Metropolitan Transit Authority of Harris County, Texas

Employees' Deferred Compensation Plan Annual Financial Statements

Years Ended December 31, 2021 and 2020

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Metropolitan Transit Authority of Harris County, Texas
Employees' Deferred Compensation Plan

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McConnell Jones

Independent Auditor's Report

To the Participants and Management of
Metropolitan Transit Authority Employees' Deferred Compensation Plan:

Opinion

We have audited the financial statements of Metropolitan Transit Authority Employees' Deferred Compensation Plan (the "Plan"), which comprise the Statements of Fiduciary Net Position as of December 31, 2021 and 2020, and the related Statements of Changes in Fiduciary Net Position for the years then ended, and the related notes to the Plan's financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying basic financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2021 and 2020, and the changes in financial position for the years then ended, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for Opinion

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

Responsibilities of Management for the Plan's Basic Financial Statements

Management is responsible for the preparation and fair presentation of the Plan's basic financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Plan's basic financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibility for the Audit of the Plan's Basic Financial Statements

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

In performing an audit in accordance with US GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the Plan's basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Plan's basic financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Plan's basic financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

McConnell
Jones

Required Supplementary Information

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

McConnell & Jones LLP

Houston, Texas
December 22, 2022

Metropolitan Transit Authority of Harris County, Texas
Employees' Deferred Compensation Plan

Management's Discussion and Analysis (Unaudited)

December 31, 2021 and 2020

Management's Discussion and Analysis (Unaudited)

This discussion and analysis section provide an overview of the performance of the Metropolitan Transit Authority (METRO) Employees' Deferred Compensation Plan (Plan) and should be read in conjunction with the basic financial statements and other information found in this report.

The Plan is a single employer, deferred compensation plan which is designed to assist full-time employees defer their salary to save for retirement in future years. The Plan became effective for full-time employees on January 1, 1989. Employees become eligible to participate in the Plan on the date on which the employee first performs an hour of service for METRO. During the last three calendar years, participant counts has increased to 4,690 for 2021, 4,664 for 2020 and 4,449 for 2019.

Employees can contribute into the Plan through salary reductions up to the Internal Revenue Code (IRC) 402(g) limits. The Plan also allows catch-up contributions for employees who are aged 50 or over. For 2021, these limits were $19,500 and $6,500, respectively. Employee contributions and their earnings are tax-deferred. Contributions from the employees are deposited into individual employee accounts, maintained by a third-party record-keeper, either weekly or semi-weekly depending on the related payroll cycle.

METRO also offers a 401(a) defined contribution plan (401(a) DC Plan) for new full-time employees not covered by the collective bargaining agreement hired after September 30, 2007 and September 30, 2012 for those covered by the agreement. This pension plan also includes employees who were participants of METRO's Union and Non-Union Pension Plans (Pension Plans) but changed status from union position to a non-union or vice versa after the Pension Plans closed for new employees. METRO matches up to four (4) percent of employee's compensation based on their contributions to their Deferred Compensation Plan account.

This match also encourages participants of the 401(a) DC Plan to contribute to their Deferred Compensation account in addition to deferring income taxation on retirement savings.

In May 2021, METRO established a committee responsible for the administration and investment of the Plan and adopted a Committee Charter. The Chief Executive Officer of METRO appoints members to serve on the Committee with a three-year term. METRO Chief Financial Officer and Chief Human Resources Officers are standing members of the Committee until otherwise determined by the Board. Members of the Committee are dedicated professionals and included the following as of December 31, 2021:

Arthur C. Smiley III, Chair	Karen Kauffman	Tracy Jackson
Kylie Loya	Eduardo Miranda	Larry Wood

The discussion and analysis provide additional information regarding the activities of the Plan. Additional retirement programs include a 401(a) Defined Contribution Plan, Defined Benefit Union and Non-Union Pension Plans and a 401(a) Savings Plan. For additional financial information or any questions, please contact the Office of the Controller, Metropolitan Transit Authority of Harris County, Texas, P.O. Box 61429 Houston, Texas 77208-1429.

Financial Highlights

The summary of fiduciary net position and changes in fiduciary net position lists the additions and deductions that when netted equals the total assets/fiduciary net position. The values and related changes during the last three plan years consist of:

	2021	2020	2019
Summary of fiduciary net position:			
Assets:			
Investments, at fair value	$ 142,349,529	$ 123,289,879	$ 111,646,772
Notes receivable from participants	6,877,037	6,619,908	6,825,615
Total assets / fiduciary net position	$ 149,226,566	$ 129,909,787	$ 118,472,387
Changes in fiduciary net position:			
Additions:			
Investment Income			
Net appreciation in fair value of investments	$ 3,874,654	$ 8,236,960	$ 11,429,971
Interest and dividend income	12,705,273	6,594,803	6,624,429
Total investment gain	16,579,927	14,831,763	18,054,400
Contributions from participants	14,051,074	11,294,336	11,702,904
Interest on notes receivable from participants	366,409	416,687	389,193
Total additions	30,997,410	26,542,786	30,146,497
Deductions:			
Benefit payments	(11,494,788)	(14,957,266)	(10,354,434)
Administrative expenses	(185,843)	(148,120)	(123,428)
Total deductions	(11,680,631)	(15,105,386)	(10,477,862)
Changes in fiduciary net position	19,316,779	11,437,400	19,668,635
Beginning of the year	129,909,787	118,472,387	98,803,752
End of the year	$ 149,226,566	$ 129,909,787	$ 118,472,387

Active employees elect the amount or percentage of their salary/wages to contribute to their deferred compensation account each pay period which totaled $14.1 million for 2021 and $11.3 million for 2020. The changes in contributions in the last three years relates to the amount employees elect to contribute from their payroll. Benefit payments decreased during 2021 by $3.5 million or 23.1 percent and increased during 2020 by $4.6 million or 44.5 percent. The changes in the benefit payment amounts over the last three years relate to the number of participants terminating employment with METRO and transferring their balances to other retirement accounts or participants taking a hardship withdrawal. In 2020, 1,300 participants took a CARES Act withdrawal.

Total assets / plan fiduciary net position increased during 2021 by 19.3 million or 14.9 percent and increased during 2020 by 11.4 million or 9.7 percent. The changes over the last three years in total assets/plan fiduciary net position generally relates to investment returns which were driven by significant changes in market conditions, contributions and offset by benefit payments/withdrawals.

Participants loan activity

The loan activity consists of new loans, interest, payments and defaulted loans that when netted equals the ending balance. New loans issued increased by $646 thousand or 17.3 percent and distributed loans increased by $311 thousand or 79.8 percent in 2021. The change in loans was primarily due to loans maturing or defaulting and participants taking new loans. The changes in distributed loans year to year are due to the number of participant loan defaults each year.

The following table presents information of participant loans during plan years ending December 31, 2021, 2020 and 2019:

	2021	2020	2019
Beginning balance – January 1st	$ 6,619,908	$ 6,825,615	$ 6,259,244
New loans issued	4,388,108	3,741,955	4,546,140
Interest assessed	366,409	416,687	389,193
Loan payments	(3,796,484)	(3,974,549)	(3,671,526)
Distributed loans	(700,904)	(389,800)	(697,436)
Ending balance – December 31st	$ 6,877,037	$ 6,619,908	$ 6,825,615

Fund Performance

The investment line-up that participants can invest consists of thirty-three mutual funds, nine target date funds and one guaranteed interest fund. Each fund has its own investment objectives and strategies. The funds also provide an asset allocation strategy designed to meet their individual investment goals and strategies. The investment returns generally followed the related markets during the last three years. The following table provides a three-year comparison of investment returns:

		2021		2020		2019	
Investment Name	**Ticker**	**Annual Return**	**Market Benchmark**	**Annual Return**	**Market Benchmark**	**Annual Return**	**Market Benchmark**
Target retirement date funds							
Great-West Lifetime 2015 Fund Inst	MXNYX	8.85%	N/A	11.47%	N/A	15.53%	N/A
Great-West Lifetime 2020 Fund Inst	MXAKX	9.60%	N/A	11.72%	N/A	16.80%	N/A
Great-West Lifetime 2025 Fund Inst	MXQBX	10.52%	N/A	12.67%	N/A	18.43%	N/A
Great-West Lifetime 2030 Fund Inst	MXAYX	12.00%	N/A	12.99%	N/A	20.52%	N/A
Great-West Lifetime 2035 Fund Inst	MXTBX	13.83%	N/A	13.84%	N/A	22.58%	N/A
Great-West Lifetime 2040 Fund Inst	MXBGX	15.52%	N/A	14.01%	N/A	24.18%	N/A

Metropolitan Transit Authority of Harris County, Texas
Employees' Deferred Compensation Plan
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		2021		2020		2019	
Investment Name	Ticker	Annual Return	Market Benchmark	Annual Return	Market Benchmark	Annual Return	Market Benchmark
Great-West Lifetime 2045 Fund Inst	MXWEX	16.39%	N/A	14.33%	N/A	25.14%	N/A
Great-West Lifetime 2050 Fund Inst	MXBSX	16.59%	N/A	14.30%	N/A	25.28%	N/A
Great-West Lifetime 2055 Fund Inst	MXZHX	16.54%	N/A	14.33%	N/A	25.19%	N/A
International stock funds							
American Funds New Perspective R6	RNPGX	18.10%	11.26%	33.81%	7.82%	30.48%	22.01%
American Funds New World R6	RNWGX	5.13%	11.26%	25.30%	7.82%	28.03%	22.01%
Great-West International Value Inst	MXJVX	11.26%	11.26%	10.21%	7.82%	22.43%	22.01%
Franklin Mutual International R6	FIMFX	N/A	11.26%	N/A	7.82%	14.89%	22.01%
MFS International Growth R6	MGRDX	9.65%	11.26%	15.82%	7.82%	27.31%	22.01%
Franklin Mutual Global Discovery R6	FMDRX	19.84%	11.26%	-4.27%	7.82%	24.80%	22.01%
Oppenheimer International Growth I	OIGIX	N/A	11.26%	N/A	7.82%	29.16%	22.01%
Vanguard Total Intl Stock Index Admiral	VTIAX	8.62%	11.26%	11.28%	7.82%	21.51%	22.01%
Specialty funds							
Franklin Gold & Precious Metals Adv.	FGADX	-3.52%	N/A	43.99%	N/A	51.87%	N/A
MFS Technology R6	MTCLX	13.74%	N/A	46.56%	N/A	36.23%	N/A
Nuveen Real Estate Securities I	FARCX	41.32%	N/A	-6.12%	N/A	25.56%	N/A
Vanguard Real Estate Index Adm	VGSLX	40.40%	N/A	-4.65%	N/A	28.94%	N/A
Domestic stock funds							
Columbia Small Cap Index A	NMSAX	26.07%	14.82%	10.92%	19.96%	22.30%	25.52%
Janus Henderson Venture N	JVTNX	7.79%	14.82%	31.81%	19.96%	30.98%	25.52%
Undiscovered Mgrs Behavioral Value R6	UBVFX	34.50%	14.82%	3.62%	19.96%	23.34%	25.52%
Ariel Appreciation Fund	CAAPX	25.86%	24.76%	7.36%	13.66%	24.60%	26.20%
Janus Enterprise Fund T	JAENX	17.22%	24.76%	20.15%	13.66%	35.06%	26.20%
Vanguard Mid Cap Index Admiral	VIMAX	24.51%	24.76%	18.24%	13.66%	31.03%	26.20%
Columbia Contrarian Core Instl 3	COFYX	24.45%	28.71%	22.44%	18.40%	33.08%	31.49%
Columbia Dividend Income Adv	CVIRX	26.28%	28.71%	7.77%	18.40%	28.17%	31.49%
Great-West S&P 500 Index Fund Inv	MXVIX	28.20%	28.71%	17.77%	18.40%	30.84%	31.49%
Pioneer Fundamental Growth K	PFGKX	23.86%	28.71%	27.51%	18.40%	34.40%	31.49%
Balanced funds							
American Funds American Balanced R6	RLBGX	16.11%	N/A	11.22%	N/A	19.55%	N/A
Fidelity Puritan	FPURX	18.94%	N/A	20.56%	N/A	21.25%	N/A
Bond funds							
BlackRock High Yield Bond Portfolio K	BRHYX	5.88%	-1.54%	5.93%	7.51%	15.58%	8.72%
Columbia US Government Mortgage Instl	CUGYX	N/A	-1.54%	N/A	7.51%	6.97%	8.72%
Columbia Quality Income Instl 3	CUGYX	0.22%	-1.54%	6.14%	7.51%	N/A	8.72%
JPMorgan Global Bond Opportunities R6	GBONX	1.52%	-1.54%	7.92%	7.51%	10.73%	8.72%
Metropolitan West Total Return Bond Pl	MWTSX	-1.11%	-1.54%	9.18%	7.51%	9.23%	8.72%
MFS Emerging Markets Debt R6	MEDHX	-2.30%	-1.54%	8.11%	7.51%	14.17%	8.72%
Vanguard Inflation-Protected Secs Adm	VAIPX	5.68%	-1.54%	10.96%	7.51%	8.16%	8.72%
Vanguard Interm-Term Investment-Grade	VFIDX	-1.14%	-1.54%	10.41%	7.51%	10.49%	8.72%
Vanguard Total Bond Market Index Adm	VBTLX	-1.67%	-1.54%	7.72%	7.51%	8.71%	8.72%
Interest fund							
Great-West Guaranteed Interest Fund	N/A	1.40%	N/A	1.50%	N/A	1.75%	N/A

Plan Fees

The Plan charges fees to participants' account for investment management, advisory and record-keeping services that are directly offset from the investment funds' earnings. The fees vary by investment fund and are calculated based on the fund's daily asset value. According to the Fee Disclosure Report provided by Empower as of December 31, 2021 and 2020, the estimated fees were as follows:

December 31, 2021

Service	Annual Estimate	Estimated Average Cost Per Participant	Estimated Percentage of Total Assets
Payments to Investment Providers	$ 609,883	$ 130.00	0.41%
Payments to Recordkeeper	266,466	57.00	0.18%
Payments to Others	168,210	36.00	0.11%
Total Payment Estimate	$ 1,044,559	$ 223.00	0.70%

December 31, 2020

Service	Annual Estimate	Estimated Average Cost Per Participant	Estimated Percentage of Total Assets
Payments to Investment Providers	$ 527,853	$ 113.00	0.41%
Payments to Recordkeeper	218,325	47.00	0.17%
Payments to Others	89,871	19.00	0.07%
Total Payment Estimate	$ 836,049	$ 179.00	0.65%

For a copy of the complete Fee Disclosure Report, please contact the Plan Administrator, Metropolitan Transit Authority of Harris County, Texas, P.O. Box 61429, Houston, Texas 77208-1429.

BASIC FINANCIAL STATEMENTS

Metropolitan Transit Authority of Harris County, Texas
Employees' Deferred Compensation Plan

Statements of Fiduciary Net Position
December 31, 2021 and 2020

	2021	2020
Assets:		
Investments, at fair value	$ 142,349,529	$ 123,289,879
Notes receivable from participants	6,877,037	6,619,908
Total assets	149,226,566	129,909,787
Fiduciary net position:		
Restricted for pensions	$ 149,226,566	$ 129,909,787

The accompanying notes are an integral part of the Plan's basic financial statements.

Metropolitan Transit Authority of Harris County, Texas
Employees' Deferred Compensation Plan

Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2021 and 2020

	2021	2020
Additions:		
Investment income:		
Interest and dividend income	$ 12,705,273	$ 6,594,803
Net appreciation in fair value of investments	3,874,654	8,236,960
Total investment income	16,579,927	14,831,763
Contributions from Participants	14,051,074	11,294,336
Interest on notes receivable from participants	366,409	416,687
Total additions	30,997,410	26,542,786
Deductions:		
Benefit payments	(11,494,788)	(14,957,266)
Administrative expenses	(185,843)	(148,120)
Total deductions	(11,680,631)	(15,105,386)
Changes in fiduciary net position	19,316,779	11,437,400
Fiduciary net position – restricted for pensions:		
Beginning of the year	129,909,787	118,472,387
End of the year	$ 149,226,566	$ 129,909,787

The accompanying notes are an integral part of the Plan's basic financial statements.

1. DESCRIPTION OF THE PLAN

The following description of Metropolitan Transit Authority (METRO) Deferred Compensation Plan (the "Plan" or "457(b) account") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a single employer, employees' deferred compensation plan that is an eligible governmental plan within the meaning the Internal Revenue Code (the "IRC") 457(e)(l)(a). The Plan is not covered by the Employee Retirement Income Security Act of 1974.

Eligibility

The Plan was established to assist METRO's full-time employees to defer their salary to save for retirement into future years. The Plan became effective for full-time employees on January 1, 1989. New full-time employees become eligible to participate in the Plan on the date on which the employee first performs an hour of service for METRO.

The following table presents information of Plan participants during plan years ended December 31, 2021 and 2020:

Participants	2021	2020
Participants – January 1st	4,664	4,449
Less: Terminated participants who removed funds	278	213
Add: New participants	304	428
Participants – December 31st	4,690	4,664

Contributions by Participants

Contributions to the Plan participants 457(b) account are only made by employees through salary deferment based on previous employee authorizations. The employee elects the amount of deferral and the date when deferrals start. Participants can revoke or change deferral amounts anytime.

Participants of the 401(a) defined contribution plan (401(a) DC Plan) are encouraged to contribute to their 457(b) account. Only METRO contributes to the participants 401(a) DC Plan account. The 401(a) DC Plan includes METRO's match up to four (4) percent of the employee's compensation based on their contribution to their 457(b) account. The employees' contributions are deposited into the employee's 457(b) individual account during the normal weekly or bi-weekly payroll cycle. Terminated employees can remain in the Plan but can no longer contribute to their account.

Participants' Accounts

Each participant has an individual 457(b) account which tracks contributions made by employees, investments they purchased/sold and related fees. Participants control how funds in their accounts are invested in the available investment line-up and can allocate contributions between 43 investment options established under the Plan.

Vesting

The Participants are immediately vested in their contributions.

Participant Loans

The Plan permits participant loans. Only active employees may request a Plan loan but must have a minimum account balance of $2,000 to be eligible. The minimum loan amount is $1,000 with a maximum amount of $50,000 or 50 percent of account balance whichever is less. If a participant has an outstanding loan, the maximum loan amount available must be reduced by the highest loan balance during the past 12 months. A participant may have up to two loans at one time if the loan repayments are submitted via payroll deduction and are identified separately. A loan origination fee of $50 is deducted from the loan amount.

The loans are secured by the balance in the participant's account. Two types of loans are available: (1) general purpose loan with a term of one to five years and (2) a principal residence loan with a term of six to fifteen years. Loans bear interest at a fixed rate equal to 2 percent over the Prime Rate published in the Wall Street Journal on the first business day of the month before the loan is originated for the life of the loan.

Plan Administration and Fees

METRO is the Plan Administrator with the general administration and record keeping services provided by Empower Retirement, a subsidiary of Great-West Life & Annuity Insurance Company. Fees associated with administration, recording keeping, money managers and discretionary managed account services are paid from the participants' accounts.

Payment of Benefits

A participant's deferred compensation account balance is available upon severance from METRO's service, attainment of age 70 and a half, or death. Plan participants age 65 and older are eligible to take distributions, without penalty, from their 457(b) accounts while still in service with METRO. A participant may elect to receive: 1) a single lump sum amount equal to the value of their account, 2) a partial lump-sum payment of a specified amount, with the balance payable in installment payments for a period of years, 3) annuity payments payable either monthly, quarterly, or annually over a period not exceeding the life expectancy of the participant, or, in certain circumstances, the joint life expectancy of the participant and a "designated beneficiary" (as defined in the Internal Revenue Code (Code), or 4) installment payments for a period of years. Upon termination from METRO, or attainment of age 70 and a half, funds may be rolled over into an eligible retirement plan (as defined in the Code), or an IRA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan are presented in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) established by the Governmental Accounting Standards Board (GASB).

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are reported when deducted from their payroll check, while investment income (net of investment and administrative fees) is reported when earned. Payments made to participants upon termination or retirement are reported when paid.

Investment Policy

The Plan's investment policy is focused on providing resources for participants to save for retirement. Participants can choose among 40 funds that cover a wide range of investment strategies and customize their investment portfolio based on their personal risk tolerance levels and financial goals. To assist participants, implement and monitor their long-term investment strategy, online administrative and investment tools are provided by the Plan's record-keeper and service provider Empower Retirement, previously known as Great-West Life & Annuity Insurance Company.

Investment Valuation

The Plan's investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Participants Accounts and Income Recognition

Changes in the value of Participant's account relate to contributions by the participant, interest, dividends, investments sales and change in market value. Purchases and sales of securities are recorded on a trade-date basis. Dividends are processed the evening of the execution date and recorded with a drop date on the next business day. Interest is credited to participant-guaranteed accounts based on the rate communicated by Empower. Share values of mutual funds are received from the National Security Clearing Corporation, Interactive Data Corporation, or the mutual fund company.

Use of Estimates

The preparation of Plan's financial statements in conformity with U.S GAAP requires management to make certain estimates and assumptions that affect amounts reported in the Plan's financial statements. Actual results could differ from those estimates.

3. CUSTODIAL CREDIT RISK

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of their investments or collateral securities that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty trust department. All Plan's investments are held by the individual mutual funds and guaranteed funds' asset custodians in the Plan's name and therefore, are not exposed to custodial credit risk.

4. FAIR VALUE MEASUREMENTS

The Plan categorizes its fair value hierarchy as established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Following is a description of the valuation methodologies used for assets measured at fair value:

Investments disclosed as Level 1 includes individual mutual funds and those that invest in multiple mutual funds (fund to funds) when the underlying fund is actively traded on a nationally recognized stock exchange.

Investments disclosed as Level 2 represents funds invested in Great-West Guaranteed Interest Funds and Great-West Guaranteed Certificate Funds (collectively, "Funds") whose investment value represents contributions made by participants to the Funds, plus earnings, less participant withdrawals and administrative expenses.

All investments are recorded at their net asset value (unit value) and calculated daily after the close of the current trading day by each mutual fund. This value is used to calculate the daily ending investment balance for each participant and to price investment transactions settling at the end of the day.

The following tables set forth by level, within the fair value hierarchy, a summary of the Plan's investments measured at fair value as of December 31, 2021 and December 31, 2020:

2021 Fair Value Measurement Based on Reporting Hierarchy

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Domestic stock funds	$ 37,277,957	$ -	$ -	$ 37,277,957
International stock funds	11,230,807	-	-	11,230,807
Balanced fund	9,311,365	-	-	9,311,365
Target retirement date funds	46,418,714	-	-	46,418,714
Specialty funds	6,557,035	-	-	6,557,035
Bond funds	12,422,585	-	-	12,422,585
Great-West Guaranteed Certificate Funds	-	2	-	2
Great-West Guaranteed Interest Funds	-	19,131,064	-	19,131,064
Total investments, at fair value	$ 123,218,463	$ 19,131,066	$ -	$142,349,529

2020 Fair Value Measurement Based on Reporting Hierarchy

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Domestic stock funds	$ 32,410,441	$ -	$ -	$ 32,410,441
International stock funds	8,647,291	-	-	8,647,291
Balanced fund	7,509,717	-	-	7,509,717
Target retirement date funds	39,653,236	-	-	39,653,236
Specialty funds	6,100,588	-	-	6,100,588
Bond funds	10,246,432	-	-	10,246,432
Great-West Guaranteed Certificate Funds	-	1,061		1,061
Great-West Guaranteed Interest Funds	-	18,721,113	-	18,721,113
Total investments, at fair value	$ 104,567,705	$ 18,722,174	$ -	$ 123,289,879

5. UNALLOCATED PLAN ASSET ACCOUNT

Settlement payments and other amounts received by the Plan and the record-keeper cannot quickly transfer to a participant's account are transferred to an unallocated plan asset account within the Plan until the record-keeper determines where the funds should be transferred. On December 31, 2021 and 2020, the Plan's unallocated Plan asset account balance was $47,140 and $59,352, respectively.

6. TERMINATED PARTICIPANTS

As of December 31, 2021 and 2020, the Plan had 1,408 and 1,225 terminated participants who had account balances totaling $45,494,942 and $34,766,572, respectively. These participants no longer contribute to their account and their balances are adjusted only for fees, investment earnings and withdrawals.

7. RELATED PARTY TRANSACTIONS

The costs of administering the Plan are paid with the monthly administrative fee charged to participant accounts, an annualized asset-based fee assessed to the Plan's investment funds, and interest earned on assets held in the Plan's custodial account which is administered by the Plan's custodian.

8. INCOME TAX STATUS

The Plan has not obtained a determination letter from the Internal Revenue Service since METRO adopted a pre-approved prototype plan from Great-West Retirement Services and has not made any extensive modifications to such prototype plan. The Plan Administrator believes that the Plan complies with the applicable requirements of the Internal Revenue Code and, therefore, qualifies as a tax-favored Plan.

9. PLAN TERMINATION

METRO as Plan Sponsor has the right to amend, suspend, or terminate the Plan if the amounts of the Participant's balances are not affected. METRO also has the right to add or eliminate any investment option, in whole or in part.

10. RISKS AND UNCERTAINTIES

The Plan provides for participant directed investments that are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments and the level of uncertainty related to the changes in the value of investments, it is at least reasonably possible, that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position.

11. SUBSEQUENT EVENTS

In February 2022, four index funds: iShares Russell Mid Cap Index Fund, Fidelity 500 Index Fund, Fidelity Inflation Protected Bond Index Fund, and Schwab US Large Cap Growth Index Fund, were added to the investment line-up.

The Plan's management has evaluated subsequent events through December 22, 2022; the date the Plan's financial statements were available to be issued. No changes were made, or are necessary to be made, to the Plan's financial statements, because of this evaluation.