors in the International Railway Supervisors Association, cover approximately 93% of the represented workforce at MTA Long Island Rail Road. Spanning the two-year period from April 16, 2019 through April 15, 2021, the agreements include identical provisions. They each award the same wage increases as the first two years of the current 4-year TWU Local 100 agreement: that is, 2.0% on the first day of the new agreement and an additional 2.25% one year later. They include no other financial terms. Because all the LIRR agreements passed by the Board in June span through April 2021, the railroad's represented population will be seeking new terms going forward.

MTA Metro-North Railroad – In June, the MTA Board approved labor agreements between MTA Metro-North Railroad and several of its unions. First, new terms were reached with ACRE 166 in an agreement that conforms to the pattern of the 2017-2019 bargaining round. It awards two wage increases of 2.5% thirteen months apart, the same as for all other railroad agreements for that bargaining round; combined with all other provisions, the net going-out cost matches that obtained by all other railroad agreements at both MTA Long Island Rail Road and MTA Metro-North Railroad.

Aside from this labor agreement, MTA Metro-North Railroad also struck 2-year agreements with bargaining units in five different unions: American Railway and Supervisor Association ("Maintenance of Way Department") ("ARSA MW"), the International Brotherhood of Teamsters ("IBT Local 808"), the National Conference of Firemen and Oilers ("NCFO"), the Sheet Metal Workers International Association ("SMWIA"), and the Transportation Communications Union ("TCU"). These agreements together cover 1,691 employees, approximately 33% of the railroad's represented population. Like the MTA Long Island Rail Road agreements approved in June, they award general wage increases of 2.0% and 2.25%, matching the first two increases of the 2019-2023 TWU agreement. They include no other provisions with financial impacts.

The MTA Metro-North Railroad labor agreements passed by the Board in June covered periods that had either lapsed or would lapse before the end of 2021. Hence, MTA Metro-North Railroad's represented population of approximately 5,200 employees will be seeking new agreement terms beyond 2021.

MTA Headquarters – As of September 30, 2021, nearly all of MTA Headquarters' represented employees were under expired labor agreements. Labor agreements with MTA Police members of the Police Benevolent Association ("PBA") and of the Commanding Officers Association ("COA") expired in October 2018, and negotiations to establish new terms with these MTA Police unions, currently covering more than 1,000 employees, or around 44% of MTA Headquarters' represented population, have been delayed by the circumstances surrounding the COVID-19 pandemic. Also, MTA Headquarters' agreements with the Transportation Communications unions ("TCU"), currently representing approximately 841 employees who work at MTA Headquarters, are all beyond term. These include approximately 365 IT employees of TCU Local 982, whose agreement expired on December 31, 2019; and 258 Business Service Center, Pensions and Procurement employees, represented by TCU Local 643, whose agreement expired March 31, 2020.

MTA New York City Transit/Manhattan and Bronx Surface Transit Operating Authority – Because of the delay in contract negotiations occasioned by COVID, the Amalgamated Transit Unions, ("ATU") Locals 726 and 1056, TWU Local 106, and the Special Inspectors Supervisors Employee Association ("SISEA") began impasse mediation proceedings in 2020; however, as collective bargaining activity began to resume early in 2021, only the ATU's remained at impasse at the end of the first quarter.

MTA New York City Transit and MaBSTOA currently employ approximately 46,981 people, 45,108 of whom are represented by 12 unions with 19 bargaining units. In June, the MTA Board passed labor agreements with unions whose prior terms had expired before 2019. The agreements with separate units of TWU Local 106, span from September 1, 2018 through December 31, 2020, and cover around 968 employees in the Operating and Coin Retriever Unit, the Queens Supervisory Unit, and the MTA Bus Unit. These agreements conform to the TWU Local 100 pattern established in that union's 2017-2019 round of bargaining. That is, they award the same wage increases and included provisions whose net costs, going-out, matched the cost of the TWU agreement.

In June, the MTA Board also approved a pattern-following labor agreement between MTA New York City Transit and the Special Inspector Supervisor Employees Association ("SISEA"), whose members had been under an agreement that had expired on January 7, 2018. The new agreement will cover the twenty-eight month period from January 8, 2018 through May 8, 2020, corresponding to that reached with TWU Local 100 for its 2017-2019 bargaining round.

Aside from TWU Local 100, the represented population at MTA New York City Transit will be seeking new agreement terms going forward.

MTA Bus Company – MTA Bus Company has 3,879 employees, approximately 3,701 of whom are represented by two different unions (four bargaining units). The largest of these is TWU Local 100, whose members were co-parties to the agreement approved by the MTA Board in January 2020.

As described above, in June the MTA Board approved an agreement with TWU Local 106 ("TSO"), which covers approximately 304 employees in the MTA Bus Unit, and will run from September 1, 2018 to December 31, 2020. The ATU's, at the end of the second quarter, remain at impasse, having earlier begun impasse mediation.

MTA Bridges and Tunnels – MTA Bridges and Tunnels has 1,128 employees, approximately 783 of whom were represented by three different labor unions (four bargaining units). As of September 30, 2021, all MTA Bridges and Tunnels' labor agreements have expired. In July of 2020, the labor agreement with approximately 339 Maintainers, members of DC 37 Local 1931, expired. The most recent Memorandum of Understanding between the agency and the MTA Bridges and Tunnels Officers Benevolent Association ("BTOBA"), having been passed by the MTA Board in June 2019, expired shortly afterwards (in September of 2019), and its members remained without a successor agreement throughout 2020 and through the third quarter of 2021. Negotiations with the Superior Officers Benevolent Association ("SOBA") representing approximately 121 supervisory officers, which expired March 14, 2012, have advanced to mediation. SOBA is ineligible to seek binding interest arbitration but has requested that the Public Employment Relations Board (PERB) appoint a fact-finder. This request has been granted, and proceedings are under way. Finally, MTA Bridges and Tunnels' agreement with approximately 34 administrative and clerical employees represented by the American Federation of State, County and Municipal Employees, District Council 37, Local 1655 ("DC37 Local 1655") expired in the second quarter, on May 25, 2021. Like most represented employees at MTA, the represented population at MTA Bridges and Tunnels is seeking new agreements going forward.

MTA Staten Island Railway – During the third quarter of 2021, MTA Staten Island Railway had 345 employees, approximately 318 of whom were represented by four different unions. Labor agreements with all the railway's unions had all expired, and new terms had not yet been reached with any of these groups.

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(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2021 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2020

($ In millions)

	Business-Type Activities	
	September 30, 2021	**December 31, 2020**
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash unrestricted (Note 3)	$ 738	$ 782
Cash restricted (Note 3)	944	244
Unrestricted investments (Note 3)	2,837	3,600
Restricted investments (Note 3)	5,965	5,340
Restricted investments held under capital lease obligations (Notes 3 and 8)	141	99
Receivables:		
Station maintenance, operation, and use assessments	72	117
State and regional mass transit taxes	233	146
Mortgage Recording Tax receivable	56	51
State and local operating assistance	11	12
Other receivable from New York City and New York State	170	142
Due from Build America Bonds	3	1
Capital project receivable from federal and state government	73	32
Other	676	550
Less allowance for doubtful accounts	(358)	(294)
Total receivables — net	936	757
Materials and supplies	667	667
Prepaid expenses and other current assets (Note 2)	144	140
Total current assets	12,372	11,629
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	24,281	22,023
Other capital assets (net of accumulated depreciation)	58,060	58,872
Unrestricted investments (Note 3)	217	251
Restricted investments (Note 3)	699	690
Restricted investments held under capital lease obligations (Notes 3 and 8)	259	293
Other non-current receivables	22	16
Receivable from New York State	10	10
Other non-current assets	33	10
Total non-current assets	83,581	82,165
TOTAL ASSETS	95,953	93,794
DEFERRED OUTFLOWS OF RESOURCES:		
Accumulated decreases in fair value of derivative instruments (Note 7)	406	494
Loss on debt refunding (Note 7)	765	837
Deferred outflows related to pensions (Note 4)	3,021	3,053
Deferred outflows related to OPEB (Note 5)	1,859	1,817
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,051	6,201
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 102,004	$ 99,995

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

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENT OF NET POSITION AS OF SEPTEMBER 30, 2021 AND CONSOLIDATED STATEMENT OF NET POSITION AS OF DECEMBER 31, 2020
($ In millions)

	Business-Type Activities	
	September 30, 2021	December 31, 2020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	$ 523	$ 491
Accrued expenses:		
Interest	813	267
Salaries, wages and payroll taxes	556	558
Vacation and sick pay benefits	1,086	1,061
Current portion — retirement and death benefits	46	93
Current portion — estimated liability from injuries to persons (Note 10)	483	491
Capital accruals	260	641
Accrued expenses	481	536
Other	496	464
Total accrued expenses	4,221	4,111
Current portion — loan payable (Note 7)	12	15
Current portion — long-term debt (Note 7)	5,685	1,543
Current portion — obligations under capital lease (Note 8)	14	4
Current portion — pollution remediation projects (Note 12)	28	29
Derivative fuel hedge liability (Note 15)	-	4
Unearned revenues	822	987
Total current liabilities	11,305	7,184
NON-CURRENT LIABILITIES:		
Net pension liability (Note 4)	8,359	8,359
Estimated liability arising from injuries to persons (Note 10)	4,428	4,184
Post-employment benefits other than pensions (Note 5)	21,117	21,117
Loan payable (Note 7)	87	94
Long-term debt (Note 7)	48,165	49,470
Obligations under capital leases (Note 8)	415	427
Pollution remediation projects (Note 12)	120	123
Contract retainage payable	448	479
Derivative liabilities (Note 7)	436	502
Other long-term liabilities	516	508
Total non-current liabilities	84,091	85,263
TOTAL LIABILITIES	95,396	92,447
DEFERRED INFLOWS OF RESOURCES:		
Gain on debt refunding	33	38
Deferred Inflows related to pensions (Note 4)	796	796
Deferred inflows related to OPEB (Note 5)	1,731	1,731
TOTAL DEFERRED INFLOWS OF RESOURCES	2,560	2,565
NET POSITION:		
Net investment in capital assets	31,164	32,884
Restricted for debt service	1,661	480
Restricted for claims	288	287
Restricted for other purposes (Note 2)	2,064	1,184
Unrestricted	(31,129)	(29,852)
TOTAL NET POSITION	4,048	4,983
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 102,004	$ 99,995

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

(A Component Unit of the State of New York)

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

NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

($ In millions)

	Business-Type Activities	
	September 30, 2021	**September 30, 2020**
OPERATING REVENUES:		
Fare revenue	$ 2,090	$ 2,004
Vehicle toll revenue	1,565	1,190
Rents, freight, and other revenue	415	344
Total operating revenues	4,070	3,538
OPERATING EXPENSES:		
Salaries and wages	4,569	4,651
Retirement and other employee benefits	2,514	2,577
Postemployment benefits other than pensions (Note 5)	495	501
Electric power	311	293
Fuel	115	86
Insurance	13	4
Claims	216	316
Paratransit service contracts	257	243
Maintenance and other operating contracts	516	507
Professional service contracts	374	335
Pollution remediation projects (Note 12)	2	4
Materials and supplies	366	403
Depreciation (Note 2)	2,318	2,226
Other	140	114
Total operating expenses	12,206	12,260
OPERATING LOSS	(8,136)	(8,722)
NON-OPERATING REVENUES (EXPENSES):		
Grants, appropriations and taxes:		
Tax-supported subsidies — NYS:		
Mass Transportation Trust Fund subsidies	438	414
Metropolitan Mass Transportation Operating Assistance subsidies	1,281	2,143
Payroll Mobility Tax subsidies	1,377	1,245
MTA Aid Trust Account subsidies	316	155
Internet sales tax subsidies	251	148
Tax-supported subsidies — NYC and Local:		
Mortgage Recording Tax subsidies	487	324
Urban Tax subsidies	304	258
Mansion Tax	362	138
Other subsidies:		
Operating Assistance - 18-B program	307	395
Build America Bond subsidy	44	47
NYC Assistance Fund	172	156
Subtotal grants, appropriations and taxes	$ 5,339	$ 5,423

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

(Continued)

(A Component Unit of the State of New York)

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

NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

($ In millions)

	Business-Type Activities	
	September 30, 2021	**September 30, 2020**
NON-OPERATING REVENUES (EXPENSES):		
Connecticut Department of Transportation	$ 250	$ 184
Subsidies paid to Dutchess, Orange, and Rockland Counties	(4)	(4)
Interest on long-term debt (Note 2)	(1,363)	(1,280)
Station maintenance, operation and use assessments	133	130
Operating subsidies recoverable from NYC	423	347
Federal Transit Administration reimbursement related to CARES Act COVID-19	-	4,010
Other net non-operating expenses	11	84
Net non-operating revenues	4,789	8,894
(LOSS) / GAIN BEFORE APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	(3,347)	172
APPROPRIATIONS, GRANTS AND OTHER RECEIPTS EXTERNALLY RESTRICTED FOR CAPITAL PROJECTS	2,412	2,440
CHANGE IN NET POSITION	(935)	2,612
NET POSITION— Beginning of period	4,983	4,451
NET POSITION — End of period	$ 4,048	$ 7,063

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

(Concluded)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

($ In millions)

	Business-Type Activities	
	September 30, 2021	**September 30, 2020**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts/tolls	$ 3,678	$ 3,220
Rents and other receipts	487	431
Payroll and related fringe benefits	(7,559)	(7,169)
Other operating expenses	(2,288)	(1,664)
Net cash used by operating activities	(5,682)	(5,182)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Grants, appropriations, and taxes	5,582	4,212
Operating subsidies from CDOT	248	181
Subsidies paid to Dutchess, Orange, and Rockland Counties	(12)	(9)
Federal Transit Administration reimbursement related to CARES Act COVID-19	-	4,010
Net cash provided by noncapital financing activities	5,818	8,394
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
MTA bond proceeds	1,646	4,431
MTA Bridges and Tunnels bond proceeds	3,604	631
MTA bonds refunded/reissued	(1,489)	(886)
MTA anticipation notes proceeds	-	2,078
MTA anticipation notes redeemed	(1,250)	(3,300)
MTA credit facility proceeds	720	995
MTA credit facility refunded	(1)	(518)
Capital lease payments and terminations	2	(14)
Federal and local grants	1,795	975
Other capital financing activities	(141)	1,321
Payment for capital assets	(3,925)	(4,408)
Debt service payments	(1,135)	(1,161)
Internet and Mansion Tax	520	111
Net cash provided by capital and related financing activities	346	255
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term securities	(10,033)	(5,580)
Sales or maturities of long-term securities	6,797	3,520
Net sales (purchases) or maturities of short-term securities	3,389	(1,207)
Earnings on investments	21	57
Net cash provided by / (used by) investing activities	174	(3,210)
NET INCREASE IN CASH	656	257
CASH — Beginning of period	1,026	554
CASH — End of period	$ 1,682	$ 811

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

(Continued)

(A Component Unit of the State of New York)

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020
($ In millions)

	Business-Type Activities	
	September 30, 2021	**September 30, 2020**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss (Note 2)	$ (8,136)	$ (8,722)
Adjustments to reconcile to net cash used in operating activities:		
Depreciation and amortization	2,319	2,226
Net increase in payables, accrued expenses, and other liabilities	(35)	1,171
Net decrease in receivables	147	139
Net decrease in materials and supplies and prepaid expenses	23	4
NET CASH USED BY OPERATING ACTIVITIES	$ (5,682)	$ (5,182)
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:		
Noncash investing activities:		
Interest expense includes amortization of net (premium) / discount (Note 2)	$ 321	$ (111)
Total Noncash investing activities	321	(111)
Noncash capital and related financing activities:		
Capital assets related liabilities	260	356
Capital leases related liabilities	429	424
Total Noncash capital and related financing activities	689	780
TOTAL NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	$ 1,010	$ 669

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

(Concluded)

(A Component Unit of the State of New York)

STATEMENTS OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019

($ In thousands)

	Fiduciary Activities	
	December 31, 2020	**December 31, 2019**
ASSETS:		
Cash	$ 20,258	$ 14,499
Receivables:		
Employee loans	30,744	40,092
Participant and union contributions	(6)	21
Investment securities sold	4,671	1,140
Accrued interest and dividends	4,438	4,866
Other receivables	21,784	2,182
Total receivables	61,631	48,301
Investments at fair value	9,009,691	9,290,816
Total assets	$ 9,091,580	$ 9,353,616
LIABILITIES:		
Accounts payable and accrued liabilities	$ 5,777	$ 5,354
Payable for investment securities purchased	8,780	7,600
Accrued benefits payable	115	141
Accrued postretirement death benefits (PRDB) payable	4,204	3,360
Accrued 55/25 Additional Members Contribution (AMC) payable	4,643	5,787
Other liabilities	353	585
Total liabilities	23,872	22,827
NET POSITION:		
Restricted for pensions	9,067,578	8,915,962
Restricted for postemployment benefits other than pensions	130	414,827
Total net position	9,067,708	9,330,789
Total liabilities and net position	$ 9,091,580	$ 9,353,616

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

(A Component Unit of the State of New York)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

($ In thousands)

	Fiduciary Activities	
	December 31, 2020	**December 31, 2019**
ADDITIONS:		
Contributions:		
Employer contributions	$ 941,094	$ 1,274,415
Implicit rate subsidy contribution	69,472	69,618
Member contributions	56,856	55,305
Total contributions	1,067,422	1,399,338
Investment income:		
Net (depreciation) / appreciation in fair value of investments	39,569	1,202,115
Dividend income	76,709	93,262
Interest income	27,059	25,626
Less:		
Investment expenses	60,561	50,970
Investment income, net	82,776	1,270,033
Total additions	1,150,198	2,669,371
DEDUCTIONS:		
Benefit payments and withdrawals	1,339,727	1,303,892
Implicit rate subsidy payments	69,472	69,618
Transfer to other plans	(645)	106
Administrative expenses	4,725	4,545
Total deductions	1,413,279	1,378,161
Net (decrease) / increase in fiduciary net position	(263,081)	1,291,210
NET POSITION:		
Restricted for Benefits:		
Beginning of year	9,330,789	8,039,579
End of year	$ 9,067,708	$ 9,330,789

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

(A Component Unit of the State of New York)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020 AND FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

($ In millions, except as noted)

1. BASIS OF PRESENTATION

Reporting Entity — The Metropolitan Transportation Authority ("MTA") was established in 1965, under Section 1263 of the New York Public Authorities Law, and is a public benefit corporation and a component unit of the State of New York ("NYS") whose mission is to continue, develop and improve public transportation and to develop and implement a unified public transportation policy in the New York metropolitan area.

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

Metropolitan Transportation Authority and Related Groups (Component Units)

- Metropolitan Transportation Authority Headquarters ("MTAHQ") provides support in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services to the related groups listed below.
- The Long Island Rail Road Company ("MTA Long Island Rail Road") provides passenger transportation between New York City ("NYC") and Long Island.
- Metro-North Commuter Railroad Company ("MTA Metro-North Railroad") provides passenger transportation between NYC and the suburban communities in Westchester, Dutchess, Putnam, Orange, and Rockland counties in NYS and New Haven and Fairfield counties in Connecticut.
- Staten Island Rapid Transit Operating Authority ("MTA Staten Island Railway") provides passenger transportation on Staten Island.
- First Mutual Transportation Assurance Company ("FMTAC") provides primary insurance coverage for certain losses, some of which are reinsured, and assumes reinsurance coverage for certain other losses.
- MTA Construction and Development ("MTA Construction and Development") provides oversight for the planning, design and construction of current and future major MTA system-wide expansion projects.
- MTA Bus Company ("MTA Bus") operates certain bus routes in areas previously served by private bus operators pursuant to franchises granted by the City of New York.
- MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, FMTAC, MTA Capital Construction, and MTA Bus, 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 Comptroller, 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 forecast-increased revenues from fare increases, are not sufficient to cover all operating expenses associated with such services. Therefore, to maintain a balanced budget, the members of the MTA Group providing transit and commuter service rely on operating surpluses transferred from MTA Bridges and Tunnels, operating subsidies provided by NYS and certain local governmental entities in the MTA commuter district, and service reimbursements from certain local governmental entities in the MTA commuter district and from the State of Connecticut. Non-operating subsidies to the MTA Group for transit and commuter service for the period ended September 30, 2021 and 2020 totaled $5.3 billion and $5.4 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 Railroad 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 interim financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

New Accounting Standards – The MTA early adopted the following GASB Statement for the period ended September 30, 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, requires that the term comprehensive annual financial report be replaced with annual comprehensive financial report and that the acronym CAFR be replaced with ACFR. The requirements of this Statement are effective for fiscal years ending after December 15, 2021, with early application encouraged. 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	Required Year of Adoption
87	Leases	2022
91	Conduit Debt Obligations 2021	2022
92	Omnibus 2020	2022
93	Replacement of Interbank Offered Rates	2022
94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	2023
96	Subscription-based Information Technology Arrangements	2023

Use of Management Estimates — The preparation of the consolidated interim 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 the fair value of investments, allowances for doubtful accounts, valuation of derivative instruments, arbitrage rebate liability, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits. Actual results could differ significantly from those estimates.

Principles of Consolidation — The consolidated interim financial statements consist of MTAHQ, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, 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 capital leases 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 September 30th have been classified as current assets in the consolidated interim financial statements.

In accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, investments are recorded on the consolidated statement 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 statement of revenues, expenses and changes in net position. Fair values have been determined using quoted market values at September 30, 2021 and December 31, 2020.

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 September 30, 2021 and December 31, 2020 of $218 and $206, 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. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease. Accumulated depreciation and amortization are reported as reductions of capital 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. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less.

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.

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 September 30, 2021, the MTA paid to Dutchess, Orange and Rockland Counties the 2020 excess amounts of MRT-1 and MRT-2 totaling $8.3.
- 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 districts; September 1, 2009 for Public school districts and January 1, 2009 for individuals.

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, which has an implementation date of December 31, 2020. 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 $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.

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. The Service Agreement provides for automatic five-year renewals unless a notice of termination has been provided. The Service Agreement has been automatically extended for an additional five years beginning January 1, 2015 subject to the right of CDOT or MTA to terminate the agreement on eighteen month's written notice. 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 2019 and 2020 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 NYC 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 MTA for the full costs of the free/reduced fare program for students. Beginning in 1996, the State and New York City each began paying $45 million per annum to the MTA toward the cost of the program. In 2009, New York State reduced their $45 million reimbursement to $6.3 million. Beginning in 2010, New York State increased their annual commitment to $25.3 million while New York City's annual commitment remained at $45 million. These commitments have been met by both the New York State and New York City in 2019 and by New York City in 2020. For the year ended December 31, 2020, the Authority received $20.2 million from the State. New York City had advanced $30.0 million in 2019 for the year 2020 and paid the remaining $15.0 million in February 2021.

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 $2.1 in the nine months ended September 30, 2021 and $1.8 in the nine months ended September 30, 2020 from New York City for the reimbursement of transit police costs.

MTAHQ bills MTA Metro-North Railroad through its consolidated services for MTA police costs in the New Haven line of which MTA Metro-North Railroad recovers approximately 65% from Connecticut Department of Transportation. The amounts billed for the periods ended September 30, 2021 and 2020 were $16.8 and $15.4, respectively. The amounts recovered for the periods ended September 30, 2021 and 2020 were approximately $10.9 and $10.0, respectively.

Federal law and regulations require a paratransit system for passengers who are not able to ride the buses and trains because of their disabilities. Pursuant to an agreement between New York City and the MTA, MTA New York City Transit, effective July 1, 1993, assumed operating responsibility for all paratransit service required by the Americans with Disability Act of 1990. Services are provided by private vendors under contract with MTA New York City Transit. New York City reimburses MTA New York City Transit for the lesser of 33% of net paratransit operating expenses defined as labor, transportation, and administrative costs less fare revenues and 6% of gross urban tax proceeds as described above or, an amount that is 20% greater than the amount paid by New York City for the preceding calendar year. Fare revenues and New York City's reimbursement aggregated approximately $171.0 for the nine months ended September 30, 2021 and $127.3 for the nine months ended September 30, 2020.

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

Liability Insurance — FMTAC, an insurance captive subsidiary of MTA, operates a liability insurance program ("ELF") that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: $8 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road, and MTA Metro-North Railroad; $2.3 for MTA Long Island Bus and MTA Staten Island Railway; and $1.6 for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: $9 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $2.6 for MTA Long Island Bus and MTA Staten Island Railway; and $1.9 for MTAHQ and MTA Bridges and Tunnels. Effective November 1, 2012, the self-insured retention limits for ELF were increased to the following amounts: $10 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3 for MTA Staten Island Railway; and $2.6 for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015, the self-insured retention limits for ELF were increased to the following amounts: $11 for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; $3.2 for MTA Staten Island Railway, MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than $50. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of $50 per occurrence with a $50 annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On September 30, 2021, the balance of the assets in this program was $179.48.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of $307.5 for a total limit of $357.5 ($307.5 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, 2021, 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, 2021, the "Access-A-Ride" automobile liability policy program was renewed. This program provides third-party auto liability insurance protection for the MTA New York City Transit's Access-A-Ride program, including the contracted operators. This policy provides $1 per occurrence limit excess of a $2 self-insured retention.

On December 15, 2020, 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, 2021, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2021, 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. 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 earthquake coverage for an event of a certain index value and for 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 12, 2020 to April 30, 2023. The expanded protection is reinsured by MetroCat Re Ltd. 2020-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2020-1 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, and also for an earthquake event of a certain index value.

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

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

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215. Recovery under the terrorism policy is subject to a deductible of $25 per occurrence and $75 in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 future losses in that policy year are subject to a deductible of $7.5. The terrorism coverages expire at midnight on May 1, 2023.

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 September 30, 2021, restricted cash, primarily for capital projects, totaled $944.

Cash, including deposits in transit, consists of the following at September 30, 2021 and December 31, 2020 (in millions):

	September 30, 2021		December 31, 2020	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
FDIC insured or collateralized deposits	$ 1,045	$ 1,042	$ 572	$ 570
Uninsured and not collateralized	637	415	454	437
Total Balance	$ 1,682	$ 1,457	$ 1,026	$ 1,007

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 September 30, 2021 and December 31, 2020 (in millions):

Investments by fair value level	September 30, 2021	Fair Value Measurements Level 1	Fair Value Measurements Level 2	December 31, 2020	Fair Value Measurements Level 1	Fair Value Measurements Level 2
Debt Securities:						
U.S. treasury securities	$ 7,857	$ 7,529	$ 328	$ 8,537	$ 8,261	$ 276
U.S. government agency	293	-	293	503	-	503
Commercial paper	1,161	-	1,161	245	-	245
Asset-backed securities	36	-	36	41	-	41
Commercial mortgage-backed securities	162	-	162	150	-	150
Foreign bonds	20	20	-	27	27	-
Corporate bonds	142	142	-	193	193	-
Tax Benefit Lease Investments:						
U.S. treasury securities	196	196	-	200	200	-
U.S. government agency	141	76	65	145	78	67
Repurchase agreements	-	-	-	119	119	-
Total investments by fair value level	10,008	$ 7,963	$ 2,045	10,160	$ 8,878	$ 1,282
Other	110			113		
Total Investments	$ 10,118			$ 10,273		

Investments classified as Level 1 of the fair value hierarchy, totaling $7,963 and $8,878 as of September 30, 2021 and December 31, 2020, 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 $358 and $570, U.S, treasury securities totaling $328 and $276, commercial paper totaling $1,161 and $245, asset-backed securities totaling $36 and $41, and commercial mortgage-backed securities totaling $162 and $150 as of September 30, 2021 and December 31, 2020, 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 lease transactions described in Note 8, the MTA has purchased securities or entered into payment undertaking, letter of credit, or similar type agreements or instruments (guaranteed investment contracts) with financial institutions, which generate sufficient proceeds to make basic rent and purchase option payments under the terms of the leases. If the obligors do not perform, the MTA may have an obligation to make the related rent payments.

All investments, other than the investments restricted for capital lease obligations, are either insured or registered and held by the MTA or its agent in the MTA's name. Investments restricted for capital lease obligations 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 capital lease obligations. Investments had weighted average yields of 1.75% and 1.67% for the nine months ended September 30, 2021 and year ended December 31, 2020, respectively.

Credit Risk — At September 30, 2021 and December 31, 2020, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in millions):

Quality Rating Standard & Poor's	September 30, 2021	Percent of Portfolio	December 31, 2020	Percent of Portfolio
A-1+	$ 25	0%	$ 202	2%
A-1	1,160	12%	245	2%
AAA	305	3%	310	3%
AA+	65	1%	67	1%
AA	32	0%	42	0%
A	76	1%	118	1%
A-	147	1%	163	2%
BBB	59	1%	68	1%
Not Rated	10	0%	130	1%
U.S. Government	8,129	81%	8,815	87%
Total	10,008	100%	10,160	100%
Equities and capital leases	110		113	
Total investment	$ 10,118		$ 10,273	

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.

	September 30, 2021		December 31, 2020	
	Fair Value	Duration	Fair Value	Duration
(In millions)		**(in years)**		**(in years)**
U.S. Treasuries	$ 7,858	4.94	$ 8,537	3.33
Federal Agencies	293	4.60	503	4.99
Tax benefits lease investments	337	-	345	-
Repurchase agreements	0	-	119	-
Commercial paper	1,160	-	245	-
Asset-backed securities [1]	36	3.14	41	2.36
Commercial mortgage-backed securities [1]	162	4.55	150	4.24
Foreign bonds [1]	20	6.88	27	7.06
Corporates [1]	142	6.31	193	6.12
Total fair value	10,008		10,160	
Modified duration		4.20		3.25
Investments with no duration reported	110		113	
Total investments	$ 10,118		$ 10,273	

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

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

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

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

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

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

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

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

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

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

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

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

- certain equities; and
- certain mutual funds.

FMTAC is prohibited from making the following investments:

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

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

4. EMPLOYEE BENEFITS

Pensions — The MTA Related Groups sponsor and participate in several defined benefit pension plans for their employees, the Long Island Railroad Company Plan for Additional Pensions (the "Additional Plan"), the Manhattan and Bronx Surface Transit Operating Authority Pension Plan (the "MaBSTOA Plan"), the Metro-North Commuter Railroad Company Cash Balance Plan (the "MNR Cash Balance Plan"), the Metropolitan Transportation Authority Defined Benefit Pension 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 composed of the Chairman of the MTA, MTA Chief Financial Officer, MTA Director of Labor Relations and the agency head of each participating Employer or the designee of a member of the Board of Managers. The 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, Long Island Rail Road, Controller, 93-02 Sutphin Boulevard – mail code 1421, Jamaica, New York 11435.

2. MaBSTOA Plan —

The MaBSTOA Plan is a single-employer defined benefit governmental retirement plan administered by MTA New York City Transit covering MaBSTOA employees, who are specifically excluded from 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 MTA New York City Transit Authority, membership in the MaBSTOA Plan is optional.

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 Comptroller, 2 Broadway, 15th Floor, New York, New York, 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 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 Comptroller, 2 Broadway, 15th Floor, New York, New York, 10004. These statements are also available 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 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 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 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 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 Comptroller, 2 Broadway, 15th Floor, New York, New York, 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.

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 New York City's Comprehensive Annual Financial Report.

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.

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

Benefit and contribution provisions, which are based on the point in time at which participants last entered qualifying service and their length of credited service, are established by, and may only be amended by the 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 and Disability Benefits — Participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Additional Plan receive a disability benefit. Disability pension benefits are calculated based on the participant's qualifying service and a percentage of final average compensation reduced by the full amount of benefit under the Federal Railroad Retirement Act. Survivorship benefits are paid to the participant's spouse when a survivorship option is elected or when an active participant has not divested his or her spouse of benefits. The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than 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 nonrepresented employees, amendments must be 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. This special benefit expired on December 31, 2020.

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: 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 10 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 must be at least age 63 with the completion of at least 10 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 63/10 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 63/10 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 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 December 31, 2020.

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 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 Long Island Rail Road and the MTA Metro-North Railroad continue to make contributions to the Plan for 15 years. Certain represented employees of the MTA Long Island Rail Road and 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 Long Island Rail Road and 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.

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.

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.

Pre -1988 MTA Long Island Rail Road participants who become disabled after accumulating 10 years of credited service and who meet the requirements as described in the Plan may be eligible to receive a disability benefit. Disability pension benefits are based on the participant's qualified service and a percentage of final average compensation reduced by the full amount of the disability benefit under the Federal Railroad Retirement Act. Survivorship benefits for pre-1988

MTA Long Island Rail Road participants are paid to the spouse when a survivorship option is elected or when an active participant has not divested their spouse of benefits.

The survivorship benefit is payable at the time of death or when the vested participant would have attained an eligible age. The amount payable is in the form of an annuity. A lump sum death benefit no greater than $5,000 (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 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 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 December 31, 2020.

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.

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.

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.

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.

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 in the five 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.

Disability Benefits — Generally, disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan. Ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service. For all eligible Tier 1 and Tier 2 members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The 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.

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 NYSLERS Plan. This special benefit expired on December 31, 2020.

Membership

As of January 1, 2019 and January 1, 2018, the dates of the most recent actuarial valuations, membership data for the following pension plans are as follows:

Membership at:	**January 1, 2019**				
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	2	49	9,087	19,074	28,212
Retirees and beneficiaries receiving benefits	25	5,626	5,779	11,249	22,679
Vested formerly active members not yet receiving benefits	15	20	1,023	1,481	2,539
Total	42	5,695	15,889	31,804	53,430

Membership at:	**January 1, 2019**	**January 1, 2018**			
	MNR Cash Balance Plan	**Additional Plan**	**MaBSTOA Plan**	**MTA Defined Benefit Plan**	**TOTAL**
Active Plan Members	2	84	8,918	18,631	27,635
Retirees and beneficiaries receiving benefits	25	5,755	5,661	11,132	22,573
Vested formerly active members not yet receiving benefits	15	24	1,000	1,472	2,511
Total	42	5,863	15,579	31,235	52,719

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 2019 and 2018), 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 2019 and 2018).

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

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 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.
- Vesting after 10 years of credited service; increased from 5 years of credited service under Tier 3 and Tier 4.
- 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 Final Average Salary under Tier 4, instead of 60% percent under Tier 4.
- Adjustments to the Final Average Salary 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 dollars 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.

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 million 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.

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 30 years of service, the maximum amount of service credit allowed. Police Officers who become participants on or after April 1, 2012 contribute 3%, with additional new rates starting April 2013, ranging from 3.5%, 4.5%, 5.75%, to 6%, depending on salary level, for their remaining years of service.

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%. 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, depending on their collective bargaining agreements, are required to make the employee contributions until January 1, 2014, January 1, 2017, June 30, 2017, or the completion of required years of credited service as per the relevant collective bargaining agreements.

Covered MTA Bus represented employees and certain non-represented employees are required to contribute a fixed dollar amount, which varies, by depot. 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. Represented employees at Baisley Park, College Point, Eastchester, Far Rockaway, JFK, LaGuardia and Yonkers Depots contribute $29.06 (whole dollars) per week; Spring Creek represented employees contribute $32.00 (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 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.

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.

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, 2020 and 2019 are as follows:

Year-ended December 31,	**2020**	**2019**
($ in millions)	Actual Employer Contributions	Actual Employer Contributions
Additional Plan	$ 68.7	$ 62.8
MaBSTOA Plan	159.5	206.4
MNR Cash Balance Plan	- *	- *
MTA Defined Benefit Plan	394.0	343.9
NYCERS	882.7	952.6
NYSLERS	14.5	14.9
Total	$ 1,519.4	$ 1,580.6

*MNR Cash Balance Plan's actual employer contribution for the years ended December 31, 2020 and 2019 was $0 thousand and $0 thousand, respectively."

Net Pension Liability

The MTA's net pension liabilities for each of the pension plans reported at December 31, 2020 and 2019 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.

Pension Plan	**Plan Measurement Date**	**Plan Valuation Date**	**Plan Measurement Date**	**Plan Valuation Date**
Additional Plan	December 31, 2019	January 1, 2019	December 31, 2018	January 1, 2018
MaBSTOA Plan	December 31, 2019	January 1, 2019	December 31, 2018	January 1, 2018
MNR Cash Balance Plan	December 31, 2019	January 1, 2019	December 31, 2018	January 1, 2019
MTA Defined Benefit Plan	December 31, 2019	January 1, 2019	December 31, 2018	January 1, 2018
NYCERS	June 30, 2020	June 30, 2019	June 30, 2019	June 30, 2018
NYSLERS	March 31, 2020	April 1, 2019	March 31, 2019	April 1, 2018

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, 2019**	**January 1, 2018**	**January 1, 2019**	**January 1, 2018**	**January 1, 2019**	**January 1, 2019**
Investment Rate of Return	6.50% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	6.50% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	3.50% per annum, net of investment expenses.	4.00% per annum, net of investment expenses.
Salary Increases	3.00%	3.00%	Reflecting general wage, merit and promotion increases of 3.5% for operating employees and 4.0% for non- operating employees per year. Larger increases are assumed in the first 5 years of a member's career.	Reflecting general wage, merit and promotion increases of 3.5% for operating employees and 4.0% for non- operating employees per year. Larger increases are assumed in the first 5 years of a member's career.	Not applicable	Not applicable
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.50%; 3.50% for Railroad Retirement Wage Base.	2.25%.	2.50%.	2.25%.	2.50%
Cost-of Living Adjustments	Not applicable	Not applicable	1.35% per annum.	1.375% per annum.	Not applicable	Not applicable

	MTA Defined Benefit Plan		NYCERS		NYSLERS	
Valuation Date:	**January 1, 2019**	**January 1, 2018**	**June 30, 2019**	**June 30, 2018**	**April 1, 2019**	**April 1, 2018**
Investment Rate of Return	6.50% per annum, net of investment expenses.	7.00% per annum, net of investment expenses.	7.00% per annum, net of expenses.	7.00% per annum, net of expenses.	6.80% per annum, including inflation, net of investment expenses.	7.00% per annum, including inflation, 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; 3.0% General Wage Increases for TWU Local 100 MTA Bus hourly employees.	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.	4.2% in ERS, 5.0% in PFRS	3.8% in ERS, 4.5% in PFRS
Inflation	2.25%; 3.25% for Railroad Retirement Wage Base.	2.50%; 3.50% for Railroad Retirement Wage Base.	2.50%	2.50%	2.50%	2.50%
Cost-of Living Adjustments	60% of inflation assumption or 1.35%, if applicable.	55% of inflation assumption or 1.375%, if applicable.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees.	1.30% per annum.	1.30% per annum.

Mortality

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

The actuarial assumptions used in the January 1, 2019 and 2018 valuations for the MTA plans are based on an experience study covering the period from January 1, 2006 to December 31, 2011. The mortality assumption used in the January 1, 2019 and 2018 valuations are based on an experience study for all MTA plans covering the period from January 1, 2011 to December 31, 2015. 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, 2019 and 2018 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 2019 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-2018 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, 2019 and April 1, 2018 valuations are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015. The annuitant mortality rates are based on the April 1, 2010 through March 31, 2015 experience study, with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018. The previous actuarial valuation as of April 1, 2018 used the Society of Actuaries' Scale MP-2014.

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, 2019	6.50%
MaBSTOA Plan	December 31, 2019	6.50%
MNR Cash Balance Plan	December 31, 2019	3.50%
MTA Defined Benefit Plan	December 31, 2019	6.50%
NYCERS	June 30, 2020	7.00%
NYSLERS	March 31, 2020	6.80%

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	9.00%	1.51%	9.00%	1.51%
US Long Bonds	1.00%	2.41%	1.00%	2.41%
US Bank / Leveraged Loans	7.00%	2.74%	7.00%	2.74%
US Inflation-Indexed Bonds	2.00%	0.71%	2.00%	0.71%
US High Yield Bonds	4.00%	3.13%	4.00%	3.13%
Emerging Markets Bonds	2.00%	3.36%	2.00%	3.36%
US Large Caps	12.00%	4.33%	12.00%	4.33%
US Small Caps	6.00%	5.65%	6.00%	5.65%
Foreign Developed Equity	12.00%	5.95%	12.00%	5.95%
Emerging Markets Equity	5.00%	8.05%	5.00%	8.05%
Global REITs	1.00%	5.50%	1.00%	5.50%
Private Real Estate Property	4.00%	3.80%	4.00%	3.80%
Private Equity	9.00%	9.50%	9.00%	9.50%
Commodities	1.00%	2.79%	1.00%	2.79%
Hedge Funds - MultiStrategy	16.00%	3.26%	16.00%	3.26%
Hedge Funds - Event-Driven	6.00%	3.41%	6.00%	3.41%
Hedge Funds - Equity Hedge	3.00%	3.82%	3.00%	3.82%
	100.00%		100.00%	
Assumed Inflation - Mean		2.25%		2.25%
Assumed Inflation - Standard Deviation		1.65%		1.65%
Portfolio Nominal Mean Return		6.73%		6.73%
Portfolio Standard Deviation		10.94%		10.94%
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	9.00%	1.51%	100.00%	1.27%
US Long Bonds	1.00%	2.41%	-	-
US Bank / Leveraged Loans	7.00%	2.74%	-	-
US Inflation-Indexed Bonds	2.00%	0.71%	-	-
US High Yield Bonds	4.00%	3.13%	-	-
Emerging Markets Bonds	2.00%	3.36%	-	-
US Large Caps	12.00%	4.33%	-	-
US Small Caps	6.00%	5.65%	-	-
Foreign Developed Equity	12.00%	5.95%	-	-
Emerging Markets Equity	5.00%	8.05%	-	-
Global REITs	1.00%	5.50%	-	-
Private Real Estate Property	4.00%	3.80%	-	-
Private Equity	9.00%	9.50%	-	-
Commodities	1.00%	2.79%	-	-
Hedge Funds - MultiStrategy	16.00%	3.26%	-	-
Hedge Funds - Event-Driven	6.00%	3.41%	-	-
Hedge Funds - Equity Hedge	3.00%	3.82%	-	-
	100.00%		100.00%	
Assumed Inflation - Mean		2.25%		2.25%
Assumed Inflation - Standard Deviation		1.65%		1.65%
Portfolio Nominal Mean Return		6.73%		3.54%
Portfolio Standard Deviation		10.94%		3.90%
Long Term Expected Rate of Return selected by MTA		6.50%		3.50%

	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%	7.60%	36.00%	4.05%
International Public Market Equities	0.00%	0.00%	14.00%	6.15%
Developed Public Market Equities	12.00%	7.70%	0.00%	0.00%
Emerging Public Market Equities	5.00%	10.60%	0.00%	0.00%
Fixed Income	30.50%	3.10%	17.00%	0.75%
Private Equities	8.00%	11.20%	10.00%	6.75%
Alternatives (Real Assets, Hedge Funds)	0.00%	0.00%	3.00%	5.95%
Real Estate	7.50%	7.00%	10.00%	4.95%
Infrastructure	4.00%	6.80%	0.00%	0.00%
Absolute Return Strategies	0.00%	0.00%	2.00%	3.25%
Opportunistic Portfolio	6.00%	6.50%	3.00%	4.65%
Cash	0.00%	0.00%	1.00%	0.00%
Inflation-indexed Bonds	0.00%	0.00%	4.00%	0.50%
	100.00%		100.00%	
Assumed Inflation - Mean		2.50%		2.50%
Long Term Expected Rate of Return		7.00%		6.80%

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			
	2020		2019	
Pension Plan	Plan Measurement Date	Rate	Plan Measurement Date	Rate
Additional Plan	December 31, 2019	6.50%	December 31, 2018	7.00%
MaBSTOA Plan	December 31, 2019	6.50%	December 31, 2018	7.00%
MNR Cash Balance Plan	December 31, 2019	3.50%	December 31, 2018	4.00%
MTA Defined Benefit Plan	December 31, 2019	6.50%	December 31, 2018	7.00%
NYCERS	June 30, 2020	7.00%	June 30, 2019	7.00%
NYSLERS	March 31, 2020	6.80%	March 31, 2019	7.00%

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, 2020, based on the December 31, 2019 measurement date, and for the year ended December 31, 2019, based on the December 31, 2018 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, 2018	$ 1,411,144	$ 819,317	$ 591,827	$ 3,811,124	$ 2,844,402	$ 966,722
Changes for fiscal year 2019:						
Service Cost	621	-	621	89,814	-	89,814
Interest on total pension liability	93,413	-	93,413	265,454	-	265,454
Effect of economic /demographic (gains) or losses	13,455	-	13,455	9,011	-	9,011
Effect of assumption changes or inputs	50,191	-	50,191	168,752	-	168,752
Benefit payments	(157,254)	(157,254)	-	(221,221)	(221,221)	-
Administrative expense	-	(718)	718	-	(220)	220
Member contributions	-	249	(249)	-	23,552	(23,552)
Net investment income	-	116,092	(116,092)	-	447,365	(447,365)
Employer contributions	-	62,774	(62,774)	-	206,390	(206,390)
Balance as of December 31, 2019	$ 1,411,570	$ 840,460	$ 571,110	$ 4,122,934	$ 3,300,268	$ 822,666

	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, 2017	$ 1,471,828	$ 951,327	$ 520,501	$ 3,676,476	$ 2,918,989	$ 757,487
Changes for fiscal year 2018:						
Service Cost	1,057	-	1,057	86,979	-	86,979
Interest on total pension liability	97,611	-	97,611	256,084	-	256,084
Effect of economic /demographic (gains) or losses	213	-	213	5,412	-	5,412
Benefit payments	(159,565)	(159,565)	-	(213,827)	(213,827)	-
Administrative expense	-	(1,180)	1,180	-	(196)	196
Member contributions	-	333	(333)	-	21,955	(21,955)
Net investment income	-	(31,098)	31,098	-	(87,952)	87,952
Employer contributions	-	59,500	(59,500)	-	205,433	(205,433)
Balance as of December 31, 2018	$ 1,411,144	$ 819,317	$ 591,827	$ 3,811,124	$ 2,844,402	$ 966,722

	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, 2018	$ 479	$ 471	$ 8	$ 5,488,490	$ 4,024,480	$ 1,464,010
Changes for fiscal year 2019:						
Service Cost	-	-	-	173,095	-	173,095
Interest on total pension liability	18	-	18	387,193	-	387,193
Effect of economic / demographic (gains) or losses	4	-	4	35,935	-	35,935
Effect of assumption changes or inputs	-	-	-	690,958	-	690,958
Benefit payments	(53)	(53)	-	(264,985)	(264,985)	-
Administrative expense	-	(3)	3	-	(3,408)	3,408
Member contributions	-	-	-	-	31,504	(31,504)
Net investment income	-	40	(40)	-	651,919	(651,919)
Employer contributions	-	-	-	-	344,714	(344,714)
Balance as of December 31, 2019	$ 448	$ 455	$ (7)	$ 6,510,686	$ 4,784,224	$ 1,726,462

	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, 2017	$ 528	$ 523	$ 5	$ 5,072,814	$ 4,051,534	$ 1,021,280
Changes for fiscal year 2018:						
Service Cost	-	-	-	162,273	-	162,273
Interest on total pension liability	20	-	20	358,118	-	358,118
Effect of plan changes	-	-	-	61,890	-	61,890
Effect of economic / demographic (gains) or losses	(11)	-	(11)	75,744	-	75,744
Benefit payments	(58)	(58)	-	(242,349)	(242,349)	-
Administrative expense	-	-	-	-	(3,152)	3,152
Member contributions	-	-	-	-	29,902	(29,902)
Net investment income	-	1	(1)	-	(150,422)	150,422
Employer contributions	-	5	(5)	-	338,967	(338,967)
Balance as of December 31, 2018	$ 479	$ 471	$ 8	$ 5,488,490	$ 4,024,480	$ 1,464,010

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, 2019**			**December 31, 2018**		
	1% Decrease (5.5%)	Discount Rate (6.5%)	1% Increase (7.5%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
	(in thousands)			(in thousands)		
Additional Plan	$ 682,677	$ 571,110	$ 474,087	$ 701,222	$ 591,827	$ 496,547
MaBSTOA Plan	1,293,875	822,666	422,759	1,388,193	966,722	607,684
MTA Defined Benefit Plan	2,551,551	1,726,462	1,031,686	2,146,497	1,464,010	888,282

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
	(in whole dollars)			(in whole dollars)		
MNR Cash Balance Plan	$ 17,379	$ (6,494)	$ (27,526)	$ 35,157	$ 8,252	$ (15,544)

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, 2019 and June 30, 2018 actuarial valuations, rolled forward to June 30, 2020 and June 30, 2019, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYCERS	
	June 30, 2020	June 30, 2019
	($ in thousands)	
MTA's proportion of the net pension liability	24.420%	24.493%
MTA's proportionate share of the net pension liability	$ 5,147,445	$ 4,536,510

The following table presents the MTA's proportionate share of the net pension liability of NYSLERS based on the April 1, 2019 and April 1, 2018 actuarial valuations, rolled forward to March 31, 2020 and March 31, 2019, respectively, and the proportion percentage of the aggregate net pension liability allocated to the MTA:

	NYSLERS	
	March 31, 2020	March 31, 2019
	($ in thousands)	
MTA's proportion of the net pension liability	0.346%	0.345%
MTA's proportionate share of the net pension liability	$ 91,524	$ 24,472

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, 2020 and 2019 and to NYSLERS for the plan's fiscal year-end March 31, 2020 and 2019, 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, 2020**			**June 30, 2019**		
	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	$ 7,695,327	$ 5,147,445	$ 2,997,039	$ 6,997,746	$ 4,536,510	$ 2,458,418

Measurement Date:	**March 31, 2020**			**March 31, 2019**		
	1% Decrease (5.8%)	Discount Rate (6.8%)	1% Increase (7.8%)	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
NYSLERS	$ 167,973	$ 91,524	$ 21,115	$ 106,997	$ 24,472	$ (44,854)

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

For the nine-month period ended September 30, 2021 and year ended December 31, 2020, the MTA recognized pension expense related to each pension plan as follows (in $ thousands):

Pension Plan	**September 30, 2021**	**December 31, 2020**
Additional Plan	$ 50,025	$ 108,956
MaBSTOA Plan	129,962	146,811
MNR Cash Balance plan	-	13
MTA Defined Benefit Plan	285,762	345,744
NYCERS	607,469	785,011
NYSLERS	10,900	32,944
Total	**$ 1,084,118**	**$ 1,419,479**

For the nine-month period ended September 30, 2021 and year ended December 31, 2020, the MTA reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows (in $ thousands):

For the Period Ended September 30, 2021	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	$ -	$ -	$ 23,101	$ 14,237	$ -	$ -	$ 177,115	$ 17,059
Changes in assumptions	-	-	147,353	-	-	-	617,371	27,347
Net difference between projected and actual earnings on pension plan investments	-	16,072	-	100,798	-	4	-	146,073
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	74,933	74,933
Employer contributions to the plan subsequent to the measurement of net pension liability	68,723	-	143,493	-	-	-	398,781	-
Total	$ 68,723	$ 16,072	$ 313,947	$ 115,035	$ -	$ 4	$ 1,268,200	$ 265,412

For the Period Ended September 30, 2021	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	$ 518,473	$ 232,185	$ 5,386	$ -	$ 724,075	$ 263,481
Changes in assumptions	2,169	152,466	1,842	1,591	768,735	181,404
Net difference between projected and actual earnings on pension plan investments	244,467		46,920	-	291,387	262,947
Changes in proportion and differences between contributions and proportionate share of contributions	108,400	13,841	3,287	-	186,620	88,774
Employer contributions to the plan subsequent to the measurement of net pension liability	424,698	-	14,533	-	1,050,228	-
Total	$ 1,298,207	$ 398,492	$ 71,968	$ 1,591	$ 3,021,045	$ 796,606

For the Year Ended December 31, 2020	**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	$ -	$ -	$ 23,101	$ 14,237	$ -	$ -	$ 177,115	$ 17,059
Changes in assumptions	-	-	147,353	-	-	-	617,371	27,347
Net difference between projected and actual earnings on pension plan investments	-	16,072	-	100,798	-	4	-	146,073
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-	74,933	74,933
Employer contributions to the plan subsequent to the measurement of net pension liability	68,723	-	159,486	-	-	-	393,961	-
Total	$ 68,723	$ 16,072	$ 329,940	$ 115,035	$ -	$ 4	$ 1,263,380	$ 265,412

For the Year Ended December 31, 2020	**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	$ 518,473	$ 232,185	$ 5,386	$ -	$ 724,075	$ 263,481
Changes in assumptions	2,169	152,466	1,842	1,591	768,735	181,404
Net difference between projected and actual earnings on pension plan investments	244,467		46,920	-	291,387	262,947
Changes in proportion and differences between contributions and proportionate share of contributions	108,400	13,841	3,287	-	186,620	88,774
Employer contributions to the plan subsequent to the measurement of net pension liability	445,974	-	14,533	-	1,082,677	-
Total	$ 1,319,483	$ 398,492	$ 71,968	$ 1,591	$ 3,053,494	$ 796,606

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	1.00
MaBSTOA Plan	6.80	N/A	6.80
MNR Cash Balance Plan	N/A	N/A	1.00
MTA Defined Benefit Plan	8.60	8.60	8.60
NYCERS	6.07	6.07	N/A
NYSLERS	5.00	5.00	N/A

For the nine-month period ended September 30, 2021 and year ended December 31, 2020, $1,050.2 and $1,082.7 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, 2021 and December 31, 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2020 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
2021	$ (5,790)	$ (14,157)	$ 1	$ 62,246	$ (41,209)	$ 10,087	$ 11,178
2022	(4,219)	3,489	-	67,944	106,101	14,239	187,554
2023	6,383	39,825	(1)	121,284	141,138	17,608	326,237
2024	(12,446)	(21,209)	(4)	29,081	219,880	13,910	229,212
2025	-	26,558	-	92,811	46,316	-	165,685
Thereafter	-	20,913	-	230,641	2,791	-	254,345
	$ (16,072)	$ 55,419	$ (4)	$ 604,007	$ 475,017	$ 55,844	$ 1,174,211

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 $19,500 dollars or $26,000 dollars for those over age 50 for the year ended December 31, 2020.

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 Capital and Development
- MTA Bus

Matching 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:

i. Completing 5 years of service,

ii. Attaining the Normal Retirement Age of 62 while in continuous employment, or

iii. Death while in continuous employment.

Additional Deposits (Incoming Rollover or Transfers) - Participants in the Deferred Compensation Program are eligible to roll over both their before-tax and 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, 2020	December 31, 2019
	(In thousands)	
Employer 401K contributions	$ 4,103	$ 4,402

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 Comptroller, 2 Broadway, 15th Floor, New York, New York, 10004 or at www.mta.info.

Benefits Provided — The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by 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, 2019, the date of the most recent actuarial valuation, the following classes of employees were covered by the benefit terms:

	Number of Participants
Active plan members	73,588
Inactive plan members currently receiving benefit payments	46,994
Inactive plan members entitled to but not yet receiving benefit payments	186
Total	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, 2020 and 2019, the MTA paid $391.5 and $737.3 of PAYGO to the OPEB Plan, respectively. In addition, the OPEB Plan paid $337.6 in OPEB benefits in 2020. The PAYGO amounts include an implicit rate subsidy adjustment of $69.5 and $76.8 for the years ended December 31, 2020 and 2019, respectively. The implicit rate subsidy adjustment of $69.5 includes an additional adjustment of $6.7 related to 2019, resulting in a net amount of $62.8 for the year ended December 31, 2020.

During 2012, the MTA funded $250 into the Trust, an additional $50 during 2013. There have been no further contributions made to the Trust. 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 2019 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, 2019 and December 31, 2018, the measurement dates, are 2.74% and 4.10%, 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, 2019 and 2018, the employer made a cash payment for retiree healthcare of $76,758 and $74,484, 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	**2019 Retirees**	**2018 Retirees**
(in thousands)		
Total blended premiums	$660,539	$616,638
Employment payment for retiree healthcare	76,758	74,484
Net Payments	$737,297	$691,122

(2) 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 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, 2019 and July 1, 2017. Update procedures were used to roll forward the total OPEB liability to December 31, 2019 and December 31, 2018, 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, 2019	July 1, 2017
Measurement date	December 31, 2019	December 31, 2018
Discount rate	2.74%, net of expenses	4.10%, net of expenses
Inflation	2.25%	2.50%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.50%	4.50%
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	5.75%	6.50%

Healthcare Cost Trend — The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2019 utilizing the baseline assumptions included in the model, except inflation of 2.25% for medical and pharmacy benefits. Additional adjustments apply based on percentage of costs associated with administrative expenses, aging factors, healthcare reform provisions including changes due to H.R. Bill 1865, separately for NYSHIP and self-insured benefits administered by MTA New York City Transit. These assumptions are combined with long-term assumptions for dental and vision benefits of an annual trend of 3.5% plus Medicare Part B reimbursements of an annual trend of 4.5%, but not more than projected medical and pharmacy trends. The self-insured trend is applied directly for represented employees of MTA New York City Transit, MTA Staten Island Railway and MTA Bus. This valuation reflects updated healthcare-related assumptions, including changes due to H.R. Bill 1865 Further Consolidated Appropriations Act, 2020, which repealed the Cadillac Tax on health plans. This change decreased the MTA's OPEB liability by $742.0 million as of the valuation date July 1, 2019 and reporting year ended December 31, 2020, using a discount rate of 4.10%.

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	
Fiscal Year	**< 65**	**> = 65**	**< 65**	**> = 65**	**< 65**	**> = 65**
2020	6.80%	5.90%	6.20%	4.00%	6.50%	5.10%
2021	6.20%	5.70%	5.80%	4.00%	6.10%	5.10%
2022	5.70%	5.40%	5.50%	4.60%	5.60%	5.10%
2023	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
2024	5.10%	5.10%	5.10%	5.10%	5.10%	5.10%
2025	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2026	5.00%	5.00%	5.00%	4.90%	5.00%	5.00%
2027	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%
2028	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
2029	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
2039	4.90%	4.90%	4.90%	4.90%	4.90%	4.90%
2049	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2059	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%
2069	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%
2079	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2089	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2099	4.00%	4.00%	4.00%	4.00%	4.00%	4.40%

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 4.0% for medical and pharmacy costs.

Mortality — Preretirement and postretirement healthy 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. No blue-collar adjustments were used for management members of MTAHQ.

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. No blue collar or percentage adjustments were used for management members of MTAHQ.

Postretirement Disabled Lives — RP-2014 Disabled Annuitant mortality table for males and females.

(3) Net OPEB Liability

At December 31, 2020 and 2019, the MTA reported a net OPEB liability of $21,117 and $19,582, respectively. The MTA's net OPEB liability was measured as of the OPEB Plan's fiscal year-end of December 31, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2019, and rolled forward to December 31, 2019.

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 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:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
U.S. cash	3.5%	0.04%
U.S core fixed income	13.0%	1.51%
U.S inflation-indexed bonds	4.0%	0.71%
Emerging markets bonds	5.0%	3.36%
Global equity	42.0%	5.28%
Commodities	3.5%	2.79%
Hedge funds - multistrategy	29.0%	3.26%
Total	**100%**	
Assumed Inflation - Mean		2.25%
Assumed Inflation - Standard Deviation		1.65%
Portfolio Nominal Mean return		5.92%
Portfolio Standard Deviation		9.27%
Long Term Expected Rate of Return selected by MTA		**5.75%**

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, 2019 of 2.74%.

Changes in Net OPEB Liability — Changes in the MTA's net OPEB liability for the year ended December 31, 2020 based on the December 31, 2019 measurement date, and for the year ended December 31, 2019, based on the December 31, 2018 measurement date, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2018	$ 19,933,888	$ 351,380	$ 19,582,508
Changes for the year:			
Service Cost	928,573	-	928,573
Interest on total OPEB liability	840,532	-	840,532
Effect of plan changes	-	-	0
Effect of economic/demographic gains or losses	247,871	-	247,871
Effect of assumptions changes or inputs	311,286	-	311,286
Benefit payments	(730,677)	(730,677)	-
Employer contributions	-	730,677	(730,677)
Net investment income	-	63,647	(63,647)
Administrative expenses	-	(200)	200
Net changes	1,597,585	63,447	1,534,138
Balance as of December 31, 2019	$ 21,531,473	$ 414,827	$ 21,116,646

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
		(in thousands)	
Balance as of December 31, 2017	$ 20,705,068	$ 370,352	$ 20,334,716
Changes for the year:			
Service Cost	1,002,930	-	1,002,930
Interest on total OPEB liability	734,968	-	734,968
Effect of plan changes	1,580	-	1,580
Effect of economic/demographic gains or losses	(19,401)	-	(19,401)
Effect of assumptions changes or inputs	(1,800,135)	-	(1,800,135)
Benefit payments	(691,122)	(691,122)	-
Employer contributions	-	691,122	(691,122)
Net investment income	-	(18,916)	18,916
Administrative expenses	-	(56)	56
Net changes	(771,180)	(18,972)	(752,208)
Balance as of December 31, 2018	$ 19,933,888	$ 351,380	$ 19,582,508

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 ($ in thousands):

Measurement Date:		**December 31, 2019**	
	1% Decrease (1.74%)	**Discount Rate (2.74%)**	**1% Increase (3.74%)**
		(in thousands)	
Net OPEB liability	$24,232,661	$21,116,646	$18,552,646

Measurement Date:		**December 31, 2018**	
	1% Decrease (3.10%)	**Discount Rate (4.10%)**	**1% Increase (5.10%)**
		(in thousands)	
Net OPEB liability	$22,402,766	$19,582,508	$17,257,324

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 ($ in thousands):

Measurement Date:		**December 31, 2019**	
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
Net OPEB liability	$18,031,859	$21,116,646	$25,019,480

Measurement Date:		**December 31, 2018**	
	1% Decrease	**Healthcare Cost Current Trend Rate***	**1% Increase**
Net OPEB liability	$16,727,628	$19,582,508	$23,171,172

*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 nine-month period ended September 30, 2021 and year ended December 31, 2020, the MTA recognized OPEB expense of $495 and $501, respectively.

At September 30, 2021 and December 31, 2020, the MTA reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows ($ in thousands):

	September 30, 2021		December 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 225,359	$ 14,158	$ 225,359	$ 14,158
Changes of assumptions	814,808	1,313,612	814,808	1,313,612
Net difference between projected and actual earnings on OPEB plan investments	-	17,409	-	17,409
Changes in proportion and differences between contributions and proportionate share of contributions	385,488	385,488	385,488	385,488
Employer contributions to the plan subsequent to the measurement of net OPEB liability	433,593	-	391,529	-
Total	**$ 1,859,248**	**$ 1,730,667**	**$ 1,817,184**	**$ 1,730,667**

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 8.1-year closed period, beginning the year in which the deferred amount occurs.

For the nine-month period ended September 30, 2021 and year ended December 31, 2020, $433.6 and $391.5 were reported as deferred outflows of resources related to OPEB. This amount includes both 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 ended December 31, 2021 and December 31, 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2020 will be recognized in OPEB expense as follows:

Year ended December 31, :	
2021	$ (56,683)
2022	(56,683)
2023	(51,407)
2024	(60,004)
2025	(126,848)
Thereafter	46,613
	$ (305,012)

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. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease.

Accumulated depreciation and amortization are reported as reductions of fixed 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. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Capital assets consist of the following at December 31, 2019, December 31, 2020 and September 30, 2021 (in millions):

	Balance December 31, 2019	Additions / Reclassifications	Deletions / Reclassifications	Balance December 31, 2020	Additions / Reclassifications	Deletions / Reclassifications	Balance September 30, 2021
Capital assets not being depreciated:							
Land	$ 223	$ 25	$ -	$ 248	$ -	$ -	$ 248
Construction work-in-progress	20,158	7,145	5,528	21,775	4,047	1,789	24,033
Total capital assets not being depreciated	20,381	7,170	5,528	22,023	4,047	1,789	24,281
Capital assets being depreciated:							
Buildings and structures	19,559	1,328	28	20,859	274	-	21,133
Bridges and tunnels	4,226	166	-	4,392	55	-	4,447
Equipment:							
Passenger cars and locomotives	13,872	332	-	14,204	117	15	14,306
Buses	3,677	41	30	3,688	191	71	3,808
Infrastructure	27,728	1,121	-	28,849	441	20	29,270
Other	26,613	1,799	21	28,391	449	6	28,834
Total capital assets being depreciated	95,675	4,787	79	100,383	1,527	112	101,798
Less accumulated depreciation:							
Buildings and structures	7,944	557	3	8,498	442	-	8,940
Bridges and tunnels	833	38	-	871	30	-	901
Equipment:							
Passenger cars and locomotives	7,342	411	-	7,753	312	15	8,050
Buses	1,969	261	30	2,200	189	71	2,318
Infrastructure	10,913	861	14	11,760	670	-	12,430
Other	9,553	883	7	10,429	675	5	11,099
Total accumulated depreciation	38,554	3,011	54	41,511	2,318	91	43,738
Total capital assets being depreciated - net	57,121	1,776	25	58,872	(791)	21	58,060
Capital assets - net	$ 77,502	$ 8,946	$ 5,553	$ 80,895	$ 3,256	$ 1,810	$ 82,341

Capital assets acquired prior to April 1982 for MTA New York City Transit were funded primarily by NYC with capital grants made available to MTA New York City Transit. NYC 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 NYC in the event the MTA determines such property is unnecessary for its corporate purpose. With respect to MTA Metro-North Railroad, 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 September 30, 2021 and December 31, 2020, these securities, which are not included in these financial statements, totaled $149.9 and $117.4, respectively, and had a market value of $114.0 and $80.1, respectively.

7. LONG-TERM DEBT

(In millions)	Original Issuance	December 31, 2020	Issued	Retired	September 30, 2021
MTA:					
Transportation Revenue Bonds					
1.62%–5.15% due through 2057	$ 43,786	$ 24,701	$ 1,121	$ 1,067	$ 24,755
Bond Anticipation Notes*					
2.29% due through 2023	19,635	9,536	720	1,251	9,005
Dedicated Tax Fund Bonds					
1.86%–4.89% due through 2057	11,149	4,857	110	113	4,854
	74,570	39,094	1,951	2,431	38,614
Net unamortized bond premium	-	1,403	122	289	1,236
	74,570	**40,497**	**2,073**	**2,720**	**39,850**
TBTA:					
General Revenue Bonds					
1.88%–4.28% due through 2050	18,156	8,040	400	43	8,397
Bond Anticipation Notes					
0.69% due through 2025	193	-	193		193
Payroll Mobility Tax Senior Lien Obligations					
1.36%–2.02% due through 2051	2,461	-	2,461	-	2,461
Subordinate Revenue Bonds					
3.13%-5.34% due through 2032	4,066	867	-	-	867
	24,876	8,907	3,054	43	11,918
Net unamortized bond premium	-	676	545	57	1,164
	24,876	**9,583**	**3,599**	**100**	**13,082**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	845	-	15	830
Net unamortized bond premium	-	88	-	-	88
	1,220	**933**	**-**	**15**	**918**
Total	**$ 100,666**	**$ 51,013**	**$ 5,672**	**$ 2,835**	**$ 53,850**
Current portion**		$ 1,543			$ 5,685
Long-term portion		$ 49,470			$ 48,165

* Includes draws on a $800 taxable revolving credit agreement with JPMorgan Chase Bank, National Association, which is active through August 24, 2022, and a $400 taxable revolving credit agreement with Bank of America, National Association, which is active through August 24, 2022. Draws under the JPMorgan Chase Agreement and the Bank of America agreement are evidenced by revenue anticipation notes ("RANs"). As of September 30, 2021 and December 31, 2020, the outstanding RAN was $1,196 and $477, respectively.

** As a result of certain MTA issuances of Bonds and Bond Anticipation Notes, the current portion of the Bonds and BANs that were reclassified as long-term were $48 and $831 as of September 30, 2021 and December 31, 2020, respectively.

(In millions)	Original Issuance	December 31, 2019	Issued	Retired	December 31, 2020
MTA:					
Transportation Revenue Bonds					
1.43%–5.15% due through 2057	$ 42,665	$ 21,650	$ 4,750	$ 1,699	$ 24,701
Bond Anticipation Notes*					
1.33% due through 2022	18,915	7,508	5,853	3,825	9,536
Dedicated Tax Fund Bonds					
1.86%–4.89% due through 2057	11,039	5,024	-	167	4,857
	72,619	34,182	10,603	5,691	39,094
Net unamortized bond premium	-	1,648	243	488	1,403
	72,619	**35,830**	**10,846**	**6,179**	**40,497**
TBTA:					
General Revenue Bonds					
1.81%–4.18% due through 2047	17,756	7,782	624	366	8,040
Subordinate Revenue Bonds					
3.13%-5.34% due through 2032	4,066	936	-	69	867
	21,822	8,718	624	435	8,907
Net unamortized bond premium	-	618	129	71	676
	21,822	**9,336**	**753**	**506**	**9,583**
MTA Hudson Rail Yards Trust:					
MTA Hudson Rail Yards Trust Obligations					
1.88%–2.65% due through 2056	1,220	872	163	190	845
Net unamortized bond premium	-	107	-	19	88
	1,220	**979**	**163**	**209**	**933**
Total	**$ 95,661**	**$ 46,145**	**$ 11,762**	**$ 6,894**	**$ 51,013**
Current portion**		$ 2,210			$ 1,543
Long-term portion		$ 43,935			$ 49,470

* Includes draws on a $800 taxable revolving credit agreement with JPMorgan Chase Bank, National Association, which is active through August 24, 2022, and a $400 taxable revolving credit agreement with Bank of America, National Association, which is active through August 24, 2022. Draws under the JPMorgan Chase Agreement and the Bank of America agreement are evidenced by revenue anticipation notes ("RANs"). As of December 31, 2020 and 2019, the outstanding RAN was $477 and $8, respectively.

** As a result of certain MTA issuances of Bonds and Bond Anticipation Notes, the current portion of the BANs that were reclassified as long-term were $831 and, $2,200, as of December 31, 2020 and 2019, respectively. In addition, on February 16, 2021, MTA effectuated a $8 early mandatory redemption of a portion of the Hudson Rail Yards Trust Obligations, Series 2020A. As a result, $8 was reclassified from long-term to current as of December 31, 2020.

MTA Transportation Revenue Bonds — Prior to 2021, MTA issued sixty-eight Series of Transportation Revenue Bonds secured under its General Resolution Authorizing Transportation Revenue Obligations adopted on March 26, 2002 in the aggregate principal amount of $36,256. The Transportation Revenue Bonds are MTA's special obligations payable solely from transit and commuter systems revenues and certain state and local operating subsidies.

On February 12, 2021, MTA issued $700 of Transportation Revenue Bonds, Series 2021A. Proceeds from the transaction were used to finance existing approved transit and commuter projects. The Series 2021A bonds were issued as $495 of Transportation Revenue Green Bonds, Subseries 2021A-1 and $205 Transportation Revenue Bonds, Subseries 2021A-2. The Subseries 2021A-1 and Subseries 2021A-2 bonds were issued as tax-exempt fixed rate with final maturities of November 15, 2050 and November 15, 2043, respectively.

On March 31, 2021, MTA effectuated mandatory tenders and remarketed $50 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a-1 because its current interest period was set to expire by its terms. The Subseries 2002D-2a-1 of bonds were remarketed in Term Rate Mode as Secured Overnight Financing Rate ("SOFR") Tender Notes with a purchase date of April 1, 2024 and with an interest rate of 67% of SOFR plus 0.55%.

On April 1, 2021, MTA effectuated a mandatory tender and remarketed $66.700 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2020B-1 because the Continuing Covenant Agreement ("CCA"), between MTA and PNC Bank, National Association, was expiring by its terms. The CCA associated with Subseries 2020B-1 was replaced with an irrevocable direct-pay LOC issued by PNC Bank, National Association. The LOC will expire on April 1, 2022.

On April 1, 2021 and April 6, 2021, MTA effectuated mandatory tenders and remarketed $100 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2b and $50 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a-2, respectively, because their respective current interest periods were set to expire by their terms. The aforementioned Subseries of bonds were remarketed in Term Rate Mode as Secured Overnight Financing Rate Tender Notes as follows:

Quantity	Subseries	Delivery Date	Purchase Date	Interest Rate
100	2002D-2b	April 1, 2021	April 1, 2024	67% of SOPR plus 0.55%
50	2002D-2a-2	April 6, 2021	April 1, 2026	67% of SOPR plus 0.80%

On June 30, 2021, MTA effectuated a mandatory tender and remarketed $29.145 of MTA Transportation Revenue Variable Rate Refunding Bonds, Series 2002G-1f and $125.350 of MTA Transportation Revenue Variable Rate Refunding Bonds, Subseries 2005D-1 because their current interest rate periods were expiring by their terms. The Subseries 2002G-1f bonds were remarketed in Term Rate Mode as Secured Overnight Financing Rate ("SOFR") Notes with a final maturity of November 1, 2026, and with an interest rate of 67% of SOFR plus 0.43%. The Subseries 2005D-1 bonds were remarketed in Term Rate Mode as SOFR Tender Notes with a purchase date of April 1, 2024, and with an interest rate of 67% of SOFR plus 0.33%.

On August 18, 2021, MTA effectuated a mandatory tender and remarketed $83.600 MTA Transportation Revenue Variable Rate Refunding Bonds, Subseries 2005E-1 and $62.700 MTA Transportation Revenue Variable Rate Refunding Bonds, Subseries 2005E-3 because their irrevocable direct-pay Letter of Credits (LOCs) with PNC Bank, National Association were expiring by their terms and were substituted with an irrevocable direct-pay LOC issued by Barclays Bank. The new LOC will expire on August 18, 2025. The Subseries 2005E-1 and 2005E-3 bonds were combined and redesignated as Subseries 2005E-1.

On August 18, 2021, MTA effectuated a mandatory tender and remarketed $77.400 Transportation Revenue Variable Rate Bonds, Subseries 2015E-1 and $70.400 MTA Transportation Revenue Variable Rate Bonds, Subseries 2015E-4 because their irrevocable direct-pay LOCs with U.S. Bank National Association and PNC Bank, National Association, respectively, were expiring by their terms and were substituted with an irrevocable direct-pay LOC issued by Barclays Bank. The new LOC will expire on August 18, 2025. The Subseries 2015E-1 and 2015E-4 bonds were combined and redesignated as Subseries 2015E-1.

MTA Bond Anticipation Notes — From time to time, MTA issues Transportation Revenue Bond Anticipation Notes in accordance with the terms and provisions of the General Resolution described above in the form of commercial paper 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 MTAHQ to periodically (at least each five years) refund its bond anticipation notes with bonds.

MTA Revenue Anticipation Notes — On January 9, 2014, MTA closed a $350 revolving working capital liquidity facility with the Royal Bank of Canada which is expected to remain in place until July 7, 2017. Draws on the facility will be taxable, as such this facility is intended to be used only for operating needs of MTA and the related entities. On January 31, 2017, MTA drew down $200 of its $350 Revolving Credit Agreement with the Royal Bank of Canada, which was entered into on January 1, 2014. The purpose of the draw was to retire Transportation Revenue Bond Anticipation Notes, Subseries 2016A-2. The $200 draw-down plus accrued interest was repaid on March 31, 2017.

On August 24, 2017, MTA entered into a $350 taxable Revenue Anticipation Note facility, (the "2017A RAN"), with JPMorgan Chase Bank, National Association. An initial draw of $3.5 was made at closing. This balance will remain throughout the duration of the agreement. The 2017A RAN is available to be used by MTA for any corporate purpose as needed and is structured as a revolving loan facility. The RAN expires on August 24, 2022.

On August 14, 2018, MTA amended the 2017A RAN to (1) correct the designation of the facility to Transportation Revenue Anticipation Notes, Series 2017 (the "Series 2017 RANs") and (2) increase the maximum amount of the Series 2017 RANs authorized to be issued by $350, for a maximum principal amount of $700 at any one-time outstanding. To maintain the 1% draw on the line of credit throughout the duration of the agreement, an additional $3.5 draw was made on August 14, 2018.

On August 16, 2019, the Revenue Anticipation Note facility with JPMorgan Chase was amended, increasing the line of credit to $800. To maintain the 1% draw on the line of credit throughout the duration of the agreement, an additional $1 draw was made on August 16, 2019.

On August 16, 2019, MTA entered into a $200 taxable revolving credit agreement with Bank of America, National Association ("BANA") that is active through August 24, 2022. Draws under the BANA Agreement will be evidenced by RANs. Funds may be used for operational or capital purposes.

On March 20, 2020, MTA drew down the remaining $792 of its $800 Revolving Credit Agreement with JPMorgan Chase Bank National Association and $200 of its Revolving Credit Agreement with Bank of America National Association.

On April 22,2020, MTA drew down $2.5 of its taxable Revolving Credit Agreement with Bank of America National Association.

On May 22, 2020, MTA entered into a $950 taxable term credit agreement with JPMorgan Chase Bank National Association, as administrative agent, and Industrial and Commercial Bank of China Limited, New York Branch, and Bank of China, New York Branch, collectively as lenders. Funds drawn from this credit agreement may be used for operational or capital purposes. The credit agreement is active through May 22, 2022.

On July 23, 2020, the Urban Development Corporation (dba "Empire State Development" or "ESD"), on behalf of the State of New York, issued its State Personal Income Tax Revenue Bonds, Series 2020C ("ESD Series 2020C Bonds"). A portion of the proceeds of the ESD Series 2020C Bonds, $1.1 billion, were applied to the retirement of certain short-term notes issued by MTA on behalf of the existing $7.3 billion commitment of NYS toward the MTA's 2015-2019 Capital Program. The proceeds were applied as follows: (i) $413.517, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020A ("Series 2020A RANs"), (ii) $104.672, plus interest, to retire Transportation Revenue Anticipation Notes, Series 2020B ("Series 2020B RANs"), and (iii) $600, plus interest, to retire Transportation Revenue Bond Anticipation Notes, Series 2019E.

MTA State Service Contract Bonds — Prior to 2021, MTA issued two Series of State Service Contract Bonds secured under its State Service Contract Obligation Resolution adopted on March 26, 2002, in the aggregate principal amount of $2,395. Currently, there are no outstanding bonds. The State Service Contract Bonds are MTA's special obligations payable solely from certain payments from the State of New York under a service contract.

MTA Dedicated Tax Fund Bonds — Prior to 2021, MTA issued twenty-two Series of Dedicated Tax Fund Bonds secured under its Dedicated Tax Fund Obligation Resolution adopted on March 26, 2002, in the aggregate principal amount of $9,769. 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 18, 2021, MTA effectuated a mandatory tender and remarketed $110.325 of Dedicated Tax Fund Bonds, Subseries 2002B-1 because the irrevocable direct-pay Letter of Credit (LOC) issued by The Bank of Tokyo-Mitsubishi UFJ, Ltd. was expiring by its terms. The Subseries 2002B-1 bonds were remarketed as fixed rate tax-exempt bonds with a final maturity of November 1, 2022.

MTA Certificates of Participation — Prior to 2021, MTA (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad), MTA New York City Transit and MTA Bridges and Tunnels executed and delivered three Series of Certificates of Participation in the aggregate principal amount of $807 to finance certain building and leasehold improvements to an office building at Two Broadway in Manhattan occupied principally by MTA New York City Transit, MTA Bridges and Tunnels, MTA Construction and Development, and MTAHQ. The Certificates of Participation represented proportionate interests in the principal and interest components of Base Rent paid severally, but not jointly, in their respective proportionate shares by MTA New York City Transit, MTA, and MTA Bridges and Tunnels, pursuant to a Leasehold Improvement Sublease Agreement.

MTA Bridges and Tunnels General Revenue Bonds — Prior to 2021, MTA Bridges and Tunnels issued thirty-four Series of General Revenue Bonds, secured under its General Resolution Authorizing General Revenue Obligations adopted on March 26, 2002, in the aggregate principal amount of $13,774. 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 January 21, 2021, MTA effectuated a mandatory tender and remarketed $187.200 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Refunding Bonds, Subseries 2005B-2 as $93.600 Subseries 2005B-2a and $93.600 Subseries 2005B-2b because the irrevocable direct-pay Letter of Credit (LOC) issued by Citibank, N.A. was expiring by its terms. The LOC associated with Subseries 2005B-2 was replaced with an irrevocable direct-pay LOC issued by State Street Bank that will expire on January 21, 2026. The Subseries 2005B-2a and Subseries 2005B-2b bonds will each be supported separately by the LOC issued by State Street Bank.

On February 1, 2021, MTA effectuated a mandatory tender and remarketed $104.700 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Refunding Bonds, Subseries 2005B-4a because its current interest rate period was expiring by its terms. The Subseries 2005B-4a bonds were remarketed in Term Rate Mode as Secured Overnight Financing Rate (SOFR) Tender Notes with a purchase date of February 1, 2024, and with an interest rate of 67% of SOFR plus 0.38%.

On March 31, 2021, MTA issued $400 of Triborough Bridge and Tunnel Authority General Revenue Bonds, Series 2021A. Proceeds from the transaction were used to finance existing approved bridge and tunnel capital projects. The Series 2021A bonds were issued as fixed rate tax-exempt bonds with a final maturity of November 15, 2056.

MTA Bridges and Tunnels Subordinate Revenue Bonds — Prior to 2021, MTA Bridges and Tunnels issued twelve Series of Subordinate Revenue Bonds secured under its 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations adopted on March 26, 2002, in the aggregate principal amount of $4,066. 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.

MTA Bridges and Tunnels Second Subordinate Bond Anticipation Notes — On June 10, 2021, MTA issued $192.835 of Triborough Bridge and Tunnel Authority Second Subordinate Bond Anticipation Notes, Series 2021A. Proceeds from the transaction will be used to finance costs related to the design, build, and installation of infrastructure, tolling systems and allowable implementation expenses necessary for the operation of the Central Business District Tolling Program. The Series 2021A notes were issued as fixed rate tax-exempt notes with a final maturity of November 1, 2025.

MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Bonds — On May 5, 2021, MTA issued $1,238.210 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2021A. The Series 2021A bonds were issued as $633.535 Subseries 2021A-1; $356.225 Subseries 2021A-2; and $248.450 Subseries 2021A-3. The Subseries 2021A-1 bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2051. The Subseries 2021A-2 bonds were issued as tax-exempt mandatory tender bonds with purchase dates of May 15th in 2024, 2026, and 2028. The Subseries 2021A-3 bonds were issued as fixed rate federally taxable bonds with a final maturity of May 15, 2040. Proceeds from the transaction were used to retire $800 Transportation Revenue Bond Anticipation Notes, Subseries 2018B-2 and to refund $630.747 Transportation Revenue Bonds, Series 2015X.

On August 31, 2021, MTA issued $369.195 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2021B. Proceeds from the transaction were used to retire $450.000 Transportation Revenue Bond Anticipation Notes, Subseries 2018C-2. The Series 2021B bonds were issued as $241.580 Subseries 2021B-1 and $127.615 Subseries 2021B-2. The Subseries 2021B-1 bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2056. The Subseries 2021A-2 bonds were issued as tax-exempt mandatory tender bonds with a purchase date of May 15, 2026.

On September 30, 2021, MTA issued $853.628 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2021C. Proceeds from the transaction were used to finance existing approved transit and commuter projects and to refund: $78.995 MTA Transportation Revenue Bonds, Series 2011C; $9.665 MTA Transportation Revenue Bonds, Series 2011D; $69.495 MTA Transportation Revenue Bonds, Series 2015D-1; and $48.485 MTA Transportation Revenue Bonds, Series 2016B. The refunding resulted in a net present value savings of $27.286 million or 13.20% of the par amount of the refunded bonds. The Series 2021C bonds were issued as: $316.680 Subseries 2021C-1a; $75.000 Subseries 2021C-1b; $177.274 Subseries 2021C-2; and $284.675 Subseries 2021C-3. The Subseries 2021C-1a bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2051. The Subseries 2021C-1b bonds were issued as tax-exempt mandatory tender bonds with a purchase date of May 15, 2026. The Subseries 2021C-2 bonds were issued as $165.525 fixed rate tax-exempt Current Interest Bonds and $11.749 fixed rate tax-exempt Capital Appreciation Bonds with a final maturity of May 15, 2036. The Subseries 2021C-3 bonds were issued as fixed rate tax-exempt bonds with a final maturity of May 15, 2051.

MTA Payroll Mobility Tax Bond Anticipation Notes - On December 17, 2020, MTA issued $2,907.280 of MTA Payroll Mobility Tax Bond Anticipation Notes, Series 2020A pursuant to a Note Purchase Agreement, between MTA and Municipal Liquidity Facility LLC. Proceeds from the transaction were used to finance COVID-19 Lost Revenues and Increased Costs of the MTA agencies and TBTA. The Series 2020A notes were issued as fixed rate tax-exempt notes with a final maturity of December 15, 2023.

MTA Hudson Rail Yards Trust Obligations — The MTA Hudson Rail Yards Trust Obligations, Series 2016A ("Series 2016A Obligations") were executed and delivered on September 22, 2016 by Wells Fargo Bank National Association, as Trustee ("Trustee"), to (i) retire the outstanding Transportation Revenue Bond Anticipation Notes, Series 2016A of the MTA, which were issued to provide interim financing of approved capital program transit and commuter projects, (ii) finance approved capital program transit and commuter projects of the affiliates and subsidiaries of the MTA, (iii) fund an Interest Reserve Requirement in an amount equal to one-sixth (1/6) of the greatest amount of Interest Components (as hereinafter defined) in the current or any future year, (iv) fund a portion of the Capitalized Interest Fund requirement, and (v) finance certain costs of issuance.

Pursuant to the Financing Agreement (as hereinafter defined), the MTA has agreed to pay to, or for the benefit of, the Trustee the "MTA Financing Agreement Amount," consisting of principal and interest components. The Series 2016A Obligations evidence the interest of the Owners thereof in such MTA Financing Agreement Amount payable by the MTA pursuant to the Financing Agreement. The principal amount of the Series 2016A Obligations represent the principal components of the MTA Financing Agreement Amount ("Principal Components") and the interest represent the interest components of the MTA Financing Agreement Amount ("Interest Components"). The Series 2016A Obligations (and the related Principal Components and Interest Components) are special limited obligations payable solely from the Trust Estate established under the MTA Hudson Rail Yards Trust Agreement, dated as of September 1, 2016 ("Trust Agreement"), by and between the MTA and the Trustee.

The Trust Estate consists principally of (i) the regularly scheduled rent, delinquent rent or prepaid rent ("Monthly Ground Rent") to be paid by Ground Lease Tenants (the tenants under the Western Rail Yard Original Ground Lease and each Severed Parcel Ground Lease of the Eastern Rail Yard) of certain parcels being developed on and above the Eastern Rail Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yards ("Hudson Rail Yards") currently operated by The Long Island Rail Road Company ("LIRR"), (ii) monthly scheduled transfers from the Capitalized Interest Fund during the limited period that the Monthly Ground Rent is abated under the applicable Ground Lease, (iii) payments made by the Ground Lease Tenants if they elect to exercise their option to purchase the fee interest in such parcels ("Fee Purchase Payments"), (iv) Interest Reserve Advances and Direct Cost Rent Credit Payments (collectively "Contingent Support Payments") made by the MTA, (v) rights of the MTA to exercise certain remedies under the Ground Leases and (vi) rights of the Trustee to exercise certain remedies under the Ground Leases and the Fee Mortgages.

Pursuant to the Interagency Financing Agreement, dated as of September 1, 2016 ("Financing Agreement"), by and among the MTA, New York City Transit Authority, Manhattan and Bronx Surface Transit Operating Authority, LIRR, Metro-North Commuter Railroad Company, and MTA Bus Company (collectively, the "Related Transportation Entities"), and the Trustee, the MTA has agreed to pay to the Trustee the MTA Financing Agreement Amount with moneys provided by the Financing Agreement Payments (which are principally the revenues within the Trust Estate) and Interest Reserve Advances. The MTA has established a deposit account with Wells Fargo Bank, National Association, as depositary ("Depositary"), and the MTA will direct all Ground Lease Tenants to make Monthly Ground Rent and Fee Purchase Payments (payments made by the Ground Lease Tenants if they elect to exercise their option to purchase the fee interest in such parcels) directly to the Depositary, which deposits will be transferred daily to the Trustee. In addition, in the event the MTA elects to exercise certain Authority Cure Rights upon the occurrence of a Ground Lease Payment Event of Default or is required to make certain Direct Cost Rent Credit Payments, the MTA will make all payments relating to defaulted and future Monthly Ground Rent directly to the Depositary.

On July 15, 2019, MTA effectuated the early mandatory redemption of a portion of the MTA Hudson Rail Yards Trust Obligations, Series 2016A maturing on November 15, 2046 in the Principal Component of $68. This is due to the payment of Fee Purchase Payments in connection with three commercial condominium units to be owned and occupied by Wells Fargo and KKR.

On September 21, 2020, Moody's Investors Services downgraded Hudson Rail Yard Trust Obligations from A2 to A3 and assigned the Hudson Rail Yard Trust Obligations with a Negative Outlook.

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 $40,600. The MTA expects that the current statutory ceiling will allow it to fulfill the bonding requirements of the approved Capital Programs.

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

(In millions)	September 30, 2021	December 31, 2020
MTA Transit and Commuter Facilities:		
Transit Facilities Revenue Bonds	$ 104	$ 127
Commuter Facilities Revenue Bonds	102	126
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	458	539
Special Obligation Subordinate Bonds	59	74
Total	$ 723	$ 866

For the nine months ended September 30, 2021, MTA refunding transactions increased aggregate debt service payments by $66 and provided an economic gain of $44. For the nine months ended September 30, 2020, MTA refunding transactions decreased aggregate debt service payments by $105 and provided an economic gain of $74. Details of bond refunding savings for the period ended September 30, 2021 and for the year ended December 31, 2020 are as follows (in millions):

Refunding Bonds Issued in 2021	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)	Net Present Value of Savings
Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds	2021A	5/5/2021	$ 631	$ (103)	$ 17
	2021C	9/30/2021	207	37	27
Total Bond Refunding Savings			$ 838	$ (66)	$ 44

Refunding Bonds Issued in 2020	Series	Date issued	Par value Refunded	Debt Service Savings (Increase)	Net Present Value of Savings
Transportation Revenue Bonds	TRB 2020A-2	1/16/2020	$ 163	$ (56)	$ 43
	TRB 2020B	3/27/2020	274	(49)	31
Total Bond Refunding Savings			$ 437	$ (105)	$ 74

For the nine-month periods ended September 30, 2021 and 2020, the accounting gain on bond refundings totaled $0 and the accounting gain on bond refundings totaled $46, respectively.

Unamortized losses related to bond refundings were as follows:

	December 31, 2019	(Gain)/loss on refunding	2019 amortization	December 31, 2020	(Gain)/loss on refunding	Current year amortization	September 30, 2021
MTA:							
Transportation Revenue Bonds	$ 570	$ (22)	$ (105)	$ 443	$ -	$ (41)	$ 402
State Service Contract Bonds	(12)	-	-	(12)	-	-	(12)
Dedicated Tax Fund Bonds	222	-	(16)	206	-	(13)	193
	780	(22)	(121)	637	-	(54)	583
TBTA:							
General Revenue Bonds	192	-	(17)	175	-	(16)	159
Subordinate Revenue Bonds	29	-	(4)	25	-	(2)	23
	221	-	(21)	200	-	(18)	182
Total	$ 1,001	$ (22)	$ (142)	$ 837	$ -	$ (72)	$ 765

Debt Service Payments — Future principal and interest debt service payments at September 30, 2021 are as follows:

	MTA		MTA BRIDGES AND TUNNELS		Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	$ 5,371	$ 1,494	$ 314	$ 192	$ 5,685	$ 1,686
2022	5,199	1,427	287	436	5,486	1,863
2023	918	1,352	377	486	1,295	1,838
2024	955	1,213	378	468	1,333	1,681
2025	978	1,111	603	450	1,581	1,561
2026-2030	5,573	4,636	2,305	1,522	7,878	6,158
2031-2035	6,041	3,807	1,979	1,456	8,020	5,263
2036-2040	5,140	2,769	1,455	1,139	6,595	3,908
2041-2045	3,458	1,620	1,586	846	5,044	2,466
2046-2050	3,821	787	1,785	546	5,606	1,333
2051-2055	1,533	177	772	260	2,305	437
2056-2060	456	5	77	3	533	8
Total	$ 39,443	$ 20,398	$ 11,918	$ 7,804	$ 51,361	$ 28,202

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 Subordinate Refunding Bonds, Series 2000ABCD* — 6.08% 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.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001C* — 4.00% per annum.
- *MTA Bridges and Tunnels General Revenue Refunding Bonds, Series 2001B* — 4.00% per annum plus the current fixed floating rate note spread.
- *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 Loans Payable debt service requirements at September 30, 2021 are as follows (in millions):

Year	Principal	Interest	Total
2021	$ 11	$ 2	$ 13
2022	12	2	14
2023	10	2	12
2024	9	1	10
2025	11	1	12
2026-2030	35	3	38
2031-2035	9	1	10
2036-2040	2	0	2
Total	$ 99	$ 12	$ 111

Current portion	$ 12
Long-term portion	87
Total NYPA Loans Payable	$ 99

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

Tax Rebate Liability — Under the Internal Revenue Code of 1986, the MTA may accrue a liability for an amount of rebateable arbitrage resulting from investing low-yielding, tax-exempt bond proceeds in higher-yielding, taxable securities. The arbitrage liability is payable to the federal government every five years. No accruals or payments were made during the periods ended September 30, 2021 and December 31, 2020.

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	11/1/2021
Transportation Revenue	2005D-2	Y	Helaba	LOC	11/10/2022
Transportation Revenue	2005E-1	Y	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2005E-2	Y	Bank of America, N.A.	LOC	12/10/2021
Transportation Revenue	2012A-2	N	Bank of Montreal	LOC	6/2/2022
Transportation Revenue	2012G-1	Y	Barclays Bank	LOC	10/31/2023
Transportation Revenue	2012G-2	Y	TD Bank, N.A.	LOC	11/1/2021
Transportation Revenue	2015E-1	N	Barclays Bank	LOC	8/18/2025
Transportation Revenue	2015E-3	N	Bank of America, N.A.	LOC	9/2/2022
Dedicated Tax Fund	2008A-1	Y	TD Bank, N.A.	LOC	6/13/2022
MTA Bridges and Tunnels General Revenue	2001C	Y	State Street	LOC	6/26/2023
MTA Bridges and Tunnels General Revenue	2002F	Y	Citibank, N.A.	LOC	10/29/2021
MTA Bridges and Tunnels General Revenue	2003B-1	N	Bank of America, N.A.	LOC	1/21/2022
MTA Bridges and Tunnels General Revenue	2005A	Y	Barclays Bank	LOC	1/24/2024
MTA Bridges and Tunnels General Revenue	2005B-2	Y	State Street	LOC	1/21/2026
MTA Bridges and Tunnels General Revenue	2005B-3	Y	State Street	LOC	6/26/2023
MTA Bridges and Tunnels General Revenue	2005B-4c	Y	U.S. Bank National Association	LOC	5/26/2022
MTA Bridges and Tunnels General Revenue	2018E	N	Bank of America, N.A.	LOC	12/12/2022

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 September 30, 2021 and December 31, 2020, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2020 are as follows (in $ millions):

Derivative Instruments - Summary Information as of September 30, 2021

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
Cashflow Hedges							
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-[2,3,4]	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	$ 561.600	$ (97.993)
MTA Bridges and Tunnels Senior Revenue Bonds	2002F & 2003B-2 (Citi 2005B)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	187.200	(32.665)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	19.775	(2.320)
MTA Bridges and Tunnels Senior Revenue Bonds	2001C (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	9.000	(1.087)
MTA Dedicated Tax Fund Bonds	2008A	Libor Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	301.970	(41.186)
MTA Transportation Revenue Bonds	2002D-2	Libor Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(64.984)
MTA Transportation Revenue Bonds	2005D & 2005E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	334.360	(64.172)
MTA Transportation Revenue Bonds	2012G	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	355.950	(85.728)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	81.065	(5.557)
MTA Transportation Revenue Bonds	2011B (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	91.135	(14.645)
					Total	**$ 2,142.055**	**$ (410.337)**

Derivative Instruments - Summary Information as of December 31, 2020

Bond Resolution Credit	Underlying Bond Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/Hedge Association Date	Notional Amount	Fair Value
Cashflow Hedges							
MTA Bridges and Tunnels Senior Revenue Bonds	2002F & 2003B (Citi 2005B)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	$ 188.300	$ (41.775)
MTA Bridges and Tunnels Senior Revenue Bonds	2005B-2,3,4	Libor Fixed Payer	Cash Flow	Synthetic Instrument	6/2/2005	564.900	(125.326)
MTA Bridges and Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	21.780	(3.072)
MTA Bridges and Tunnels Senior Revenue Bonds	2005C (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/5/2016	10.000	(1.435)
MTA Dedicated Tax Fund Bonds	2008A	Libor Fixed Payer	Cash Flow	Synthetic Instrument	3/8/2005	301.970	(53.228)
MTA Transportation Revenue Bonds	2002D-2	Libor Fixed Payer	Cash Flow	Synthetic Instrument	7/11/2002	200.000	(72.611)
MTA Transportation Revenue Bonds	2005D & 2005E	Libor Fixed Payer	Cash Flow	Synthetic Instrument	9/10/2004	334.360	(75.150)
MTA Transportation Revenue Bonds	2012G	Libor Fixed Payer	Cash Flow	Synthetic Instrument	12/12/2007	355.950	(98.730)
MTA Transportation Revenue Bonds	2002G-1 (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	97.215	(7.984)
MTA Transportation Revenue Bonds	2011B (COPS 2004A)	Libor Fixed Payer	Cash Flow	Synthetic Instrument	4/1/2016	92.455	(18.768)
					Total	$ 2,166.930	$ (498.079)

	Changes In Fair Value		Fair Value at September 30, 2021		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	$87.742	Debt	$(410.337)	$2,142.055

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 September 30, 2021).

Metropolitan Transportation Authority						
Related Bonds	**Notional Amount as of 9/30/21**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings(S&P / Moody's / Fitch)**	**Fair Value as of 9/30/21**
TRB 2002D-2	$ 200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	$ (64.984)
TRB 2005D & 2005E	250.770	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(48.129)
TRB 2005E	83.590	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	AIG Financial Products [(1)] (BBB+ / Baa2 / BBB+)	(16.043)
TRB 2012G	355.950	11/15/12	11/01/32	Pay 3.563%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(85.728)
DTF 2008A	301.970	03/24/05	11/01/31	Pay 3.3156%; receive 67% 1M LIBOR	Bank of New York Mellon (AA- / Aa2 / AA)	(41.186)
Total	**$ 1,192.280**					**$ (256.070)**

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

MTA Bridges and Tunnels						
Related Bonds	**Notional Amount as of 9/30/21**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings (S&P / Moody's / Fitch)**	**Fair Value as of 9/30/21**
TBTA 2002F & 2003B-2	$ 187.200	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	Citibank, N.A. (A+ / Aa3 / A+)	$ (32.665)
TBTA 2005B-2	187.200	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(32.665)
TBTA 2005B-3	187.200	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	BNP Paribas US Wholesale Holdings, Corp. (1) (A+ / Aa3 / AA-)	(32.665)
TBTA 2005B-4	187.200	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(32.665)
TRB 2002G-1 & 2011B TBTA 2005A & 2001C [2]	100.488 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	U.S. Bank N.A. (AA- / A1 / AA-)	(11.804) [3]
TRB 2002G-1 & 2011B TBTA 2005A & 2001C [2]	100.487 [3]	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(11.803) [3]
Total	**$ 949.775**					**$ (154.267)**

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.

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LIBOR: London Interbank Offered 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 September 30, 2021, 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 September 30, 2021, 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	$743,150	34.69%
UBS AG	A+	Aa3	AA-	437,970	20.45
The Bank of New York Mellon	AA-	Aa2	AA	301,970	14.10
Citibank, N.A.	A+	Aa3	A+	187,200	8.74
BNP Paribas US Wholesale Holdings, Corp..	A+	Aa3	AA-	187,200	8.74
U.S. Bank National Association	AA-	A1	AA-	100,488	4.69
Wells Fargo Bank, N.A.	A+	Aa2	AA-	100,487	4.69
AIG Financial Products Corp.	BBB+	Baa2	BBB+	83,590	3.90
Total				**$2,142,055**	**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 decreases, MTA and MTA Bridges and Tunnels' net payments on the swaps increase. To address the LIBOR cessation occurring in 2023, the MTA has adhered to the ISDA 2020 IBOR Fallback Protocol.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Associated Bond Issue	Bond Maturity Date	Swap Termination Date
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2002F (swap with Citibank, N.A.)	November 1, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue Variable Rate Bonds, Series 2011B (swaps with U.S. Bank/Wells Fargo)	November 1, 2041	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 September 30, 2021, the aggregate mid-market valuation of the MTA's swaps subject to collateral posting agreements was $225.7; as of this date, the MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of September 30, 2021, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $155.7; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

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

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

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

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

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

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

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

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

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

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

MTA (in millions)				
Period Ended September 30, 2021	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2021	58.3	44.9	(4.7)	98.5
2022	63.3	42.6	(4.4)	101.5
2023	65.7	40.1	(4.1)	101.7
2024	68.2	37.5	(3.8)	101.9
2025	70.8	34.8	(3.4)	102.2
2026-2030	431.3	212.4	(12.2)	631.5
2031-2035	620.1	323.7	(3.2)	940.6
2036-2040	78.1	14.9	(0.4)	92.6

MTA Bridges and Tunnels (in millions)				
Period Ended September 30, 2021	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2021	26.6	36.0	(6.8)	55.8
2022	27.6	34.9	(6.8)	55.7
2023	28.6	33.8	(6.8)	55.6
2024	57.2	31.5	(6.4)	82.3
2025	30.4	30.3	(6.4)	54.3
2026-2030	408.3	116.8	(27.5)	497.6
2031-2035	350.2	10.0	(1.8)	358.4
2036-2040	-	1.5	-	1.5

8. LEASE TRANSACTIONS

Leveraged Lease Transactions: Qualified Technological Equipment — On December 19, 2002, the MTA entered into four sale/leaseback transactions whereby MTA New York City Transit transferred ownership of certain MTA New York City Transit qualified technological equipment ("QTE") relating to the MTA New York City Transit automated fare collection system to the MTA. The MTA sold that equipment to third parties and the MTA leased that equipment back from such third parties. Three of those four leases were terminated early and are no longer outstanding. The fourth lease expires in 2022 , at which point the MTA has the option of either exercising a fixed-price purchase option for the equipment or returning the equipment to the third-party owner.

Under the terms of the outstanding sale/leaseback agreement the MTA initially received $74.9, which was utilized as follows: The MTA paid $52.1 to an affiliate of the lender to the third party, which affiliate has the obligation to pay to MTA an amount equal to the rent obligations under the lease attributable to the debt service on the loan from the third party's lender. The MTA also purchased U.S. Treasury debt securities in amounts and with maturities, which are expected to be sufficient to pay the remainder of the regularly scheduled lease rent payments under the lease and the purchase price due upon exercise by the MTA of the related purchase option if exercised.

Leveraged Lease Transaction: 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.

Leveraged Lease Transactions: 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 U.S. 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 September 16, 2008, the MTA learned that American International Group, Inc. was downgraded to a level that under the terms of the transaction documents for the sale/leaseback transaction that closed on September 29, 2003, the MTA was required to replace or restructure the applicable Equity Payment Undertaking Agreement provided by AIG Financial Products Corp. and guaranteed by American International Group, Inc. On December 17, 2008, MTA terminated the Equity Payment Undertaking Agreement provided by AIG Financial Products Corp. and guaranteed by American International Group, Inc. and provided replacement collateral in the form of U.S. Treasury strips. REFCO debt security that was being held in pledge was released to MTA. On November 6, 2008, the MTA learned that Ambac Assurance Corp., the provider of the credit enhancement that insures the MTA's contingent obligation to pay a portion of the termination values upon an early termination in both the September 25, 2003 and September 29, 2003 transactions, was downgraded to a level that required the provision of new credit enhancement facilities for each lease by December 21, 2008.

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 September 30, 2021, the market value of total collateral funds was $39.4.

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. From time to time, additional collateral has been required to be added such that the total market value of the securities being held as additional collateral are expected to be sufficient to pay the remainder of the regularly scheduled lease rent payments under the lease. As of September 30, 2021, the market value of total collateral funds was $55.5.

MTA Hudson Rail Yards Ground 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. The Hudson Rail Yards is a rectangular area of approximately 26-acres bounded by 10th Avenue on the east, 12th Avenue on the west, 30th Street on the south and 33rd Street on the North. The Hudson Rail Yards is divided into the Eastern Rail Yards ("ERY") and the Western Rail Yards ("WRY").In 2008, the MTA selected a development team led by the Related Companies, L.P to develop a commercial, residential and retail development on the ERY and the WRY.

To undertake the development of the Hudson Rail Yards, the MTA entered into two 99-year ground leases ("Balance Leases") for the airspace above a limiting plane above the tracks (from 31st to 33rd Streets) and the area where there are no rail tracks (from 30th to 31St Streets) within the boundary of the Hudson Rail Yards ("Ground Leased Property"), one for the ERY beginning December 3, 2012 (the "ERY Balance Lease") and the other for the WRY beginning December 3, 2013 (the "WRY Balance Lease"). The Balance Leases do not encumber the railroad tracks, which will continue to be used for transportation purposes. Each Ground Lease Tenant on the ERY Balance Lease and the WRY Balance Lease has the option to purchase fee title to the Ground Leased Property at any time following completion of construction of the building on the Ground Leased Property.

The ERY Balance Lease was terminated and substituted with separate Severed Parcel Ground Leases, each dated as of April 10, 2013, and entered into between the MTA, as landlord, and a special purpose entity controlled by Related-Oxford, as Ground Lease Tenants. Several of the Ground Lease Tenants under the Severed Parcel Ground Leases have exercised their options to purchase fee title, as well as numerous condominium owners in residential buildings.

The WRY Balance Lease is between the MTA and a special purpose entity controlled by Related-Oxford demising the WRY and is also expected to be severed into separate parcels as development progresses.

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

The following ground leases also do not provide a source of payment or security for the Series 2016A Hudson Yards Trust Obligations:

- the ground lease demising the Culture Shed, which does not pay any Monthly Ground Rent, and
- the ground lease demising the Open Space Severed Parcel which does not pay any Monthly Ground Rent.

The MTA has classified the ERY and WRY Ground Leases as operating leases. If at the inception of the ground leases, the leases meet one or more of the following four criteria, the lease should be classified as a capital lease. Otherwise, it should be classified as an operating lease. The ERY and WRY Ground Leases did not meet one or more of the following criteria:

i. The lease transfers ownership of the property to the lessee by the end of the lease term.

ii. The lease contains a bargain purchase option.

iii. The lease term is equal to 75 percent or more of the estimated economic life of the leased property.

iv. The present value at the beginning of the lease term of the minimum lease payments, equals or exceeds 90 percent of the excess of the fair value of the leased property to the lessor at the inception of the lease over any related investment tax credit retained by and expected to be realized by the lessor.

Minimum rent receipts for ERY and WRY Ground Leases are as follows as of September 30, 2021:

Year	ERY	WRY	Total
2021	$ 2	$ 8	$ 10
2022	9	$ 33	42
2023	10	$ 33	43
2024	10	$ 36	46
2025	10	$ 36	46
Thereafter	3,965	14,280	18,245
Total	**$ 4,006**	**$ 14,426**	**$ 18,432**

Other 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 $1.0 billion. 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 September 30, 2021, 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 52.8%, 7.5% and 39.7%, respectively. MTAs' sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by MTA. The lease is comprised of both operating and capital elements, with the portion of the lease attributable to the land recorded as an operating lease, and the portion of the lease attributable to the building recorded as a capital lease. 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, and MTAHQ.

MTA reflected a capital lease obligation as of September 30, 2021 and December 31, 2020 of $241 and $241, respectively. The MTA made rent payments of $21 and $28 for the period ended September 30, 2021 and December 31, 2020, respectively. 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. During 2020, the total of the rental payments charged to MTA New York City Transit and MTA Bridges and Tunnels was $6.34 and $2.17 less, respectively, than the lease payment made by MTA on behalf of MTA New York City Transit and MTA Bridges and Tunnels.

The adjusted capital lease for the aforementioned building is being amortized over the remaining life of the lease. The cost of the building and related accumulated amortization at September 30, 2021 and December 31, 2020, is as follows (in millions):

	September 30, 2021	December 31, 2020
Capital lease - building	$196	$196
Less accumulated amortization	(102)	(99)
Capital lease - building - net	$94	$97

On April 8, 1994, the MTA amended its lease for the Harlem/Hudson line properties, including Grand Central Terminal. This amendment initially extends the lease term, previously expiring in 2031, an additional 110 years and, pursuant to several other provisions, an additional 133 years. In addition, the amendment grants the MTA an option to purchase the leased property after the 25th anniversary of the amended lease, subject to the owner's right to postpone such purchase option exercise date for up to an additional 15 years if the owner has not yet closed the sale, transfer or conveyance of an aggregate amount of 1,000,000 square feet or more of development rights appurtenant to Grand Central Terminal and the associated zoning lots. The amended lease comprises both operating (for the lease of land) and capital (for the lease of buildings and track structure) elements.

On February 28, 2020, the MTA exercised its right to purchase Grand Central Terminal for $33. Both the operating and capital leases were removed from the balance sheet and the building will now be depreciated as an asset.

In August 1988, the MTA entered into a 99-year lease agreement with Amtrak for Pennsylvania Station. This agreement, with an option to renew, is for rights to the lower concourse level and certain platforms.

The $45 paid to Amtrak by the MTA under this agreement is included in other assets. This amount is being amortized over 30 years.

Total rent expense under operating leases approximated $52.6 and $52.7 for the periods ended September 30, 2021 and 2020, respectively.

At September 30, 2021, the future minimum lease payments under non-cancelable leases are as follows (in millions):

Years	**Operating**	**Capital**
2021	$ 39	$ 18
2022	85	74
2023	85	18
2024	87	20
2025	87	20
2026–2030	436	114
2031–2035	439	562
2036–2040	272	161
2041–2045	276	177
2046–2050	144	94
Thereafter	-	-
Future minimum lease payments	$ 1,950	1,258
Amount representing interest		(829)
Total present value of capital lease obligations		429
Less current present value of capital lease obligations		14
Noncurrent present value of capital lease obligations		$ 415

Capital Leases Schedule

For the period ended September 30, 2021

Description	**December 31, 2020**	**Increase**	**Decrease**	**September 30, 2021**
Sumitomo	$ 15	$ -	$ -	$ 15
Met Life	6	-	-	6
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	33	2		35
Bank of America Equity	16	-	-	16
Sumitomo	18	1	5	14
Met Life Equity	61	-	-	61
Grand Central Terminal & Harlem Hudson Railroad Lines	-	-	-	-
2 Broadway Lease Improvement	182	-	-	182
2 Broadway	59	-	-	59
Total MTA Capital Lease	$ 431	$ 3	$ 5	$ 429
Current Portion Obligations under Capital Lease	4			14
Long Term Portion Obligations under Capital Lease	$ 427			$ 415

Capital Leases Schedule

For the Year Ended December 31, 2020

Description	December 31, 2019	Increase	Decrease	December 31, 2020
Sumitomo	$ 15	$ -	$ -	$ 15
Met Life	6	-	-	6
Met Life Equity	19	-	-	19
Bank of New York	22	-	-	22
Bank of America	42	-	9	33
Bank of America Equity	16	-	-	16
Sumitomo	24	-	6	18
Met Life Equity	58	3	-	61
Grand Central Terminal & Harlem Hudson Railroad Lines	13	-	13	-
2 Broadway Lease Improvement	179	3	-	182
2 Broadway	58	1	-	59
Total MTA Capital Lease	$ 452	$ 7	$ 28	$ 431
Current Portion Obligations under Capital Lease	14			4
Long Term Portion Obligations under Capital Lease	$ 438			$ 427

9. 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.

10. ESTIMATED LIABILITY ARISING FROM INJURIES TO PERSONS

A summary of activity in estimated liability as computed by actuaries arising from injuries to persons, including employees, and damage to third-party property for the period ended September 30, 2021 and year ended December 31, 2020 is presented below (in millions):

	September 30, 2021	December 31, 2020
Balance - beginning of year	$ 4,675	$ 4,587
Activity during the year:		
Current year claims and changes in estimates	512	520
Claims paid	(276)	(432)
Balance - end of year	4,911	4,675
Less current portion	(483)	(491)
Long-term liability	$ 4,428	$ 4,184

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

11. COMMITMENTS AND CONTINGENCIES

The MTA Group monitors its properties for the presence of pollutants and/or hazardous wastes and evaluates its exposure with respect to such matters. When the expense, if any, to clean up pollutants and/or hazardous wastes is estimable it is accrued by the MTA (see Note 12).

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 will entail 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 and Metro-North Commuter Railroad (the "Train Hall"), as well as retail and commercial space (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 "TIFIA Loan"), with 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 TIFIA Loan are being used to pay for costs of the construction of the Train Hall. The TIFIA Loan is secured by a mortgage on the Train Hall property. The principal and interest on the 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 September, 2030 and is thereafter calculated based upon the assessed value of the properties as determined by New York City. The TIFIA Loan is further supported by a TIFIA Debt Service Reserve Account, which is funded in an amount equal to the sum of the highest aggregate TIFIA debt service amounts that will become due and payable on any two consecutive semi-annual payment dates in a five-year prospective period.

Simultaneously with the execution of the TIFIA Loan Agreement, the JSA was entered into by and among the MTA, the TIFIA Lender, ESD, and Manufacturers and Traders Trust Company (as Pilot trustee). 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 moneys 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 TIFIA Loan has been paid in full and (c) foreclosure by the TIFIA Lender under the Mortgage (as defined in the TIFIA Loan Agreement).

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 TIFIA Loan Agreement 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 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 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") whereby 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.

12. 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 $2 and $4 for the periods ended September 30, 2021 and 2020, respectively. A summary of the activity in pollution remediation liability at September 30, 2021 and December 31, 2020 were as follows:

	September 30, 2021	December 31, 2020
Balance at beginning of year	$ 152	$ 151
Current year expenses/changes in estimates	2	123
Current year payments	(6)	(122)
Balance at end of year	148	152
Less current portion	28	29
Long-term liability	$ 120	$ 123

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.

13. NON-CURRENT LIABILITIES

Changes in the activity of non-current liabilities for the periods ended September 30, 2021 and December 31, 2020 are presented below:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Additions	Reductions	Balance September 30, 2021
Non-current liabilities:							
Contract retainage payable	$ 430	$ 49	$ -	479	$ -	$ (31)	$ 448
Other long-term liabilities	372	136	-	508	8	-	516
Total non-current liabilities	**$ 802**	**$ 185**	**$ -**	**$ 987**	**$ 8**	**$ (31)**	**$ 964**

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 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.

Coronavirus Aid, Relief and Economic Security Ac ("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 is providing approximately $4 billion to MTA. Funding will be 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 in additional formula grant allocations to MTA for a CARES Act grant total of $4.010 billion. As of December 31, 2020, a total of $4.010 billion has been 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 directly placed with the MLF $450.72 Transportation Revenue BANs, Series 2020, which were issued to retire existing Transportation Revenue BANs maturing on September 1, 2020.MTA issued into the MLF a second time by directly placing $2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. The MLF loan is due for repayment in 2023, and MTA expects to issue long-term bonds in 2023 to repay the Federal Reserve in full.

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. CRRSAA funds have not yet been received by MTA. Release of such funds by the FTA was awaiting agreement of the final allocation of CRRSAA and ARPA monies among the states of New York, New Jersey, and Connecticut. An agreement on the allocation of the CRSAA and ARPA funding was made on November 9, 2021. MTA will receive $4.0 billion in aid from the CRRSAA. This federal relief is expected to offset operating deficits in 2021.

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. ARPA funds have not yet been received. Release of such funds was awaiting agreement on the final allocation of CRRSAA and ARPA monies among the states of New York, New Jersey and Connecticut. Such agreement was made on November 9, 2021. The MTA will receive $6.1 billion in aid from ARPA.

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 $371.4 of direct COVID-19 related expenses incurred from the start of the pandemic through December 31, 2020, the cut-off date established by FEMA, was submitted by MTA to FEMA for reimbursement.

15. FUEL HEDGE

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

Counterparty	Goldman Sachs	Goldman Sachs	BOA_ Merrill	BOA_ Merrill	Goldman Sachs	Cargill	Macquarie Energy LLC	Goldman Sachs
Trade Date	10/29/2019	11/26/2019	12/30/2019	1/30/2020	2/25/2020	3/24/2020	4/30/2020	5/27/2020
Effective Date	10/1/2020	11/1/2020	12/1/2020	1/1/2021	2/1/2021	3/1/2021	4/1/2021	5/1/2021
Termination Date	9/30/2021	10/31/2021	11/30/2021	12/31/2021	1/31/2022	2/28/2022	3/31/2022	4/30/2022
Price/Gal	$1.8420	$1.8600	$1.9040	$1.7100	$1.6750	$1.3473	$1.1800	$1.2640
Original Notional Quantity	2,839,784	2,839,778	2,839,796	2,839,808	2,841,331	2,819,772	2,819,762	2,819,768

Counterparty	BOA_ Merrill	Macquarie Energy LLC	Goldman Sachs	Goldman Sachs	Goldman Sachs	BOA_ Merrill	JPMorgan	JPMorgan
Trade Date	6/30/2020	7/28/2020	8/27/2020	9/29/2020	10/27/2020	11/30/2020	12/29/2020	1/26/2021
Effective Date	6/1/2021	7/1/2021	8/1/2021	9/1/2021	10/1/2021	11/1/2021	12/1/2021	1/1/2022
Termination Date	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	10/31/2021	11/30/2022	12/31/2022
Price/Gal	$1.3685	$1.4200	$1.4340	$1.3145	$1.3120	$1.4615	$1.5355	$1.6051
Original Notional Quantity	2,819,748	2,819,761	2,819,736	2,862,960	2,825,162	2,841,038	2,826,765	2,862,779

Counterparty	Goldman Sachs	JPMorgan	Goldman Sachs	BOA_ Merrill	Goldman Sachs	JPMorgan	BOA_ Merrill	BOA_ Merrill
Trade Date	2/23/2021	3/31/2021	4/29/2021	6/2/2021	6/29/2021	7/27/2021	8/31/2021	9/29/2021
Effective Date	2/1/2022	3/1/2022	4/1/2022	5/1/2022	6/1/2022	7/1/2022	8/1/2022	9/1/2022
Termination Date	1/31/2023	2/28/2023	3/31/2023	4/30/2023	5/31/2023	6/30/2023	7/31/2023	8/31/2023
Price/Gal	$1.7845	$1.8072	$1.9360	$2.0495	$2.0610	$2.0505	$2.0345	$2.1459
Original Notional Quantity	2,826,759	2,826,761	2,826,752	2,826,757	2,826,738	2,826,751	2,826,725	2,826,740

The monthly settlements are based on the daily prices of the respective commodities whereby MTA will either receive a payment, or make a payment to the various counterparties depending on the average monthly price of the commodities in relation to the contract prices. At a contract's termination date, the MTA will take delivery of the fuel. As of September 30, 2021, the total outstanding notional value of the ULSD contracts was 51.9 million gallons with a positive fair market value of $28.8. 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).

16. CONDENSED COMPONENT UNIT INFORMATION

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

September 30, 2021	**MTA**	**Metro - North Railroad**	**Long Island Railroad**	**New York City Transit Authority**	**Triborough Bridge and Tunnel Authority**	**Eliminations**	**Consolidated Total**
Current assets	$ 9,190	$ 216	$ 227	$ 541	$ 2,609	$ (411)	$ 12,372
Capital assets	13,194	5,983	9,298	46,336	7,530	-	82,341
Other Assets	14,479	-	-	1	451	(13,691)	1,240
Intercompany receivables	1,493	125	(38)	(1,592)	2,102	(2,090)	-
Deferred outflows of resources	1,738	596	687	2,717	491	(178)	6,051
Total assets and deferred outflows of resources	**$ 40,094**	**$ 6,920**	**$ 10,174**	**$ 48,003**	**$ 13,183**	**$ (16,370)**	**$ 102,004**
Current liabilities	$ 7,701	$ 369	$ 272	$ 2,066	$ 1,008	$ (111)	$ 11,305
Non-current liabilities	40,025	2,352	3,868	23,886	14,113	(153)	84,091
Intercompany payables	1,039	197	115	926	602	(2,879)	-
Deferred inflows of resources	361	204	462	1,413	120	-	2,560
Total liabilities and deferred inflows of resources	**$ 49,126**	**$ 3,122**	**$ 4,717**	**$ 28,291**	**$ 15,843**	**$ (3,143)**	**$ 97,956**
Net investment in capital assets	$ (31,374)	$ 5,970	$ 9,274	$ 46,091	$ 1,656	$ (453)	$ 31,164
Restricted	2,646	-	-	-	1,780	(413)	4,013
Unrestricted	19,696	(2,172)	(3,817)	(26,379)	(6,096)	(12,361)	(31,129)
Total net position	**$ (9,032)**	**$ 3,798**	**$ 5,457**	**$ 19,712**	**$ (2,660)**	**$ (13,227)**	**$ 4,048**
For the period ended September 30, 2021							
Fare revenue	$ 103	$ 171	$ 199	$ 1,617	$ -	$ -	$ 2,090
Vehicle toll revenue	-	-	-	-	1,565	-	1,565
Rents, freight and other revenue	38	15	21	352	17	(28)	415
Total operating revenue	**141**	**186**	**220**	**1,969**	**1,582**	**(28)**	**4,070**
Total labor expenses	862	703	836	5,018	159	-	7,578
Total non-labor expenses	385	258	259	1,290	146	(28)	2,310
Depreciation	60	214	343	1,558	143	-	2,318
Total operating expenses	**1,307**	**1,175**	**1,438**	**7,866**	**448**	**(28)**	**12,206**
Operating (deficit) surplus	**(1,166)**	**(989)**	**(1,218)**	**(5,897)**	**1,134**	**-**	**(8,136)**
Subsidies and grants	778	250	-	429	7	(272)	1,192
Tax revenue	4,280	-	-	1,837	234	(1,535)	4,816
Interagency subsidy	739	419	547	256	-	(1,961)	-
Interest expense	(1,100)	-	(1)	(2)	(262)	2	(1,363)
Other	(1,051)	-	-	397	1	797	144
Total non-operating revenues (expenses)	**3,646**	**669**	**546**	**2,917**	**(20)**	**(2,969)**	**4,789**
Gain (Loss) before appropriations	2,480	(320)	(672)	(2,980)	1,114	(2,969)	(3,347)
Appropriations, grants and other receipts externally restricted for capital projects	(1,223)	350	899	868	(1,331)	2,849	2,412
Change in net position	1,257	30	227	(2,112)	(217)	(120)	(935)
Net position, beginning of period	(10,289)	3,768	5,230	21,824	(2,443)	(13,107)	4,983
Net position, end of period	**$ (9,032)**	**$ 3,798**	**$ 5,457**	**$ 19,712**	**$ (2,660)**	**$ (13,227)**	**$ 4,048**
For the period ended September 30, 2021							
Net cash (used by) / provided by operating activities	$ (1,194)	$ (625)	$ (668)	$ (4,139)	$ 1,325	$ (381)	$ (5,682)
Net cash provided by / (used by) non-capital financing activities	5,095	667	646	2,966	(1,544)	(2,012)	5,818
Net cash (used by) / provided by capital and related financing activities	(2,174)	(48)	22	(792)	1,375	1,963	346
Net cash (used by) / provided by investing activities	(1,546)	-	-	1,965	(675)	430	174
Cash at beginning of period	471	23	5	20	507	-	1,026
Cash at end of period	**$ 652**	**$ 17**	**$ 5**	**$ 20**	**$ 988**	**$ -**	**$ 1,682**

December 31, 2020	MTA	Metro-North Railroad	Long Island Railroad	New York City Transit Authority	Triborough Bridge and Tunnel Authority	Eliminations	Consolidated Total
Current assets	$ 9,615	$ 242	$ 236	$ 522	$ 1,053	$ (39)	$ 11,629
Capital assets	12,839	5,828	8,844	46,134	7,250	-	80,895
Other Assets	14,346	-	-	1	4	(13,081)	1,270
Intercompany receivables	1,828	191	253	642	791	(3,705)	-
Deferred outflows of resources	1,878	591	692	2,690	565	(215)	6,201
Total assets and deferred outflows of resources	**$ 40,506**	**$ 6,852**	**$ 10,025**	**$ 49,989**	**$ 9,663**	**$ (17,040)**	**$ 99,995**
Current liabilities	$ 3,681	$ 377	$ 331	$ 2,013	$ 840	$ (58)	$ 7,184
Non-current liabilities	44,846	2,361	3,883	23,713	10,651	(191)	85,263
Intercompany payables	1,902	142	119	1,026	495	(3,684)	-
Deferred inflows of resources	366	204	462	1,413	120	-	2,565
Total liabilities and deferred inflows of resources	**$ 50,795**	**$ 3,084**	**$ 4,795**	**$ 28,165**	**$ 12,106**	**$ (3,933)**	**$ 95,012**
Net investment in capital assets	$ (29,660)	$ 5,814	$ 8,817	$ 45,884	$ 2,466	$ (437)	$ 32,884
Restricted	1,795	-	-	-	589	(433)	1,951
Unrestricted	17,576	(2,046)	(3,587)	(24,060)	(5,498)	(12,237)	(29,852)
Total net position	**$ (10,289)**	**$ 3,768**	**$ 5,230**	**$ 21,824**	**$ (2,443)**	**$ (13,107)**	**$ 4,983**
For the period ended September 30, 2020							
Fare revenue	$ 66	$ 205	$ 224	$ 1,509	$ -	$ -	$ 2,004
Vehicle toll revenue	-	-	-	-	1,190	-	1,190
Rents, freight and other revenue	40	25	24	271	15	(31)	344
Total operating revenue	**106**	**230**	**248**	**1,780**	**1,205**	**(31)**	**3,538**
Total labor expenses	845	687	826	5,200	171	-	7,729
Total non-labor expenses	390	246	256	1,298	143	(28)	2,305
Depreciation	57	184	317	1,538	130	-	2,226
Total operating expenses	**1,292**	**1,117**	**1,399**	**8,036**	**444**	**(28)**	**12,260**
Operating (deficit) surplus	**(1,186)**	**(887)**	**(1,151)**	**(6,256)**	**761**	**(3)**	**(8,722)**
Subsidies and grants	776	183	-	403	7	(244)	1,125
Tax revenue	4,284	-	-	996	286	(741)	4,825
Interagency subsidy	321	244	278	89	-	(932)	-
Interest expense	(1,032)	-	(1)	(2)	(246)	1	(1,280)
Other	328	313	508	2,832	-	243	4,224
Total non-operating revenues (expenses)	**4,677**	**740**	**785**	**4,318**	**47**	**(1,673)**	**8,894**
Gain (Loss) before appropriations	3,491	(147)	(366)	(1,938)	808	(1,676)	172
Appropriations, grants and other receipts externally restricted for capital projects	505	316	1,005	47	(318)	885	2,440
Change in net position	3,996	169	639	(1,891)	490	(791)	2,612
Net position, beginning of the period	(12,352)	3,460	4,417	23,974	(3,116)	(11,932)	4,451
Net position, end of period	**$ (8,356)**	**$ 3,629**	**$ 5,056**	**$ 22,083**	**$ (2,626)**	**$ (12,723)**	**$ 7,063**
For the period ended September 30, 2020							
Net cash (used in) / provided by operating activities	$ (469)	$ (695)	$ (852)	$ (4,137)	$ 940	$ 31	$ (5,182)
Net cash provided by / (used in) non-capital financing activities	6,767	787	978	5,257	(353)	(5,189)	8,247
Net cash (used in) / provided by capital and related financing activities	(872)	(46)	(29)	(822)	135	2,036	402
Net cash provided by / (used in) investing activities	(5,374)	(50)	(100)	(308)	(500)	3,122	(3,210)
Cash at beginning of period	312	37	7	49	149	-	554
Cash at end of period	**$ 364**	**$ 33**	**$ 4**	**$ 39**	**$ 371**	**$ -**	**$ 811**

17. SUBSEQUENT EVENTS

On October 15, 2021, MTA extended both of its irrevocable direct-pay Letters of Credit issued by TD Bank, N.A. that are associated with Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002G-1g and Transportation Revenue Variable Rate Refunding Bonds, Subseries 2012G-2 for three years to November 1, 2024.

On October 25, 2021, MTA executed a 2,826,749 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.2879 (whole dollars) per gallon. The hedge covers the period from October 2022 through September 2023.

On October 27, 2021, MTA effectuated a mandatory tender and remarketed $111.175 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Series 2002F because its irrevocable direct-pay Letter of Credit issued by Citibank, N.A. was expiring by its terms, and $53.005 of Triborough Bridge and Tunnel Authority General Revenue Bonds, Subseries 2008B-2 because its current interest rate period was expiring by its terms. The Series 2002F bonds were remarketed as fixed rate tax-exempt bonds with a final maturity of November 1, 2032. The Subseries 2008B-2 bonds were remarketed as fixed rate tax-exempt bonds with a final maturity of November 15, 2027.

On November 15, 2021, President Joe Biden signed into law a $1.2 trillion bipartisan infrastructure bill, which will deliver $550 billion of new federal investments in America's infrastructure over five years, touching everything from bridges and roads to the nation's broadband, water, and energy systems. The total amount to be allocated to the MTA is in the process of being determined.

On November 29, 2021, MTA executed a 2,826,751 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.0100 (whole dollars) per gallon. The hedge covers the period from November 2022 through October 2023.

On December 9, 2021, MTA issued $4 billion of MTA Grant Anticipation Notes, Series 2021A ("the Series 2021A Notes"). Proceeds from the Series 2021A Notes issuance were used to (i) reimburse MTA and its related entities for certain operating expenses and lost revenues since January 20, 2020, due to the COVID-19 public health emergency, and (ii) pay certain financing, legal and miscellaneous expenses. The Series 2021A Notes have a final maturity of November 15, 2022.

On December 15, 2021, the FTA approved the $4.113 billion CRRSAA grant, which will be used to cover certain operating expenses and lost revenues from September 2020 through April 2021. The MTA began drawdowns on December 23, 2021.

On December 28, 2021, MTA executed a 2,826,765 gallon ultra-low sulfur diesel fuel hedge at an all-in price of $2.2227 (whole dollars) per gallon. The hedge covers the period from December 2022 through November 2023.

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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):	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:						
Service cost	$ 621	$ 1,057	$ 1,874	$ 2,752	$ 3,441	$ 3,813
Interest	93,413	97,611	101,477	104,093	106,987	110,036
Effect of economic / demographic (gains) or losses	13,455	213	1,890	15,801	6,735	-
Effect of assumption changes or inputs	50,191	-	-			
Benefit payments and withdrawals	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Net change in total pension liability	426	(60,684)	(54,476)	(35,947)	(39,908)	(43,125)
Total pension liability—beginning	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159	1,645,284
Total pension liability—ending (a)	1,411,570	1,411,144	1,471,828	1,526,304	1,562,251	1,602,159
Plan fiduciary net position:						
Employer contributions	62,774	59,500	76,523	81,100	100,000	407,513
Nonemployer contributions	-	-	145,000	70,000	-	-
Member contributions	249	333	760	884	1,108	1,304
Net investment income	116,092	(31,098)	112,614	58,239	527	21,231
Benefit payments and withdrawals	(157,254)	(159,565)	(159,717)	(158,593)	(157,071)	(156,974)
Administrative expenses	(718)	(1,180)	(1,070)	(611)	(1,218)	(975)
Net change in plan fiduciary net position	21,143	(132,010)	174,110	51,019	(56,654)	272,099
Plan fiduciary net position—beginning	819,317	951,327	777,217	726,198	782,852	510,753
Plan fiduciary net position—ending (b)	840,460	819,317	951,327	777,217	726,198	782,852
Employer's net pension liability—ending (a)-(b)	571,110	591,827	520,501	749,087	836,053	819,307
Plan fiduciary net position as a percentage of the total pension liability	59.54%	58.06%	64.64%	50.92%	46.48%	48.86%
Covered payroll	7,236	13,076	20,500	29,312	39,697	43,267
Employer's net pension liability as a percentage of covered payroll	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):	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:						
Service cost	$ 89,814	$ 86,979	$ 84,394	$ 82,075	$ 77,045	$ 72,091
Interest	265,454	256,084	246,284	236,722	232,405	223,887
Effect of economic / demographic (gains) or losses	9,011	5,412	11,826	13,784	(68,997)	-
Effect of assumption changes or inputs	168,752	-	6,347			
Differences between expected and actual experience	-	-	-	-	-	(1,596)
Benefit payments and withdrawals	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Net change in total pension liability	311,810	134,648	139,729	144,758	60,525	118,935
Total pension liability—beginning	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464	3,212,529
Total pension liability—ending (a)	4,122,934	3,811,124	3,676,476	3,536,747	3,391,989	3,331,464
Plan fiduciary net position:						
Employer contributions	206,390	205,433	202,684	220,697	214,881	226,374
Member contributions	23,552	21,955	19,713	18,472	16,321	15,460
Net investment income	447,365	(87,952)	350,186	212,260	(24,163)	105,084
Benefit payments and withdrawals	(221,221)	(213,827)	(209,122)	(187,823)	(179,928)	(175,447)
Administrative expenses	(220)	(196)	(208)	(186)	(88)	(74)
Net change in plan fiduciary net position	455,866	(74,587)	363,253	263,420	27,023	171,397
Plan fiduciary net position—beginning	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293	2,093,896
Plan fiduciary net position—ending (b)	3,300,268	2,844,402	2,918,989	2,555,736	2,292,316	2,265,293
Employer's net pension liability—ending (a)-(b)	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	80.05%	74.63%	79.40%	72.26%	67.58%	68.00%
Covered payroll	786,600	776,200	749,666	716,527	686,674	653,287
Employer's net pension liability as a percentage of covered payroll	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):	2019	2018	2017	2016	2015	2014
Total pension liability:						
Interest	$ 18	$ 20	$ 21	$ 24	$ 29	$ 32
Effect of economic / demographic (gains) or losses	4	(11)	12	(15)	(10)	-
Effect of assumption changes or inputs	-	-	-	-	18	-
Benefit payments and withdrawals	(53)	(58)	(71)	(77)	(113)	(88)
Net change in total pension liability	(31)	(49)	(38)	(68)	(76)	(56)
Total pension liability—beginning	479	528	566	634	710	766
Total pension liability—ending (a)	448	479	528	566	634	710
Plan fiduciary net position:						
Employer contributions	-	5	-	23	18	-
Net investment income	40	1	20	16	6	41
Benefit payments and withdrawals	(53)	(58)	(71)	(77)	(113)	(88)
Administrative expenses	(3)	-	-	-	3	(3)
Net change in plan fiduciary net position	(16)	(52)	(51)	(38)	(86)	(50)
Plan fiduciary net position—beginning	471	523	574	612	698	748
Plan fiduciary net position—ending (b)	455	471	523	574	612	698
Employer's net pension liability—ending (a)-(b)	$ (7)	$ 8	$ 5	$ (8)	$ 22	$ 12
Plan fiduciary net position as a percentage of the total pension liability	101.45%	98.33%	99.05%	101.41%	96.53%	98.36%
Covered payroll	$ 278	$ 268	$ 471	$ 846	$ 1,474	$ 2,274
Employer's net pension liability as a percentage of covered payroll	-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):	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Total pension liability:						
Service cost	$ 173,095	$ 162,273	$ 148,051	$ 138,215	$ 124,354	$ 121,079
Interest	387,193	358,118	335,679	308,009	288,820	274,411
Effect of economic / demographic (gains) or losses	35,935	75,744	(27,059)	86,809	121,556	2,322
Effect of assumption changes or inputs	690,958	-	10,731	-	(76,180)	-
Effect of plan changes	-	61,890	76,511	73,521	6,230	-
Benefit payments and withdrawals	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Net change in total pension liability	1,022,196	415,676	310,937	396,931	265,208	206,755
Total pension liability—beginning	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738	3,892,983
Total pension liability—ending (a)	6,510,686	5,488,490	5,072,814	4,761,877	4,364,946	4,099,738
Plan fiduciary net position:						
Employer contributions	344,714	338,967	321,861	280,768	221,694	331,259
Member contributions	31,504	29,902	31,027	29,392	34,519	26,006
Net investment income	651,919	(150,422)	516,153	247,708	(45,122)	102,245
Benefit payments and withdrawals	(264,985)	(242,349)	(232,976)	(209,623)	(199,572)	(191,057)
Administrative expenses	(3,408)	(3,152)	(4,502)	(3,051)	(1,962)	(9,600)
Net change in plan fiduciary net position	759,744	(27,054)	631,563	345,194	9,557	258,853
Plan fiduciary net position—beginning	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220	2,806,367
Plan fiduciary net position—ending (b)	4,784,224	4,024,480	4,051,534	3,419,971	3,074,777	3,065,220
Employer's net pension liability—ending (a)-(b)	$ 1,726,462	$ 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	73.48%	73.33%	79.87%	71.82%	70.44%	74.77%
Covered payroll	$ 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	84.11%	72.09%	55.00%	75.20%	72.76%	61.59%

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

REQUIRED SUPPLEMENTARY INFORMATION

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

($ in thousands)

	NYCERS Plan					
Plan Measurement Date:	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**	**June 30, 2016**	**June 30, 2015**
MTA's proportion of the net pension liability	24.420%	24.493%	23.682%	24.096%	23.493%	23.585%
MTA's proportionate share of the net pension liability	$ 5,147,445	$ 4,536,510	$ 4,176,941	$ 5,003,811	$ 5,708,052	$ 4,773,787
MTA's actual covered payroll	$ 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	146.456%	113.989%	129.846%	158.616%	186.294%	159.686%
Plan fiduciary net position as a percentage of the total pension liability	76.933%	78.836%	78.826%	74.805%	69.568%	73.125%

	NYSLERS Plan					
Plan Measurement Date:	**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	0.346%	0.345%	0.327%	0.311%	0.303%	0.289%
MTA's proportionate share of the net pension liability	$ 91,524	$ 24,472	$ 10,553	$ 29,239	$ 48,557	$ 9,768
MTA's actual covered payroll	$ 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	86.788%	22.400%	10.025%	30.273%	55.386%	11.187%
Plan fiduciary net position as a percentage of the total pension liability	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.

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REQUIRED SUPPLEMENTARY INFORMATION

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

($ in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Additional Plan*										
Actuarially Determined Contribution	$ 68,723	$ 62,774	$ 59,196	$ 76,523	$ 83,183	$ 82,382	$ 112,513	$ -	$ -	$ -
Actual Employer Contribution	68,724	62,774	59,500	221,523	151,100	100,000	407,513	-	-	-
Contribution Deficiency (Excess)	$ (1)	$ -	$ (304)	$ (145,000)	$ (67,917)	$ (17,618)	$(295,000)	$ -	$ -	$ -
Covered Payroll	$ 5,174	$ 7,236	$ 13,076	$ 20,500	$ 29,312	$ 39,697	$ 43,267	$ -	$ -	$ -
Contributions as a % of Covered Payroll	1328.26%	867.54%	455.02%	1080.62%	515.49%	251.91%	941.87%	N/A	N/A	N/A
MaBSTOA Plan										
Actuarially Determined Contribution	$ 159,486	$ 209,314	$ 202,509	$ 202,924	$ 220,697	$ 214,881	$ 226,374	$ 234,474	$ 228,918	$ 186,454
Actual Employer Contribution	159,486	206,390	205,434	202,684	220,697	214,881	226,374	234,474	228,918	186,454
Contribution Deficiency (Excess)	$ -	$ 2,924	$ (2,925)	$ 240	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 802,100	$ 786,600	$ 776,200	$ 749,666	$ 716,527	$ 686,674	$ 653,287	$ 582,081	$ 575,989	$ 579,696
Contributions as a % of Covered Payroll	19.88%	26.24%	26.47%	27.04%	30.80%	31.29%	34.65%	40.28%	39.74%	32.16%
Metro-North Cash Balance Plan*										
Actuarially Determined Contribution	$ -	$ 8	$ 5	$ -	$ 23	$ -	$ 5	$ -	$ -	$ -
Actual Employer Contribution	-	-	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%	1.87%	0.00%	2.68%	0.96%	0.00%	N/A	N/A	N/A
MTA Defined Benefit Plan*										
Actuarially Determined Contribution	$ 392,921	$ 349,928	$ 331,566	$ 316,916	$ 290,415	$ 273,700	$ 271,523	$ -	$ -	$ -
Actual Employer Contribution	393,961	343,862	339,800	321,861	280,767	221,694	331,259	-	-	-
Contribution Deficiency (Excess)	$ (1,040)	$ 6,066	$ (8,234)	$ (4,945)	$ 9,648	$ 52,006	$ (59,736)	$ -	$ -	$ -
Covered Payroll	$ 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	19.21%	16.75%	16.73%	17.33%	15.73%	12.50%	19.72%	N/A	N/A	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

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

($ in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NYCERS										
Actuarially Determined Contribution	$ 882,690	$ 952,616	$ 807,097	$ 800,863	$ 797,845	$ 736,212	$ 741,223	$ 736,361	$ 731,983	$ 657,771
Actual Employer Contribution	882,690	952,616	807,097	800,863	797,845	736,212	741,223	736,361	731,983	657,771
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,771,595	$ 3,948,283	$ 3,974,494	$ 3,768,885	$ 3,523,993	$ 3,494,907	$ 3,617,087	$ 2,943,195	$ 2,925,834	$ 2,900,630
Contributions as a % of Covered Payroll	23.40%	24.13%	20.31%	21.25%	22.64%	21.07%	20.49%	25.02%	25.02%	22.68%
NYSLERS **										
Actuarially Determined Contribution	$ 14,533	$ 14,851	$ 14,501	$ 13,969	$ 12,980	$ 15,792	$ 13,816	$ -	$ -	$ -
Actual Employer Contribution	14,533	14,851	14,501	13,969	12,980	15,792	13,816	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 102,838	$ 106,913	$ 109,210	$ 103,787	$ 94,801	$ 86,322	$ 84,041	$ -	$ -	$ -
Contributions as a % of Covered Payroll	14.13%	13.89%	13.28%	13.46%	13.69%	18.29%	16.44%	N/A	N/A	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, 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, 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, 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, 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

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

	NYCERS Plan		
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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION (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.

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

Changes of Benefit Terms:

There were no significant legislative changes in benefit for the June 30, 2019 valuation for the NYCERS plan.

There were no significant legislative changes in benefit for the April 1, 2019 valuation for the NYSLERS plan.

Changes of Assumptions:

There were no significant changes in the economic and demographic used in the June 30, 2019 valuation for the NYCERS plan.

There were no significant changes in the economic and demographic assumptions used in the April 1, 2019 valuation for the NYSLERS plan.

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

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

($ in thousands)

Plan Measurement Date (December 31):	**2019**	**2018**	**2017**
Total OPEB liability:			
Service cost	$ 928,573	$ 1,002,930	$ 884,548
Interest on total OPEB liability	840,532	734,968	731,405
Effect of plan changes	-	1,580	27,785
Effect of economic/demographic (gains) or losses	247,871	(19,401)	13,605
Effect of assumption changes or inputs	311,286	(1,800,135)	911,465
Benefit payments	(730,677)	(691,122)	(650,994)
Net change in total OPEB liability	1,597,585	(771,180)	1,917,814
Total OPEB liability—beginning	19,933,888	20,705,068	18,787,254
Total OPEB liability—ending (a)	21,531,473	19,933,888	20,705,068
Plan fiduciary net position:			
Employer contributions	730,677	691,122	650,994
Net investment income	63,647	(18,916)	47,370
Benefit payments	(730,677)	(691,122)	(650,994)
Administrative expenses	(200)	(56)	-
Net change in plan fiduciary net position	63,447	(18,972)	47,370
Plan fiduciary net position—beginning	351,380	370,352	322,982
Plan fiduciary net position—ending (b)	414,827	351,380	370,352
Net OPEB liability—ending (a)-(b)	$ 21,116,646	$ 19,582,508	$ 20,334,716
Plan fiduciary net position as a percentage of the total OPEB liability	1.93%	1.76%	1.79%
Covered payroll	$ 6,901,690	$ 6,903,700	$ 5,394,332
Net OPEB liability as a percentage of covered payroll	305.96%	283.65%	376.96%

Notes to Schedule:

Changes of benefit terms:	In the July 1, 2019 actuarial valuation, there were no changes to the benefit terms.
Changes of assumptions:	In the July 1, 2019 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.

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

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

($ in thousands)	**2020**	**2019**	**2018**	**2017**
Actuarially Determined Contribution	N/A	N/A	N/A	N/A
Actual Employer Contribution (1)	$ 391,529	$ 737,297	$ 691,122	$ 650,994
Contribution Deficiency (Excess)	N/A	N/A	N/A	N/A
Covered Payroll	$ 6,716,423	$ 6,901,690	$ 6,903,700	$ 5,394,200
Actual Contribution as a Percentage of Covered Payroll	5.83%	10.68%	10.01%	12.07%

(1) Actual employer contribution includes the implicit rate of subsidy adjustment of $62,852 and $76,758 for the years ended December 31, 2020 and 2019, 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.

(A Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION

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

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

Note: This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2020

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds	
	Defined Benefit Pension Plan	LIRR Company Plan for Additional Pensions	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ASSETS:					
Cash	$ 10,702	$ 1,480	$ 8,076	$ -	$ 20,258
Receivables:					
Employee loans	-	-	30,744	-	30,744
Participant and union contributions	-	(6)	-	-	(6)
Investment securities sold	-	2,769	1,902	-	4,671
Accrued interest and dividends	2,712	375	1,351	-	4,438
Other receivables	21,687	97	-	-	21,784
Total receivables	24,399	3,235	33,997	-	61,631
Investments at fair value:	4,980,355	755,908	3,273,256	172	9,009,691
Total assets	$ 5,015,456	$ 760,623	$ 3,315,329	$ 172	$ 9,091,580
LIABILITIES:					
Accounts payable and accrued liabilities	5,461	316	-	-	5,777
Payable for investment securities purchased	3,921	542	4,317	-	8,780
Accrued benefits payable	-	-	73	42	115
Accrued postretirement death benefits (PRDB) payable	-	-	4,204	-	4,204
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	4,643	-	4,643
Other liabilities	310	43	-	-	353
Total liabilities	9,692	901	13,237	42	23,872
NET POSITION:					
Restricted for pensions	5,005,764	759,722	3,302,092	-	9,067,578
Restricted for postemployment benefits other than pensions	-	-	-	130	130
Total net position	5,005,764	759,722	3,302,092	130	9,067,708
Total liabilities and net position	$ 5,015,456	$ 760,623	$ 3,315,329	$ 172	$ 9,091,580

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Fiduciary Net Position as of December 31, 2019

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds	
	Defined Benefit Pension Plan	LIRR Company Plan for Additional Pensions	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ASSETS:					
Cash	$ 6,891	$ 1,114	$ 6,494	$ -	$ 14,499
Receivables:					
Employee loans	-	-	40,092	-	40,092
Participant and union contributions	-	21	-	-	21
Investment securities sold	-	104	1,036	-	1,140
Accrued interest and dividends	2,950	477	1,419	20	4,866
Other receivables	2,149	33	-	-	2,182
Total receivables	5,099	635	42,547	20	48,301
Investments at fair value:	4,775,756	838,267	3,261,864	414,929	9,290,816
Total assets	$ 4,787,746	$ 840,016	$ 3,310,905	$ 414,949	$ 9,353,616
LIABILITIES:					
Accounts payable and accrued liabilities	4,067	(342)	1,629	-	5,354
Payable for investment securities purchased	3,594	581	3,425	-	7,600
Accrued benefits payable	-	-	19	122	141
Accrued postretirement death benefits (PRDB) payable	-	-	3,360	-	3,360
Accrued 55/25 Additional Members Contribution (AMC) payable	-	-	5,787	-	5,787
Other liabilities	516	69	-	-	585
Total liabilities	8,177	308	14,220	122	22,827
NET POSITION:					
Restricted for pensions	4,779,569	839,708	3,296,685	-	8,915,962
Restricted for postemployment benefits other than pensions	-	-	-	414,827	414,827
Total net position	4,779,569	839,708	3,296,685	414,827	9,330,789
Total liabilities and net position	$ 4,787,746	$ 840,016	$ 3,310,905	$ 414,949	$ 9,353,616

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2020

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ADDITIONS:					
Contributions:					
Employer contributions	394,986	68,723	159,486	317,899	941,094
Implicit rate subsidy contribution	-	-	-	69,472	69,472
Member contributions	32,006	141	24,709	-	56,856
Total contributions	426,992	68,864	184,195	387,371	1,067,422
Investment income:					
Net (depreciation) / appreciation in fair value of investments	76,041	366	40,738	(77,576)	39,569
Dividend income	44,575	1,648	29,752	734	76,709
Interest income	11,461	6,536	8,943	119	27,059
Less: Investment expenses	35,378	4,742	20,046	395	60,561
Investment income, net	96,699	3,808	59,387	(77,118)	82,776
Total additions	523,691	72,672	243,582	310,253	1,150,198
DEDUCTIONS:					
Benefit payments and withdrawals	293,603	152,924	237,931	655,269	1,339,727
Implicit rate subsidy payments	-	-	-	69,472	69,472
Transfer to other plans	233	(878)	-	-	(645)
Administrative expenses	3,660	612	244	209	4,725
Total deductions	297,496	152,658	238,175	724,950	1,413,279
Net increase (decrease) in fiduciary net position	226,195	(79,986)	5,407	(414,697)	(263,081)
NET POSITION:					
Restricted for Benefits:					
Beginning of year	4,779,569	839,708	3,296,685	414,827	9,330,789
End of year	$ 5,005,764	$ 759,722	$ 3,302,092	$ 130	$ 9,067,708

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

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SUPPLEMENTARY INFORMATION

Pension And Other Employee Benefit Trust Funds
Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2019

($ in thousands)	Pension Funds			Other Employee Benefit Trust Funds	
	Defined Benefit Pension Plan	LIRR Additional Plan	MaBSTOA Plan	Other Post-employment Benefit Plan	Total
ADDITIONS:					
Contributions:					
Employer contributions	$ 344,713	$ 62,774	$ 206,389	$ 660,539	$ 1,274,415
Implicit rate subsidy contribution	-	-	-	69,618	69,618
Member contributions	31,504	249	23,552	-	55,305
Total contributions	376,217	63,023	229,941	730,157	1,399,338
Investment income:					
Net appreciation/ (depreciation) in fair value of investments	604,139	108,457	429,415	60,104	1,202,115
Dividend income	48,512	8,308	31,364	5,078	93,262
Interest income	12,628	2,216	10,534	248	25,626
Less: Investment expenses	18,015	3,642	27,530	1,783	50,970
Investment income, net	647,264	115,339	443,783	63,647	1,270,033
Total additions	1,023,481	178,362	673,724	793,804	2,669,371
DEDUCTIONS:					
Benefit payments and withdrawals	264,878	157,254	221,221	660,539	1,303,892
Implicit rate subsidy payments	-	-	-	69,618	69,618
Transfer to other plans	106	-	-	-	106
Administrative expenses	3,408	717	220	200	4,545
Total deductions	268,392	157,971	221,441	730,357	1,378,161
Net increase (decrease) in fiduciary net position	755,089	20,391	452,283	63,447	1,291,210
NET POSITION:					
Restricted for Benefits:					
Beginning of year	4,024,480	819,317	2,844,402	351,380	8,039,579
End of year	$ 4,779,569	$ 839,708	$ 3,296,685	$ 414,827	$ 9,330,789

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

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021
($ in millions)

Category	Financial Plan Actual	Statement GAAP Actual	Variance
REVENUE:			
Farebox revenue	$ 2,088	2,090	$ 2
Vehicle toll revenue	1,565	1,565	-
Other operating revenue	437	415	(22)
Total revenue	4,090	4,070	(20)
OPERATING EXPENSES:			
Labor:			
Payroll	3,852	3,863	11
Overtime	701	706	5
Health and welfare	1,048	1,051	3
Pensions	1,075	1,068	(7)
Other fringe benefits	687	689	2
Postemployment benefits	502	495	(7)
Reimbursable overhead	(275)	(294)	(19)
Total labor expenses	7,590	7,578	(12)
Non-labor:			
Electric power	313	311	(2)
Fuel	115	115	-
Insurance	13	13	-
Claims	216	216	-
Paratransit service contracts	257	257	-
Maintenance and other operating contracts	543	516	(27)
Professional service contract	394	374	(20)
Pollution remediation project costs	2	2	-
Materials and supplies	366	366	-
Other business expenses	141	140	(1)
Total non-labor expenses	2,360	2,310	(50)
Depreciation	2,317	2,318	1
Other Expenses Adjustment	16	-	(16)
Total operating expenses	12,283	12,206	(77)
NET OPERATING LOSS	$ (8,193)	$ (8,136)	$ 57

(A Component Unit of the State of New York)

SUPPLEMENTARY INFORMATION

SCHEDULE OF CONSOLIDATED SUBSIDY ACCRUAL RECONCILIATION BETWEEN FINANCIAL PLAN AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021
($ in millions)

Accrued Subsidies	Financial Plan Actual	Financial Statement GAAP Actual	Variance	
Mass transportation operating assistance	$ 1,281	$ 1,281	$ -	{3}
Mass transit trust fund subsidies	379	438	59	{1}
Mortgage recording tax 1 and 2	488	487	(1)	{1}
MRT transfer	-	(4)	(4)	{1}
Urban tax	304	304	-	{1}
State and local operating assistance	312	307	(5)	{1}
Station maintenance	133	133	-	{1}
Connecticut Department of Transportation (CDOT)	250	250	-	{1}
Subsidy from New York City for MTA Bus and SIRTOA	495	423	(72)	{1}
Build American Bonds Subsidy	-	44	44	{1}
Mobility tax	1,464	1,693	229	{1}
Assistance Fund (For hire vehicle)	162	172	10	{1}
Real Property Transfer Tax Surcharge (Mansion Tax)	245	362	117	{1}
Internet Marketplace Tax	220	251	31	{1}
Transfer to Central Business District Capital Lockbox	(465)	-	465	{1}
Other non-operating income	-	11	11	{2}
Total accrued subsidies	**5,268**	**6,152**	**884**	
Net operating deficit before subsidies and debt service	(8,193)	(8,136)	57	
Debt Service	(2,125)	(1,363)	762	
Conversion to Cash basis: Depreciation	2,317	-	(2,317)	
Conversion to Cash basis: GASB 75 OPEB adjustment	(30)	-	30	
Conversion to Cash basis: GASB 68 pension adjustment	24	-	(24)	
Conversion to Cash basis: Pollution & Remediation	2	-	(2)	
Total net operating surplus/(deficit) before appropriations, grants and other receipts restricted for capital projects	**$ (2,737)**	**$ (3,347)**	**$ (610)**	

{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.
{3} Timing of receipt in the Financial Plan.

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SUPPLEMENTARY INFORMATION

SCHEDULE OF FINANCIAL PLAN TO FINANCIAL STATEMENTS RECONCILIATION
RECONCILING ITEMS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021
($ in millions)

Financial Plan Actual Operating Loss at September 30, 2021			**$ (8,193)**
The Financial Plan Actual Includes:			
1	Higher Other operating revenue		(20)
2	Higher labor expense primarily from higher postemployment benefit expense projections		12
3	Higher non-labor expense primarily from higher professional service contract expense		50
4	Other expense adjustments		15
Total operating reconciling items			**57**
Financial Statements Operating Loss at September 30, 2021			**(8,136)**
Financial Plan Deficit after Subsidies and Debt Service			**(2,737)**
The Audited Financial Statements Includes:			
1	Debt service bond principal payments		762
2	Adjustments for non-cash liabilities:		
	Depreciation	(2,317)	
	Unfunded OPEB expense	30	
	Unfunded GASB No. 68 pension adjustment	(24)	
	Other non-cash liability adjustment	(2)	(2,313)
The Financial Statement includes:			
3	Higher subsidies and other non-operating revenues and expenses		884
4	Total operating reconciling items (from above)		57
Financial Statement Loss Before Capital Appropriations			**$ (3,347)**

Corporate Compliance
Enterprise Risk Management
Status Report

Report to the Audit Committee
January 24, 2022

Assessments Summary Snapshot
Conducted 1182, Vulnerability (Risk) Assessments on Business Processes ranked very high, high, significant and other priority levels due for 2021 test cycle of which 92% Completed with No Changes and 8% with Changes Identified
Conducted 1341, Control Self-Assessments (CSA) of which 67% completed with 99% passed, less than 1% have a finding and 33% still in progress of completion
Conducting COSO 17 Principles Points of Focus Assessment
Conducting Fraud Risk Assessments on Financial Reporting - Revenues

CSA Remediation Plan Summary
2019-2021 there were 184 CSA Remediation Plans of which 171 or 93% were closed during the period
Currently there are 17 open mitigating remediation plans, 1 material, 4 significant and 12 are deficiencies only
Departments are working on closing open remediation plans

Process Summary
In process of consolidating a total of 1,967 risks that has been entered into RSA Archer as part of post transformation
Total of 1348, Controls of which 1,270 or 94% are ranked very high, high, and significant that have been entered into RSA Archer
Currently finalizing the Annual Internal Control Summary Assessment Report
Enhanced third-party risk management (TPRM) functionality
RSA Archer GRC modules are operable and functioning

External Driven Risk Change
Covid-19
Cybersecurity
Post Transformation
Archer Migration - TPRM and Business Continuity

Deficiencies Details by Agencies

Agency	Total VAs 2021	Total Controls 2021	Total CSAs 2021	Open Significant Deficiencies July 2021	Open Material Deficiencies January 2022	Open Significant Deficiencies January 2022	Open Deficiencies January 2022
BUS	134	75	75	-	-	-	-
C&D	75	52	52	-	-	-	-
HQ	380	183	183	1	-	1	-
LIRR	278	463	463	1	-	-	8
MNR	103	155	155	4	-	3	-
NYCT	154	334	334	-	1	-	3
TBTA	58	79	79	-	-	-	1
Enterprise	**1182**	**1341**	**1341**	6	1	4	12

Remediation Plans Status

Material and Significant Deficiencies

	July 2021 Reported	Closed	New	January 2022 Open
Total	6	2	1	5

MTA's Internal Control Program

- Communicate Internal Control Timeline and Test Period to the Agencies
- Validate Vulnerability Assessments confirming business processes, risks and controls across the agencies
- Provide training and guidance on the internal control program and the RSA Archer GRC System
- Develop self-assessment scope with departments based on risk and control ranking for the test period
- Review and approve the Departments internal control self-assessed test results, aid in developing and closing out corrective action plans (CAPs) timely
- Prepare and sign off on Fraud Risk Assessment and COSO Point of Focus for each agency
- Prepare and obtain Chairman, Executive Leaderships and Agency Presidents' sign offs for Internal Control Certification and Annual Summary Report
- Obtain approval from MTA Board before submitting report to NYS Internal Control Dept

MTA Archer GRC Program
Executive Summary

Objectives

- The MTA Archer GRC governance framework establishes an overarching vision, strategy and guiding principles for the program. The framework provides an approach for supporting GRC technology enablement services and collaboration between business and technology.

Purpose

- Establish a formal framework to effectively govern the objectives and goals of the GRC program and to manage the interactions between various stakeholders from program sponsors to delivery teams.

Outcomes

- Enable MTA to proactively manage critical risks by supporting an integrated GRC program via RSA Archer GRC SaaS technology.
- Create synergies between risk functions to promote consistency, reduce redundancy, and provide a complete and transparent view risk and compliance.
- Execute the vision and mission through enabling the three lines of defense model, supported by an integrated risk management framework.
- Support executive reporting around risk and compliance to MTA Board and ERM Committee.

January 2022

Top Agency Risks

Risk Process
Cyber Security
Infrastructure and Equipment Maintenance
Reputational
Safety - Employee and Customer
Security
Succession Planning

Enterprise-Wide Risks

Risk Process
Cyber Security
Post Institutional Transformation
Reputational
Safety
Succession Planning

METROPOLITAN TRANSPORTATION AUTHORITY
ENTERPRISE RISK MANAGEMENT AND
INTERNAL CONTROL GUIDELINES

Pursuant to Public Authorities Law Section 2931

Updated and Adopted by the Board on March 25, 2020

These guidelines apply to the Metropolitan Transportation Authority ("MTA") , the New York City Transit Authority, the Long Island Rail Road Company, The Metro-North Commuter Railroad Company, Staten Island Rapid Transit Operating Authority, Manhattan and Bronx Surface Transit Operating Authority, MTA Construction & Development, MTA Bus Company, Triborough Bridge and Tunnel Authority, and to all future affiliated or subsidiary agencies of the MTA (each of which is referred to severally and together, as the "Authority").

Article I. Purpose of Guidelines

The purpose of these guidelines is to establish an effective system of internal controls for the Authority which complies with the requirements of the New York State Government Accountability, Audit and Internal Control Act of 1999 ("the Act") amending Public Authorities Law ("PAL") Sections 2930 through 2932, and is consistent with the Standards for Internal Control in New York State published by the Office of the State Comptroller ("Comptroller Standards"), Guidelines issued by the Independent Authority Budget Office ("IABO"), standards established by the U.S. Government Accountability Office (GAO), and the Commission of Sponsoring Organizations of the Treadway Commission ("COSO") standards.

Article II. Requirements of the Act

In compliance with the requirements of PAL Section 2931 the MTA Board is required to:

1. Establish and maintain for the Authority guidelines for a system of internal control that are in accordance with the Act and internal control standards;

2. Establish and maintain for the MTA a system of internal controls and a program of internal control review. The program of internal review shall be designated to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of the necessary corrective actions and periodically assess the adequacy of the Authority's ongoing internal controls;

3. Make available to each member, officer and employee a clear and concise statement of the generally applicable managerial policies and standards with which he or she is expected to comply. Such statement shall emphasize the importance of effective internal controls to the Authority and the responsibility of each member, officer and employee for effective internal control;

4. Designate an internal control officer who shall report to the head of the Authority to implement and review the internal control responsibilities established pursuant to this section; and

5. Implement education and training efforts to ensure that Board Members, officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.

Article III. Guidelines Maintenance

These guidelines are subject to annual review by the Audit Committee. In advance of submission of these guidelines for such review, the Enterprise Risk Management Committee ("the Committee" defined in Article IV(B)) shall be responsible for preparing any proposed revisions to the guidelines necessary to ensure that they continue to be in compliance with the Act and consistent with the Comptroller standards, IABO guidelines and COSO standards.

Article IV. Enterprise Risk Management and Internal Controls

Section A. Internal Controls

Internal control is a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

The definition emphasizes that internal control is:

- Geared to the achievement of objectives in one or more separate but overlapping categories – operations, reporting, and compliance
- A process consisting of ongoing tasks and activities - it is a means to an end, not an end in itself
- Effected by people – it is not merely about policy and procedure manuals, systems, and forms, but about people and the actions they take at every level of an organization to effect internal control
- Able to provide only reasonable assurance, but not absolute assurance, to an entity's senior management and board of directors
- Adaptable to the entity structure – flexible in application for the entire entity or for a particular subsidiary, division, operating unit, or business process

The Framework provides for three objectives, which allow Authority to focus on separate aspects of internal control:

Operations Objectives - These pertain to effectiveness and efficiency of the entity's operations, including operational and financial performance goals, and safeguarding assets against loss.

Reporting Objectives - These pertain to internal and external financial and non-financial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, standard setters, or the Authority's policies.

Compliance Objectives - These pertain to adherence to laws and regulations to which the entity is subject.

A direct relationship exists between objectives, which are what an entity strives to achieve, components, which represent what is required to achieve the objectives, and Authority structure (the operating unit, legal entities, and other structure). Internal control consists of five interrelated components and seventeen principles. All components and principles are relevant in establishing an effective internal control system for the Authority. In order for the authority to have an effective internal control system, the components of internal control must be successfully designed, implemented, and functioning sufficiently. The principles represent the fundamental concepts which are associated with particular components within the system and apply to strategic, operating, reporting and compliance objectives. Below is a summary of each of the five components of internal control.

1. **Control Environment** – The control environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct. Management reinforces expectations at the various levels of the organization. The control environment comprises the integrity and ethical values of the organization; the parameters enabling the board of directors to carry out its governance oversight responsibilities; the organizational structure and assignment of authority and responsibility; the process for attracting, developing, and retaining competent individuals; and the rigor around performance measures, incentives, and rewards to drive accountability for performance. The resulting control environment has a pervasive impact on the overall system of internal control.

2. **Risk Assessment** – Every entity faces a variety of risks from external and internal sources. Risk is defined as the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed.

   A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories relating to operations, reporting, and compliance with sufficient clarity to be able to identify and analyze risks to those objectives. Management also considers the suitability of the objectives for the entity. Risk assessment also requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.

3. **Control Activities** – Control activities are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.

4. **Information and Communication** – Information is necessary for the entity to carry out internal control responsibilities to support the achievement of its objectives. Management obtains, generates and uses relevant and quality information from both internal and external sources to support the functioning of other components of internal control. Communication is the continual, iterative process of providing, sharing, and obtaining necessary information. Internal communication is the means by which information is disseminated throughout the organization, flowing up, down, and across the entity. It enables personnel to receive a clear message from senior management that control responsibilities must be taken seriously. External communication is twofold: it enables inbound communication of relevant external information, and it provides information to external parties in response to requirements and expectations.

5. **Monitoring** – Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, is present and functioning.

   Ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate.

The principles supporting the components of internal controls are listed below:

Control Environment
1. Demonstrates commitment to integrity and ethical values
2. Exercises oversight responsibility
3. Establishes structure, authority and responsibility
4. Demonstrates commitment to competence
5. Enforces accountability

Risk Assessment
6. Specifies suitable objectives
7. Identifies and analyzes risk
8. Assesses fraud risk
9. Manages risk during change

Control Activities
10. Selects and develops control activities
11. Selects and develops general controls over technology
12. Deploys controls through policies and procedures

Information and Communication
13. Uses relevant information
14. Communicates internally
15. Communicates externally

Monitoring
16. Conducts ongoing and/or separate evaluations
17. Evaluates and communicates deficiencies

In the event that management determines that a principle is not relevant, such determination should be at a minimum be supported with documentation and a rational of how, in the absence of that principle, the control is operating effectively.

Supporting each principle are points of focus, representing important characteristics associated with the principles. Point of focus are intended to provide helpful guidance to assist management in designing, implementing and conducting internal control and in assessing whether relevant principles are present and functioning.

Section B. Enterprise Risk Management

Enterprise risk management addresses more than internal controls. It also addresses other topics such as strategy-setting, governance, communicating with stakeholders and measuring performance. Its principles apply at all levels of the organization and across all functions.

Enterprise Risk Management ("ERM") is defined as the culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value.

Enterprise risk management consists of five components and twenty principles. These components are:

1. **Governance & Culture** – Governance sets the Authority's tone, reinforcing the importance of, and establishing oversight responsibilities for, enterprise risk management. Culture pertains to ethical values, desired behaviors, and understanding of risk in the entity.

2. **Strategy and Objective-Setting -** Enterprise risk management, strategy, and objective-setting work together in the strategic-planning process. A risk appetite is established and aligned with strategy; business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

3. **Performance** - Risks that may impact the achievement of strategy and business objectives need to be identified and assessed. Risks are prioritized by severity in the context of risk appetite. The organization then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.

4. **Review and Revision** - By reviewing entity performance, an organization can consider how well the enterprise risk management components are functioning over time and in light of substantial changes, and what revisions are needed.

5. **Information, Communication, and Reporting** - Enterprise risk management requires a continual process of obtaining and sharing necessary information, from both internal and external sources, which flows up, down, and across the organization.

Enterprise Risk Management Principles

The five components are supported by a set of principles. These principles cover everything from governance to monitoring. These principles are:

Governance & Culture

1. Exercises board risk oversight
2. Establishes operating structures
3. Defines desired culture
4. Demonstrates commitment to core value
5. Attracts, develops, and retains capable individuals

Strategy & Objective-Setting

6. Analyzes business context
7. Defines risk appetite
8. Evaluates alternative strategies
9. Formulates business objectives

Performance

10. Identifies risk
11. Assesses severity of risk
12. Prioritizes risks
13. Implements risk responses
14. Develops portfolio view

Review & Revision

15. Assesses substantial change
16. Reviews risk and performance
17. Pursues improvement in enterprise risk management

Information, Communication, & Reporting

18. Leverages information and technology
19. Communicates risk information
20. Reports on risk, culture, and performance

Section C. Enterprise Risk Management Committee

The Enterprise Risk Management Committee ("the Committee") has the authority and responsibility for ensuring compliance by the Authority with the Act, Comptroller Standards, IABO guidelines and COSO standards. In addition, the Committee has authority to oversee the ERM program as it relates to all MTA Business occur between multiple Agencies and may also:

- Advise on risk strategy,
- Assist with identifying risk appetite and tolerance
- Oversee risk exposures
- Review crisis management plans, and
- Support the internal control program

Each Agency Risk Officer and other relevant MTA Staff may serve on the Committee, which is chaired by the MTA Chief Ethics, Risk and Compliance Officer. The Committee will meet as needed but generally not less than every quarter to review and suggest improvements to the ERM program.

Section D. Vulnerability Assessments

Part 1. Components

Vulnerability (Risk) Assessments ("VA") is an analysis of potential threats to critical business functions. The VA identifies existing controls and controls need to be added or modified to manage risk. The VA also defines how often and when controls are to be tested. Each VA must at a minimum contain the following:

- Identification of key business processes
- Objectives of each business process
- Risks to those objectives
- Effect and likelihood (in the absence of controls) of risks occurring and an overall vulnerability rating
- Controls in place to manage each risk to an acceptable level
- Testing frequency (based on vulnerability rating)
- Testing schedule (approximately when each control will be tested during a particular cycle)

Part 2. Controls

Controls will be classified as key, subordinate, secondary, or monitoring.

Key Controls – an internal control that is assessed by management that provides reasonable assurance that material errors will be prevented or detected in a timely manner and that without which the business process will break down.

Subordinate Controls – those internal controls that are utilized to supplement key controls. Subordinate controls can be compensating, mitigating or redundant as it relates to the key control.

Secondary Controls – those controls which are not key or subordinate controls.

Monitoring Controls - those controls that are not designed to mitigate risk but are designed to monitor non-critical business process risks.

Part 3. Assessing Risk Effect, Probability, and Overall Risk Rating

Risk within a business process is the probability that a hazard will adversely impact the business process, its objective, and/or related activities. Risk within a business process can be assessed by defining what negative event can reasonably occur (risk), evaluating the significance (effects) and estimating the likelihood that the event can happen (probability). When assessing the risk effect if the risk occurs the following categories should be used in determining level of significance.

Significance Rating	Evaluation Criteria
High (5)	Will cause a failure of the business process to meet its objectives, or cause objective failure in other activities, which will, in turn, cause or expose the Authority to significant financial losses, interruptions in operations, failure to comply with laws and regulations, major waste of resources, failure to achieve stated goals, etc.
Med High (4)	May cause a failure of the business process to meet a significant part of its objectives, or impact the objectives of other activities, which may, in turn, expose the Authority to unacceptable financial losses, reductions to or ineffectiveness of operations, non-compliance with laws and regulations, sizable waste of resources, etc.
Medium (3)	May cause a failure of the business process to meet part of its objectives, which may, in turn, expose the Authority to unacceptable financial losses, inefficient operations, non-compliance with laws and regulations, waste of resources, etc.
Medium Low (2)	May cause the business process, or other activities, not to meet part of its objectives which, may, in turn, expose the Authority to potentially unacceptable financial losses, less effective or efficient operations, some non-compliance with laws and regulations, waste of resources, etc.
Low (1)	Unlikely to cause the activity not to meet part of its objectives. If the activity does not meet part of its objective, this, in turn, may cause or expose the Authority to potentially unacceptable financial losses, less efficient operations, some non-compliance with laws and regulations, less efficient use of resources, etc.

When assessing the likelihood, the risk will occur the following categories should be used in determining level of likelihood.

Likelihood Rating	Evaluation Criteria (Assumes No Controls in Place)
High	Reasonable assumption that this risk will almost certainly occur
Medium High	Reasonable assumption that this risk will likely, but not certainly, occur
Medium	Reasonable assumption that this risk may occur
Medium Low	Reasonable assumption that this risk will likely not occur
Low	Reasonable assumption that this risk will not occur

Use the overall risk rating to identify the relative importance and required testing of each control. For ease of assessing, the impact of each risk multiply the numeric values associated with the significance rating and the likelihood rating to determine a relative overall risk rating to each risk: Effect x Probability = Vulnerability

Overall Risk Rating				
High	Medium High	Medium	Medium Low	Low

Section E. Control Testing

The frequency of performing an internal control test is determined by the overall risk rating. Risks with very high or high overall risk rating are considered to be more critical than those in lower categories given that controls are used to manage risks to acceptable levels. Therefore, controls over high risk activities must be tested more frequently. The Authority's testing cycle is classified as follows:

Vulnerability	Control Test Cycle
High	Annually (Minimum)
Medium High	Not less than Every 2 years
Medium	Not less than Every 3 years
Medium Low	Not less than Every 4 years
Low	Not less than Every 5 years

Each Business Process Owner along with Risk Manager is responsible for creating test instructions. Test instructions should contain at a minimum the standard which will be used to judge the control, the methods which will be utilized to test the control, the sample size and test period. In addition, the test instructions should include criteria for what constitutes passing versus failing of any given test.

Business Process Owners must maintain records, both electronic and paper, for each test. The records must include when the test was performed, by whom, what was tested, how it was done, scope (period of time covered), number of records reviewed, personnel involved, personnel interviewed, actions observed, errors found, conclusions and corrective action plans to be implemented. Records must be maintained at a minimum through at least one internal control review cycle (1-5 years) or as required by Authority's records retention policy.

The Committee shall establish standards for testing for the ERM business processes.

The Business Process Owners must provide proof of testing, including copies of all testing records at the request of the MTA Corporate Compliance, MTA Audit Services, or the MTA Inspector General Office. Failure to provide testing documentation must be reported to the Chief Compliance Officer and the Agency President.

Section F. Internal Control Review and Assessment

The Authority shall conduct an annual Internal Control Review and Assessment ("ICRA") which is an examination and evaluation of the Authority's system of internal controls to ascertain whether adequate controls exist to:

- Encourage adherence to Authority's policies and procedures
- Promote operational efficiency and effectiveness
- Safeguard assets
- Create and maintain a safe environment for employees and customers
- Ensure reliability of accounting data

The results of the ICRA, at a minimum, reaffirms that there is reasonable assurance that controls are functioning as intended.

Based upon the result of the ICRA, the Authority's shall complete, as part of its Annual Report, an annual assessment of the effectiveness of internal control structures and procedures. The assessment is a written statement from the MTA Chief Compliance Officer setting forth the Authority has conducted a formal, documented process to assess the effectiveness of its internal control structure and procedures, and indicating whether the internal controls are adequate.

Section G. Certification and Summary Reports

The Chairman/Chief Executive Officer on behalf of the Authority shall complete a signed certification and summary report that the Authority's internal control program is compliant with the Act. In support of this certification, each Agency President shall also sign a certification and summary report that their Agency is compliant with the Act.

Section H. Corrective Action Plans

If any control should fail the Control Testing or ICRA process, described in Section D and E above, a corrective action plan must be initiated. The corrective action plans will at a minimum list the severity of the issue as either:

- Material Weakness
- Significant Deficiency
- Deficiency
- Documentation Only

This corrective action plan shall also include:

- Actions to be undertaken
- Persons responsible for those actions
- Resources required to complete the corrective action
- Date corrective actions were completed or date by which they are expected to be achieved

Article V. Generally Applicable Managerial Policies and Standards

The Chairman/Chief Executive Officer of the Authority, together with Agency Presidents shall prepare and disseminate annually a statement emphasizing the tone at the top, the importance of effective internal controls and the responsibility of each officer and employee for effective internal controls. This statement should list the name and contact number of the Risk Officer assigned to their respective Agency and any other individuals who can be contacted for further information on internal controls.

Managerial policies and procedures for the performance of specific functions shall be articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

Each Agency shall establish procedures for policy lifecycle management, including but not limited to the creation, approval, maintenance, storage, monitoring and review of Agency specific policies and procedures. MTA Corporate Compliance shall establish procedures for all agency policy lifecycle management, including but not limited to the creation, approval, maintenance, storage, monitoring and review of All Agency Policy Directives and Guidelines.

Article VI. Designation of an Internal Control Officer

The MTA Chief Compliance Officer shall serve as Internal Control Officer for the Authority and shall report to the Chairman and Chief Executive Officer of the Authority or his/her designee. The Chief Compliance Officer shall implement and review the internal control responsibilities established by these guidelines to ensure compliance by the Authority.

Article VII. Implementation of Education and Training Programs

Senior management and employees responsible for specific functions relating to the Authority's internal control program must attend recurring internal control training.

The training will utilize standardized material on Internal Controls developed by the Committee as well as the Office of the New York State Comptroller's Internal Control Guide-Compliance Road Map. Agencies may augment this guide, if necessary, to provide specialized instruction.

The Committee shall determine at a minimum which classification of employees should attend internal control training, including the method, content and frequency of such training.

Article VIII. MTA Audit Services

In order to maintain independence, MTA's Auditor General and MTA Audit Services shall not directly or indirectly manage the Authority's ERM/Internal Control program. MTA Audit Services shall evaluate the Authority's internal controls and operations, identify internal control weaknesses that have not been corrected and make recommendations to correct those weaknesses.

MTA AUDIT SERVICES

2021 Year End Status

and

2022 Proposed Audit Plan

January 24, 2022

2021 Audit Plan Status

Financial/Operational/Technology

Projects Completed	82
Findings with Recommendations	196
Savings/Cost Efficiencies	$ 47 M

Contracts

Projects Completed	164
Pre-Award	18
Overhead Reviews	741
Contract Close-outs	141
Claims	4
$ Audited	$ 592 M
Questioned Costs	$ 15.9 M

2021 – Significant Audits

Financial/Operational/Technology	Cost Savings/ Avoidance
❖ COVID Cleaning (Bus Depots)	$ 22.3 M
❖ Medical Eligibility Follow-up	$ 10.7 M
❖ Timekeeping/Payroll	$ 4.6 M
Contracts (Capital)	
❖ Cost Proposal (AWO's)	$ 2.57M
❖ MTA Security Program (Final Audit)	$ 1.11M
❖ Impact Claim Review	$ 0.88M
❖ Construction & Security Projects (Final Audit)	$ 0.65M

2021 – Sandy Audit Unit

Superstorm Sandy Audit Unit
Recovery Oversight Audits
(Since 2013)

Total Grant Expenditures	$3.6 Billion
Costs Audited	$523.48 Million
Projects/Recommendations	140/372
Follow-up Audits Completed	12
Total Cost Adjustments	$62 Million

2021 - Pension Support Program

Pension Quality Assurance Support Program:

- The Quality Assurance (QA) group continued to review calculations for new retirees, Retroactive Wage Adjustments (RWA) and other calculation adjustments.
- Plans reviewed include the LIRR's Defined Benefit (DB) Open and Closed Pension Plan, MNR DB Pension Plan, MTA Police DB Pension Plan, and MTA Bus Plan.
- The Pension QA Group reviewed 1,606 pension files from January 2021 through December 2021.

QA Results

➢ Errors with No Financial Impact	192
➢ Errors Identified with Financial Impact	104
➢ Total cost impact over the expected life of retiree	$3.5M

2021 - On Board Program

Railroad Onboard Revenue Program:

- MTA Audit Services perform observations onboard the LIRR and MNR trains to ensure that conductors are collecting the correct fare and they are in compliance with operating processes.

- Monthly reporting is provided to both agencies for: 1) fare not collected, 2) incorrect fare collected, 3) conductor not seen and, 4) other special observation request results.

Revenue tests completed in 2021:

➢ LIRR	2,931
➢ MNR	2,938

MTA Audit Services

2022 Audit Plan

Audit Plan Formulation

Perform Company Analysis

Analyze strategies, financial indicators, and operational controls to identify the audit universe.

Develop Value Driver Analysis

Understand enterprise, business unit and functional strategies based on business risk factors and discussions with key management personnel.

Evaluate Enterprise Risk

Evaluate the enterprise risk using five main key indicators.

Prioritize Audits

Identify auditable activities / units, based on the results of the risk assessment.

Refine Audit Strategy

Using the IIA's risk assessment methodology, formulate audit plan and obtain Audit Committee approval.

September	October	November	December	January
Perform Company Analysis	Develop Value Driver Analysis	Evaluate Enterprise Risk	Prioritize Audits	Refine Audit Strategy

Factors Used For 2022 Audit Plan

- ***Financial Exposure***
- ***Nature of Operations***
- ***Control Activities***
- ***Previous Audit Results***
- ***Management Input***

- **Conducted 82 Interviews**
- **Received 144 Suggestions**

2022 Audit Areas

Service Delivery

Car Equipment
Stations Maintenance Program
Station Cleaning
Elevated Structures
Bus Depot Operations
Shop Overhaul Program
Car Maintenance [RCMP]
Bridge & Tunnel Operations
SIR Equipment Maintenance
Power
Facility Inspection & Maint.
Track Inspection & Maint.
Video Camera Inspection & Maint.

Finance

Timekeeping
Overtime
Accounts Payable
Pensions
Treasury/Investments
Capital Leases
Special Payments
Payroll
Travel Reimbursements
Claims Processing
BA Welfare Fund Review

Procurement

Operating Contracts
Professional Services Contract
Gas Cards
Non-PO Purchases
P-Card Review
Fleet Fuel Usage
NYS Content Reviews
Diesel
PPE Equipment

Revenue

COVID Grant Funding
OMNY
TVM/Ticket Office Collections
Tolling/EZPass Revenue
Wireless Agreement
Advertising Agreements
Railroads On-Board Revenue

Safety

All-Agency Safety/Security Review
MTA Police – Comp Time
High Risk Driver Program
Random Drug & Alcohol
Accident/Incident Reporting
Energy Management System
B&T Hazardous Waste Mgmt.

Capital Program

Superstorm Sandy
Prevailing Wages
Contract Management
Incentives/De-incentives
Third Party Contracts

Human Resources

All-Agency Hiring
Teleworking/Hoteling
Health Benefits
Employee Availability
Employee Tuition & Membership Dues
Employee Grievances
Compensation
Salary Adjustments
Force Account Availability

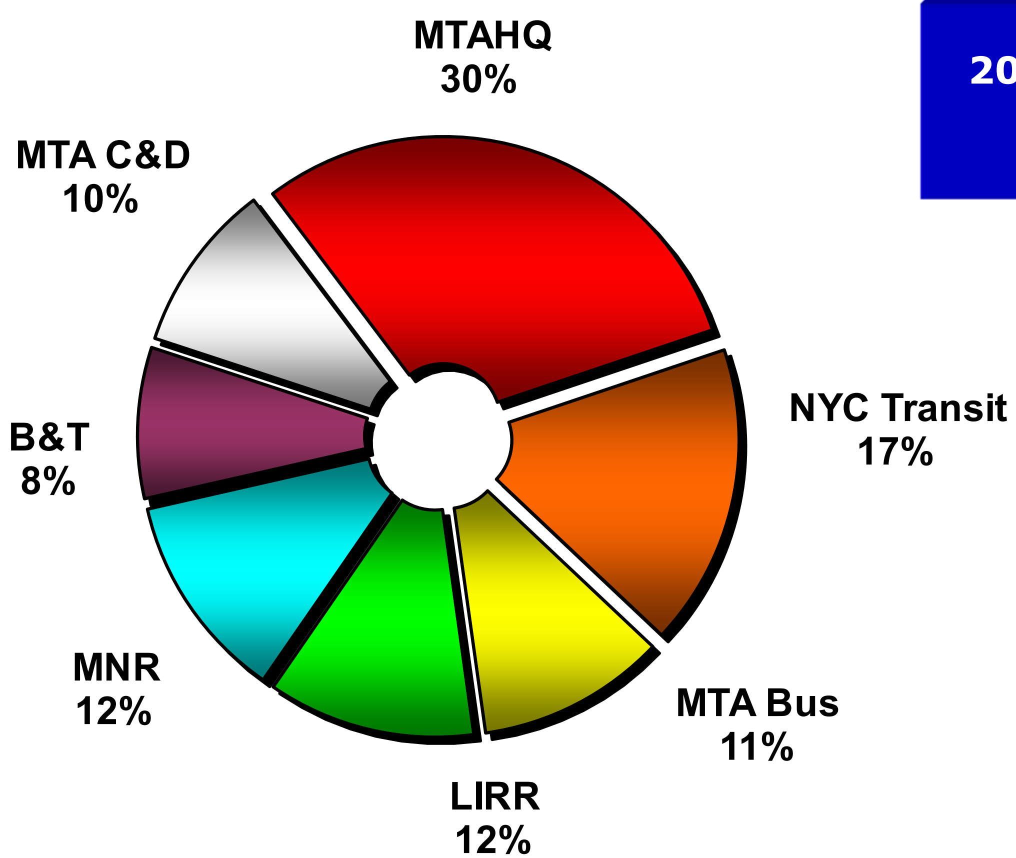
Technology

Network Reviews
Cybersecurity
Application Reviews
Operational Technology
System Implementations

2022
Agency Assurance Audit Allocation

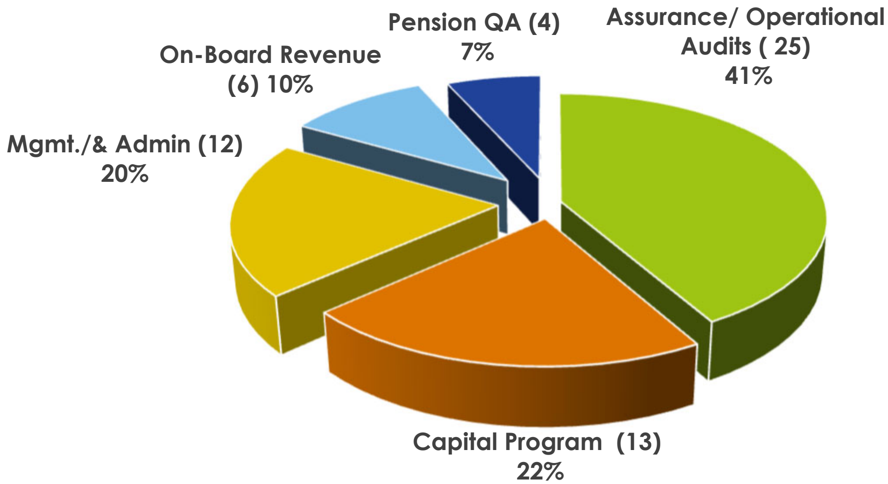
2022 Audit Plan

93 Audits

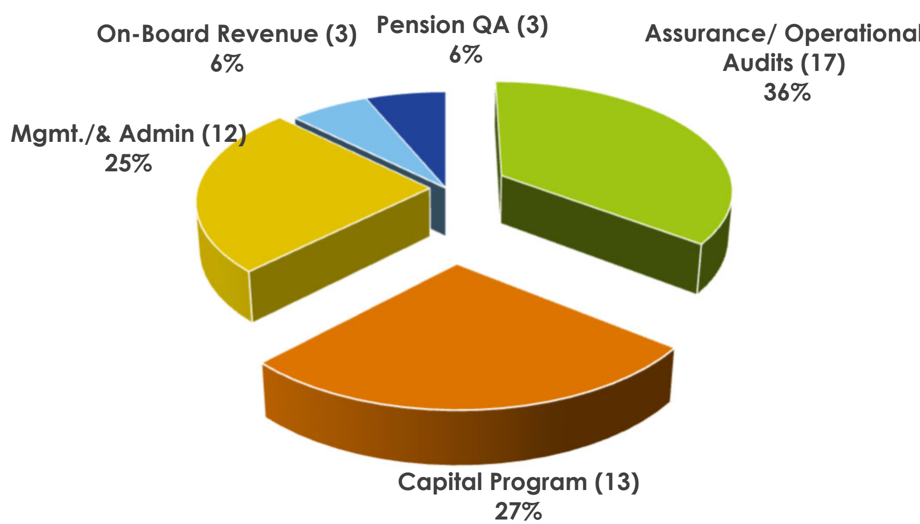


2022
Audit Resource Allocation

Budgeted Resources: 60



Actual Resources: 48



2022 Audit Strategy

- Support MTA Transformation
- Review Efficiency & Effectiveness of Operations
- Support Agency-wide Goals & Initiatives for Timekeeping and Overtime
- Evaluate Project Management Controls over Operating Contract and Capital Projects.
- Coordinate Audit Activities with Internal and External Parties

Looking Ahead

- Continue to coordinate audit activities with:
  - External Auditors
  - City/State Controller's Office
  - MTA Chief Compliance Office
  - MTA Inspector General Office
- Work with Internal Control Staff to validate the implementation of recommendations and reduce the backlog of past due recommendations.

QUESTIONS?

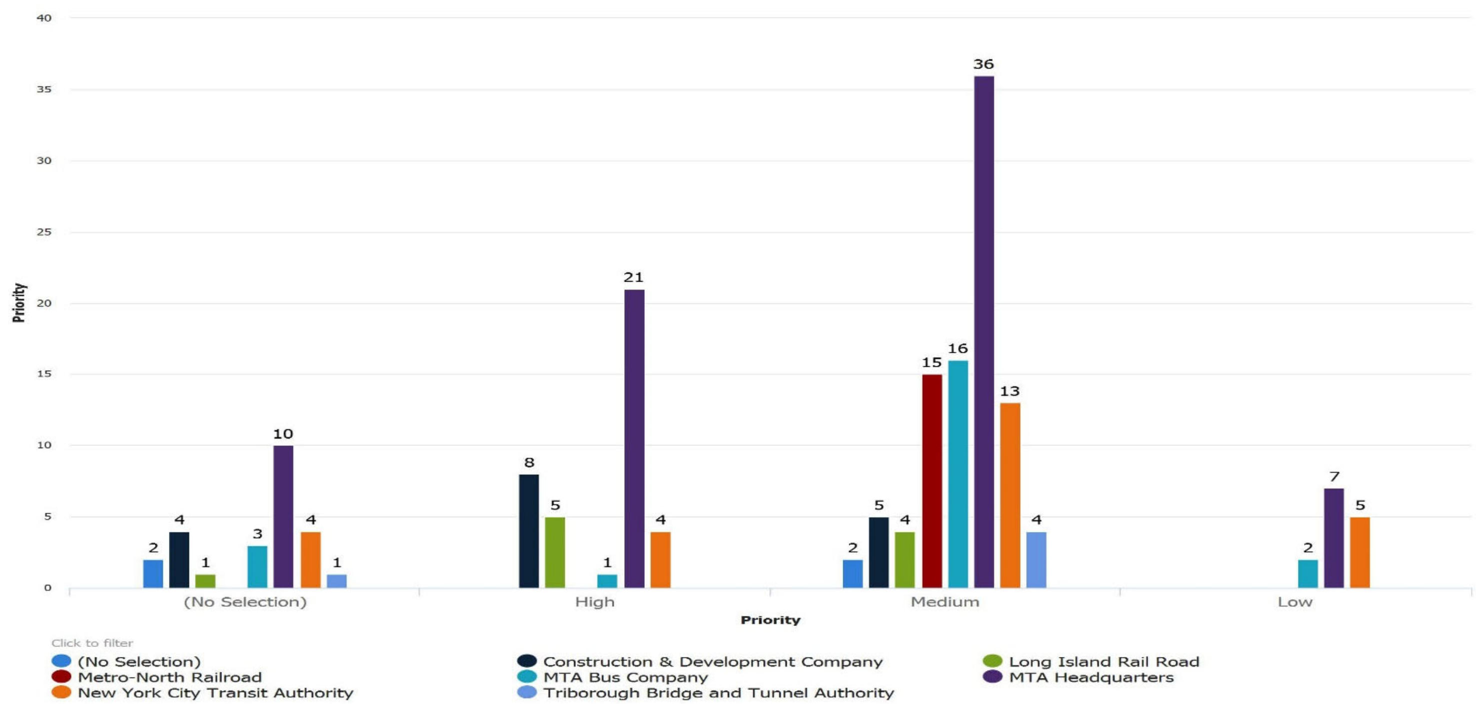
Corporate Compliance

Remediation Plans Monitoring Six Months Past Due Report

Report to the Audit Committee
January 24, 2022

Period Snapshot
Remediation plans related to findings from Audit Services, the Inspector General's Office and Corporate Compliance are being tracked and managed in RSA Archer
Review and approval process to close remediation plans and related findings are fully operational
Archer System providing increased transparency and accountability
Reviewing open remediation plans to determine actual implementation status

Audit Committee Report: Remediation Plans 180 Days Past Due by Agency and Priority-Combined



Remediation Plans Closed Trending By Month