NEW ISSUE **BOOK-ENTRY-ONLY**

$422,430,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Green Bonds, Series 2019C (Climate Bond Certified)

DATED: Date of Delivery **DUE: November 15, as shown on the inside cover page**

The Metropolitan Transportation Authority's (MTA) Transportation Revenue Green Bonds, Series 2019C (Climate Bond Certified) (the Series 2019C Bonds) are being issued to (i) retire the outstanding Transportation Revenue Bond Anticipation Notes, Series 2018A, and (ii) pay certain financing, legal and miscellaneous expenses. See "APPLICATION OF PROCEEDS" herein.

The Series 2019C Bonds—

- are MTA's special, not general, obligations, payable solely from the revenues of the transit and commuter systems and other sources pledged to Owners as described in this official statement, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA has no taxing power.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Series 2019C Bonds is:

- *excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and*
- *not a specific preference item for an Owner in calculating the federal alternative minimum tax.*

Also in Co-Bond Counsel's opinion, under existing law, interest on the Series 2019C Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

The Series 2019C Bonds will bear interest at the rates shown on the inside cover page hereof.

The Series 2019C Bonds are subject to redemption prior to maturity as described herein.

The Series 2019C Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company on or about August 14, 2019.

The scheduled payment of principal of and interest on the Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive, as shown on the inside cover hereof, when due, will be guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. concurrently with the issuance of the Series 2019C Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2019C Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

August 8, 2019

$422,430,000
Metropolitan Transportation Authority
Transportation Revenue Green Bonds,
Series 2019C
(Climate Bond Certified)

Maturity (November 15)	Principal Amount	Interest Rate	Yield*	CUSIP Number† (59261A)
2038	$26,800,000	5.00%	2.14%	ZN0
2039	28,140,000	5.00	2.18	ZP5
2040	29,545,000	5.00	2.22	ZQ3
2041	31,020,000	5.00	2.27	ZR1
2042	32,575,000	5.00	2.32	ZS9
2043	34,200,000	5.00	2.35	ZT7
2044	35,910,000	5.00	2.36	ZU4
2045	37,710,000**	4.00	2.55	ZV2
2046	39,215,000**	4.00	2.56	ZW0
2047	40,785,000**	4.00	2.57	ZX8
2048	42,415,000**	4.00	2.58	ZY6
2049	44,115,000**	4.00	2.59	ZZ3

The Series 2019C Bonds are subject to redemption prior to maturity, as described under the caption "DESCRIPTION OF SERIES 2019C BONDS – Redemption Prior to Maturity" in **Part I**. The following summarizes the optional redemption provisions: the Series 2019C Bonds are subject to redemption prior to maturity on any date on or after November 15, 2029, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

* Priced at the stated yield to the November 15, 2029 optional redemption date at a redemption price of 100%.

† CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Series 2019C Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2019C Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019C Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019C Bonds.

** Insured by Assured Guaranty Municipal Corp.

Metropolitan Transportation Authority
2 Broadway, 20th Floor
New York, New York 10004
(212) 878-7000
Website: www.mta.info

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Co-Financial Advisors

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New York, New York
Special Disclosure Counsel

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2019C Bonds. The information in this official statement, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2019C Bonds being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Offered	Transportation Revenue Green Bonds, Series 2019C (Climate Bond Certified) (the Series 2019C Bonds).
Purpose of Issue	The Series 2019C Bonds are being issued to (i) retire the outstanding Transportation Revenue Bond Anticipation Notes, Series 2018A, and (ii) pay certain financing, legal and miscellaneous expenses. See "APPLICATION OF PROCEEDS" in **Part I**.
Maturities and Rates	The Series 2019C Bonds mature on the dates and bear interest at the rates shown on the inside cover page of this official statement.
Denominations	Denominations of $5,000 or any integral multiple thereof.
Interest Payment Dates	Interest on the Series 2019C Bonds shall be paid semiannually on May 15 and November 15, commencing November 15, 2019.
Redemption	See "DESCRIPTION OF SERIES 2019C BONDS – Redemption Prior to Maturity" in **Part I**.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in **Part II**.
Credit Enhancement	The scheduled payment of principal of and interest on the Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive, as shown on the inside cover hereof, when due, will be guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (AGM) concurrently with the issuance of the Series 2019C Bonds. See "DESCRIPTION OF SERIES 2019C BONDS – Bond Insurance" in **Part I** and **Attachment 5** – "Information Relating to Assured Guaranty Municipal Corp. and Form of Policy."
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.
Ratings	See table below.

Rating Agency	*Underlying*	*Applicable Criteria/Methodology*	*Insured*[*]
Fitch:	AA-	Public-Sector, Revenue-Supported Debt	Not Rated
KBRA:	AA+	U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating	AA+
Moody's:	A1	Mass Transit Enterprises	A1[†]
S&P:	A	Mass Transit Enterprise Ratings	AA[‡]

See "RATINGS" in **Part III**.

Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.
Purchase Price	See "UNDERWRITING" in **Part III**.

[*] Applicable only to Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive, as shown on the inside cover hereof.

[†] Rating is based on the higher of AGM's and the Series 2019C Bonds underlying ratings, in this case the Series 2019C Bonds underlying rating. AGM is rated A2 by Moody's.

[‡] Rating is based on the higher of AGM's and the Series 2019C Bonds underlying ratings, in this case AGM, which is rated AA by S&P.

- ***No Unauthorized Offer.*** **This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2019C Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Series 2019C Bonds, except as set forth in this official statement. No other information or representations should be relied upon.**

- ***No Contract or Investment Advice.*** **This official statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this official statement, the Series 2019C Bonds being offered, and anything else related to this bond issue.**

- ***Information Subject to Change.*** **Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this official statement shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this official statement.**

- ***Forward-Looking Statements.*** **Many statements contained in this official statement, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this official statement. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this official statement. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this official statement, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this official statement.**

- ***Projections.*** **The projections set forth in this official statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this official statement are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this official statement, which is solely the product of MTA and its other affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content.**

- ***Independent Auditor.*** **Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this official statement. The last completed audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included by specific cross-reference in this official statement. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this official statement, since the date of the audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this official statement.**

- ***Climate Bonds Initiative*. The Climate Bonds Initiative has provided the following paragraphs for inclusion in this official statement: The certification of the Series 2019C Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard 2.0 and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2019C Bonds or any projects financed by the Series 2019C Bonds, including but not limited to this official statement or MTA.**

  The certification of the Series 2019C Bonds as Climate Bonds by the Climate Bonds Initiative is not a recommendation to any person to purchase, hold or sell the Series 2019C Bonds and such certification does not address the market price or suitability of the Series 2019C Bonds for a particular investor. The certification also does not address the merits of the decision by MTA or any third party to participate in this transaction and does not express, and should not be deemed to be an expression of, an opinion as to MTA or any aspect of any projects financed by the Series 2019C Bonds (including but not limited to the financial viability of any projects financed by the Series 2019C Bonds) other than with respect to compliance with the Climate Bonds Standard.

  In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any projects financed by the Series 2019C Bonds or of MTA. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any projects financed by the Series 2019C Bonds. The certification may only be used in connection with the Series 2019C Bonds, including as provided in this official statement, and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

  The certification does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due on the Series 2019C Bonds. In the event MTA does not comply with Climate Bonds Initiative's required procedures for Climate Bonds, Climate Bonds Initiative, in its sole and absolute discretion, may withdraw its Climate Bond certification of the Series 2019C Bonds at any time, and there can be no assurance that such certification may not be withdrawn.

- ***Bond Insurance Information*. Assured Guaranty Municipal Corp. (AGM) makes no representation regarding the Series 2019C Bonds or the advisability of investing in the Series 2019C Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this official statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DESCRIPTION OF SERIES 2019C BONDS – Bond Insurance" in Part I and Attachment 5 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Policy."**

- **MTA has not made an independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of MTA to pay principal and interest on the Series 2019C Bonds and the claims paying ability of AGM (with respect to the Series 2019C Bonds maturing on November 15, 2045, through November 15, 2049), particularly over the life of the investment. For certain information provided by AGM and information concerning the Policy, which includes further instructions for obtaining current financial information concerning AGM, see "DESCRIPTION OF SERIES 2019C BONDS – Bond Insurance" in Part I and Attachment 5 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Policy."**

- ***Website Addresses.* References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

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Information Included by Specific Cross-reference. The following portions of MTA's 2019 Combined Continuing Disclosure Filings, dated April 30, 2019, as supplemented on June 26, 2019, and as updated by a First Quarterly Update, dated August 2, 2019, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this official statement, along with material that updates this official statement and that is filed with EMMA prior to the delivery date of the Series 2019C Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017

The following documents have also been filed with EMMA and are included by specific cross-reference in this official statement:

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption "MTA Info–Financial Information–Investor Information", including the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017. No statement on MTA's website is included by specific cross-reference herein. See "FURTHER INFORMATION" in **Part III**. Definitions of certain terms used in the summaries may differ from terms used in this official statement, such as the use herein of the popular names of the MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2018 and 2017, incorporated by specific cross-reference in this official statement, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included in such consolidated financial statements. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this official statement, since the date of such audit report and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited consolidated financial statements in this official statement.

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INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State (the State) legislation in 1965, as a public benefit corporation, which means that it is a corporate entity separate and apart from the State, without any power of taxation – frequently called a "public authority." MTA is governed by board members appointed by the Governor, with the advice and consent of the State Senate.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA's service region (the MTA Commuter Transportation District or MCTD), which consists of New York City (the City) and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out some of those responsibilities by operating the Transit and Commuter Systems through its subsidiary and affiliate entities: the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and the MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and is empowered to issue debt obligations to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of MTA. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds to finance capital projects for the benefit of the Transit and Commuter Systems, and currently has no plans to do so in the future. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA's affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA's 2019 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this official statement.

The following table sets forth the legal and popular names of the Related Entities. Throughout this official statement, reference to each agency will be made using the popular names.

Legal Name	Popular Name
Metropolitan Transportation Authority	MTA
New York City Transit Authority	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	MTA Metro-North Railroad
MTA Capital Construction Company	MTA Capital Construction
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering memorandums for information regarding the Related Entities and their financial condition.

Where to Find Information

Information in this Official Statement. This official statement is organized as follows:

- This ***Introduction*** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Series 2019C Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2019C Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2019C Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2019C Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2019C Bonds.
- ***Attachment 3*** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Series 2019C Bonds.
- ***Attachment 4*** sets forth a copy of the First Quarterly Update to the ADS, dated August 2, 2019.
- ***Attachment 5*** sets forth certain information relating to Assured Guaranty Municipal Corp. (AGM) and includes the form of its specimen municipal bond insurance policy related to the Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive.

Information Included by Specific Cross-reference in this official statement and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

Information from the MSRB through EMMA. MTA files annual and other information with EMMA. Such information can be accessed at http://emma.msrb.org/.

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this official statement. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this official statement. **This official statement, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2019C Bonds.**

Information Available at No Cost. Information filed with the MSRB through EMMA is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at the address on page (i). For important information about MTA's website, see "FURTHER INFORMATION" in **Part III**.

Anticipated Debt Issuance

In addition to the issuance of the Series 2019C Bonds, MTA expects to issue approximately $80,000,000 Transportation Revenue Refunding Bonds, Series 2019D in September 2019. Additionally, MTA anticipates issuing approximately $750,000,000 of Transportation Revenue Bond Anticipation Notes in the second half of 2019.

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PART I. SERIES 2019C BONDS

Part I of this official statement, together with the Summary of Terms, provides specific information about the Series 2019C Bonds.

APPLICATION OF PROCEEDS

MTA anticipates that the proceeds of the Series 2019C Bonds (the principal amount thereof, plus net original issue premium of $80,355,058.85), together with other funds of MTA in the amount of $5,000,000.00, in the total amount of $507,785,058.85, will be used as follows (i) $505,000,000.00 to retire the outstanding Transportation Revenue Bond Anticipation Notes, Series 2018A, and (ii) $2,785,058.85 to pay certain bond insurance and financing, legal and miscellaneous expenses.

Climate Bond Certified

The information set forth under this caption "Climate Bond Certified" concerning (1) the Climate Bonds Initiative (the Climate Bonds Initiative) and the process for obtaining Climate Bond Certification (the Climate Bond Certification), and (2) Sustainalytics (Sustainalytics) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and Sustainalytics, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by MTA or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bonds Standard, the Certification Process and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. This website is included for reference only and the information contained therein is not incorporated by reference in this official statement.

The terms "Climate Bond Certified" and "green bonds" are neither defined in, nor related to the Transportation Resolution, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2019C Bonds is entitled to any additional security other than as provided in the Transportation Resolution. MTA has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2019C Bonds.

Introduction. In early 2016, MTA requested, and the Climate Bonds Standard Board approved, the designation of MTA's Transportation Revenue Bonds, Series 2016A Bonds as "Climate Bond Certified" pursuant to the Low Carbon Transport criteria (the Climate Criteria) under the Climate Bonds Standard 2.0. As part of the certification requirement, MTA engaged Sustainalytics as an independent verifier to review MTA's 2010-2014 Capital Program to identify projects with expenditures that met the Climate Criteria. Sustainalytics reviewed $12.6 billion of spending and concluded that projects totaling $11.3 billion, or 89.7%, qualified under the Climate Criteria, making them eligible projects for Climate Bonds Initiative certification. The Climate Bonds Initiative and MTA agreed that while MTA's pooled funding of its capital projects makes tracking proceeds to specific bond transactions prior to issuance impractical, the inherent benefit of MTA's Transit and Commuter Systems and the ongoing support and maintenance of them are compatible with an emissions trajectory consistent with the principles underlying the Climate Criteria. Due to the size and complexity of MTA's Capital Program and difficulty in tracking proceeds to specific projects, it is possible that MTA Climate Bonds Initiative certified bonds may fund or refund projects not specifically identified by the independent verifier but essential to MTA's core mission. Additionally, some of these projects may have been funded by other pooled resources available for MTA's Capital Programs. After an analysis of MTA's Capital Program elements, the Climate Bonds Initiative agreed to certify any bonds issued by MTA for credits that fund the Transit and Commuter Systems portion of its Capital Programs up to a maximum of $11.3 billion. MTA expects to issue additional green bonds from time to time for approved transit and commuter capital program projects reviewed and approved by the Climate Bonds Standard Board.

The Climate Bonds Initiative and Climate Bond Certification. MTA has applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the Certification Process), for designation of the Series 2019C Bonds as "Climate Bond Certified." The Certification Process is a voluntary verification initiative which allows MTA to demonstrate to the investor market, the users of MTA's transit and commuter systems and other stakeholders that the Series 2019C Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The requirements of the Certification Process relating to the Series 2019C Bonds are separated into pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that MTA has established appropriate internal processes and controls prior to issuance of the Series 2019C Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the Series 2019C Bonds have been issued and bond proceeds are being expended.

The post-issuance requirements require annual certification of compliance.

DESCRIPTION OF SERIES 2019C BONDS

General

Record Date. The Record Date for the payment of principal of, interest on and any Sinking Fund Installments with respect to the Series 2019C Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Series 2019C Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Series 2019C Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. So long as DTC is the registered owner of the Series 2019C Bonds, all payments on the Series 2019C Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Maturity. The Series 2019C Bonds shall mature and be payable as to principal and interest accrued from the dated date, as set forth on the inside cover page.

Interest Payments. The Series 2019C Bonds mature on the dates and in the principal amounts and will bear interest at the per annum rates shown on the inside cover page of this official statement. Interest will be paid semiannually on each May 15 and November 15, beginning November 15, 2019, calculated based on a 360-day year comprised of twelve 30-day months and will be payable to the Holders thereof on each Interest Payment Date.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2019C Bonds, it will be the sole registered owner of the Series 2019C Bonds, and transfers of ownership interests in the Series 2019C Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York, is Trustee and Paying Agent with respect to the Series 2019C Bonds.

Redemption Prior to Maturity

Optional Redemption. The Series 2019C Bonds are subject to redemption prior to maturity on any date on or after November 15, 2029, at the option of MTA, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2019C Bonds prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Series 2019C Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2019C Bonds in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2019C Bonds, as a whole, but only in accordance with the terms upon which the Series 2019C Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Series 2019C Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Series 2019C Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to Owners within the same time frame. A redemption of the Series 2019C Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that such optional redemption is conditioned upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that such optional redemption may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs.

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2019C Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2019C Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Series 2019C Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2019C Bonds, and an Owner's only right will be to receive payment of the redemption price upon surrender of those Series 2019C Bonds.

Please note that all redemptions are final – even if beneficial owners did not receive their notice and even if that notice had a defect.

Bond Insurance

Concurrently with the issuance of the Series 2019C Bonds, AGM will issue a Municipal Bond Insurance Policy (the Policy) for the Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive (the Insured Bonds). The Policy will guarantee the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as **Attachment 5** to this official statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

DEBT SERVICE ON THE BONDS

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds, (ii) debt service on the Series 2019C Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds to be outstanding after the issuance of the Series 2019C Bonds.

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Table 1
Aggregate Debt Service
($ in thousands)[1]

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4]	Series 2019C Bonds Principal	Series 2019C Bonds Interest	Series 2019C Bonds Total	Aggregate Debt Service[5]
2019	$ 1,116,219	-	$ 4,823	$ 4,823	$ 1,121,042
2020	1,622,435	-	19,079	19,079	1,641,514
2021	1,610,508	-	19,079	19,079	1,629,587
2022	1,593,867	-	19,079	19,079	1,612,946
2023	1,679,246	-	19,079	19,079	1,698,326
2024	1,670,644	-	19,079	19,079	1,689,723
2025	1,650,899	-	19,079	19,079	1,669,978
2026	1,693,571	-	19,079	19,079	1,712,650
2027	1,678,948	-	19,079	19,079	1,698,027
2028	1,673,444	-	19,079	19,079	1,692,523
2029	1,682,079	-	19,079	19,079	1,701,158
2030	1,667,728	-	19,079	19,079	1,686,807
2031	1,704,225	-	19,079	19,079	1,723,304
2032	1,706,053	-	19,079	19,079	1,725,132
2033	1,368,803	-	19,079	19,079	1,387,882
2034	1,323,383	-	19,079	19,079	1,342,462
2035	1,324,069	-	19,079	19,079	1,343,148
2036	1,135,280	-	19,079	19,079	1,154,359
2037	1,111,231	-	19,079	19,079	1,130,310
2038	1,019,313	$ 26,800	19,079	45,879	1,065,192
2039	955,591	28,140	17,739	45,879	1,001,470
2040	854,445	29,545	16,332	45,877	900,322
2041	687,354	31,020	14,855	45,875	733,229
2042	634,795	32,575	13,304	45,879	680,674
2043	492,895	34,200	11,675	45,875	538,770
2044	521,047	35,910	9,965	45,875	566,922
2045	414,477	37,710	8,170	45,880	460,357
2046	360,624	39,215	6,661	45,876	406,500
2047	330,816	40,785	5,093	45,878	376,693
2048	317,114	42,415	3,461	45,876	362,990
2049	158,596	44,115	1,765	45,880	204,475
2050	158,518	-	-	-	158,518
2051	129,026	-	-	-	129,026
2052	129,022	-	-	-	129,022
2053	79,398	-	-	-	79,398
2054	79,395	-	-	-	79,395
2055	79,395	-	-	-	79,395
2056	63,684	-	-	-	63,684
2057	10,483	-	-	-	10,483
Total	$36,488,618	$422,430	$476,345	$898,775	$37,387,393

(1) Totals may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread; Subseries 2002G-1 Bonds at an assumed rate of 4.0% plus the current fixed spread, except Subseries 2002G-1g Bonds at an assumed rate of 4.0%; Series 2011B Bonds at an assumed rate of 4.0% plus the current fixed spread; fixed rate mandatory tender bonds at their respective fixed rates prior to the mandatory tender date; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months for variable rate bonds and floating rate notes.

(3) Excludes debt service on all outstanding Bond Anticipation Notes and Revenue Anticipation Notes.

(4) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the Transportation Resolution.

(5) Figures reflect amounts outstanding as of the date of issuance of the Series 2019C Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this official statement describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2019C Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from a gross lien on the money pledged for payment under the Transportation Resolution. They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

MTA receives "transportation revenues" directly and through certain subsidiaries (currently, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus) and affiliates (currently, MTA New York City Transit and MaBSTOA), and its receipts from many of these sources are pledged for the payment of Transportation Revenue Bonds. MTA and its subsidiaries also receive operating subsidies from MTA Bridges and Tunnels and a number of other governmental sources. The Transportation Resolution provides that Owners are to be paid from pledged revenues prior to the payment of operating or other expenses, and as described in more detail below. MTA has covenanted to impose fares and other charges so that pledged revenues, together with other available moneys, will be sufficient to cover all debt service and operating and capital costs of the systems. See "Factors Affecting Revenues – Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses" below.

Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2018. A general description of the pledged revenues in the general categories referenced in **Table 2a** follows the table, and a more detailed description is set forth in Part 2 of the **ADS** under the heading "REVENUES OF THE RELATED ENTITIES."

Table 2a is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA on a cash basis. This information in **Table 2a** may not be indicative of future results of operations and financial condition. The information contained in **Table 2a** has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis ($ in millions)

	Years Ended December 31,				
	2014	**2015**	**2016**	**2017**	**2018**
Revenues from Systems Operations					
Fares from Transit System	$ 4,195	$ 4,396	$ 4,414	$ 4,487	$ 4,454
Fares from Commuter System	1,308	1,373	1,401	1,460	1,481
Fares from MTA Bus	225	223	233	236	242
Other Income[(1)]	270	248	248	256	280
Subtotal – Operating Revenues	**$5,999**	**$6,240**	**$6,296**	**$6,439**	**$6,457**
Revenues from MTA Bridges and Tunnels Surplus	**$623**	**$740**	**$742**	**$731**	**$692**
Revenues from Governmental Sources					
State and Local General Operating Subsidies	**$376**	**$370**	**$378**	**$376**	**$375**
Special Tax-Supported Operating Subsidies					
DTF Excess[(2)]	279	277	259	231	250
MMTOA Receipts	1,564	1,564	1,668	1,668	1,687
Urban Tax	806	941	811	585	656
Excess Mortgage Recording Taxes	25	25	25	25	25
MTA Aid Trust Account Receipts	313	285	300	306	273
Payroll Mobility Tax Receipts[(3)]	1,572	1,626	1,682	1,680	1,727
Subtotal Special Tax-Supported Operating Subsidies	**$4,559**	**$4,718**	**$4,745**	**$4,495**	**$4,617**
Station Maintenance and Service Reimbursements	**524**	**599**	**563**	**560**	**530**
City Subsidy for MTA Bus	**461**	**439**	**356**	**520**	**464**
Revenues from Investment of Capital Program Funds[(4)]	**7**	**8**	**13**	**24**	**55**
Subtotal – Non-Operating Revenues[(5)]	**$6,550**	**$6,874**	**$6,797**	**$6,706**	**$6,734**
Total Transportation Resolution Pledged Revenues	**$12,549**	**$13,114**	**$13,093**	**$13,145**	**$13,190**
Debt Service[(6)]	**$1,332**	**$1,399**	**$1,381**	**$1,581**	**$1,457**
Debt Service Coverage from Pledged Revenues	**9.4x**	**9.4x**	**9.5x**	**8.3x**	**9.1x**

(1) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Other income does not include Superstorm Sandy reimbursement funds.

(2) Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the **ADS** under the caption "DEDICATED TAX FUND BONDS."

(3) Payroll Mobility Tax Receipts include PMT Revenue Offset of $309 million annually in 2014 through 2016, and $244.3 million in both 2017 and 2018.

(4) Represents investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis.

(5) Sum of (a) Revenues from MTA Bridges and Tunnels Surplus, (b) Revenues from Governmental Sources (including State and Local General Operating Subsidies and Special Tax-Supported Operating Subsidies), (c) Station Maintenance and Service Reimbursements, (d) City Subsidy for MTA Bus and (e) Revenues from Investment of Capital Program Funds.

(6) Debt service was reduced by approximately $54 million in each year of 2014 through 2018 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution.

The following should be noted in **Table 2a**:

- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State's appropriation for the succeeding year advanced into the fourth quarter of MTA's calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs. In 2015, MMTOA Receipts remained at the same level as in 2014, because the State redirected a portion of MMTOA funds from the operating budget to the capital budget.

- "Urban Tax" collection reflects the activity level of certain commercial real estate transactions in the City. Urban Tax revenues declined in 2017 due to fewer significantly large transactions (valued over $100 million) as compared to 2015 and 2016. In 2018, MTA saw an increase in Urban Tax revenues from the prior year, as a result of both an overall stronger commercial real estate economy and an uptick in the value of significantly large transactions.

- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within

MTA's service area. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service ($25 million annually beginning in 2009). Since 2009, even though mortgage recording tax receipts have grown in six out of the last seven years, MTA Headquarters expenses and MTA Bus debt service expenses have continued to exceed MRT receipts, resulting in no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems.

- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received. MTA received one extra monthly payment made in 2017 (only 11 payments were made in 2016) and an additional quarterly payment, which is usually reconciled in the following year. In 2018, there was a decrease in receipts for MTA Bus, resulting from the additional quarterly payment that was made in 2017.
- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.
- In 2016, $45.3 million of revenues on deposit in the TRB debt service fund were replaced with proceeds of certain Transportation Revenue Bonds permitting such revenues to be used together with other available moneys to prepay outstanding 2 Broadway Certificates of Participation. As a result, 2016 Debt Service reported in the above table is lower by $45.3 million than it would have been if such transaction had not occurred.
- Totals may not add due to rounding.

Table 2b sets forth, by major category, for the five years ended December 31, 2018, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. This information contained in **Table 2b** may not be indicative of future results of operations and financial condition. The information in **Table 2b** has been prepared by MTA management based on MTA financial plans.

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Table 2b
MTA Consolidated Statement of Operations by Category
($ in millions)

Non-Reimbursable	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Operating Revenue					
Farebox Revenue	$5,709	$5,961	$6,170	$6,172	$6,155
Toll Revenue	1,676	1,809	1,912	1,912	1,976
Other Revenue	682	689	653	653	643
Capital and Other Reimbursements	0	0	0	0	0
Total Operating Revenue	**$8,068**	**$8,459**	**$8,608**	**$8,737**	**$8,774**
Operating Expense					
Labor Expenses:					
Payroll	$4,672	$4,696	$5,019	$5,021	$5,211
Overtime	730	755	934	934	1,066
Health & Welfare	962	1,050	1,209	1,209	1,230
OPEB Current Payment	479	502	564	564	604
Pensions	1,304	1,249	1,345	1,345	1,336
Other-Fringe Benefits	784	861	794	792	881
Reimbursable Overhead	(350)	(380)	(492)	(492)	(528)
Subtotal Labor Expenses	**$8,582**	**$8,732**	**$9,238**	**$9,373**	**$9,799**
Non-Labor Expenses:					
Electric Power	$516	$474	$430	$430	$482
Fuel	267	162	150	150	185
Insurance	51	57	(3)	(3)	(29)
Claims	269	331	515	526	438
Paratransit Service Contracts	366	379	393	393	455
Maintenance and Other Operating Contracts	549	579	692	695	678
Professional Service Contracts	283	380	506	507	544
Materials & Supplies	527	543	588	588	637
Other Business Expenses	180	196	217	217	221
Subtotal Non-Labor Expenses	**$3,007**	**$3,101**	**$3,168**	**$3,505**	**$3,611**
Other Expense Adjustments:					
Other	$45	$37	$49	$49	$129
General Reserve	0	0	0	0	0
Subtotal Other Expense Adjustments	**$45**	**$37**	**$47**	**$49**	**$129**
Total Operating Expense before Non-Cash Liability Adj.	**$11,634**	**$11,871**	**$12,454**	**$12,927**	**$13,539**
Depreciation	$2,266	$2,443	$2,600	$2,608	$2,805
OPEB Liability Adjustment	2,035	1,490	1,548	1,567	
GASB 75 OPEB Expense Adjustment					1,048
GASB 68 Pension Expense Adjustment	0	(410)	(234)	(168)	(373)
Environmental Remediation	21	21	13	13	106
Total Operating Expense after Non-Cash Liability Adj.	**$15,956**	**$15,414**	**$16,252**	**$16,948**	**$17,124**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($4,322)	($3,543)	($3,927)	($4,021)	($3,585)
Debt Service (excludes Service Contract Bonds)	2,249	2,373	2,525	2,525	2,541
Total Operating Expense with Debt Service	**$13,882**	**$14,244**	**$14,912**	**$15,452**	**$16,079**
Dedicated Taxes and State/Local Subsidies	$6,375	$6,595	$6,429	$6,416	$7,177
Net Surplus/(Deficit) After Subsidies and Debt Service	**$561**	**$810**	**$371**	**($300)**	**($128)**
Conversion to Cash Basis: GASB Account	(50)	0	0	0	0
Conversion to Cash Basis: All Other	(626)	(660)	129	174	379
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($115)**	**$150**	**($232)**	**($126)**	**$251**
ADJUSTMENTS	**0**	**0**	**0**	**0**	**0**
PRIOR-YEAR CARRYOVER	**445**	**330**	**480**	**248**	**121**
NET CASH BALANCE	**$330**	**$480**	**$248**	**$121**	**$372**

Table 3a sets forth the Summary of Mid-Year Forecast 2019 and Preliminary Budget 2020. Pledged Revenues based on the MTA 2020 Preliminary Budget July Financial Plan 2020-2023. The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2014-2018, in **Table 2a**.

Table 3a

Summary of Mid-Year Forecast 2019 and Preliminary Budget 2020
(Calculated in Accordance with the Transportation Resolution)
($ in millions) [(1)]

	Mid-Year Forecast 2019	**Preliminary Budget 2020**
Revenues from Systems Operations		
Fares from Transit System	$4,539	$4,600
Fares from Commuter System	1,536	1,561
Fares from MTA Bus	221	224
Other Income [(2)]	309	289
Subtotal – Operating Revenues	**$6,604**	**$6,674**
Revenues from MTA Bridges and Tunnels Surplus	**$762**	**$776**
Revenues from State and Local Governmental Sources		
State and Local General Operating Subsidies	**$356**	**$376**
NYC Transportation Assistance Fund – General Transportation Account[(3)]	**$0**	**$84**
Special Tax-Supported Operating Subsidies		
DTF Excess [(4)]	253	235
MMTOA Receipts	1,824	1,888
Urban Tax	671	626
Excess Mortgage Recording Taxes	12	12
Aid Trust Account Receipts [(5)]	313	318
Payroll Mobility Tax Receipts [(5)]	1,839	1,907
Subtotal Special Tax-Supported Operating Subsidies	**$4,912**	**$4,987**
Station Maintenance and Service Reimbursements	**$613**	**$610**
City Subsidy for MTA Bus	**669**	**517**
Income from Investment of Capital Program Funds	**2**	**2**
Subtotal – Non-Operating Revenues	**$7,315**	**$7,351**
Total Transportation Resolution Pledged Revenues	**$13,919**	**$14,026**
Budgeted Debt Service [(6)]	**$1,613**	**$1,721**
Debt Service Coverage from Pledged Revenues	**8.6x**	**8.1x**

(1) Totals may not add due to rounding.
(2) Other income for the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income for the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Includes MTA Bus Other Income.
(3) The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a new New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and a General Transportation account. See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – 2018 Additional Revenues". The zero amounts in 2019 reflect lower collection of For-Hire Vehicle fees, as collections were delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January 2019. See the PART I of the **ADS**. See also "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – Legal Challenges to Certain Congestion Zone Surcharges" for a description of a lawsuit challenging the application of certain Congestion Zone Surcharges.
(4) Calculated by subtracting the debt service payments on Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the **ADS** under the caption "DEDICATED TAX FUND BONDS."
(5) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees" in the **ADS** for a description of such additional revenues and MTA's current expectations for application of such revenues in the future.
(6) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.2 million in 2019 and $53.5 million in 2020. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Mid-Year Forecast 2019 and Preliminary Budget 2020, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2020 Preliminary Budget July Financial Plan 2020-2023. The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2014-2018, in **Table 2b**.

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Table 3b
MTA Consolidated Statement of Operations by Category
($ in millions)

Non-Reimbursable	Mid-Year Forecast 2019	Preliminary Budget 2020
Operating Revenue		
Farebox Revenue	$6,305	$6,389
Toll Revenue	2,088	2,121
Other Revenue	696	684
Capital and Other Reimbursements	0	0
Total Operating Revenue	**$9,089**	**$9,195**
Operating Expense		
Labor Expenses:		
Payroll	$5,328	$5,422
Overtime	910	838
Health & Welfare	1,341	1,414
OPEB Current Payment	645	704
Pensions	1,494	1,461
Other-Fringe Benefits	869	897
Reimbursable Overhead	(471)	(430)
Subtotal Labor Expenses	**$10,116**	**$10,306**
Non-Labor Expenses:		
Electric Power	$452	$473
Fuel	183	183
Insurance	6	16
Claims	388	394
Paratransit Service Contracts	495	488
Maintenance and Other Operating Contracts	840	797
Professional Service Contracts	608	503
Materials & Supplies	689	680
Other Business Expenses	218	214
Subtotal Non-Labor Expenses	**$3,877**	**$3,748**
Other Expense Adjustments:		
Other	$175	$86
General Reserve	165	170
Subtotal Other Expense Adjustments	**$340**	**$256**
Total Operating Expense before Non-Cash Liability Adjustments	**$14,333**	**$14,310**
Depreciation	$2,785	$2,843
GASB 75 OPEB Expense Adjustment	1,457	1,628
GASB 68 Pension Expense Adjustment	(221)	(272)
Environmental Remediation	6	6
Total Operating Expense after Non-Cash Liability Adjustments	**$18,360**	**$18,515**
Conversion to Cash Basis: Non-Cash Liability Adjustments	($4,027)	($4,205)
Debt Service (excludes Service Contract Bonds)	2,683	2,830
Total Operating Expense with Debt Service	**$17,016**	**$17,140**
Dedicated Taxes and State/Local Subsidies	$7,314	$7,406
Net Surplus/(Deficit) After Subsidies and Debt Service	**($613)**	**($539)**
Conversion to Cash Basis: GASB Account	0	0
Conversion to Cash Basis: All Other	229	147
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($384)**	**($392)**
ADJUSTMENTS	**73**	**386**
PRIOR-YEAR CARRYOVER	**372**	**61**
NET CASH BALANCE	**$61**	**$55**

Description of Pledged Revenues

Each of the following revenues is described in more detail in Part 2 of the **ADS** under the caption "REVENUES OF THE RELATED ENTITIES." See also **Tables 2a, 2b, 3a** and **3b** above for both historical and forecasted results for each category of pledged revenues described below.

Revenues from Systems Operations.

- ***Fares from the Transit and Commuter Systems.*** The previously approved transit and commuter fare increases were implemented on March 19, 2017. At its February 27, 2019 meeting, the MTA Board approved transit and commuter fare increases, that became effective on April 21, 2019.

  The base subway, local bus and paratransit fares remained unchanged at $2.75 per trip and the base express bus fare increased from $6.50 to $6.75 per trip. The Pay-Per-Ride MetroCard bonus was eliminated. Single ride subway and bus tickets remained unchanged at $3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from $121 to $127, the cost of a 7-day unlimited ride MetroCard from $32 to $33, and the 7-day Express Bus Plus unlimited ride MetroCard from $59.50 to $62.

  At MTA Metro-North Railroad and MTA Long Island Rail Road, all weekly and monthly passes increased 3.85% or less, and monthly tickets no more than $15. One way tickets had a range of increases due to the need for fares to round to $0.25 increments. One-way fares into New York City had a range of increases up to 8.00%. Other ticket types such as intermediates, half fares and other discounted tickets had larger increases up to 10%, again due to the need to round to $0.25 increments on a low ticket price. For these one-way fares, any increase greater than 6.0% was not more than $0.50 per ride. Increased fares also apply to UniTickets and MTA Metro-North Railroad-managed connecting services. CityTicket increased from $4.25 to $4.50.

- ***Other Income.*** MTA receives revenues from concessions to vendors and from advertising and other space it rents in subway and commuter rail cars, buses, stations and other facilities. Concession revenues from Grand Central Terminal (the main station for MTA Metro-North Railroad) and Penn Station (the main station for MTA Long Island Rail Road), however, are not included within these amounts pledged.

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs, but not including moneys deposited in to the CBD Tolling Lockbox Fund, as hereinafter described) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

At their February 27, 2019 meeting, the MTA Board approved toll increases that became effective on March 31, 2019, as follows:

- ***Cash/Tolls by Mail for Passenger Vehicles.*** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by $1.00 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to $9.50, by $2.00 at the Verrazzano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to $19.00, by $1.00 at the Henry Hudson Bridge to $7.00, and by $0.50 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to $4.75. Commercial vehicle tolls also increased. Effective September 30, 2017, MTA Bridges and Tunnels completed full implementation of Cashless Tolling at all MTA Bridges and Tunnels Facilities.

- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by $0.36 at major facilities, $0.72 at the VNB, $0.16 at the Henry Hudson Bridge and $0.13 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

- ***General Operating Subsidies from the State and Local Governments.*** Under the State's Section 18-b program, MTA receives:
  - o subsidies for the Transit System from the State and matching subsidies from the City, and
  - o subsidies for the Commuter System from the State and matching subsidies from the City and the seven counties within the MCTD.
- ***Special Tax-Supported Operating Subsidies.*** MTA receives subsidies from a number of sources including:
  - o portions of the following dedicated taxes pledged but not ultimately needed to pay debt service on MTA's Dedicated Tax Fund bonds:
    - ▪ a group of business privilege taxes imposed on petroleum businesses operating in the State, referred to as the PBT,
    - ▪ motor fuel taxes on gasoline and diesel fuel, and
    - ▪ certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees; and
  - o portions of the following mass transportation operating assistance or MMTOA taxes, which State law requires first be used to pay debt service on MTA's Dedicated Tax Fund bonds if the dedicated taxes described above are insufficient:
    - ▪ the regional PBT (in addition to the State-wide portion described above), which is referred to as the MMTOA PBT,
    - ▪ the sales and compensating use tax within the MCTD,
    - ▪ two franchise taxes imposed on certain transportation and transmission companies, and
    - ▪ a surcharge on a portion of the franchise tax imposed on certain corporations, banks, insurance, utility and transportation companies attributable to business activities within the MCTD; and
  - o a portion of the amounts collected by the City for the benefit of the Transit System from certain mortgage transfer and recording taxes (the Urban Taxes).

Additional Taxes and Fees.

2009 Additional Taxes and Fees. On May 7, 2009, legislation was enacted in the State (the May 2009 Legislation) providing additional sources of revenues in the form of taxes, fees and surcharges to address the financial needs of MTA. Certain provisions of the May 2009 Legislation, principally relating to the payroll mobility tax (PMT), have been substantially revised since originally enacted, including provisions exempting additional categories of taxpayers from payment of the PMT, increasing the level of payroll expense at which the PMT becomes applicable, and lowering the tax rate. The May 2009 Legislation, as amended to date, among other things, imposes:

- a PMT on payroll expenses and net earnings from self-employment within the MCTD, subject to certain limitations and exemptions;
- a supplemental fee of one dollar for each six-month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD;
- a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD;
- a tax on taxicab owners of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD; and

- a supplemental tax of six percent of the cost of rentals of automobiles rented within the MCTD.

Additional amendments made in 2011 to the May 2009 Legislation further expressly provided that any reductions in aid to MTA attributable to the 2011 statutory reductions in the payroll mobility tax "shall be offset through alternative sources that will be included in the state budget" (the PMT Revenue Offset).

Revenue from the PMT is not subject to appropriation, but is payable directly to MTA pursuant to an amendment in the 2015-2016 State Enacted Budget. The PMT Revenue Offset, however, is subject to appropriation. Beginning in State Fiscal Year 2019-2020, the revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) are no longer subject to appropriation, but will be paid on a quarterly basis to MTA.

2018 Additional Revenues. In April 2018, legislation was enacted in the State (the April 2018 Legislation) providing additional sources of revenues, in the form of surcharges and fines, to address the financial needs of MTA. Among other things, the April 2018 Legislation imposed, beginning January 1, 2019, the following:

- a surcharge of $2.75 on for-hire transportation trips (the For-Hire Transportation Surcharge) provided by motor vehicles carrying passengers for hire (or $2.50 in the case of taxicabs that are subject to the $0.50 tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulances and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the Borough of Manhattan (the Congestion Zone), (2) originates anywhere in the State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in the State, or (4) originates anywhere in the State, enters into the Congestion Zone while in transit, and terminates anywhere in the State;
- a surcharge of $0.75 for each person (the Pool Vehicle Surcharge, which, together with the For-Hire Transportation Surcharge, is referred to herein collectively as the Congestion Zone Surcharges) who both enters and exits a pool vehicle (certain carpool arrangements set forth in the April 2018 Legislation) in the State and who is picked up in, dropped off in, or travels through the Congestion Zone; and
- certain fines relating to bus rapid transit lane restrictions (the Rapid Transit Lane Fines) captured by the use of stationary and mobile (on-bus) bus lane photo devices on up to ten bus rapid transit routes designated by the New York City Department of Transportation.

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, and the following three accounts therein:

- Subway Action Plan Account,
- Outer Borough Transportation Account, and
- General Transportation Account.

Moneys in the Subway Action Plan Account may be used exclusively for funding the operating and capital costs of the Subway Action Plan (such plan developed by MTA New York City Transit and approved by the MTA Board). Moneys in the Outer Borough Transportation Account may be used exclusively for funding (1) the operating and capital costs of 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. In connection with the enactment of the State budget for Fiscal Year 2019-2020, adopted on April 1, 2019 (the 2019-2020 State Enacted Budget), moneys from the Outer Borough Transportation Account were earmarked to establish two rebate programs relating to certain toll payers of specified MTA Bridges and Tunnels crossings. Moneys in the General Transportation Account may be used for funding the operating and capital costs of MTA. In each case, moneys may be used for pay-go or for debt service and reserve requirements.

The Congestion Zone Surcharges, together with interest and penalties thereon, will be deposited daily to the credit of the State Comptroller in trust for MTA. The State Comptroller will retain such amount as is determined to be necessary for refunds and the State Commissioner of Taxation and Finance (the Commissioner) will deduct reasonable amounts for costs incurred to administer, collect and distribute such amounts. If sufficient amounts are collected and available, then in accordance with the April 2018 Legislation, on or before the 12th day of each month, after reserving amounts for refunds and reasonable costs, the Commissioner will certify to the State Comptroller the amounts collected in the prior month and the following amounts will be transferred to the following accounts by the 15th business day of each succeeding month (except for the Rapid Transit Lane Fines, which are payable quarterly):

- to the Subway Action Plan Account, without appropriation:
    - in calendar year 2019 – the first $362 million,
    - in calendar year 2020 – the first $301 million, and
    - in calendar year 2021 and thereafter – the first $300 million.
- to the Outer Borough Transportation Account, without appropriation, in each year the next $50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2020.

For a discussion of certain litigation relating to the Congestion Zone Surcharges, see "FINANCIAL PLANS AND CAPITAL PROGRAMS – Additional Matters – *Legal Challenge to Certain 2018 Enacted Congestion Zone Surcharges*" in Part 2 of the **ADS**.

Application of 2009 Additional Taxes and Fees and 2018 Additional Revenues.

- *PMT*. The revenues from the PMT and the PMT Revenue Offset (the PMT Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service on Transportation Revenue Bonds, of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Under the Transportation Resolution, the PMT Revenues constitute "Operating Subsidies" that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds to the extent not required to be applied to the payment of debt service on bonds that may be issued in the future by MTA that are secured in whole or in part by the PMT Revenues.

- *Aid Trust Account Monies*. The revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine. Under the Transportation Resolution, the Aid Trust Account Monies constitute "Non-Pledged Operating Subsidies" that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses. Although MTA has allocated such monies so as to constitute pledged revenues in prior years, no assurances can be given that MTA will allocate any of the Aid Trust Account Monies to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses in the future.

- *Congestion Zone Surcharges and Rapid Transit Lane Fines.* The Congestion Zone Surcharges and the Rapid Transit Lane Fines may be pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used, as described above, including the payment of debt service of MTA. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Congestion Zone Surcharges and the Rapid Transit Lane Fines may be used by MTA to pay for costs, including operating costs of MTA, for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used.

  Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the Subway Action Plan Account and the Outer Borough Transportation Account constitute "Non-Pledged Operating Subsidies" that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or to Operating and Maintenance Expenses. Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the General Transportation Account and the Rapid Transit Lane Fines constitute "Operating Subsidies" that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds.

Expectations with Respect to Future Bonding. MTA currently anticipates establishing a new credit secured in whole or in part by the PMT Revenues and the Aid Trust Account Monies. Such pledge would reduce the amounts of PMT Revenues and Aid Trust Account Monies available to constitute Operating Subsidies.

MTA currently expects that, unless and until amounts constituting the PMT Revenue Offset are pledged as part of the security for the new credit secured in whole or in part by PMT Revenues, such amounts would be treated as "Operating Subsidies" pledged to the payment of principal and interest on the Transportation Revenue Bonds.

2019 Additional Revenues for MTA Capital Program Costs. The 2019-2020 State Enacted Budget established three additional revenue sources for MTA: (1) the Central Business District Tolling Program, (2) a portion of the collections of new real estate transfer taxes to be imposed in the City, and (3) allocated portions of the State and City sales tax collections based upon projected increases due to legislative changes to collect City-based internet sales tax allocations (the State portion of such sales tax collections were not appropriated in the 2019 legislative session and accordingly will not be available to MTA until they are appropriated by the Legislature). Funds from such additional revenue sources are to deposited in a newly established CBD Tolling Capital Lockbox Fund held by MTA Bridges and Tunnels, to be used, subject to certain limitations, to fund operating, administration and other necessary expenses relating to the CBD Tolling Program, including costs incurred by MTA Bridges and Tunnels in administering the program and related costs incurred by the City Department of Transportation, and costs of MTA capital projects included in the 2020-2024 Capital Program or any successor capital program. Such funds in the CBD Tolling Capital Lockbox Fund may be:

(i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or

(ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a Pay-Go basis; or

(iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay for costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a Pay-Go basis.

See "MTA-RELATED PROVISIONS IN THE NEW YORK STATE FISCAL YEAR 2019-2020 ENACTED BUDGET – Central Business District Tolling Program" and "–Other New Recurring Revenue Sources for MTA" in Part I of the **ADS**.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May 2009 Legislation, as amended) into the State's general fund or any other fund maintained for support of another governmental purpose.

Station Maintenance and Service Reimbursements. MTA is reimbursed by the City and the seven counties in the MCTD with respect to commuter stations located in each respective jurisdiction for the cost of staffing the stations, maintaining the stations and appurtenant land and buildings, and insurance. In addition, the City provides for the policing of the Transit System and contributes to support MTA New York City Transit's paratransit, senior citizen and school children programs. Also, MTA Metro-North Railroad receives certain payments from the Connecticut Department of Transportation (CDOT) for its share of the operating deficits of the New Haven rail line.

City Agreement with MTA Bus. In December 2004, the MTA Board approved a letter agreement with the City (the MTA Bus Letter Agreement) with respect to MTA Bus' establishment and operation of certain bus routes (the MTA Bus System) in areas then served by seven private bus companies pursuant to franchises granted by the City. The City's payments under the MTA Bus Letter Agreement are pledged to holders of the Transportation Revenue Bonds and are reflected in **Tables 2a, 2b, 3a** and **3b** above. The MTA Bus Letter Agreement with the City provides for the following:

- A lease by the City to MTA Bus of the bus assets to operate the MTA Bus System.
- The City agrees to pay MTA Bus the difference between the actual cost of operation of the MTA Bus System (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the MTA Bus System.
- If the City fails to timely pay any of the subsidy amounts due for a period of 30 days, MTA Bus has the right, after an additional 10 days, to curtail, suspend or eliminate service and may elect to terminate the agreement. The City can terminate the agreement on one year's notice.

Revenues from Investment Income and Miscellaneous. MTA earns income, as do its subsidiaries and affiliates, from the temporary investment of money held in those of MTA's various funds and accounts that are pledged to holders of Transportation Revenue Bonds.

Factors Affecting Revenues

Ridership. The level of fare revenues depends to a large extent on MTA's ability to maintain and/or increase ridership levels on the Transit, Commuter and MTA Bus Systems. Those ridership levels are affected by safety and the quality and efficiency of systems operations, as well as by financial and economic conditions in the New York metropolitan area.

Fare Policy. MTA determines the rate or rates of fares charged to users of the Commuter System and MTA Bus System, and MTA New York City Transit and MaBSTOA, together with MTA, do the same for the

Transit System. After adopting operating expense budgets and assessing the availability of governmental subsidies, each makes a determination of fares necessary to operate on a self-sustaining cash basis in compliance with State law and covenants in the Transportation Resolution. Considering the impact of increased fares on riders and on the regional economy, MTA may attempt to reduce costs or obtain additional revenues from other sources, mainly governmental sources, before increasing fares. As a result, even though MTA does not generally need other governmental approvals before setting fares, the amount and timing of fare increases may be affected by the federal, State and local government financial conditions, as well as by budgetary and legislative processes. MTA's obligation to obtain approval of fare increases on the New Haven line from CDOT can also affect the amount and timing of fare increases.

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the adopted budget for 2019, the preliminary budget prepared in connection with 2020 and the forecasts prepared in connection with 2021, 2022 and 2023) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the July Financial Plan 2020-2023, the budgets of the Related Entities are expected to be in balance in 2019 and 2020, but there are projected deficits in 2021, 2022 and 2023. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

Financial Plans. The July Financial Plan 2020-2023, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the July Financial Plan 2020-2023, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Transformation Plan. The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization and providing safe and reliable service, MTA remains committed to meeting the needs of its customers in a more cost efficient and trustworthy manner. To that end, MTA procured the services of a management consulting firm to aid in this transformation. That firm presented its report to MTA ("MTA Transformation Plan") and initial anticipated fiscal impacts of the report's recommendations are included in the July Financial Plan 2019-2023. The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

MTA Bridges and Tunnels Operating Surplus. The amount of MTA Bridges and Tunnels operating surplus to be used for the Transit and Commuter Systems is affected by a number of factors, including traffic volume, the timing and amount of toll increases, the operating and capital costs of MTA Bridges and Tunnels Facilities, and the amount of debt service payable from its operating revenues, including debt service on obligations issued for the benefit of MTA's affiliates and subsidiaries and for MTA Bridges and Tunnels' own capital needs.

Government Assistance. The level and timing of government assistance to MTA may be affected by several different factors, such as:

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.

- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the State and the State of Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this official statement. Such information is on file with MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of Transportation Revenue Bonds and Notes wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of Transportation Revenue Bonds or Notes. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Series 2019C Bonds, are MTA's special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

- The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section "SOURCES OF PAYMENT," which are, together with certain other revenues, referred to as "pledged revenues."
- Holders of Transportation Revenue Bonds are to be paid prior to the payment, from pledged revenues, of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus. However, MTA's ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.
- Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit.
- MTA has no taxing power.

Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA. See "INTRODUCTION – Where to Find Information."

Pledge Effected by the Resolution

The Transportation Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Transportation Revenue Bonds and Parity Debt, in accordance with their terms and the provisions of the Transportation Resolution the following, referred to as the "Trust Estate":

- all pledged revenues as described above;
- the net proceeds of certain agreements pledged by MTA to the payment of transit and commuter capital projects;
- the proceeds from the sale of Transportation Revenue Bonds, until those proceeds are paid out for an authorized purpose;
- all funds, accounts and subaccounts established by the Transportation Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt); and
- the Amended and Restated Interagency Agreement dated as of April 1, 2006, among MTA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA New York City Transit, MaBSTOA and MTA Bus.

The Trustee may directly enforce an undertaking to operate the Transit System, the Commuter System or the MTA Bus System to ensure compliance with the Transportation Resolution.

Under the Transportation Resolution, the operators of the Transit, Commuter and MTA Bus Systems are obligated to transfer to the Trustee for deposit into the Revenue Fund virtually all pledged revenues as soon as practicable following receipt or, with respect to revenues in the form of cash and coin, immediately after being counted and verified. The pledge of money located in the State of Connecticut may not be effective until that money is deposited under the Transportation Resolution.

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee),
- Debt Service Fund (held by the Trustee), and
- Proceeds Fund (held by MTA).

The Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

- to the debt service accounts, the net amount, if any, required to make the amount in the debt service accounts equal to the accrued debt service for Transportation Revenue Bonds and Parity Debt to the last day of the current calendar month;
- to pay, or accrue to pay, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation;
- to MTA for deposit in the Proceeds Fund, as directed by one of MTA's authorized officers, to fund Capital Costs of the Transit, Commuter and MTA Bus Systems; and
- to accounts held by MTA or any of the Related Transportation Entities for payment of operating expenses or any other authorized purpose.

All amounts paid out by MTA or the Trustee either for an authorized purpose (excluding transfers to any other pledged fund or account) or under the last bullet point above are free and clear of the lien and pledge created by the Transportation Resolution.

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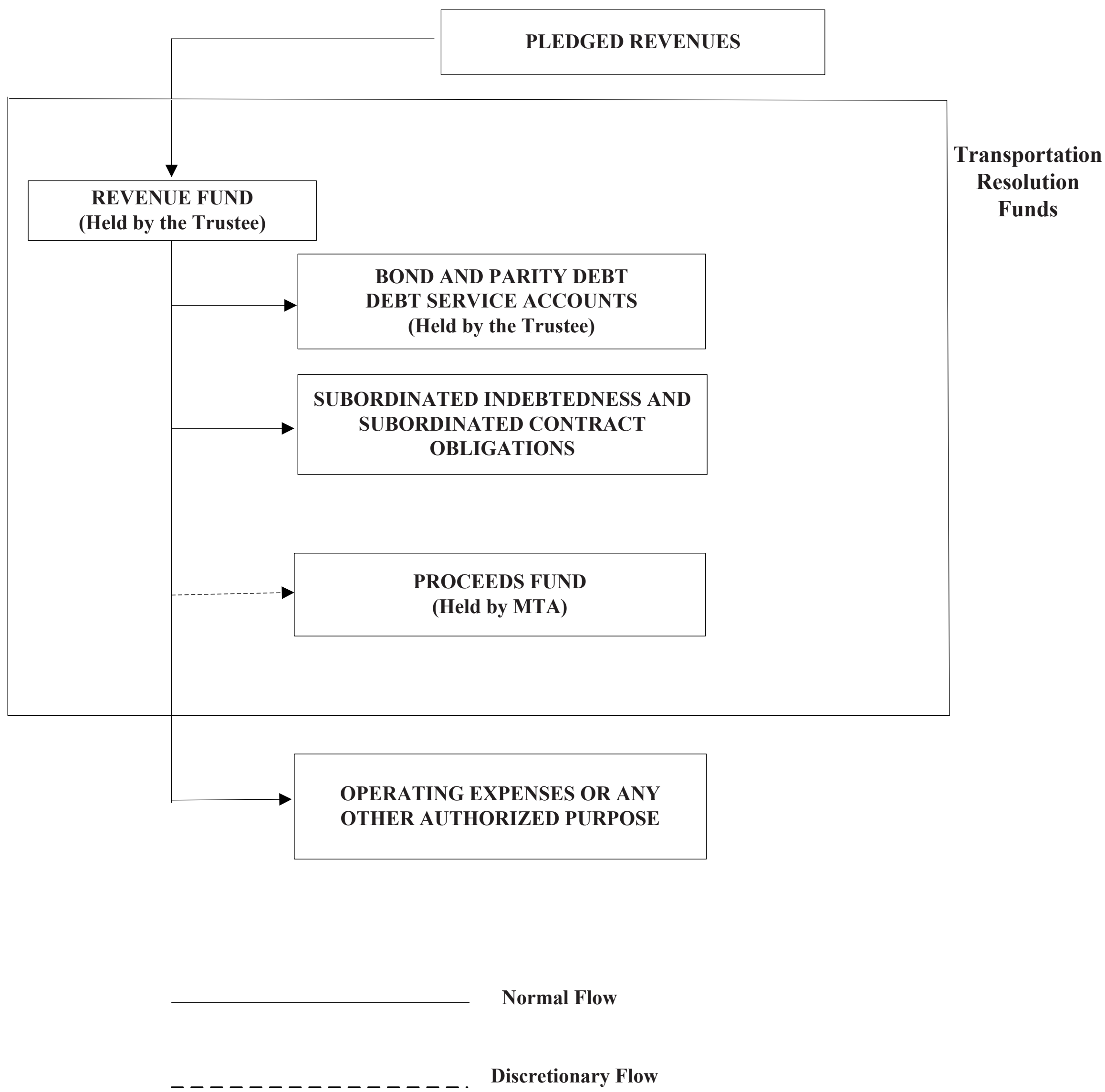
The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



Covenants

Rate Covenants. MTA must fix the transit and commuter fares and other charges and fees to be sufficient, together with other money legally available or expected to be available, including from government subsidies –

- to pay the debt service on all the Transportation Revenue Bonds;
- to pay any Parity Debt;
- to pay any Subordinated Indebtedness and amounts due on any Subordinated Contract Obligations; and
- to pay, when due, all operating and maintenance expenses and other obligations of its transit and commuter affiliates and subsidiaries.

See "SOURCES OF PAYMENT – Factors Affecting Revenues" above.

Operating and Maintenance Covenants.

- MTA, MaBSTOA, MTA New York City Transit, MTA Metro-North Railroad, MTA Long Island Rail Road and MTA Bus are required at all times to operate, or cause to be operated, the systems properly and in a sound and economical manner and maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept in good repair, working order and condition.
- Nothing in the Transportation Resolution prevents MTA from ceasing to operate or maintain, or from leasing or disposing of, all or any portion of the systems if, in MTA's judgment it is advisable to do so, but only if the operation is not essential to the maintenance and continued operation of the rest of the systems and this arrangement does not materially interfere with MTA's ability to comply with MTA's rate covenants.

Additional Bonds. The Transportation Resolution permits MTA to issue additional Transportation Revenue Bonds and to issue or enter into Parity Debt, from time to time, to pay or provide for the payment of qualifying costs, without meeting any specific debt-service-coverage level, as long as MTA certifies to meeting the rate covenant described above for the year in which the additional debt is being issued. Under the Transportation Resolution, MTA may only issue additional Transportation Revenue Bonds if those bonds are issued to fund projects pursuant to an approved MTA Capital Program, if an approved capital program is then required.

There is no covenant with Owners limiting the aggregate principal amount of additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current State law that covers the Transportation Revenue Bonds and certain other securities. See Part 3 of the **ADS** under the caption "GENERAL – Financing of Capital Projects and Statutory Ceiling" for a description of the current statutory cap.

Refunding Bonds. MTA may issue Transportation Revenue Bonds to refund all or any portion of the Transportation Revenue Bonds or Parity Debt. Transportation Revenue Bonds may also be issued to refund any pre-existing indebtedness of any Related Entity issued to fund transit and commuter projects. The MTA Board has adopted a refunding policy which must be complied with prior to the issuance of any refunding Bonds.

Non-Impairment. Under State law, the State has pledged to MTA that it will not limit or change MTA's powers or rights in such a way that would impair the fulfillment of MTA's promises to holders of the Transportation Revenue Bonds.

No Bankruptcy. State law specifically prohibits MTA, its Transit System affiliates, its Commuter System subsidiaries or MTA Bus from filing a bankruptcy petition under Chapter 9 of the U.S. Federal

Bankruptcy Code. As long as any Transportation Revenue Bonds are outstanding, the State has covenanted not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the Transportation Resolution that, subject to certain exceptions, would be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Transportation Resolution with respect to Transportation Revenue Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the Trustee.

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PART III. OTHER INFORMATION ABOUT THE SERIES 2019C BONDS

Part III of this official statement provides miscellaneous additional information relating to the Series 2019C Bonds.

TAX MATTERS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., are Co-Bond Counsel for the Series 2019C Bonds. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Series 2019C Bonds is:

- excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and
- not a specific preference item for an Owner in calculating the federal alternative minimum tax.

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Series 2019C Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3** to this official statement for the form of the opinion that Co-Bond Counsel each expect to deliver when the Series 2019C Bonds are delivered.

The Series 2019C Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2019C Bonds that MTA must continue to meet after the Series 2019C Bonds are issued. These requirements generally involve the way that Series 2019C Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2019C Bonds must be used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Series 2019C Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2019C Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Series 2019C Bonds.

If an Owner is in any of these categories, it should consult its tax advisor.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Series 2019C Bonds or affect the market price of the Series 2019C Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2019C Bonds, or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Series 2019C Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2019C Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner's tax basis in that Series 2019C Bond will be reduced. The Owner of a Series 2019C Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2019C Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2019C Bond with bond premium, even though the Series 2019C Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Series 2019C Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Series 2019C Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Series 2019C Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2019C Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Series 2019C Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Series 2019C Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Series 2019C Bonds from gross income for federal or state income tax purposes, or otherwise. Prospective purchasers of the Series 2019C Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2019C Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance of the Series 2019C Bonds may affect the tax status of interest on the Series 2019C Bonds.

Prospective Owners should consult their own tax advisors regarding the foregoing matters.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2019C Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

- all public officers and bodies of the State and all municipalities and political subdivisions in the State,
- all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business,
- all administrators, guardians, executors, trustees and other fiduciaries, and
- all other persons whatsoever who are now or who may hereafter be authorized to invest in the obligations of the State.

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Series 2019C Bonds.

LITIGATION

There is no pending litigation concerning the Series 2019C Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to MTA, or its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Series 2019C Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the **ADS** under the caption "LITIGATION," as that filing may be amended or supplemented to date.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Series 2019C Bonds. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the competitive bidding and pricing of the Series 2019C Bonds. The Co-Financial Advisors have not independently verified the information contained in this official statement and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

After competitive bidding on August 8, 2019, the Series 2019C Bonds maturing on November 15, 2038 through November 15, 2044, inclusive, were awarded to J.P. Morgan Securities LLC (J.P. Morgan) for an aggregate purchase price of $271,932,189.00, reflecting an original issue premium of $54,200,388.00, and an underwriter's discount of $458,199.00; and the Series 2019C Bonds maturing on November 15, 2045 through November 15, 2049, inclusive, were awarded to BofA Securities, Inc. (BofA and, together with J.P. Morgan the Underwriters) for an aggregate purchase price of $228,648,219.97, reflecting an original issue premium of $26,154,670.85, an underwriter's discount of $220,579.08, and an insurance premium of $1,525,871.80. The Underwriters will reoffer such Series 2019C Bonds at the public offering prices or yields set forth on the inside cover page.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

The Series 2019C Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2019C Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

In addition, the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2019C Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriters will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Series 2019C Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings 33 Whitehall Street New York, New York 10004 (212) 908-0500	Kroll Bond Ratings Agency 805 Third Avenue, 29th Floor New York, New York 10022 (212) 702-0707
Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA has furnished information to each rating agency rating the bonds being offered, including information not included in this official statement, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the bonds.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA. The form of the opinions of Co-Bond Counsel in connection with the issuance of the Series 2019C Bonds is **Attachment 3** to this official statement.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, Special Disclosure Counsel to MTA.

Certain legal matters regarding MTA will be passed upon by its General Counsel.

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, MTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA's annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA has undertaken to file such information (the Annual Information) with EMMA.

MTA has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA is also obligated to deliver, in a timely manner not in excess of ten business days after the occurrence of each event, notices of the following events to EMMA:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds or other material events affecting the tax status of the bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the securities, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation, or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA, any of which affect security holders, if material; and

- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA, any of which reflect financial difficulties.

MTA has not failed to comply, in any material respect, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

MTA is not responsible for any failure by EMMA or any nationally recognized municipal securities information repository to timely post disclosure submitted to it by MTA or any failure to associate such submitted disclosure to all related CUSIPs.

FURTHER INFORMATION

MTA may place a copy of this official statement on MTA's website at http://web.mta.info/mta/investor/. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA assumes no liability or responsibility for errors or omissions contained on any website. Further, MTA disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Director, Finance

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ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2019C Bonds. The Series 2019C Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019C Bond will be issued for each maturity of the Series 2019C Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2019C Bonds exceeds $500 million, one Bond of such maturity will be issued with respect to each $500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has an S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2019C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019C Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019C Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019C Bonds, except in the event that use of the book-entry-only system for the Series 2019C Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2019C Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019C Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019C Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019C Bond documents. For example, Beneficial Owners of the Series 2019C Bonds may wish to ascertain that the nominee holding the Series 2019C Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2019C Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019C Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2019C Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2019C Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2019C Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2019C Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2019C Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT MTA BELIEVES TO BE RELIABLE, BUT MTA TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Series 2019C Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2019 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Series 2019C Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2019, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

The required Annual Information shall consist of at least the following:

1. a description of the systems operated by the Related Transportation Entities and their operations,
2. a description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities,
3. operating data of the Related Transportation Entities, including data of the type included in the MTA Annual Disclosure Statement (the **ADS**) under the following captions:
    a. "TRANSIT SYSTEM,"
    b. "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership,"
    c. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA New York City Transit and MaBSTOA,"
    d. "COMMUTER SYSTEM,"
    e. "RIDERSHIP AND FACILITIES USE – Commuter System Ridership,"
    f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Commuter System,"
    g. "MTA BUS COMPANY,"
    h. "RIDERSHIP AND FACILITIES USE – MTA Bus Ridership," and

i. “EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA Bus.”

4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in the **ADS** under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”

5. a presentation of the financial results of the Related Transportation Entities prepared in accordance with GAAP for the most recent year for which that information is then currently available (currently, MTA New York City Transit prepares consolidated financial statements and MTA prepares consolidated financial statements),

6. a presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from pledged revenues,

7. information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution,

8. financial information of the type included in this official statement in **Table 2a** and **Table 2b** under the caption “SOURCES OF PAYMENT—Pledged Transportation Revenues” and included in the **ADS** under the caption “REVENUES OF THE RELATED ENTITIES,”

9. material litigation related to any of the foregoing, and

10. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Related Entities.

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific cross-reference to any other documents which have been filed with (a) EMMA or (b) the Securities and Exchange Commission (the SEC). Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to EMMA.

MTA will undertake, for the benefit of holders of the Series 2019C Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this official statement with respect to the Series 2019C Bonds, and

2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of any of the Related Transportation Entities.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2019C Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2019C Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2019C Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2019C Bonds at the time Outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2019C Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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ATTACHMENT 3

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon delivery of the Series 2019C Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, propose to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $422,430,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Green Bonds, Series 2019C (Climate Bond Certified) (the "Series 2019C Bonds").

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2019C Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations" (the "General Resolution"), as supplemented by the Multiple Series 2018 Transportation Revenue Bond Supplemental Resolution adopted on December 13, 2017 (collectively with the General Resolution, the "Resolution").

The Series 2019C Bonds are dated, mature and are payable and bear interest all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2019C Bonds in order that interest on the Series 2019C Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2019C Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2019C Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2019C Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2019C Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2019C Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2019C Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2019C Bonds as executed and, in our opinion, the form of said Series 2019C Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2019C Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2019C Bonds are not a debt of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution on a parity as to security and payment with the Series 2019C Bonds.

4. MTA, the holders of the Series 2019C Bonds, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2019C Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2019C Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2019C Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax imposed under the Code.

7. Under existing statutes, interest on the Series 2019C Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019C Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2019C Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2019C Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2019C Bonds and express no opinion with respect thereto.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

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ATTACHMENT 4

First Quarterly Update to the ADS

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MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2019 First Quarterly Update)
August 2, 2019

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Update (including Attachment A hereto, the "First Quarterly Update") is dated August 2, 2019, is the first quarterly update to the Annual Disclosure Statement (the "ADS") of MTA, dated April 30, 2019, as supplemented June 26, 2019, and contains information only through its date. MTA expects to file this First Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete July Plan hereinafter referred to, is also posted on the MTA website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein. All of the information in this First Quarterly Update is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA's financial condition are complex. This First Quarterly Update contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared and contains statements relating to future results and economic performance that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "project," "forecast," "anticipate" or other similar words. The forward looking statements contained herein are based on MTA's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. These forward-looking statements speak only as of the date of this First Quarterly Update.

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2019 First Quarterly Update)
August 2, 2019

Introduction

This update, dated August 2, 2019 (the "First Quarterly Update"), is the first quarterly update to the Annual Disclosure Statement (the "ADS") of the Metropolitan Transportation Authority ("MTA"), dated April 30, 2019, as supplemented June 26, 2019. This First Quarterly Update contains information only through August 2, 2019, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this First Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA's 2019-2022 Financial Plan released by MTA in February 2019 (the "February Plan"), made since the date of the ADS, to reflect provisions of the 2019 MTA July Financial Plan presented to the MTA Board on July 24, 2019 (the "July Plan"). The complete July Plan is posted on MTA's website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein. The updated information reflected in the July Plan includes revised February Plan projections for fiscal years 2019 through 2022, with additional projections for 2023.
2. **Attachment A** to this First Quarterly Update, which presents the July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan for fiscal year 2018 (actual) and projected receipts and expenditures for fiscal years 2019 through 2023, in each case prepared by MTA management.
3. **Attachment B** to this First Quarterly Update sets forth a revised TRB Table 2b, the MTA Consolidated Statement of Operations by Category, to reflect changes in "Actual 2018" numbers derived from the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017. Numbers in TRB Table 2b were adjusted to reflect the final audit, but the net cash balance did not change.

The July Plan includes the 2019 Mid-Year Forecast, the 2020 Preliminary Budget and a Financial Plan for the years 2020-2023. Since 2010, MTA's financial plans have included MTA management initiatives to achieve recurring cost reductions, to moderate the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and to provide funding for the capital program and enhanced maintenance.

As discussed below in further detail, the July Plan includes projected biennial fare and toll increases that generate a 4% net increase in farebox and toll revenue, maintains investments from prior plans, including maintenance of the Subway Action Plan funded from the For-Hire Vehicle Surcharge and places a renewed emphasis on gaining control of, and reducing, fare evasion. The July Plan also includes major deficit reduction actions intended to address annual deficits and place

MTA on a financially sustainable foundation consisting of annual recurring savings targets of $350 million, beginning in 2020, which do not compromise employee or customer safety and security, and additional savings targets from consolidation and efficiency efforts through the implementation of the MTA Transformation Plan discussed below. Until the transformation efforts generate the projected cost savings, the July Plan employs several non-recurring actions to balance the budget.

Transforming MTA

MTA's finances are structurally imbalanced, with expenses surpassing revenues. Annual budgets for 2017 through this year have been balanced with a variety of non-recurring or "one-shot" actions. While MTA has, since 2010, identified and acted on an array of annually recurring cost reduction actions and containments resulting in projected annualized savings of an estimated $2.5 billion through 2019, it has become increasingly difficult to identify additional savings initiatives. In the July Plan, the Related Entities have identified an additional $350 million in annually recurring savings beginning in 2020, with some of the actions commencing in 2019. However, the use of one-shots and the additional recurring savings are insufficient to eliminate budgetary shortfalls. To address this situation, the 2019-2020 New York State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization and providing safe and reliable service, MTA remains committed to meeting the needs of its customers in a more cost efficient and trustworthy manner. To that end, MTA procured the services of a management consulting firm, AlixPartners, to aid in this transformation. The firm recently presented its report to MTA ("MTA Transformation Plan") and initial anticipated fiscal impacts of the report's recommendations are included in the July Financial Plan. The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

The February Plan

The February Plan projected a break-even cash balance in 2019, with deficits of $467 million in 2020, $814 million in 2021 and $976 million in 2022. The February Plan was based on three key inter-related elements: (i) fare and toll price increases that net 4% yield in annual revenue in both 2019 and 2021; (ii) recurring cost reduction and containment targets that would result in savings of almost $2.5 billion per year by 2022; and (iii) maintenance of prior Financial Plan investments and providing an additional $216 million for further maintenance and operating needs over the February Plan period.

The February Plan included several non-recurring actions to balance MTA's 2019 Adopted Budget. The $160 million general reserve for 2018 was released at the end of 2018, and $40 million in excess fuel hedge collateral was also used to help balance the 2019 Adopted Budget. The February Plan also reflected several items not included in the 2019 Adopted Budget that were approved by the MTA Board in December 2018, including lower premiums for the New York State Health Insurance Program and lower projected renewal costs for several insurance liability policies. These two items are expected to result in favorable adjustments of $65 million in 2019 and $18 million annually thereafter for the Financial Plan period.

The February Plan also reflected a one-month delay in the implementation of fare and toll increases estimated to yield 4% to provide sufficient time for the MTA Board to review the proposals and consider alternatives. The delay moved the implementation of the increases from March to April, reducing the expected yield from the fare and toll increases by $27 million in 2019.

Lastly, revenues from the For-Hire Vehicle Surcharge on trips that begin, end or pass through a Manhattan congestion zone south of 96th Street were delayed due to a temporary restraining order that was issued while the merits of a lawsuit opposed to the For-Hire Vehicle Surcharge were litigated in court. After a one-month delay, the temporary restraining order was lifted and For-Hire Vehicle trips in the congestion zone were assessed the surcharge. However, the delay in implementing the surcharge results in reduced revenue in 2019 of $23 million for the NYC Transportation Assistance Fund.

Changes to the February Plan

In April, 2019 the 2019-2020 New York State Enacted Budget included new dedicated revenue streams for MTA. The new resources include a Central Business District Tolling Program ("CBD Tolling Program"), that has an implementation date of December 31, 2020. The CBD 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 Route 9A and not exiting onto roads within the Central Business District.

The 2019-2020 New York State Enacted Budget also included provisions for a new Real Property Transfer Tax Surcharge ("2019 Real Estate Transfer Tax") on high-priced residential property sales in New York City ("City") and an Internet Marketplace Sales Tax. The 2019 Real Estate Transfer Tax went into effect on July 1, 2019 and increases the transfer tax on a sliding scale by a quarter percent starting at $2 million, with a combined top rate of 4.15% on the sale of New York City residential properties valued at $25 million or above. The Internet Marketplace Sales Tax ("Internet 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 websites that have gross receipts exceeding $300,000 and have more than one hundred sales into New York State ("State") in the previous four quarters. The sales taxes will be collected at the normal rate of 4% plus local sales tax.

The proceeds from the CBD Tolling Program, the Internet Sales Tax and the 2019 Real Estate Transfer Tax will be deposited into MTA Bridges and Tunnels' CBD Tolling Program lockbox fund and may only be used to support financing of the 2020-2024 Capital Program (and successor programs).

Other changes since the February Plan include:

Changes and re-estimates *improving* financial results over the February Financial Plan period (2019-2022):

- Higher MMTOA subsidies ($184 million)
- Higher yield from the additional 2.3% increase in tolls ($173 million)
- Lower maintenance/other operating contracts ($173 million)
- Higher MTA Aid car rental tax ($35 million)

Changes and re-estimates *worsening* financial results over the February Financial Plan period (2019-2022)

- Actuary recalculation of pension liability ($550 million)
- Agency re-estimates and rate change adjustments ($189 million)
- Higher overtime expenses ($131 million)
- Lower rental/advertising revenues ($83 million)
- Lower real estate tax revenues ($59 million)

In total, changes and re-estimates, including the above, are $447 million unfavorable for the February Financial Plan period. A reconciliation of Plan-to-Plan changes can be found in **Attachment A** to this First Quarterly Update.

Highlights of the July Plan

The July Plan incorporates additional actions necessary to achieve budget balance in the near-term and significantly reduce out-year deficits.

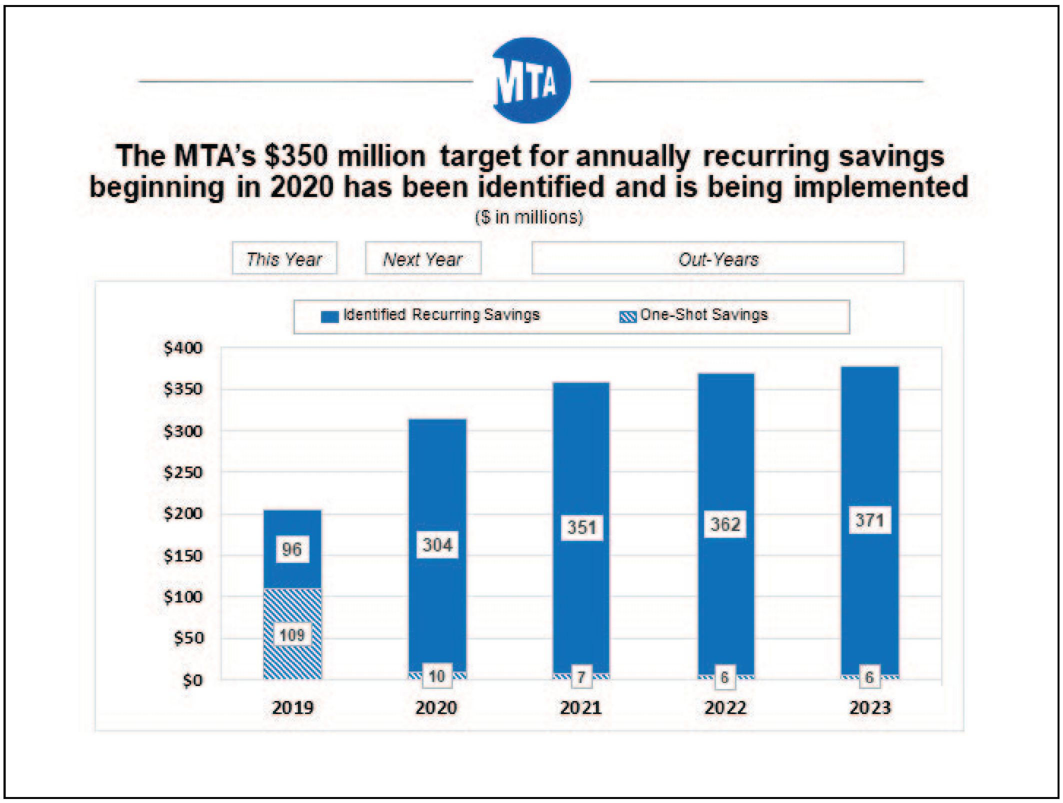
Hold projected fare/toll increases to 4% in 2021 and 2023. The July Plan continues to project net 4% biennial fare/toll increases (the equivalent of 2% per year) which is lower than the projected two-year inflation rates of 4.9% and 4.7% in 2021 and 2023, respectively. Consistent with recent Financial Plans, a March 1st implementation is assumed for both the 2021 and 2023 increases. The annualized yield of these increases is projected to be $331 million and $345 million, respectively.

Maintains prior plan investments. The July Plan maintains the following on-going investment initiatives: the MTA Long Island Rail Road "Forward" plan; the "Bus Plans" at MTA New York City Transit and MTA Bus and, the MTA Metro-North Railroad "Way Ahead" plan. The July Plan also sustains and expands upon the improvements of the Subway Action Plan, which was initially financed with funds jointly provided by the State and the City, and going forward is being funded from the initial phase of congestion pricing, using revenues from the For-Hire Vehicle Surcharge.

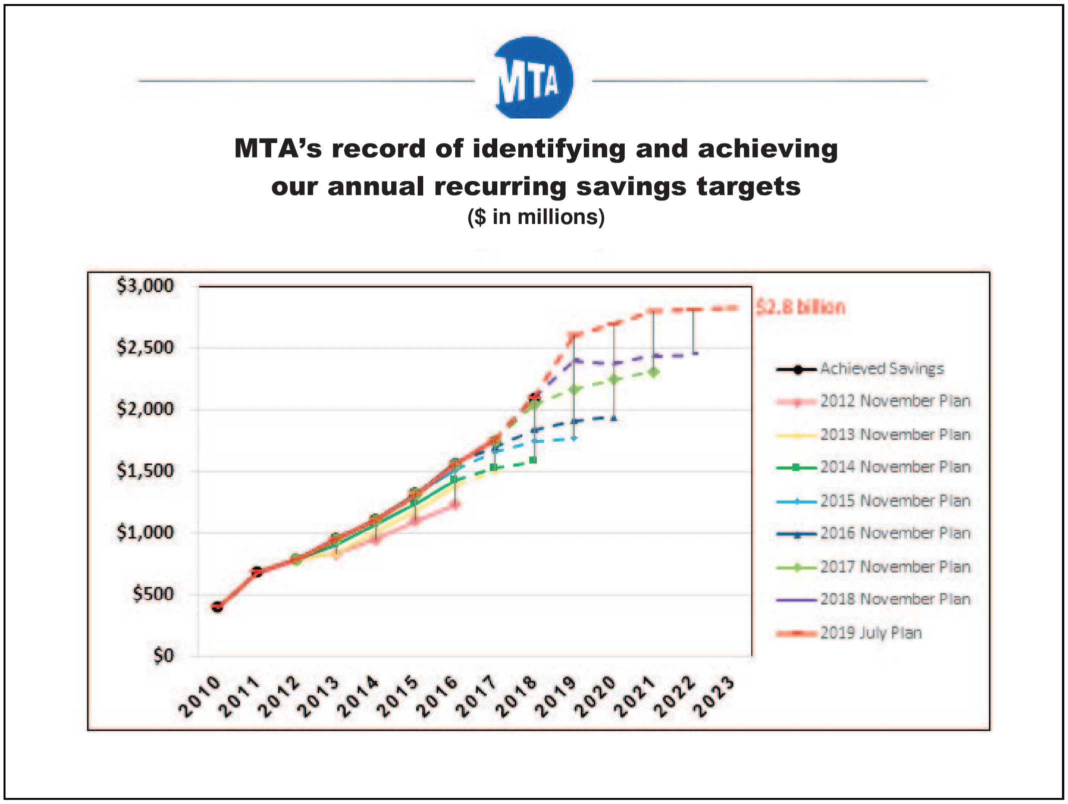
Reduce Fare Evasion. Recent surveys estimate revenue loss from subway and bus fare evasion of about $260 million annually. A renewed emphasis by MTA to reduce fare evasion is underway. To deter fare evasion and to address assaults on transit workers, Governor Cuomo announced a series of actions to deter, rather than fine, fare evaders (without targeting any specific demographic groups): 500 uniformed officers comprised of New York Police Department officers, MTA Police Department officers and MTA Bridges and Tunnels officers will patrol 50 subway stations and 50 bus routes where fare evasion and assaults occur at elevated levels; subway station exit gates are being redesigned to mitigate instances of fare avoidance; and surveillance capabilities will be augmented by deploying fare array cameras at stations and piloting the use of video monitors. These actions are estimated to cost $62 million over the July Plan period, and are being partially covered by a $40 million grant from the Manhattan District Attorney's forfeiture fund.

Non-recurring Actions. In 2017 and 2018, it was necessary to use "one-shots" to balance the budget, and one-shots are again necessary to aid in balancing the budget in both 2019 and 2020. At the end of 2018, a favorable year-end balance of $372 million – mostly timing related – was carried over into 2019. For 2019, an MTA-wide freeze on the filling of non-operational/non-essential vacancies is expected to favorably reduce expenses by $68 million, and other restrictions on non-essential spending – including non-revenue vehicle purchases, travel, and professional memberships – are forecasted to reduce expenses by $44 million. Also, the $64 million that had been earmarked in a "Committed to Capital" category will instead be used to cover 2019 operating expenses. Lastly, the $165 million 2019 General Reserve, a contingency fund set at approximately one percent of the operating expense budget, is not expected to be needed, in which case these funds will be reserved to cover 2020 expenses.

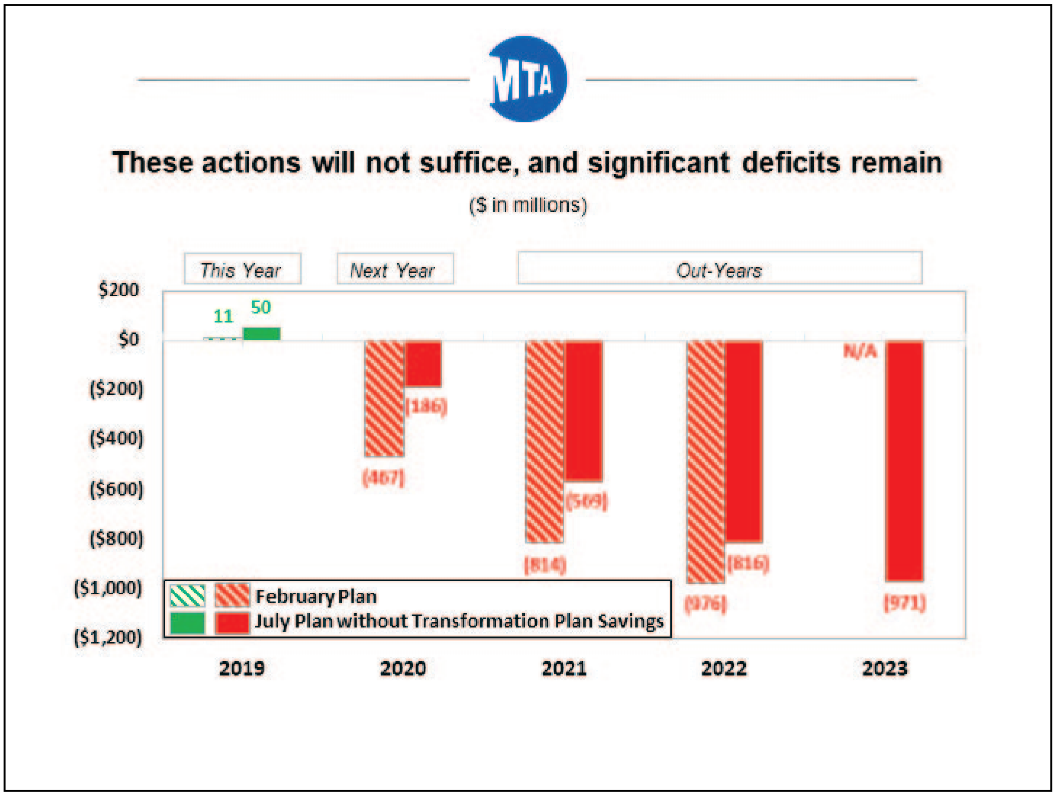
Achieve annually recurring savings targets. The February Plan included unidentified savings of $123 million in 2019, $58 million in 2020, $82 million in 2021 and $86 million in 2022. In late February, the Related Entities were directed to increase the savings targets to $350 million in annual operating expense savings. These recurring savings targets, which are expected to begin in 2020, have been identified, with several taking effect and having beneficial impact in 2019. Additionally, the Related Entities were given targets of $150 million in annual capital expense savings, also to commence in 2020.



The chart below identifies MTA management's reduction/cost containment targets by Financial Plan. As indicated, MTA has consistently achieved its targets. Through 2019, the MTA has implemented initiatives with estimated annualized savings of $2.5 billion. These programs are projected to result in annual savings of $2.8 billion by 2023.



Even with implemented and projected biennial 4% fare and toll increases, non-recurring actions, and the $350 million in additional savings targets, the July Plan remains out of balance, with the 2023 deficit approaching $1 billion.

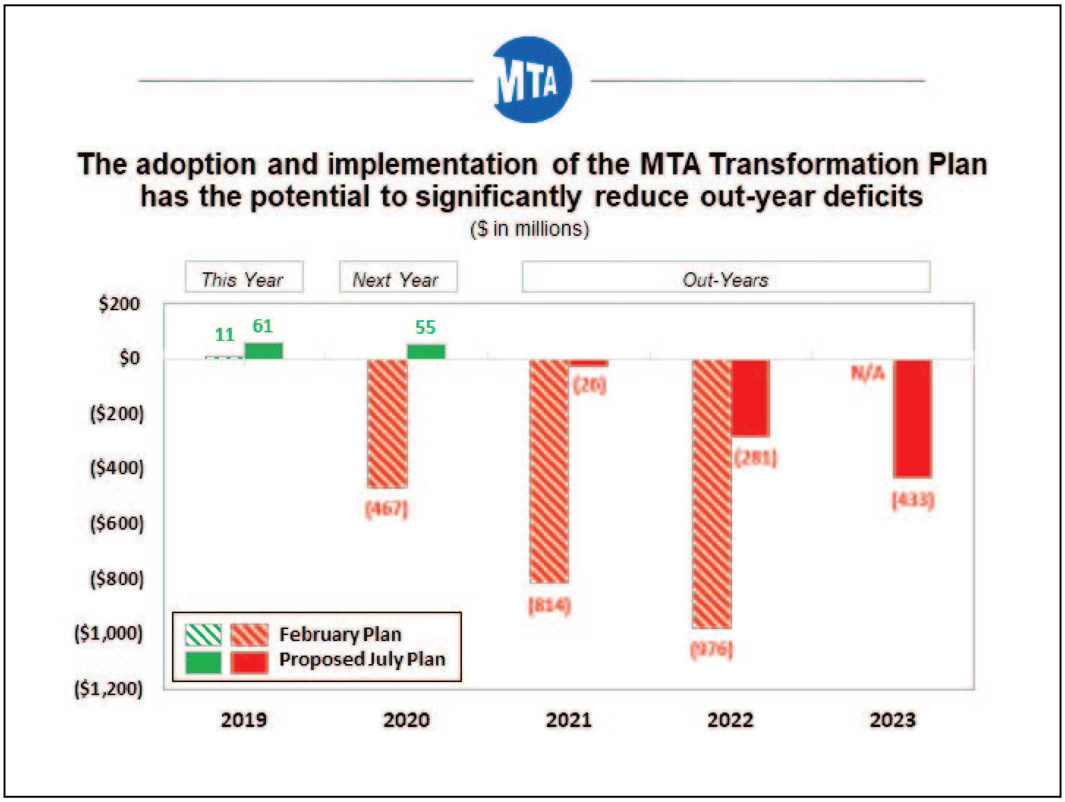


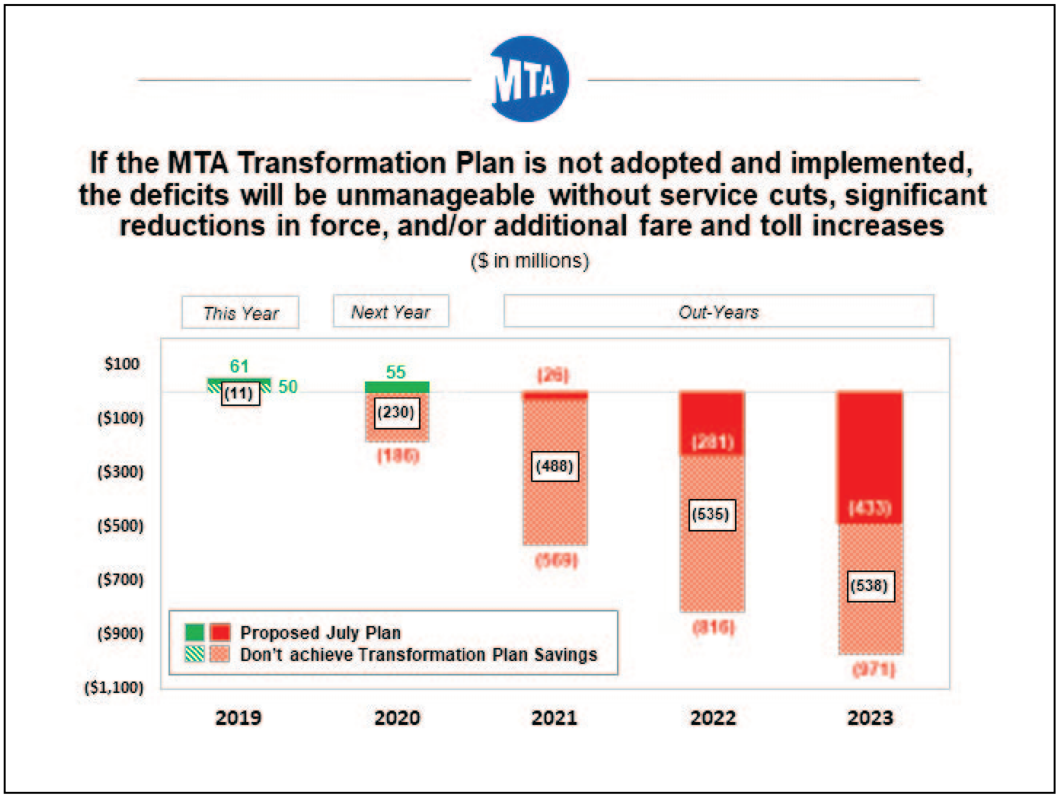
Approve and Implement the MTA Transformation Plan. As noted earlier, AlixPartners has been retained by MTA to review operations throughout the organization and to recommend changes to simplify and streamline internal processes, clarify roles and responsibilities across the Related Entities, and solidify accountability so MTA management can work more efficiently to regain the trust of its customers and funding partners and deliver safe and reliable service to its patrons. In mid-July, MTA made public the MTA Transformation Plan, which includes several recommendations:

- Refocus the operating agencies on operating priorities of safety, reliability and service;
- Centralize common support functions to improve operations and create opportunities to ensure consistent standards, quality and policies across departments;
- Unify the management of capital programs to improve and streamline planning, development and construction so capital improvements can be delivered on time and on budget; and
- Expand senior leadership by adding a Chief Transformation Officer, a Chief Operating Officer, a Chief Engineering Officer, and an MTA Accessibility Officer.

AlixPartners has estimated savings from the consolidation and efficiency opportunities it has identified ranging between $370 million and $530 million on an annual basis once the MTA Transformation Plan has been fully implemented, with headcount reductions of between 1,900 and 2,700. As noted above, while senior management and the MTA Board are continuing to review the firm's findings and recommendations, the MTA Board on July 24, 2019 approved it as a blueprint going forward. Along with the steps necessary for successful implementation of the MTA Transformation Plan, the savings estimate will be revised, if necessary, in the November Plan.

Combined with the Related Entities' baseline projections, the above noted changes are projected to result in a net improvement to MTA's financial forecast over the Financial Plan period, although out-year deficits remain. As detailed in the following chart, if the MTA Transformation Plan is approved and fully implemented, a significant improvement in the otherwise projected results in the July Plan should result.





Challenges and Risks Going Forward

There are a variety of challenges and risks affecting MTA and the implementation of its July Plan:

Secure New Sustainable Funding for Operations and Capital. While the July Plan is benefiting from years of MTA management non-recurring and annually recurring cost reductions, significant near term cashflow challenges exist and out-year operating budget deficits are still projected. In order to sustain operations and protect investments made to date and/or planned, MTA will need new sources of recurring funding. If new funding is not secured, MTA's options for achieving favorable cashflow and balanced budgets are service reductions, reductions in force, and/or additional fare and toll increases. If actions were limited to fare and toll increases, an additional 15% increase, on top of the 4% increases implemented in 2019 and proposed for 2021, would be required to eliminate the projected deficits.

Implementation and Timing of State Funding, Governance, Management Changes and MTA Transformation Plan Initiatives. Each of the State legislative initiatives described in the ADS and above, including the For-Hire Vehicle Surcharges, the CBD Tolling Program, expansion of design-build contracting powers, and imposition of the Mass Transit Expert Panel and related MTA governance proposals are complex. Implementation of the new congestion tolling program in Manhattan is expected to take two years or more. The MTA Transformation Plan report will need to be reviewed and recommendations implemented. *Projections of potential financial or operational and management benefits from each of the foregoing are uncertain and difficult to quantify as of the date of this First Quarterly Update. There can be no assurance that the projected* *management and MTA Transformation Plan budgetary gains or operational efficiencies reflected in the July Plan will be achieved in whole or in part during the Financial Plan period (through 2023).*

Achievement of Increased Cost Reduction Targets. Recurring savings targets have been identified and together with the substantial potential savings identified in the MTA Transformation Plan still need to be realized. MTA recognizes the difficulty of achieving these savings, but MTA management is committed to meeting these goals. Failure to achieve these savings targets would result in larger deficits than forecast in the July Plan.

Implementation of Biennial Fare and Toll Increases That Net 4%. While MTA management works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total costs, including capital-related costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors beyond MTA's direct control (e.g., energy, health and welfare and pensions). If projected fare and toll increases are not implemented, MTA's financial situation will quickly deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

Increase Investments to Address Reliability and Service. MTA's challenge is to continue maintaining, improving and modernizing the operations of its aging infrastructure, including the 115-year old subway system. MTA is committed to finding more efficient ways to improve infrastructure, move customers and enhance their experience.

Continue to Implement Board Working Group Initiatives. In December 2017, the MTA Chairman formed four working groups, including Board members and senior staff, to take a new and intense look at four key areas: construction cost containment; procurement reform; paratransit/access-a-ride; and station accessibility. Working groups have periodically reported back to the full MTA Board with findings and initiatives. MTA is committed to the implementation of the recommendations made by the working groups, with numerous recommendations already being put into practice.

Developing Economic Environment. The finances of MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the July Plan are not realized, the July Plan projected results could be adversely affected.

Potential Impact of Changes in Federal Law. MTA's finances are also influenced by federal public transportation provisions, funding levels and federal tax law. The Presidential administration and Congress are considering budgetary and programmatic changes in law relating to federal public transportation and infrastructure finance. Enacted federal tax reform includes changes in personal and corporate tax rates and deductions, which adversely impact MTA's opportunities for federal tax-exempt financing, particularly the prohibition of advance refundings for debt service savings which became effective in 2018. The limitation of itemized deductions for state and local income and property taxes to $10,000 may also adversely impact the New York region's real estate market and levels of MTA real estate related tax subsidies. Although MTA management is monitoring federal legislative activity, at this time it is not possible to assess the financial or programmatic impacts upon MTA's finances of current federal proposals and enacted tax law changes.

Potentially Higher Interest Rates Than Forecast. While the February Plan includes interest rate assumptions in line with the Federal Open Markets Committee's ("FOMC") recent actions and policy statements on future actions, a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC's inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing which are higher than projected in the July Plan.

Additional Matters

Governance. In June, 2019, the following MTA Board members were nominated and confirmed by the State Senate: Linda A. Lacewell, Robert W. Linn, and Robert F. Mujica, Jr. Mr. Mujica, who is the Director of the New York State Division of the Budget, serves *ex officio* pursuant to a change in State law. The following individuals are no longer on the MTA Board: Fernando Ferrer, Michael Lynton and Polly Trottenberg.

Central Business District Tolling Program. On June 11, 2019, the New York City Department of Transportation ("NYCDOT") and MTA Bridges and Tunnels entered into a Memorandum of Understanding ("MOU"), providing for coordination among the parties with regard to the CBD Tolling Program infrastructure and toll system equipment. Consistent with the provisions in the 2019-2020 New York State Enacted Budget, the MOU provides for MTA Bridges and Tunnels, in consultation with NYCDOT, to plan, design, implement and maintain the CBD Tolling Program infrastructure and toll system equipment. The MOU provides for payment of MTA Bridges and Tunnels costs and reimbursement of NYCDOT costs related to the program from net revenues derived solely from the CBD Tolling Program.

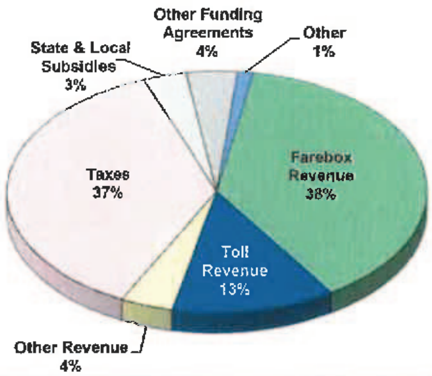
Attachment A to MTA Annual Disclosure Statement
First Quarterly Update
August 2, 2019

MTA July Plan

This **Attachment A** to the 2019 First Quarterly Update sets forth the July Plan in tabular form and includes Financial Plan tables that summarize MTA's July Plan for fiscal year 2018 (actual) and projected receipts and disbursements for fiscal years 2019 through 2023, in each case prepared by MTA management. The complete July Plan is posted on MTA's website (utilize "Go to old site") under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein.

MTA 2020 Preliminary Budget
Baseline Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable

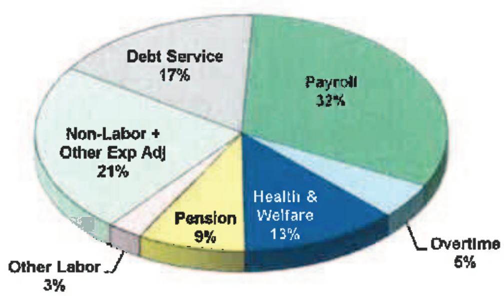
Where the Dollars Come From ...



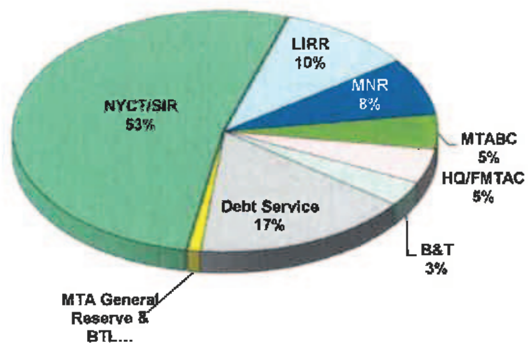
By Revenue Source ($ in millions)	
Farebox Revenue	$6,389
Toll Revenue	2,121
Other Revenue	684
Taxes	6,178
State and Local	557
Other Funding Agreements	671
Other [1]	208
Total [2]	**$16,809**

Where the Dollars Go ...

By Expense Category



By MTA Agency



By Expense Category [3] includes below-the-line adjustments ($ in millions)	
Payroll	$5,422
Overtime	838
Health & Welfare	2,118
Pension	1,461
Other Labor	466
Total Labor	*$10,306*
Non-Labor + Other Exp Adj	4,004
Debt Service	2,830
BTL Adjustments for Expenses [4]	(386)
Total [2]	**$16,754**

By MTA Agency [3] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$8,926
LIRR	1,737
MNR	1,318
MTABC	786
HQ/FMTAC	808
B&T	564
Debt Service	2,830
MTA General Reserve	170
BTL Adjustments for Expenses [4]	(386)
Total [2]	**$16,754**

[1] *Includes cash adjustments and prior-year carryover.*

[2] *Totals may not add due to rounding.*

[3] *Expenses exclude Depreciation, OPEB Liability Adjustment, GASB 68 Pension Adjustment and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.*

[4] *These below-the-line adjustments impact expense dollars and are grouped in the Non-Labor category. The dollars have not been allocated to specific Agencies as yet.*

Note: The revenues and expenses reflected in these charts are on an accrued basis.

METROPOLITAN TRANSPORTATION AUTHORITY

July Financial Plan 2020-2023

MTA Consolidated Statement Of Operations By Category

($ in millions)

Non-Reimbursable	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
Operating Revenue						
Farebox Revenue	$6,155	$6,305	$6,389	$6,373	$6,384	$6,393
Toll Revenue	1,976	2,088	2,121	2,129	2,129	2,131
Other Revenue	643	696	684	704	719	737
Capital and Other Reimbursements	0	0	0	0	0	0
Total Operating Revenue	**$8,774**	**$9,089**	**$9,195**	**$9,206**	**$9,232**	**$9,260**
Operating Expense						
Labor Expenses:						
Payroll	$5,211	$5,328	$5,422	$5,498	$5,624	$5,710
Overtime	1,066	910	838	859	877	899
Health & Welfare	1,230	1,341	1,414	1,489	1,583	1,674
OPEB Current Payment	604	645	704	766	835	910
Pensions	1,336	1,494	1,461	1,462	1,403	1,347
Other-Fringe Benefits	881	869	897	930	956	976
Reimbursable Overhead	(528)	(471)	(430)	(412)	(397)	(395)
Total Labor Expenses	**$9,799**	**$10,116**	**$10,306**	**$10,592**	**$10,881**	**$11,121**
Non-Labor Expenses:						
Electric Power	$482	$452	$473	$493	$532	$562
Fuel	185	183	183	176	174	177
Insurance	(29)	6	16	23	27	28
Claims	438	388	394	393	398	406
Paratransit Service Contracts	455	495	488	506	535	569
Maintenance and Other Operating Contracts	678	840	797	834	837	854
Professional Service Contracts	544	608	503	495	504	514
Materials & Supplies	637	689	680	698	711	716
Other Business Expenses	221	218	214	224	226	228
Total Non-Labor Expenses	**$3,611**	**$3,877**	**$3,748**	**$3,841**	**$3,945**	**$4,054**
Other Expense Adjustments:						
Other	$129	$175	$86	$36	$22	$23
General Reserve	0	165	170	175	180	185
Total Other Expense Adjustments	**$129**	**$340**	**$256**	**$211**	**$202**	**$208**
Total Operating Expense before Non-Cash Liability Adj.	**$13,539**	**$14,333**	**$14,310**	**$14,644**	**$15,028**	**$15,384**
Depreciation	$2,805	$2,785	$2,843	$2,909	$2,977	$3,052
GASB 75 OPEB Expense Adjustment	1,048	1,457	1,628	1,749	1,823	1,898
GASB 68 Pension Expense Adjustment	(373)	(221)	(272)	(343)	(318)	(242)
Environmental Remediation	106	6	6	6	6	6
Total Operating Expense after Non-Cash Liability Adj.	**$17,124**	**$18,360**	**$18,515**	**$18,964**	**$19,516**	**$20,097**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,585)	($4,027)	($4,205)	($4,320)	($4,488)	($4,714)
Debt Service (excludes Service Contract Bonds)	2,541	2,683	2,830	3,041	3,265	3,513
Total Operating Expense with Debt Service	**$16,079**	**$17,016**	**$17,140**	**$17,685**	**$18,293**	**$18,896**
Dedicated Taxes and State/Local Subsidies	$7,177	$7,314	$7,406	$7,581	$7,803	$7,969
Net Surplus/(Deficit) After Subsidies and Debt Service	**($128)**	**($613)**	**($539)**	**($898)**	**($1,258)**	**($1,667)**
Conversion to Cash Basis: GASB Account	0	0	0	0	0	0
Conversion to Cash Basis: All Other	379	229	147	60	125	101
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**$251**	**($384)**	**($392)**	**($838)**	**($1,133)**	**($1,566)**
ADJUSTMENTS	**0**	**73**	**386**	**757**	**852**	**1,133**
PRIOR-YEAR CARRYOVER	**121**	**372**	**61**	**55**	**0**	**0**
NET CASH BALANCE	**$372**	**$61**	**$55**	**($26)**	**($281)**	**($433)**

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
Plan Adjustments
($ in millions)

	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
Cash Balance Before Prior-Year Carry-over	**$251**	**($384)**	**($392)**	**($838)**	**($1,133)**	**($1,566)**
Fare/Toll Increases:						
Fare/Toll Increase in March 2021 (4% Yield)		-	-	283	331	332
Fare/Toll Increase in March 2023 (4% Yield)		-	-	-	-	294
Subsidy Impacts of 2021 and 2023 Fare/Toll Increases		-	-	(7)	(9)	(17)
Subtotal		**$0**	**$0**	**$275**	**$322**	**$609**
Policy Actions:						
Reduction in Committed to Capital		64	-	-	-	-
MTA Transformation Plan		11	230	488	535	538
Fare Evasion Deterrence		(13)	(12)	(11)	(10)	(10)
Fare Evasion Deterrence - Manhattan DA Forfeiture Fund		11	11	10	9	-
Drawdown 2019 General Reserve		-	165	-	-	-
Subtotal		**$73**	**$394**	**$487**	**$534**	**$528**
Other:						
Replacement of NYCT Capital Accounting System with PeopleSoft		-	(5)	(1)	(0)	(0)
State Mandated Employee Training		-	(3)	(4)	(4)	(4)
Subtotal		**$0**	**($8)**	**($5)**	**($5)**	**($5)**
TOTAL ADJUSTMENTS		**$73**	**$386**	**$757**	**$852**	**$1,133**
Prior-Year Carry-Over	121	372	61	55	0	0
Net Cash Surplus/(Deficit)	**$372**	**$61**	**$55**	**($26)**	**($281)**	**($433)**

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
MTA Consolidated Cash Receipts and Expenditures
($ in millions)

Cash Receipts and Expenditures	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
Receipts						
Farebox Revenue	$6,207	$6,302	$6,392	$6,376	$6,386	$6,395
Other Operating Revenue	642	746	762	783	736	755
Capital and Other Reimbursements	2,554	2,382	2,148	2,007	1,946	1,951
Total Receipts	**$9,403**	**$9,430**	**$9,302**	**$9,166**	**$9,069**	**$9,100**
Expenditures						
Labor:						
Payroll	$5,742	$5,965	$5,962	$5,986	$6,105	$6,187
Overtime	1,351	1,101	1,000	1,010	1,032	1,058
Health and Welfare	1,317	1,383	1,456	1,530	1,623	1,715
OPEB Current Payment	601	633	695	756	825	900
Pensions	1,404	1,549	1,510	1,510	1,451	1,399
Other Fringe Benefits	922	941	936	958	987	1,012
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	(0)	0	0	(0)	(0)	(0)
Total Labor Expenditures	**$11,336**	**$11,573**	**$11,560**	**$11,750**	**$12,023**	**$12,271**
Non-Labor:						
Electric Power	$488	$450	$470	$490	$529	$559
Fuel	187	179	180	174	171	174
Insurance	(37)	14	17	20	24	26
Claims	316	277	259	258	265	270
Paratransit Service Contracts	450	493	486	504	533	567
Maintenance and Other Operating Contracts	658	889	779	748	730	746
Professional Service Contracts	613	689	550	528	534	542
Materials & Supplies	835	872	830	821	815	821
Other Business Expenditures	196	196	185	195	196	208
Total Non-Labor Expenditures	**$3,707**	**$4,060**	**$3,766**	**$3,738**	**$3,798**	**$3,912**
Other Expenditure Adjustments:						
Other	$105	$184	$172	$169	$188	$217
General Reserve	0	165	170	175	180	185
Total Other Expenditure Adjustments	**$105**	**$349**	**$342**	**$344**	**$368**	**$402**
Total Expenditures	**$15,148**	**$15,982**	**$15,657**	**$15,832**	**$16,189**	**$16,585**
Net Cash Deficit Before Subsidies and Debt Service	**($5,745)**	**($6,552)**	**($6,355)**	**($6,666)**	**($7,120)**	**($7,484)**
Dedicated Taxes and State/Local Subsidies	$7,874	$8,152	$8,047	$8,086	$8,448	$8,539
Debt Service (excludes Service Contract Bonds)	(1,878)	(1,983)	(2,084)	(2,258)	(2,461)	(2,620)
CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER	**$251**	**($384)**	**($392)**	**($838)**	**($1,133)**	**($1,566)**
ADJUSTMENTS	**0**	**73**	**386**	**757**	**852**	**1,133**
PRIOR-YEAR CARRY-OVER	**121**	**372**	**61**	**55**	**0**	**0**
NET CASH BALANCE	**$372**	**$61**	**$55**	**($26)**	**($281)**	**($433)**

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
MTA Consolidated July Financial Plan Compared with February Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
($ in millions)

	Favorable/(Unfavorable)			
	2019	**2020**	**2021**	**2022**
FEBRUARY FINANCIAL PLAN 2019-2022 NET CASH SURPLUS/(DEFICIT)	**$11**	**($467)**	**($814)**	**($976)**
Savings Programs	**$205**	**$352**	**$397**	**$407**
2019 BRP Savings (New)	101	313	360	369
Impact of Hiring Freeze (Administrative Positions) [1]	68	(4)	-	-
Additional Savings Actions [1]	44	11	5	6
Adjustments to Prior Period BRPs [2]	(7)	32	33	33
Agency Baseline Adjustments	**($216)**	**$39**	**$149**	**$109**
Farebox/Toll Revenue:				
Incorporation of 2019 Fare/Toll Policy	221	312	311	311
Additional 2.3% Increase in Tolls	36	46	46	46
Baseline Farebox/Toll Revenue Reforecast	33	17	11	12
Rates:				
Health & Welfare (including retirees)	89	156	179	198
Pension	(140)	(128)	(145)	(137)
Energy	7	(5)	(4)	15
2018 Timing	(207)	-	-	-
All Other Timing [3]	(19)	(35)	55	(9)
Other Baseline Re-estimates [4]	(236)	(324)	(306)	(329)
New Needs/Investments	**($90)**	**($66)**	**($69)**	**($63)**
Maintenance/Operations	(41)	(43)	(46)	(40)
Information Technology	(49)	(23)	(23)	(23)
Subsidies (Cash)	**$250**	**$155**	**$161**	**$178**
Metropolitan Mass Transportation Operating Assist (MMTOA)	46	48	44	46
Petroleum Business Tax (PBT) Receipts	3	(9)	(14)	(17)
Real Estate Taxes	23	(11)	(30)	(41)
Payroll Mobility Tax & MTA Aid	4	5	3	3
Real Property Transfer Tax Surcharge (Mansion Tax)	137	373	384	396
Internet Marketplace Tax	71	320	322	325
Less: Transfer to CBDTP Capital Lockbox	(208)	(693)	(706)	(722)
City Subsidy for MTA Bus	(0)	(21)	6	29
B&T Surplus Transfer	170	134	139	142
Other Subsidies	3	9	13	16
Debt Service	**($5)**	**$20**	**$46**	**($29)**
Below-the-Line Adjustments	**($386)**	**($27)**	**$48**	**$92**
Fare and toll Increases:				
2019 Fare/Toll Increase Incorporated in the Baseline	(236)	(308)	(307)	(307)
Adjustments to 2021 and 2023 Fare/Toll Increases	-	-	2	3
MTA Efficiencies:				
MTA Efficiencies - Identified in the 2019 July Plan	(123)	(95)	(122)	(126)
Policy Actions:				
Reduction in Committed to Capital	64	-	-	-
Drawdown 2019 General Reserve	-	165	-	-
MTA Transformation Plan	11	230	488	535
Fare Evasion Deterrence	(13)	(12)	(11)	(10)
Fare Evasion Deterrence - Manhattan DA Forfeiture Fund	11	11	10	9
Other:				
Replacement of NYCT Capital Accounting System with PeopleSoft	-	(5)	(1)	(0)
State Mandated Employee Training	-	(3)	(4)	(4)
MTA Re-estimates:				
Additional Savings Actions Incoporated in the Baseline	(101)	(11)	(6)	(6)
Prior Year Carryover	**$293**	**$50**	**$55**	**$0**
JULY FINANCIAL PLAN 2020-2023 NET CASH SURPLUS/(DEFICIT)	**$61**	**$55**	**($26)**	**($281)**

* *Totals may not add due to rounding*

1 *In 2017, Agencies were issued restrictions on non-essential hiring (hiring freeze), limitations on promotions, and the usage of professional services. In 2018, additional limitations were placed on other areas of non-essential spending including non-revenue vehicle purchases, travel, subscriptions, memberships and dues, external training, food, non-MTA IT approved computers/ accessories, and electronics and appliances. In addition, MTA executives asked agencies to take a closer look at their 2019 budget and identify projects that were not absolutely necessary or could be deferred to the outer years.*

2 *The bulk of these savings consists of incorporating the 2019 February Financial Plan below-the-line NYC Transit Service Guideline adjustments into the baseline.*

3 *Includes mainly the timing of payroll adjustments, wage settlements, maintenance program requirements and reimbursable receipts.*

4 *Changes capture updated reimbursable assumptions, revised inflation forecasts, and adjustments for operating capital and cash. The B&T Operating Surplus Transfer is captured as a subsidy. While B&T's impacts are also captured in individual reconciliation categories in the Agency Baseline Adjustments above, the duplication is eliminated within the line "Other Baseline Re-estimates."*

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2020-2023
Consolidated Subsidies
Cash Basis
($ in millions)

	Actual 2018	Mid-Year Forecast 2019	Preliminary Budget 2020	2021	2022	2023
MMTOA, PBT & Real Estate Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	$1,686.6	$1,823.7	$1,888.4	$1,962.3	$2,045.2	$2,131.5
Petroleum Business Tax (PBT) Receipts	630.7	640.5	627.9	619.6	616.3	615.6
Mortgage Recording Tax (MRT)	440.5	431.4	435.2	454.0	459.8	465.3
MRT Transfer to Suburban Counties	*(4.9)*	*(4.9)*	*(6.0)*	*(6.4)*	*(6.8)*	*(7.1)*
Reimburse Agency Security Costs	*(10.0)*	*(10.0)*	*(10.0)*	*(10.0)*	*(10.0)*	*(10.0)*
MTA Bus Debt Service	*(23.8)*	*(12.3)*	*(12.3)*	*(12.3)*	*(12.3)*	*(12.3)*
Interest	*5.3*	*5.3*	*5.3*	*5.3*	*5.3*	*5.3*
Urban Tax	656.0	671.3	626.5	602.5	613.3	609.3
Investment Income	1.7	2.2	2.2	2.2	2.2	2.2
	$3,382.1	***$3,547.2***	***$3,557.2***	***$3,617.3***	***$3,713.0***	***$3,800.0***
PMT and MTA Aid						
Payroll Mobility Tax	$1,482.9	$1,594.2	$1,662.8	$1,731.7	$1,803.8	$1,876.9
Payroll Mobility Tax Replacement Funds	244.3	244.3	244.3	244.3	244.3	244.3
MTA Aid	272.6	313.2	318.2	319.2	320.2	321.3
	$1,999.7	***$2,151.7***	***$2,225.2***	***$2,295.2***	***$2,368.3***	***$2,442.5***
New Funding Sources						
SAP Support and For-Hire Vehicle Surcharge:						
NYS Operating Support for SAP	$254.0	$0.0	$0.0	$0.0	$0.0	$0.0
NYC Operating Support for SAP	254.0	0.0	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge:	0.0	342.0	385.0	385.0	385.0	385.0
Subway Action Plan Account	-	*362.0*	*301.0*	*300.0*	*300.0*	*300.0*
Outerborough Transportation Account	-	*38.0*	*50.0*	*50.0*	*50.0*	*50.0*
Less: Assumed Capital or Member Project	-	*(38.0)*	*(50.0)*	*(50.0)*	*(50.0)*	*(50.0)*
General Transportation Account	-	-	*84.0*	*85.0*	*85.0*	*85.0*
Less: Transfer to Committed to Capital	-	*(20.0)*	-	-	-	-
Capital Program Funding Sources:						
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion)	0.0	136.7	373.5	384.0	396.3	411.0
Internet Marketplace Tax	0.0	70.8	320.0	322.3	325.5	328.7
Less: Transfer to CBDTP Capital Lockbox	0.0	(207.5)	(693.5)	(706.3)	(721.8)	(739.7)
	$508.0	***$342.0***	***$385.0***	***$385.0***	***$385.0***	***$385.0***
State and Local Subsidies						
State Operating Assistance (18-b)	$187.9	$187.9	$187.9	$187.9	$187.9	$187.9
Local Operating Assistance (18-b)	187.4	187.9	187.9	187.9	187.9	187.9
Station Maintenance	169.2	173.0	177.8	182.5	187.3	192.3
	$544.6	***$548.8***	***$553.6***	***$558.4***	***$563.2***	***$568.1***
Other Subsidy Adjustments						
NYCT Charge Back of MTA Bus Debt Service	($11.5)	($11.5)	($11.5)	($11.5)	($11.5)	($11.5)
Fuel Hedge Collateral	0.0	40.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	15.8	(1.1)	(5.3)	0.0	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Committed to Capital Program Contributions	(38.8)	(63.9)	(122.8)	(180.6)	(120.2)	(114.1)
Drawdown GASB 45 OPEB Reserves	132.7	0.0	0.0	0.0	0.0	0.0
	$95.9	***($39.0)***	***($142.0)***	***($194.5)***	***($134.1)***	***($128.1)***
Subtotal: Taxes & State and Local Subsidies	**$6,530.2**	**$6,550.7**	**$6,579.1**	**$6,661.3**	**$6,895.4**	**$7,067.5**
Other Funding Agreements						
City Subsidy for MTA Bus Company	$463.2	$668.6	$516.7	$447.7	$569.8	$551.5
City Subsidy for Staten Island Railway	58.5	47.2	52.8	53.1	60.4	68.3
CDOT Subsidy for Metro-North Railroad	129.8	122.6	122.8	124.8	132.3	136.3
	$651.6	**$838.5**	**$692.4**	**$625.6**	**$762.5**	**$756.1**
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$692.0	$762.5	$776.0	$799.0	$790.5	$715.2
	$692.0	***$762.5***	***$776.0***	***$799.0***	***$790.5***	***$715.2***
TOTAL SUBSIDIES	**$7,873.9**	**$8,151.7**	**$8,047.5**	**$8,086.0**	**$8,448.4**	**$8,538.7**

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the July and February Financial Plans
Consolidated Subsidies
Cash Basis
($ in millions)

	2019	2020	2021	2022
MMTOA, PBT & Real Estate Taxes				
Metropolitan Mass Transportation Operating Assist (MMTOA)	$46.1	$48.0	$44.0	$45.8
Petroleum Business Tax (PBT) Receipts	3.1	(9.4)	(14.3)	(16.7)
Mortgage Recording Tax (MRT)	(21.6)	(34.0)	(29.3)	(38.4)
MRT Transfer to Suburban Counties	0.6	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0
MTA Bus Debt Service	11.6	11.6	11.6	11.6
Interest	0.0	0.0	0.0	0.0
Urban Tax	44.9	23.2	(0.8)	(2.5)
Investment Income	1.0	1.0	1.0	1.0
	$85.8	**$40.3**	**$12.3**	**$0.8**
PMT and MTA Aid				
Payroll Mobility Tax	($0.6)	($5.5)	($7.4)	($6.7)
Payroll Mobility Tax Replacement Funds	0.0	0.0	0.0	0.0
MTA Aid	5.0	10.0	10.0	10.0
	$4.4	**$4.5**	**$2.6**	**$3.3**
New Funding Sources				
SAP Support and For-Hire Vehicle Surcharge:				
NYS Operating Support for SAP	$0.0	$0.0	$0.0	$0.0
NYC Operating Support for SAP	0.0	0.0	0.0	0.0
For-Hire Vehicle (FHV) Surcharge:	0.0	0.0	0.0	0.0
Subway Action Plan Account	*20.0*	*0.0*	*0.0*	*0.0*
Outerborough Transportation Account	*0.0*	*0.0*	*0.0*	*0.0*
Less: Assumed Capital or Member Project	*0.0*	*0.0*	*0.0*	*0.0*
General Transportation Account	*0.0*	*0.0*	*0.0*	*0.0*
Less: Transfer to Committed to Capital	*(20.0)*	*0.0*	*0.0*	*0.0*
Capital Program Funding Sources:				
Central Business District Tolling Program (CBDTP)	0.0	0.0	0.0	0.0
Real Property Transfer Tax Surcharge (Mansion)	136.7	373.5	384.0	396.3
Internet Marketplace Tax	70.8	320.0	322.3	325.5
Less: Transfer to CBDTP Capital Lockbox	(207.5)	(693.5)	(706.3)	(721.8)
	$0.0	**$0.0**	**$0.0**	**$0.0**
State and Local Subsidies				
State Operating Assistance (18-b)	$0.0	$0.0	$0.0	$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0
Station Maintenance	0.6	0.6	0.6	0.6
	$0.6	**$0.6**	**$0.6**	**$0.6**
Other Subsidy Adjustments				
NYCT Charge Back of MTA Bus Debt Service	$0.0	$0.0	$0.0	$0.0
Fuel Hedge Collateral	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	(10.5)	(5.0)	0.0	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0
Committed to Capital Program Contributions	0.0	0.0	0.0	0.0
Drawdown GASB 45 OPEB Reserves	0.0	0.0	0.0	0.0
	($10.5)	**($5.0)**	**$0.0**	**$0.0**
Subtotal: Taxes & State and Local Subsidies	**$80.3**	**$40.5**	**$15.5**	**$4.7**
Other Funding Agreements				
City Subsidy for MTA Bus Company	($0.2)	($20.8)	$6.4	$29.4
City Subsidy for Staten Island Railway	(3.8)	(1.1)	(0.4)	0.7
CDOT Subsidy for Metro-North Railroad	4.0	2.3	0.5	2.1
	($0.1)	**($19.7)**	**$6.5**	**$32.2**
Inter-agency Subsidy Transactions				
B&T Operating Surplus Transfer	$170.1	$134.3	$139.3	$141.5
	$170.1	**$134.3**	**$139.3**	**$141.5**
TOTAL SUBSIDIES	**$250.3**	**$155.2**	**$161.3**	**$178.5**

Attachment B to MTA Annual Disclosure Statement
First Quarterly Update
August 2, 2019

This **Attachment B** to the 2019 First Quarterly Update sets forth a revised TRB Table 2b, the MTA Consolidated Statement of Operations by Category, to reflect changes in "Actual 2018" numbers derived from the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017.

The numbers in in the Actual 2018 column of TRB Table 2b were adjusted to reflect the final audit, but the net cash balance did not change. As compared to the version of Table 2b published in the June 26, 2019 supplement, there were non-material adjustments in the following categories: Operating Revenue, Labor Expenses, Non-Labor Expenses, Non-Cash Liability Adjustments, Conversion to Cash Basis: Non-Cash Liability Adjs., Total Operating Expense with Debt Service, Net/Surplus/(Deficit) After Subsidies and Debt Service, and Conversion to Cash Basis: All Other.

Table 2b, revised 8/2/2019
MTA Consolidated Statement of Operations by Category
($ in millions)

Non-Reimbursable	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
Operating Revenue					
Farebox Revenue	$5,709	$5,961	$6,170	$6,172	$6,155
Toll Revenue	1,676	1,809	1,912	1,912	1,976
Other Revenue	682	689	653	653	643
Capital and Other Reimbursements	0	0	0	0	0
Total Operating Revenue	**$8,068**	**$8,459**	**$8,608**	**$8,737**	**$8,774**
Operating Expense					
Labor Expenses:					
Payroll	$4,672	$4,696	$5,019	$5,021	$5,211
Overtime	730	755	934	934	1,066
Health & Welfare	962	1,050	1,209	1,209	1,230
OPEB Current Payment	479	502	564	564	604
Pensions	1,304	1,249	1,345	1,345	1,336
Other-Fringe Benefits	784	861	794	792	881
Reimbursable Overhead	(350)	(380)	(492)	(492)	(528)
Subtotal Labor Expenses	**$8,582**	**$8,732**	**$9,238**	**$9,373**	**$9,799**
Non-Labor Expenses:					
Electric Power	$516	$474	$430	$430	$482
Fuel	267	162	150	150	185
Insurance	51	57	(3)	(3)	(29)
Claims	269	331	515	526	438
Paratransit Service Contracts	366	379	393	393	455
Maintenance and Other Operating Contracts	549	579	692	695	678
Professional Service Contracts	283	380	506	507	544
Materials & Supplies	527	543	588	588	637
Other Business Expenses	180	196	217	217	221
Subtotal Non-Labor Expenses	**$3,007**	**$3,101**	**$3,168**	**$3,505**	**$3,611**
Other Expense Adjustments:					
Other	$45	$37	$49	$49	$129
General Reserve	0	0	0	0	0
Subtotal Other Expense Adjustments	**$45**	**$37**	**$47**	**$49**	**$129**
Total Operating Expense before Non-Cash Liability Adj.	**$11,634**	**$11,871**	**$12,454**	**$12,927**	**$13,539**
Depreciation	$2,266	$2,443	$2,600	$2,608	$2,805
OPEB Liability Adjustment	2,035	1,490	1,548	1,567	
GASB 75 OPEB Expense Adjustment					1,048
GASB 68 Pension Expense Adjustment	0	(410)	(234)	(168)	(373)
Environmental Remediation	21	21	13	13	106
Total Operating Expense after Non-Cash Liability Adj.	**$15,956**	**$15,414**	**$16,252**	**$16,948**	**$17,124**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($4,322)	($3,543)	($3,927)	($4,021)	($3,585)
Debt Service (excludes Service Contract Bonds)	2,249	2,373	2,525	2,525	2,541
Total Operating Expense with Debt Service	**$13,882**	**$14,244**	**$14,912**	**$15,452**	**$16,079**
Dedicated Taxes and State/Local Subsidies	$6,375	$6,595	$6,429	$6,416	$7,177
Net Surplus/(Deficit) After Subsidies and Debt Service	**$561**	**$810**	**$371**	**($300)**	**($128)**
Conversion to Cash Basis: GASB Account	(50)	0	0	0	0
Conversion to Cash Basis: All Other	(626)	(660)	129	174	379
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($115)**	**$150**	**($232)**	**($126)**	**$251**
ADJUSTMENTS	**0**	**0**	**0**	**0**	**0**
PRIOR-YEAR CARRYOVER	**445**	**330**	**480**	**248**	**121**
NET CASH BALANCE	**$330**	**$480**	**$248**	**$121**	**$372**

ATTACHMENT 5

INFORMATION RELATING TO ASSURED GUARANTY MUNICIPAL CORP. AND FORM OF BOND INSURANCE POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Series 2019C Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2019C Bonds maturing on November 15 of the years 2045 through 2049, inclusive (the "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Attachment 5 to this official statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 27, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 21, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On May 7, 2018, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At June 30, 2019:

- The policyholders' surplus of AGM was approximately $2,530 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,082 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,853 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this official statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (filed by AGL with the SEC on August 8, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2019C Bonds shall be deemed incorporated by reference into this official statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this official statement.

Any information regarding AGM included herein under the caption "DESCRIPTION OF SERIES 2019C BONDS – Bond Insurance", this Attachment 5, or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included

AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this official statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2019C Bonds or the advisability of investing in the Series 2019C Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this official statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DESCRIPTION OF SERIES 2019C BONDS – Bond Insurance" and this Attachment 5.

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

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