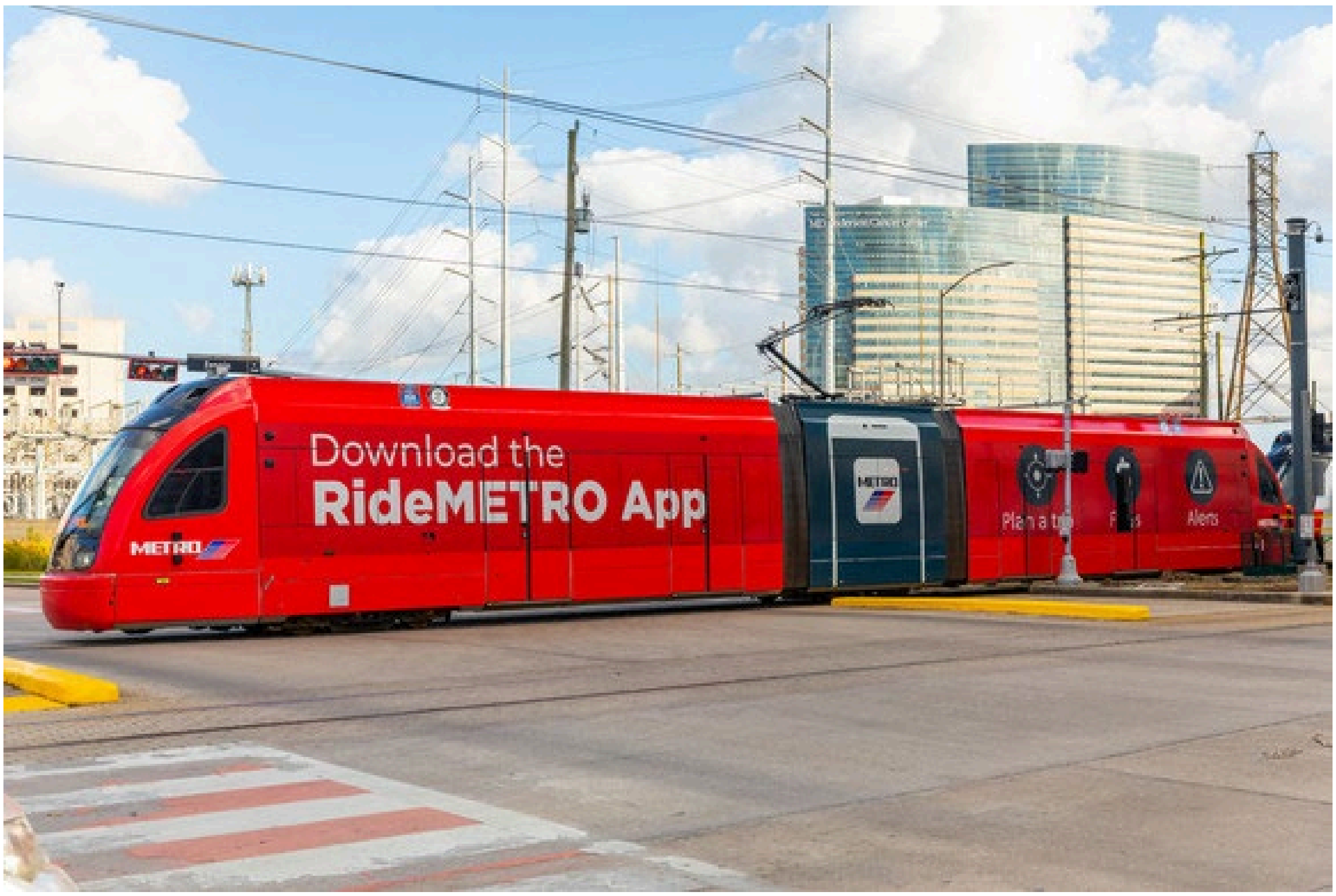
Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Annual Comprehensive Financial Report
For The Years Ended December 31, 2022 and 2021



Prepared by the Metropolitan Transit Authority
Of Harris County, Texas
Office of the Controller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METRO

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Introductory Section

(Unaudited)

This section provides an overview of the Metropolitan Transit Authority Non-Union Pension Plan and Trust's Annual Comprehensive Financial Report, a transmittal letter from the Chair of the Plan and Trust, and information on performance, organizational structure, and responsibility for financial reporting. The prior year's Certificate of Achievement for Excellence in Financial Reporting is also included.

Non-Union Committee Members

Debbie Sechler
Chair

Thomas Jasien
George Fotinos
Marcus Smith
Reynaldo Reza
Heidi Davis

June 27, 2023

Plan Participants, Non-Union Pension Plan Committee Members (Committee) and the Board of Directors of the Metropolitan Transit Authority (the Plan's sponsor) of Harris County, Texas (METRO):

I am pleased to present the Annual Comprehensive Financial Report (ACFR) for the Non-Union Pension Plan and Trust (Plan) for the years ended December 31, 2022, and 2021. The Plan is a defined benefit non-contributory pension plan, which is for full-time administrative staff and police officers hired before October 1, 2007. New employees hired on or after this date are placed into a defined contribution plan, which is not part of this report.

This ACFR has five sections that brings together the major financial and management elements of the pension plan. The Introductory Section discusses the overview of the ACFR, the Plan's performance as well as the Committee's and METRO's responsibilities for managing the Plan and providing accurate, reliable financial information.

The preparation of the ACFR reflects the dedication and commitment the Committee and METRO have made in providing quality and transparent financial information. This commitment has resulted in the Plan earning, for the eleventh consecutive year, the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Funding Policy and Investment Returns

METRO's funding policy is to contribute the annual, actuarially determined contribution over a 12-month period. Employees do not contribute to the Plan. During 2022, METRO contributed $13.3 million to the Plan which equals over 100 percent of the annual, actuarially determined contribution.

The Plan's funding status for 2022 was 64.5 percent. The Plan is meeting its funding objective as it continues to receive the actuarially determined annual contribution from METRO. The increase/decrease in year-to-year funding status are the results of experience gains/losses due to changes in capital market conditions and/or changes in assumptions.

For 2022 the Plan had a negative investment rate of return, net of fees, of approximately 14 percent with a positive 5.4 percent return over the last ten years. The Committee continues to work closely with Marquette Associates, Inc., the Plan's financial advisor, to implement an investment strategy that will achieve the 6.25 percent investment rate of return that was adopted in May 2020.

Additional information on the Plan's financial performance is in the Management Discussion & Analysis Section which starts on page 11 of this report.

The Committee and financial advisor routinely met to discuss general market conditions, money managers' performance and new investment opportunities ranging from commodities to real estate.

Additional information on the Plan's investment policy, performance and reallocation of investments is in the notes to the basic financial statements and in the Investment Section (Unaudited) of this report.

In 2023, the Committee and METRO updated the inflation and salary scale assumptions used in the actuarial valuations. The Committee also elected to transfer $4.5 million from international equity to fixed income and global low volatility asset classes.

The Financial Reporting Entity and Responsibilities for Internal Controls

The Plan is not a component unit of METRO, or any other plans and the accompanying basic financial statements include all activities for which the Plan is financially accountable as defined by GASB No. 14, *The Financial Reporting Entity* and Statement No. 61, *The Financial Reporting Entity: Omnibus.*

Responsibility for accuracy, reliability, and fairness in the presentation of financial information and related disclosures rests with the Committee and METRO. All disclosures that are necessary to enable the reader to gain an understanding of the Plan's financial activities have been included. The Committee and METRO are also responsible for ensuring that an adequate internal control structure is in place for preparation of financial information, safeguarding of assets, effective and efficient use of resources and compliance with applicable laws and regulations. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

Other Information and Acknowledgement

This ACFR will be sent to the State of Texas' Pension Review Board for their review and to the Government Finance Officers Association for inclusion in their Certificate of Achievement for Excellence in Financial Reporting award program. Additional copies of this and prior year reports can be obtained by visiting METRO's website, www.ridemetro.org.

The Plan's basic financial statements were audited by McConnell & Jones LLP, Certified Public Accountants. In their opinion, the Plan's basic financial statements are presented fairly, in all material respects, the financial position of the Plan as of December 31, 2022, and 2021, and the changes in financial position for the years then ended, in accordance with U.S. GAAP.

The Committee appreciates the work and dedication of all those who support the objectives of the Plan and thanks Arthur C. Smiley III for his service as a Committee Member.

Debbie Sechler

Debbie Sechler
Chair, Non-Union Pension Plan and Trust

Pension Committee Members and Their Responsibilities

METRO's Board of Directors appoints independent committee members to oversee the administration of the Metropolitan Transit Authority Non-Union Pension Plan and Trust (Plan). Committee members act as fiduciaries (based on State of Texas law) and perform their duties for the exclusive purpose of accumulating sufficient assets to pay retiree benefits as they come due. They follow the prudent person rule when authorizing expenses and implementing the investment policy. Members of the Committee are dedicated professionals and included the following as of December 31, 2022:

Debbie Sechler, Chair	George Fotinos	Thomas Jasien
Reynaldo Reza	Marcus Smith	Heidi Davis

Consultants and Money Managers

The Committee relies on many professionals with different skills to ensure that the Plan is operating as intended and include:

Consultants	Service provided
Marquette Associates, Inc.	Financial advisor
Milliman, Inc.	Actuary
Motley Rice, LLC	Monitoring/litigation service
Norton Rose Fulbright US LLP	Legal counsel
State Street Bank and Trust Co.	Asset custodian, disbursing agent, and recordkeeping
Definiti LLC	Actuarial auditor
Smart Management Services	Investment practices and performance evaluation

Listing of Money Managers and Related Asset Class

Domestic equity

Rhumbline Russell 1000 Large Cap Core
Rhumbline Russell 1000 Large Cap Value
Rhumbline Russell Mid-Cap Growth
SSgA Russell 2000 Small Cap Core
Channing Capital – Small/Mid Capital Value

Fixed income

Rhumbline Core Bond Pooled Index Fund
Brandywine Global Opportunistic Fixed Income Fund

International equity

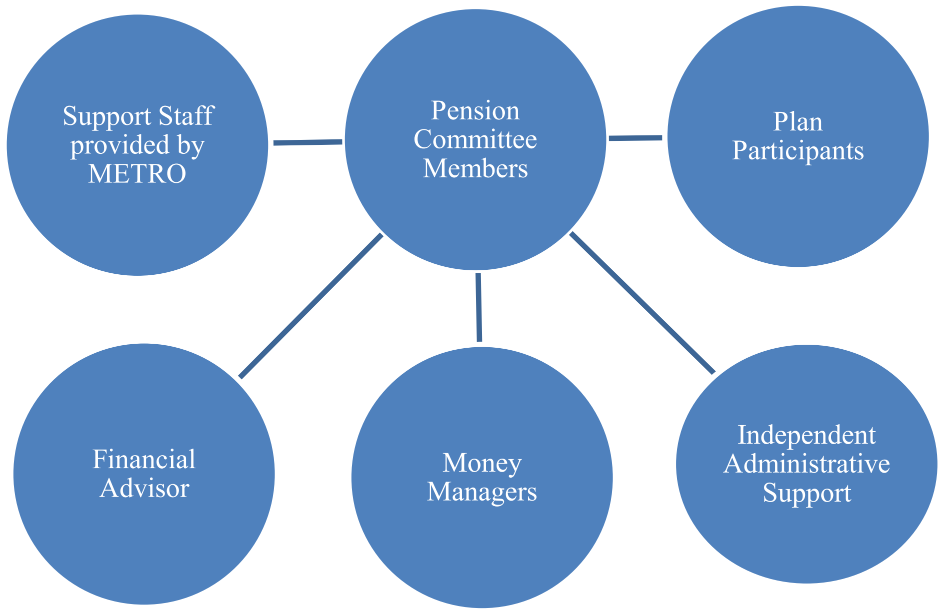
SSgA MSCI ACWI ex US Index
SSgA MSCI EAFE Small Cap
Brown International Small Company
Fidelity Global Low Volatility

Real Estate

RREEF America REIT II
Trumbull Property Fund

Individual money managers, their market segment, investment approaches, returns, asset custodians, recordkeeping, trading fees/commissions and independent audits are discussed in the Investment Section (Unaudited) which starts on page 41 of this Annual Comprehensive Financial Report (ACFR).

Organization



The organization listing provides an overview of those involved in supporting the Plan.

- Pension Committee members are responsible for the operation of the Plan. They select the financial advisor, money managers and consultants who report directly to Committee members.
- Support staff is provided by Human Resources and the Finance Department of METRO.
- Plan participants are those who are eligible to participate in the Plan.
- The financial advisor is responsible for assisting in the development and implementation of an effective investment policy while monitoring the performance of the money managers and the overall markets where investments are made.
- Money managers are responsible for investing the Plan's assets. Discussion on money managers begin under Current Money Managers section on page 44 of this ACFR.
- Independent administrative support is provided by several organizations which provide services including legal, actuarial, asset custodial, disbursing agent and independent auditing.

Fees paid to financial advisor, money managers, and independent administrative consultants are presented in the Schedule of Investment and Administrative Services in the "Other Supplementary Information section" located on page 40 of the ACFR. Trading Fees and Commissions schedule in the "Investment Section" is located on page 51 of the ACFR.

The responsibility for the accuracy, reliability, and fairness of the presentation of financial information and related disclosures in the Annual Comprehensive Financial Report rests with the Committee and METRO. All disclosures that are necessary to enable the reader to gain an understanding of the Plan's financial activities have been included. The Committee and METRO are also responsible for ensuring that an adequate internal control structure is in place for preparation of financial information, safeguarding of assets, effective and efficient use of resources and compliance with applicable laws and regulations. The internal control structure has been designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits require estimates and judgment by management. In addition, the Plan is required by state law to have independent certified public accountants perform annual financial audits.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Plan for its Annual Comprehensive Financial Report for the year ended December 31, 2021. This is the eleventh year to receive this award and reflects the commitment to quality financial reporting. In order to receive this award, one must publish an easily readable and efficiently organized Annual Comprehensive Financial Report which satisfies generally accepted accounting principles, applicable legal requirements and standards established by GFOA.

A Certificate of Achievement is valid for a period of one year. We believe that our current Annual Comprehensive Financial Report will continue to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Metropolitan Transit Authority
Non-Union Pension Plan & Trust
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

Financial Section

McConnell
Jones

Independent Auditor's Report

To the Participants and Pension Committee of
Metropolitan Transit Authority Non-Union Pension Plan and Trust

Opinion

We have audited the financial statements of Metropolitan Transit Authority Non-Union Pension Plan and Trust (the Plan), which comprise the Statements of Fiduciary Net Position as of December 31, 2022 and 2021, 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, 2022 and 2021, 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.

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.

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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.

Required Supplementary Information

US GAAP requires that the management's discussion and analysis, schedule of changes in net pension liability, schedule of employer contributions, and schedule of money weighted rate of return, as listed in the table of contents, 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.

Supplementary Information

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

McConnell
Jones

Other Information

Management is responsible for the other information included in the Plan's annual comprehensive financial report. The other information comprises the introductory, investment, actuarial and statistical sections, as listed in the table of contents, but does not include the Plan's basic financial statements and our auditor's report thereon. Our opinion on the Plan's basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the Plan's basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the Plan's basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

McConnell & Jones LLP

Houston, Texas
June 27, 2023

Management's Discussion and Analysis (Unaudited)

This discussion and analysis section provides an overview of the performance of the Metropolitan Transit Authority Non-Union Pension Plan and Trust (Plan) and should be read in conjunction with the basic financial statements and the other sections of this Annual Comprehensive Financial Report (ACFR).

The Plan is a single employer, defined benefit plan with the goal of accumulating sufficient assets over time to pay retirement benefits and related operating cost. This goal is accomplished by receiving annual contributions from METRO and investment returns on the Plan's assets. Employees do not contribute to the Plan, and the Plan does not cover postemployment health care cost. The annual funding requirement and the unfunded pension liability of the Plan are developed each year from an independent actuarial valuation. Contributions to the Plan are approved by METRO's Board of Directors as part of METRO's annual operating budget.

Adequate diversification in both markets and money managers continues to be an important part of the Plan's investment strategy. The Non-Union Pension Plan Committee (Committee) reallocated investments to pay benefit payments during plan year 2022 as follows:

	Reallocation of Investments (In thousands)
Reduction in investment balance:	
RhumbLine Core Bond Pooled Fund	$ (5,300)
Total reduction	(5,300)
Increase in investment balance:	
Cash	5,300
Total increase	$ 5,300

During August 2022, the Committee elected to withdraw $6.5 million from the Trumbull Property Fund (TPF) and $2 million from the RREEF REIT America II fund (RREEF) to reduce the investment policy overweight to the Real Estate Asset Class. TPF's redemption queue is approximately $7.2 billion dollars or 50.7 percent of its net asset value. The RREEF's redemption queue is approximately $1.375 billion dollars or 8.6 percent of its asset value.

Financial Highlights

METRO's funding policy is to contribute each year 100 percent of the independent, actuarially determined contribution which totaled $12.9 million for 2022 and $13.4 million for 2021.

Changes to the net pension liability are reflected, in thousands, is presented in the following table.

	2022	2021	2020
Total pension liability	$ 313,408	$ 300,676	$ 305,686
Less: fiduciary net position	177,050	211,156	204,514
Net pension liability	$ 136,358	$ 89,520	$ 101,172

The increase in the net pension liability during 2022 was due to lower-than-expected money-weighted investment returns of negative 14.14 percent than assumed rate of 6.25 percent, updated salary scale assumption to 3.53 percent for 2022 and 8.62 percent for 2023, and unfavorable demographic experience.

The decline in the net pension liability during 2021 was due to higher-than-expected money-weighted investment returns of 11.55 percent than assumed rate of 6.25 percent and offset by unfavorable demographic experience. Additional analysis is located on page 125 of this ACFR.

The total pension liability was determined using an actuarial valuation report dated January 1 of each year and then projected forward to the measurement date which is December 31 of the same year. The calculated projected forward amount considers any significant changes between the valuation date and the fiscal year-end date as required by Governmental Accounting Standards Board Statement No. 67 (GASB 67). The fiduciary net position represents the net assets that are available to pay pension benefits. The complete actuarial valuation and GASB 67 and 68 reports are in the Actuarial Section (Unaudited) beginning on page 55 of this ACFR.

The summarized statement of fiduciary net position lists the assets and liabilities that when netted equals the fiduciary net position restricted for pensions. The values and related changes during the last three years consisted of:

Summarized Statements of Fiduciary Net Position
(In thousands)

	2022	2021	2020
Cash equivalents	$ 2,602	$ 1,575	$ 1,255
Investments, at fair value	174,552	209,741	203,345
Receivable from sale of securities	2	-	99
Interest and dividends receivable	27	14	28
Total assets	177,183	211,330	204,727
Less: total liabilities	(133)	(174)	(213)
Fiduciary net position - restricted for pensions	$ 177,050	$ 211,156	$ 204,514

The increase of cash equivalents over the last three years primarily relates to raising additional cash equivalents to cover payments of benefits which exceeded contributions.

The changes over the last three years in the fiduciary net position restricted for pensions generally relates to investment returns which were driven by significant changes in market conditions and reallocation of investments.

Summarized Statements of Fiduciary Net Position
Changes During the Last Three Years
(In thousands)

	2022	2021	2020
Cash equivalents	$ 1,027	$ 320	$ 20
Investments at fair value	(35,189)	6,396	17,740
Interest and dividends receivable	15	(113)	109
Total assets	(34,147)	6,603	17,869
Less: total liabilities	(41)	39	-
Fiduciary net position - restricted for pensions	$ (34,106)	$ 6,642	$ 17,869

The two following tables summarize the additions and deletions and their changes during the last three years that when netted equals the fiduciary net position restricted for pensions.

Summarized Statements of Changes in Fiduciary Net Position
(In thousands)

	2022	2021	2020
Additions			
Employer contributions	$ 13,308	$ 13,448	$ 14,237
Net investment (loss)/ income	(29,541)	22,699	20,882
Net (reductions)/ additions	(16,233)	36,147	35,119
Deductions			
Paid to Plan members and beneficiaries	17,595	29,180	16,899
Administrative services	278	325	351
Total deductions	17,873	29,505	17,250
Changes in fiduciary net position	(34,106)	6,642	17,869
Fiduciary net position - restricted for:			
Beginning of the year	211,156	204,514	186,645
End of the year	$ 177,050	$ 211,156	$ 204,514

Summarized Statements of Changes in Fiduciary Net Position
Changes During the Last Three Years

(In thousands)

	2022	2021	2020
Additions			
Employer contributions	$ (140)	$ (789)	$ 1,590
Net investment (loss)/ income	(52,240)	1,817	(6,167)
Net (reductions)/additions	(52,380)	1,028	(4,577)
Deductions			
Paid to Plan members and beneficiaries	(11,585)	12,281	1,563
Administrative services	(47)	(26)	71
Total deductions	(11,632)	12,255	1,634
Changes in fiduciary net position	(40,748)	(11,227)	(6,211)
Fiduciary net position - restricted for pensions			
Beginning of the year	6,642	17,869	24,080
End of the year	$ (34,106)	$ 6,642	$ 17,869

Major activities in the summarized statements of changes in fiduciary net position are discussed below:

Employer contributions are based each year on an independent actuarial valuation with METRO, the Plan sponsor, funding 100 percent of the requirement. Contribution requirements are established at the beginning of each year and is based on the prior year financial, actuarial, and demographic performance. Contributions have decreased in 2022 and 2021 but increased in 2020.

Net investment activity resulted in a 14.0 percent loss for 2022 due to decrease in returns from equity and fixed income funds / securities by negative 18.8 percent and negative 14.0 percent, respectively, partially offset by increase in real estate funds / securities by 6.2 percent. Contrarily, fiscal years 2021 and 2020 experienced gains of 11.8 percent and 11.5 percent, respectively. The Plan's investment returns generally followed the related markets during the last three years.

Benefit payments consist of annuities and lump-sum payments for those who retire or terminate prior to or at their retirement date. The decrease in 2022 was due to 26 participants taking a retirement package in 2021 with a lump-sum benefit payment totaling $15.3 million but the changes between 2022 and 2021 were generally related to changes in number of retirees and lump-sum payments.

Changes to fiduciary net position restricted for pensions reflects the net funds available to pay benefits and will increase as actuarially determined contributions are received, decline as benefits are paid and increase or decrease depending on investment returns. Primarily the changes to fiduciary net position over the last three years resulted from the decrease in 2022 and increase in 2021 and 2020 of the fair value of investments.

Results of the Annual Depletion Analysis

A depletion analysis is prepared each year by the Plan's independent actuary. This analysis determines if the projected 6.25 percent net investment rate of return, when combined with projected contribution reduced by projected benefit payments, is adequate to ensure that all retirement benefits will be paid over the life of the Plan. Based on this analysis, the Committee elected to continue using this projected net investment rate of return when preparing actuarial calculations included in this ACFR.

Contact Information

Please contact the Office of the Controller, Metropolitan Transit Authority of Harris County, Texas, P.O. Box 61429 Houston, Texas 77208-1429 if you have additional questions.

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Basic Financial Statements

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Statements of Fiduciary Net Position
As of December 31, 2022 and 2021

	2022	2021
Assets		
Cash equivalent	$ 2,601,861	$ 1,574,865
Investments, at fair value:		
Domestic equities	59,851,250	80,566,016
Fixed income	45,920,806	53,355,772
International equities	38,537,223	46,939,684
Real estate	30,242,254	28,879,440
Total investments	174,551,533	209,740,912
Interest and dividends receivable	2,290	-
Receivable from sale of securities	27,098	14,476
Total assets	177,182,782	211,330,253
Liabilities		
Accounts payable	127,404	164,404
Payable for securities purchased	5,056	9,464
Total liabilities	132,460	173,868
Fiduciary net position - restricted for pensions	$ 177,050,322	$ 211,156,385

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

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2022 and 2021

	2022	2021
Additions		
Employer contributions	$ 13,308,196	$ 13,447,958
Investment income		
Interest and dividends	1,045,281	1,455,245
Net (depreciation)/appreciation on investments	(30,036,961)	21,752,092
Investment (loss)/income	(28,991,680)	23,207,337
Less: investment expenses	(549,135)	(507,884)
Net investment (loss)/income	(29,540,815)	22,699,453
Total (reductions)/additions	(16,232,619)	36,147,411
Deductions		
Paid to Plan members and beneficiaries	17,595,120	29,179,951
Administrative services	278,324	324,750
Total deductions	17,873,444	29,504,701
Change in fiduciary net position	(34,106,063)	6,642,710
Fiduciary net position - restricted for pensions:		
Beginning of the year	211,156,385	204,513,675
End of the year	$ 177,050,322	$ 211,156,385

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

1. OVERVIEW OF THE PLAN

Plan Descriptions

The Metropolitan Transit Authority of Harris County, Texas (METRO) established the Non-Union Pension Plan and Trust (Plan) in December 1975 for the purpose of accumulating funds to pay retirement benefits and certain related administrative costs. The Plan, closed to new participants on September 30, 2007, is a single employer, non-contributory (since March 1, 1984) defined benefit pension plan which covers full-time police officers and administrative staff. Retirement benefits are established and can be amended by METRO's Board of Directors. Postemployment healthcare costs are not included in the Plan.

All Plan participants are 100 percent vested and can retire at age 65 (normal retirement age) or with reduced benefits after age 55 with 15 years of credited service. Monthly benefits are calculated using three factors, which include employee's average earnings for the last three years of credited service, number of service years and the retirement factor. The minimum monthly normal retirement benefit is $300 for those who retire at or after age 65 and with 5 years of credited service. The Plan offers several annuity options and a discounted lump-sum payment.

To receive a lump-sum payment, vested employees must withdraw their funds by the end of the year following their termination. After this time has expired, they must select one of the annuity options upon their eligible retirement date. Employees who are totally disabled will continue to earn service years until their normal retirement age with their compensation, as of their disability date, used to calculate their pension benefit.

Changes in plan participants between January 1, 2022 and January 1, 2021 were:

Participants	2022	2021	Change
Active	344	420	(76)
Terminated and vested	79	74	5
Retired	326	297	29
Beneficiaries	67	64	3
Total participants	816	855	(39)

Plan Administration

METRO's Human Resources Department manages most of the day-to-day activities of the Plan including reviewing retirement options with participants, setting-up retiree payment information with State Street Bank and Trust (payment provider) and responding to various retirement questions. METRO's Finance Department provides support which includes administering the overall Plan, preparing financial reports, and coordinating and reviewing actuarial information. Administrative services provided by METRO are not charged to the Plan and not reported as cost in the Statements of Changes in Fiduciary Net Position.

The asset custodian is State Street Bank (a United States federally regulated banking and trust company) which also provides administrative services that include issuing retirees' monthly checks, lump-sum distributions, paying authorized operating expenses and complying with federal tax reporting requirements. The investment funds maintain independent asset custodial accounts and issue independently audited financial statements each year. While the Plan is not covered by the Employee Retirement Income Security Act of 1974, it must comply with Texas state law which, among other matters, requires:

- An actuarial valuation is performed by an entity that meets specific actuarial experience requirements and files with the Texas Pension Review Board at least every three years.
- The actuary should make recommendations to ensure the actuarial soundness of the Plan.
- An independent actuarial audit is completed every five years with the related report filed with the State Pension Review Board 30 days after finalizing.
- Annual financial reports are to be audited by a certified public accountant and filed with the State Pension Review Board within 211 days after the close of the Plan's fiscal year.
- Investment managers (money managers) must acknowledge in writing their fiduciary responsibilities and must be registered under the Investment Advisors Act of 1940.
- Plan assets are to be kept in an asset custodian account, and money managers (other than banks) cannot be an asset custodian.
- Evaluation of investment services and performance should be done at frequent intervals.
- An investment practices and performance evaluation report by an independent firm with substantial experience in evaluating investment practice and evaluations and file with State Pension Review Board every three years.

Plan Sponsor's Funding Policy

METRO's funding policy is to annually contribute the actuarially determined contribution over a 12-month period. Contributions to the Plan are authorized by METRO's Board of Directors as part of their annual budgetary process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying basic financial statements of the Plan are presented in accordance with generally accepted accounting principles in the United States of America (US GAAP) established by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to State and local governmental units including related pension plans.

Basis of Accounting

The basis of accounting is the method by which revenues and expenses are recognized and reported in the Plan's basic financial statements. The accrual basis of accounting is used by the Plan which requires that revenues, which include contributions and investment income, to be recognized when earned and expenses recognized when the liability is incurred. In addition, benefit payments to members are recognized when paid in accordance with the terms of the Plan.

Cash Equivalents

The Plan automatically sweeps excess cash held by the Plan's asset custodian into the SSgA U.S. Government Short Term Investment Fund (STIF) which is a commingled fund and is considered a cash equivalent. Total amount invested in STIF as of December 31, 2022 and December 31, 2021 was $2,601,861 and $1,574,865, respectively, which is uninsured by the FDIC and uncollateralized. These funds are available for use to make investments, pay operating expenses, and provide monthly benefits to retirees.

Investment Valuation and Income Recognition

Investments in the international equity mutual funds and commingled funds are valued based on the net asset value per unit which is fair value of the underlying investments on specific valuation dates. If no sales are reported for that day, investments will be valued at the last published sales price, the mean between the last posted bid and ask price or at fair value as determined in good faith by the fund money manager with assistance from their asset custodian or an independent valuation service. Investments made directly in domestic equities are reported at fair value based on a national security exchange. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded on the ex-dividend date with interest and investment income reported as earned. Realized/Unrealized gains and losses are presented as net appreciation/depreciation in fair value of investments on the statements of changes in fiduciary net position.

Direct investment in domestic equity (not part of an index or mutual fund) is reflected by the ownership of specific stocks. Ownership in the domestic equity index funds, the international equity mutual funds, the global fixed income funds, and real estate funds are based on net asset value of the related fund. While the direct investment in domestic stock can be actively traded, the remaining investments must be redeemed with the issuing investment fund.

Investment Expenses

Includes costs associated with money managers and the Plan's financial advisor.

Administrative Expenses

Primarily includes cost associated with the custodial account, disbursing agent, actuary, audit, and legal services. The remaining Plan administrative expenses are paid by METRO and are not billed to the Plan.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect amounts reported in the Plan's financial statements. Final amounts may change from those estimates.

3. COMMITTEE MEMBERS, INVESTMENT POLICY, AND INVESTMENTS

Non-Union Pension Plan Committee Members act as fiduciaries (based on State of Texas law) for the exclusive purpose of accumulating sufficient assets to pay retiree benefits as they come due. They follow the prudent person rule when authorizing expenses and implementing the investment policy.
The Committee's approved investment policy establishes objectives and guidelines for investing assets held by the Plan and includes methods of managing investment risks. It also includes a funding policy section.

The Plan uses indexes and active managers in implementing its investment strategy and all money managers have accepted, in writing, the responsibilities of a fiduciary.

Additional information on the investment policy, money managers and investment returns are located in the Investment Section (Unaudited) which starts on page 41 of this ACFR. A complete copy of the investment policy can be obtained from METRO's Office of the Controller.

The Committee's approved asset allocation policy for the last two years was:

	Allocation	
Asset Class	Target	Range
Fixed Income	30%	3-27%
Domestic equities	35%	0-22%
International equities	25%	0-15%
Real estate	10%	5-15%

Fair value of the Plan's investments by asset class, percentage of the portfolio and the change between December 31, 2022 and 2021 are as follows:

	2022	%	2021	%	Change
Domestic equities	$ 59,851,250	34%	$ 80,566,016	38%	$ (20,714,766)
International equities	38,537,223	22%	46,939,684	22%	(8,402,461)
Fixed income	45,920,806	26%	53,355,772	26%	(7,434,966)
Real estate	30,242,254	18%	28,879,440	14%	1,362,814
Total investments	$ 174,551,533	100%	$ 209,740,912	100%	$ (35,189,379)

The projected long-term expected rate of return on pension plan investments was based on a 30-year investment horizon and was determined using a building-block method in which the best-estimate ranges of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) were developed for each major asset class. These ranges are combined to produce the projected long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and reflecting expected volatility and correlation. The best estimates of the projected geometric, long-term rates of return for each major asset class included in the Plan's actual asset allocation are listed below.

Asset Class	Index	Actual Allocation December 31, 2022	Projected Long-term Expected Investment Rate of Return January 1, 2023
US Cash	BAML 3-Mon T-bill	1.29%	0.59%
US Core Fixed Income	Barclays Aggregate	18.27%	2.13%
Global Bonds	FTSE WGBI	7.64%	0.42%
US Large Cap & Mid-Caps	Russell 1000	15.97%	4.03%
US Small Caps	Russell 2000	2.52%	4.67%
US Small & Mid-Caps	Russell 2500	3.88%	4.10%
US Large & Mid Cap Value	Russell 1000 Value	4.40%	3.88%
US Mid-Cap Growth	Russell Mid-Cap Growth	7.15%	3.56%
Global Equity	MSCI ACWI NR	5.13%	4.82%
Non-US Equity	MSCI ACWI Ex USA NR	11.61%	5.81%
Non-US Small Cap	MSCI EAFE Small Cap NR	5.02%	5.31%
US REITs	FTSE NAREIT Equity REITs	17.12%	4.50%
		100.00%	
Assumed Inflation-Mean			2.33%
Assumed Inflation-Standard Deviation			1.41%
Portfolio Real Mean Return			4.35%
Portfolio Nominal Mean Retur			6.82%
Portfolio Standard Deviation			13.21%
Projected Long-term Expected Investment Rate of Return			6.25%

Asset Class	Index	Actual Allocation December 31, 2021	Projected Long-term Expected Investment Rate of Return January 1, 2022
US Cash	BAML 3-Mon T-bill	0.61%	-0.52%
US Core Fixed Income	Barclays Aggregate	17.60%	0.66%
Global Bonds	Citi WGBI	7.65%	-0.27%
US Large Cap & Mid-Caps	Russell 1000	19.52%	2.68%
US Small Caps	Russell 2000	2.65%	2.98%
US Small & Mid-Caps	Russell 2500	3.89%	2.89%
US Large Value	Russell 1000 Value	3.98%	2.94%
US Mid-Cap Growth	Russell Mid-Cap Growth	8.17%	2.42%
Global Equity	MSCI ACWI NR	4.86%	3.23%
Non-US Equity	MSCI ACWI x US NR	11.56%	3.86%
Non-US Small Cap	S&P EPAC EMI	5.80%	4.01%
US REITs	FTSE NAREIT Equity REIT	13.71%	3.42%
		100.00%	
Assumed Inflation-Mean			2.30%
Assumed Inflation-Standard Deviation			1.23%
Portfolio Real Mean Return			3.67%
Portfolio Nominal Mean Retu			6.09%
Portfolio Standard Deviation			13.19%
Projected Long-term Expectec Investment Rate of Return			6.25%

Investments Returns

The money-weighted rate of return as calculated by the actuary for 2022 and 2021 was a negative 14.14 percent and a positive 11.55 percent, respectively. This calculation considers the change in amounts actually invested during a period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. The money-weighted rate of return calculation was developed net of investment expenses as is required by GASB.

The financial advisor uses the time-weighted rate of return (geometric method), which is the industry standard, when calculating investment rate of returns included in the investment section of this report and performance reports provided to the Committee. Based on this method, the investment rate of return, net of investment expenses, were negative 14.0 percent for 2022 and positive 11.8 percent for 2021.

The Plan's investment policy limits concentration risk and the Plan did not own any investments of a single issuer whose value exceeded 5 percent of the fiduciary net position.

Types of Investment Risks

Investing has several types of risks some of which include custodial, credit, investment concentration, foreign currency, and interest rate. The Plan manages these risks by using an independent asset custodian (State Street Bank and Trust Company), compliance monitoring by the financial advisor, reviewing independent financial audits of the mutual and commingled funds, and allocation of investment dollars among multiple money managers who operate in separate markets and whose performance is measured using different indexes.

Asset Custodian

State Street Bank and Trust Company is the Plan's asset custodian. Investments made by the domestic (non-commingled and index fund) money managers are held directly by the Plan's asset custodian in the name of the Plan. Investments made by mutual and commingled funds are held by their independent asset custodian with the net asset value reported to the Plan's asset custodian by the related money manager. In addition to the independent asset custodian, the mutual and commingled funds issue independently audited annual financial reports and must comply with oversight rules issued by governmental agencies. Additional information for each money manager is located in the Current Money Managers Section which starts on page 44 of this ACFR.

Managing investment concentration, credit, and foreign currency risk

Domestic Equities

The maximum weighting (at time of purchase) in any one company of the investment manager's portfolio holdings do not exceed 8 percent or 5 percent more than the index weight, whichever is greater.

International Equities

The maximum weighting (at time of purchase) in any one company does not exceed 7 percent. Currency hedging, foreign exchange contracts and similar strategies are permitted as part of a defensive strategy to protect the portfolio assets and enhance returns.

Global Fixed Income

The global fixed income portfolio may include both domestic and/or international fixed income securities.

Unless authorized by the Plan in advance and in writing, the minimum quality rating of an investment is BBB-. For an issue that is not rated, the security must be of "equivalent" quality to a BBB- rating or above in the opinion of the investment manager, or the security must be a government bond or a bond of a supranational authority which does not have a recognized credit rating.

The maximum holding (cost basis) in any one security does not exceed 5 percent, excluding AAA rated sovereign debt.

To manage currency risk, no investment manager shall have exposure to any one currency exceeding 70 percent for the Euro, 50 percent for the Japanese Yen, 40 percent for British Sterling and 25 percent for others excluding the U.S. Dollar.

Currency hedging, foreign exchange contracts and similar strategies are permitted as part of a defensive strategy to protect the portfolio assets and enhance returns.

Real Estate

Diversification should be made between property type, and economic and geographic location. Real estate should be passive rather than direct ownership of property.

Currency hedging, foreign exchange contracts and similar strategies are permitted as part of a defensive strategy to protect the portfolio assets and enhance returns.

Investments in timber and infrastructure will be included in the real estate allocation.

Interest Rate Risk

A change in interest rate will affect the underlying value of fixed income investments. Generally, increases in interest rates will reduce the value of the investment portfolio while a decrease in interest rates will increase the value of such portfolio. To manage this risk, the Plan's financial advisor monitors the duration of each fixed income money manager's portfolio in relation to the appropriate benchmark indexes they track. Significant variances from the benchmark are discussed with Committee members and the related money manager.

Brandywine Global Opportunistic Fixed Income Fund had an average modified duration of 8.93 years while the benchmark (FTSE WGBI (USD)) was 7.39 years. Brandywine concentrates investments where they believe value is greatest; as a result, their portfolios tend to have an intermediate to long duration bias when real interest rates are high. Greater interest rate exposure is assumed in countries with more value and positions are established along the yield curve where it finds the best risk/reward profile.

Rhumbline Core Bond Pooled Trust duration was 7.00 years while the benchmark (Bloomberg Barclays US Aggregate Bond index) duration was 4.90 years as well.

Additional credit risk disclosure

The two Fixed Income funds invest in domestic and international markets including developed and emerging markets sovereign debt. While the funds themselves have not been rated by any nationally recognized rating agency, most of their investments are rated as discussed above.

4. FAIR VALUE MEASUREMENT

The Plan categorizes its fair value measurement within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority (Level 1) to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority (Level 3) to unobservable inputs.

Level 1: Unadjusted quoted prices for identical assets in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

The Plan uses information provided by State Street Bank and Trust, the asset custodian, and Marquette Associates, financial advisor, when reporting the fair value of its investments. Common stocks classified in Level 1 are valued using prices quoted in active markets for those securities. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. When inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Fair value of Plan's investments for 2022 and 2021 using the reporting hierarchy are:

Investments, at fair value	Total 2022	Level 1	Level 2	Level 3
Common stocks	$ 19,292,939	$ 19,292,938	-	-
Mutual Funds	5,082,381	5,082,381		
Total investments measured at	$ 24,375,320	$ 24,375,319	-	-
Investments measured at net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice
Fixed Income				
Global Fixed Income Fund *1	$ 13,544,598	None	Daily	10 Days
Core Fixed Income Fund *2	32,376,208	None	Daily	1 Day
Domestic Equity				
Large-Cap Core Fund *3	28,295,221	None	Daily	1 Day
Large-Cap Value Fund *4	7,788,884	None	Daily	1 Day
Small-Cap Core Fund *8	4,457,969	None	Daily	2 Days
International Equity				
Non-U.S. Large-Cap Core Fund	20,562,292	None	Daily	2 Days
Non-U.S. Small-Cap Core Fund	3,811,987	None	Thrice	2 Days
Global Low Volatility Fund*5	9,096,800	None	Daily	1 Day
Domestic Real Estate Core Funds				
RREEF America REIT II Co	13,082,798	None	Quarterly	30 Days
UBS Trumbull Property Fund	17,159,456	None	Quarterly	60 Days
Total Investments measured at	150,176,213			
Total investments at fair value	$ 174,551,533			

Investments, at fair value	Total 2021	Level 1	Level 2	Level 3
Common stocks	$ 25,304,280	$ 34,285,351	-	-
Mutual Funds	7,410,759	7,410,759		
Total investments measured at fair	$ 32,715,039	$ 34,285,351	-	-
Investments measured at net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income				
Global Fixed Income Fund *1	$ 16,158,056	None	Daily	10 Days
Core Fixed Income Fund *2	37,197,716	None	Daily	1 Day
Domestic Equity				
Large-Cap Core Fund *3	41,236,931	None	Daily	1 Day
Large-Cap Value Fund *4	8,419,962	None	Daily	1 Day
Small-Cap Core Fund *8	5,600,006	None	Daily	2 Days
International Equity				
Non-U.S. Large-Cap Core Fund *6	24,426,730	None	Daily	2 Days
Non-U.S. Small-Cap Core Fund *7	4,832,032	None	Thrice Monthly	2 Days
Global Low Volatility Fund*5	10,275,000	None	Daily	1 Day
Domestic Real Estate Core Funds *9				
RREEF America REIT II Co	12,143,065	None	Quarterly	30 Days
UBS Trumbull Property Fund	16,736,375	None	Quarterly	60 Days
Total Investments measured at NAV	177,025,873			
Total investments at fair value	$ 209,740,912			

*1. Global Fixed Income Fund - *Brandywine Global Opportunistic Fixed Income Fund* (BGOFIF) is organized with the objective of achieving interest income and long-term capital appreciation that exceeds the FTSE WGBI TR index by investing in U.S. fixed income instruments and non-U.S. developed and emerging markets sovereign debt securities.

*2. Core Fixed Income Fund - *Rhumbline Core Bond Pooled Trust* is managed to match the return of the Barclays Aggregate U.S. Bond index through investment in substantially all of the bonds contained in that index.

*3. Large-Cap Core Fund - *Rhumbline Russell 1000 Large-Cap Core index portfolio* is managed to match the return of the Russell 1000 Index through investments in substantially all the stocks contained in that index.

*4. Large-Cap Value Fund - *Rhumbline Russell 1000 Large Capital Value index portfolio* is managed to match the return of the Russell 1000 Value Index through investments in substantially all the stocks contained in that index.

*5. Global Low Volatility Fund – *FIAM Global Low Volatility Equity Commingled Pool* seeks long-term growth of capital, primarily through investment in the global developed market equity universe, while maintaining an overall risk profile that is lower than a developed benchmark similar to the MSCI World Index.

*6. Non-U.S. Large-Cap Core Fund - *SSgA MSCI ACWI ex U.S. Index* (Fund) seeks to approximate as closely as practicable, before expenses, the performance of the MSCI ACWI ex USA Index over the long term. The Fund attempts to achieve this by investing in other collective investment funds, each an underlying fund, managed by the Trustee, which have characteristics consistent with the Fund's overall investment objective.

*7. Non-U.S. Small-Cap Core Fund - *SSgA MSCI EAFE Small Cap Index Securities Lending Fund* approximately as closely as practicable, before expenses, the performance of the MSCI EAFE Small Cap Index over the long-term. The Fund may engage in securities lending activity.

*8. Small-Cap Core Fund - *SSgA Russell 2000 Index Securities Lending Fund: Small-Cap Core* approximates as close as practicable the performance of the Russell 2000 Index over the long term. The Fund may engage in securities lending activity.

*9. Domestic Real Estate Core Funds

RREEF America REIT II is organized as an open ended, real estate investment trust (REIT). Its goal is to generate attractive, predictable investment returns from a target portfolio of low-risk equity investments in income-producing real estate while maximizing the total return to shareholders through cash dividends and appreciation int the value of REIT shares.

Trumbull Property Fund is a REIT based fund, structured as a Delaware limited partnership that offers participants an actively managed core portfolio of equity real estate investments, located in the United States. Its objective is to outperform the NFI-ODCE over a full market cycle.

5. CONTRIBUTIONS FROM METRO

Contributions to the Plan from METRO are determined annually by an independent actuary based on assumptions approved by the Plan's Committee.

The following table presents significant assumptions that the actuary used to calculate the Plan's actuarially determined contributions (ADC):

Valuation date	January 1, 2022
Measurement date	December 31, 2021
Actuarial cost method	Entry Age Normal
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization Period at 1/1/2022	21 years
Asset Valuation method	
Smoothing period	Five-year smoothed fair value
Recognition method	Non-asymptotic
Inflation/ Cost of living rate	2.30%
Salary increases	3.00% per annum
Interest rate	6.25%
Normal Retirement Age	65 years
Mortality table	Pub-2010 Mortality projected forward (fully generational) with MP-2021.

Changes in actuarial assumptions

The actuarial methods and assumptions used in the 2022 valuation are the same as those used in prior year except for updating the mortality table to the recently published PubG-2010 Mortality Table projected forward with MP-2021 (separate tables for disabled lives and Contingent Survivors), and the inflation assumption to 2.30%. The optional form election, termination rate, retirement rates and disability rates were updated based on the latest experience study dated April 8, 2020.

The mortality improvement projection scale is updated from MP-2020 to MP-2021 to reflect the latest Society of Actuaries Public Plans Mortality Study in anticipation of future mortality experience.

The inflation assumption was changed from 2.20% to 2.30% per year based on Milliman's capital market expectations as of January 1, 2022.

Actuarial assumptions used in the annual actuarial evaluation process represent the best estimates of the Plan's management, as approved by the Non-Union Pension Committee, and reflect a long-term perspective while reducing short-term volatility. Since the ADC to the Plan and the disclosure related to the net pension liability, discussed below, is based on these actuarial assumptions, including the cost method used by the actuary, any future changes to those assumptions or the cost method may affect the future funded status, funding progress and the total pension liability of the Plan.

6. TOTAL PENSION LIABILITY

The following tables were taken from the independent actuary's GASB 67 and 68 Disclosure Report dated April 20, 2023. This report, along with the actuary's certification letter is included in the actuarial section of this ACFR starting on page 59.

Significant actuarial assumption that determined the total pension liability as of December 31, 2022, were based on the results of an actuarial experience study period 01/01/2015 – 12/31/2018:

Valuation date	January 1, 2022
Measurement date	December 31, 2022
Inflation rate	2.33%
Salary increases	3.533% for 2022, 8.617% for 2023 and 3% Per year thereafter.
Discount rate	6.25%
Net Investment rate of return	6.25%
Actuarial cost method	Entry Age Normal
Mortality Table	Pub-2010 Mortality projected forward (fully generational) with MP-2021.

The inflation rate was increased to 2.33 percent from 2.20 percent and the salary scale assumption was updated from 3.00 percent per year to 3.533 percent for 2022, 8.617 percent for 2023, and 3.00 percent per year thereafter to better reflect anticipated future plan experience.

The net pension liability represents the total pension liability which is the actuarial present value of benefits payable to participants as of the valuation date reduced by the Plan's year-end fiduciary net position restricted for pension. These amounts consisted of:

	December 31, 2022	December 31, 2021
Total pension liability	$ 313,408,393	$ 300,676,330
Fiduciary net position	177,050,322	211,156,385
Net pension liability	$ 136,358,071	$ 89,519,945
Fiduciary net position as a % of total pension liability	56.49%	70.23%

The sensitivity analysis schedules, provided below, are used to evaluate the effect on the total pension liability and related net pension liability for a 1 percent change in the discount rate as of December 31, 2022, and 2021.

2022	1% Decrease to 5.25%	Current Discount Rate of 6.25%	1% Increase to 7.25%
Total pension liability	$ 345,438,398	$ 313,408,393	$ 286,087,520
Fiduciary net position	177,050,322	177,050,322	177,050,322
Net pension liability	$ 168,388,076	$ 136,358,071	$ 109,037,198

2021	1% Decrease to 5.25%	Current Discount Rate of 6.25%	1% Increase to 7.25%
Total pension liability	$ 331,737,461	$ 300,676,330	$ 274,242,920
Fiduciary net position	211,156,385	211,156,385	211,156,385
Net pension liability	$ 120,581,076	$ 89,519,945	$ 63,086,535

7. FEDERAL INCOME TAX

The Plan received its latest favorable letter of determination dated July 9, 2014, from the Internal Revenue Service stating the Plan qualifies as a tax-exempt plan and trust. The Plan's management believe the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. RISKS AND UNCERTAINTIES

Investment securities are exposed to various risks, as discussed in Note 3 above, including market volatility. Significant changes in the value of investments can have a direct and material effect on the fiduciary net position restricted for pensions and net pension liability. The Plan's Committee has taken steps to minimize these risks by maintaining a diversified investment portfolio and hiring professionals to assist in managing the Plan and its assets.

As discussed in Note 5 and 6 above, the actuary used actuarial assumptions when calculating the Plan's funding requirements, pension liability and other actuarial information. Due to uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these actuarial assumptions in the near term could be material to the Plan's financial statements.

9. SUBSEQUENT EVENTS

On January 1, 2023, the Plan received $360,776.79 from RREEF America REIT II of its redemption request of $2 million.

On April 28, 2023, the Plan received $215,439.14 from RREEF America REIT II of its redemption request of $2 million.

The Plan's management has evaluated subsequent events through June 27, 2023; 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, as a result of this evaluation.

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Required Supplementary Information
(Unaudited)

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Schedule of Changes in Net Pension Liability
For Fiscal Year Ended December 31, 2022 and the Last Eight Years
(Unaudited) / (In thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Changes for the year									
Service cost	$2,980	$3,168	$3,830	$3,106	$3,035	$3,211	$3,465	$2,783	$2,754
Interest on total pension liability	18,437	18,405	18,555	17,962	17,395	16,923	16,609	15,165	13,385
Effect of plan changes	-	-	1,503						
Effect of economic /demographic gains/(losses)	2,366	2,145	(1,528)	3,547	873	(2,443)	9,768	6,721	-
Effect of assumptions changes or inputs	6,544	452	(1,144)	11,310	11,270	(948)	2,531	12,232	-
Benefit payments	(17,595)	(29,180)	(16,899)	(15,335)	(12,735)	(13,180)	(10,375)	(8,778)	(8,705)
Net change in total pension liability	12,732	(5,010)	4,317	20,590	19,838	3,563	21,998	28,123	7,434
Total pension liability - beginning	300,676	305,687	301,370	280,780	260,942	257,379	235,381	207,258	199,824
Total pension liability - ending	313,409	300,677	305,687	301,370	280,780	260,942	257,379	235,381	207,258
Fiduciary net position									
Contributions from the employer	13,308	13,448	14,237	12,647	11,073	11,307	11,181	11,249	9,006
Net investment income/(loss)	(29,541)	22,699	20,882	27,049	(11,548)	25,030	9,971	(5,891)	4,934
Benefit payments	(17,595)	(29,180)	(16,899)	(15,335)	(12,735)	(13,180)	(10,375)	(8,778)	(8,705)
Administrative expenses	(278)	(325)	(351)	(280)	(242)	(243)	(226)	(235)	(941)
Net change in fiduciary net position	(34,106)	6,642	17,869	24,081	(13,452)	22,914	10,551	(3,655)	4,294
Fiduciary net position – beginning	211,157	204,515	186,646	162,565	176,017	153,103	142,552	146,207	141,913
Fiduciary net position – ending	177,051	211,157	204,515	186,646	162,565	176,017	153,103	142,552	146,207

METRO’s net pension liability ending	136,358	89,520	101,172	114,724	$118,215	$84,925	$104,276	$92,829	$61,051
Fiduciary net position as a percentage of the total pension liability	56.49%	70.23%	66.90%	61.93%	57.90%	67.45%	59.49%	60.56%	70.54%
Covered payroll	35,435	40,063	39,027	40,747	$ 41,770	$ 43,480	$ 46,853	$ 44,838	$ 45,602
METRO’s net pension liability as a percentage of covered payroll	384.81%	223.45%	259.24%	281.55%	283.01%	195.32%	222.56%	207.03%	133.88%

Notes:

(1) The increase in the net pension liability for 2022 was due to lower-than-expected investment returns, increase salary scale assumption and unfavorable demographic experience.

(2) GASB Statement No.67 permits plans to present the ten years historical information prospectively until such information is available.

(3) Actuarial assumptions used to determine total pension liability is presented in Note 6 to the basic financial statements.

(4) Numbers presented in Schedule of Changes in Net Pension Liability taken from the GASB 67 and 68 Disclosure issued by Milliman on April 20, 2023 are rounded and may differ slightly from the financial statements.

Metropolitan Transit Authority Non-Union Pension Plan and Trust
Schedule of Employer Contributions
For the Last 10 Years (Unaudited)

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Excess Contribution	Covered Payroll	Contribution as a % of Covered Payroll
2022	$12,852,876	$13,308,196	(455,320)	$ 35,434,804	37.56%
2021	13,429,326	13,447,958	(18,632)	40,062,815	33.57%
2020	14,217,959	14,236,592	(18,633)	39,026,869	36.48%
2019	12,628,619	12,647,252	(18,633)	40,747,394	31.04%
2018	11,060,833	11,073,255	(12,422)	41,769,919	26.51%
2017	11,307,275	11,307,275	-	43,479,995	26.01%
2016	11,181,136	11,181,136	-	46,853,004	23.86%
2015	8,911,253	11,248,671	(2,337,418)	44,837,816	25.09%
2014	9,006,301	9,006,301	-	45,601,509	19.75%
2013	8,847,436	8,847,436	-	44,388,906	19.93%

Note: Actuarial assumptions used to determine actuarially determined contribution is presented in Note 5 to the basic financial statements.

Metropolitan Transit Authority Non-Union Pension Plan and Trust
Schedule of Money Weighted Rate of Return
For the Last 10 Years (Unaudited)

December 31,	Net Money-Weighted Rate of Return
2022	(14.14)
2021	11.55
2020	11.28
2019	16.79
2018	(6.60)
2017	16.46
2016	6.98
2015	(4.00)
2014	3.49
2013	17.42

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

Other Supplementary Information

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Schedule of Investment and Administrative Services
for the Years Ended December 31, 2022 and 2021

Type	2022	2021
Investment services		
Fixed Income		
Brandywine Global Fixed Income	$ 62,797	$ 73,777
RhumbLine Core Bond Pooled Trust	13,458	14,894
Total fixed income fees	76,255	88,671
Equities		
SSgA Russell 2000 Index Fund	9,168	7,584
SSgA MSCI EAFE Small Cap	13,105	16,110
SSgA MSCI ACWI ex US Index	11,733	27,660
Channing Capital	49,032	56,666
RhumbLine Russell 1000 Large Capital Core	10,000	10,022
RhumbLine Russell 1000 Large Capital Value	10,000	10,000
RhumbLine Russell Mid Capital Growth	10,006	10,000
Rhumbline Global low volatility	-	5,340
Fidelity Global Low volatility	22,815	19,645
Total equity fees	135,859	163,027
Real Estate		
RREEF America REIT II	126,006	100,367
Trumbull Property Fund	154,015	98,819
Total real estate fees	280,021	199,186
Total of all money managers	492,135	450,884
Financial advisor Marquette Associates, Inc.	57,000	57,000
Total investment services/fees	549,135	507,884
Administrative services		
Audit services – McConnell & Jones LLP	32,000	28,500
Legal counsel – Norton Rose Fulbright US LLP	1,533	13,220
Custodian and disbursement agent - State Street	152,387	164,365
Actuary – Milliman, Inc.	90,567	115,857
Other	1,837	2,808
Total administrative services/fees	278,324	324,750
Total investment and administrative services	$ 827,459	$ 832,634

Note: Direct administrative supporting costs are absorbed by METRO and not charged to the Plan. Hence, such costs were excluded from this schedule.

Investment Section
(Unaudited)

The investment policy, the year-end performance report provided by Marquette Associates, Inc. and independently audited financial reports for the commingled and mutual fund money managers were used to develop this section.

Overview of the Investment Policy

General

The Metropolitan Transit Authority Non-Union Pension Plan Committee's responsibilities include establishing, implementing, and updating an investment policy which provides the framework for making and monitoring investment performance. A copy of this policy can be obtained by contacting METRO's Office of the Controller. Key points of the policy include:

1. Establish reasonable expectation, objective, and guidelines for the investment of the assets in the Fund.
2. Create the framework for a well-diversified asset mix that can be expected to generate achievable long-term returns at a level of risk acceptable to the Plan including:
    - Describing an appropriate risk position for the investments of the Plan.
    - Specifying broad target asset allocation ranges and constraints.
    - Establishing investment guidelines regarding the selection of investment managers, permissible securities, and diversification of assets.
    - Specifying the criteria for evaluating and reporting on the performance of the Plan's investment managers.
3. Define the responsibilities of the Committee, financial advisor, money managers and plan administrator.
4. Encourage effective communication between all participants.
5. State funding policy.

Financial advisor

The financial advisor, Marquette Associates, Inc., is responsible for assisting in the development and implementation an effective investment policy while monitoring the performance of the money managers and the overall markets where investments are made.

Investment objective

The Committee invests using a long-term view with the objective of achieving the actuarial rate of return of 6.25 percent net of related investment fees. A period of five to seven years is used in measuring progress toward achieving this objective. Returns on the traditional asset classes within the Plan's investment pool (Total Domestic Equity and Total Fixed Income) should exceed the return on a composite of non-managed market indices weighted in proportion to the actual structure of the Plan's portfolio. Generally, the investment portfolio should benefit from active management.

Marketability and investment values

Investments are limited to those that are readily marketable with the exception of certain categories such as real estate and certain alternative investments. No investment should be made in non-marketable securities without prior approval from the Committee.

Asset values are generally established based on national securities exchange with specific valuation approaches discussed within the description of active money managers portion of this section. The rates of return are presented using a time-weighted rate of return methodology based upon market values.

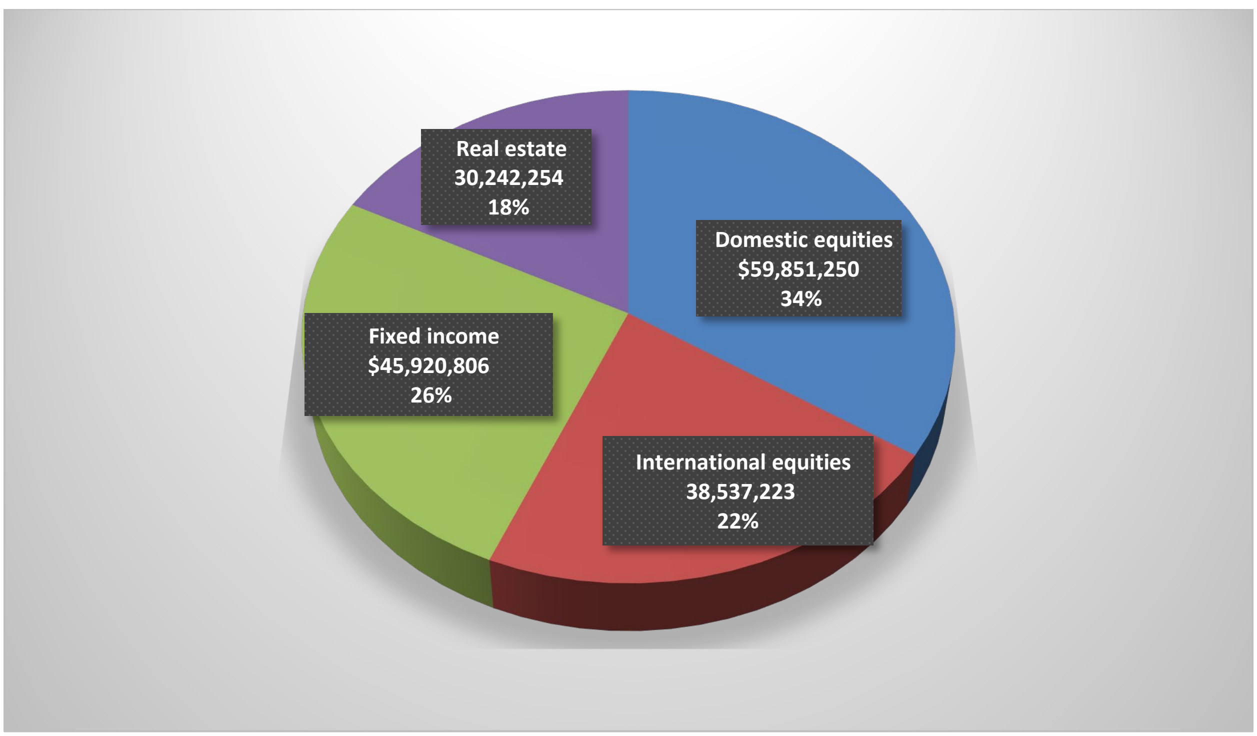
Diversification

Effective diversification is maintained by allocating funds to various asset classes and money managers who invest in different markets using various investment strategies as discussed in the following pages.

The investment policy reflects the following type and range of investments.

	Allocation	
Asset Class	Target	Range
Fixed Income	30%	3-27%
Domestic equities	35%	0-22%
International equities	25%	0-15%
Real estate	10%	5-15%

The actual allocation of assets as of December 31, 2022, complied with the investment guidelines as reflected in the following table.



Current Money Managers

In addition to asset allocation, money managers are essential in earning adequate investment returns. The Plan ended the year with thirteen money managers that are responsible for implementing the investment policy and related strategy by directly purchasing/selling investments. The Committee and financial advisor follow a stringent money manager selection process some of which includes evaluating investment strategy and investment team continuity, reviewing performance history, performing on-site visits, and conducting multiple interviews. Only upon completion of this process will the Committee vote on the final selection of a money manager.

All money managers are required to accept the role of a fiduciary as defined by the Employee Retirement Income Security Act. To ensure a diversified investment portfolio, the Committee selects money managers that invest in different parts of the worldwide markets using different investment strategies.

During 2022 the Committee elected to reallocate the following investments:

	Reallocation of Investments (In thousands)
Reduction in investment balance:	
RhumbLine Core Bond Pooled Fund	(5,300)
Total reduction	$ (5,300)
Increase in investment balance:	
Cash	5,300
Total increase	$ 5,300

During August 2022, the Committee elected to withdraw $6.5 million from the Trumbull Property Fund (TPF) and $2 million from the RREEF REIT America II fund (RREEF) to reduce the investment policy overweight to the Real Estate Asset Class. TPF's redemption queue is approximately $7.2 billion dollars or 50.7 percent of its net asset value. The RREEF's redemption queue is approximately $1.375 billion dollars or 8.6 percent of its asset value.

Individual money managers, their market segment, investment approaches, asset custodians, recordkeeping and independent audits are discussed below.

Domestic Equity

Rhumbline Russell 1000 Large-Cap Core index portfolio is managed to match the return of the Russell 1000 Index through investments in substantially all the stocks contained in that index. Rhumbline Advisors Limited Partnership is the Trust's Investment Manager. State Street Bank and Trust Company provides custodial and recordkeeping services. The annual financial report was audited by FORVIS, LLP.

Rhumbline Russell 1000 Large Capital Value index portfolio is managed to match the return of the Russell 1000 Value Index through investments in substantially all the stocks contained in that index. Rhumbline Advisors Limited Partnership is the Trust's Investment Manager. State Street Bank and Trust Company provides custodial and recordkeeping services. The annual financial report was audited by FORVIS, LLP.

Rhumbline Russell Mid-Capital Growth index portfolio is a separately managed account which is designed to track the return of the Russell Midcap Growth Index by investing principally in common stocks of medium capitalization growth-oriented U.S. companies but may also invest in common stocks of small capitalization growth-oriented companies. No independent audit is required since this is a separately managed account and the Plan's asset custodian, State Street Bank and Trust Company provides custodial and recordkeeping services.

SSgA Russell 2000 Index Securities Lending Fund: Small-Cap Core seeks an investment return that approximates as close as practicable the performance of the Russell 2000 Index over the long term. The Fund was formed under the State Street Global Advisors Trust Company Investment Funds for Tax Exempt Retirement Plans Declaration of Trust (the Trust). State Street Bank provides custodial services. State Street Global Advisors Trust Company, a wholly owned subsidiary of State Street Bank and Trust Company (SSGA) is the Trustee and Recordkeeper of the Fund and, as Trustee, has exclusive management and control of the Trust. SSGA is the Fund's Investment Manager. The annual financial report was audited by Ernst & Young, LLP.

Channing Capital – Small-Mid Capital Value equity portfolio consists of 40 to 50 small-to-medium-sized companies that are considered to be high-quality but currently undervalued based on their analysis. The investment objective is to exceed the Russell 2500 Value Index over a full market cycle. No independent audit is required since this is a separately managed account and the Plan's asset custodian, State Street Bank and Trust Company provides custodial and recordkeeping services.

International equity (mutual funds)

SSgA MSCI ACWI ex U.S. Index (Non-U.S. Large-Cap Core) seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI ACWI ex USA Index over the long term. The Fund attempts to achieve this by investing in other collective investment funds, each an underlying fund, managed by the Trustee, which have characteristics consistent with the Fund's overall investment objective. The Fund was formed under the State Street Global Advisors Trust Company Investment Funds for Tax Exempt Retirement Plans Declaration of Trust (the Trust). State Street Global Advisors Trust Company (SSGA), a wholly-owned subsidiary of State Street Bank and Trust acts as Trustee and Record-keeper of the Fund and as Trustee, has exclusive management and control of the Trust. SSGA is the Fund's Investment Manager. State Street Bank provides custodial services. The annual financial reports were audited by Ernst & Young, LLP.

SSgA MSCI EAFE Small Cap Index Securities Lending Fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the MSCI EAFE Small Cap Index over the long-term. State Street Bank provides custodial services. State Street Global Advisors Trust Company, a wholly owned subsidiary of State Street Bank is the trustee and record-keeper of the fund. State Street Global Advisors, a division of State Street Bank is the Fund's Investment Manager. The annual financial reports were audited by Ernst & Young, LLP.

Brown International Small Company seeks long-term capital appreciation by investing in equity securities of non-U.S. based companies with total operating revenues of $500 million or less at the time of the initial investment. This Fund is a series portfolio of Brown Capital Management Mutual Funds (Trust). The Trust is an open-ended management investment company. ALPS Fund Services, Inc. provides administration, record-keeping, and transfer agent services. The annual financial reports were audited by BBD, LLP.

Fidelity Global Low Volatility Equity Commingled Pool seeks long-term growth of capital, primarily through investments in the global developed market equity universe, while maintaining an overall risk profile that is lower than a developed benchmark similar to the MSCI World (N) Index. This strategy focuses on absolute return and absolute risk while still being a full invested, long-only strategy. Fidelity Institutional Asset Management Trust Company, a New Hampshire chartered trust company, is the Trustee of the Trust and the Manager of the Portfolio. The annual financial reports were audited by PricewaterhouseCoopers LLP.

Rhumbline S&P Global Low Volatility Index Strategy is a separately managed account which is designed to track as close as possible the return and risk characteristics of the S&P Global Low Volatility Index (Index) by concentrating investments in common stocks which make up the Index. The S&P Global Low Volatility Index is designed to measure the three hundred least volatile stocks in the S&P Global Large Mid Cap, a subindex of the S&P Global BMI. No independent audit is required since this is a separately managed account and the Plan's asset custodian, State Street Bank and Trust Company provides custodial and recordkeeping services.

Fixed income

Rhumbline Core Bond Pooled Trust is managed to match the return of the Bloomberg Barclays Aggregate U.S. Bond index through investment in substantially all of the bonds contained in that index. Rhumbline Advisors Limited Partnership is the Trust's Investment Manager. State Street Bank and Trust Company is the trustee and provides custodial and record-keeper services. The annual financial reports were audited by FORVIS, LLP.

Brandywine Global Opportunistic Fixed Income Fund (BGOFIF) is a separate portfolio of the Brandywine Global Investment Management Trust (the Trust). The Trust was organized on May 1, 2006, by Brandywine Global Investment Management, LLC, a corporation organized under the laws of the state of Delaware and registered as an investment advisor under the Investment Advisor Act of 1940. BGOFIF was organized with the objective of achieving interest income and long-term capital appreciation by investing in U.S. fixed income instruments and non-U.S. developed and emerging markets sovereign debt securities. Annual financial statements of BGOFIF were audited by Kreischer Miller with the trustee of the fund, BNY Mellon, providing custodial and all accounting services.

Real Estate

RREEF America REIT II, a Maryland corporation classified as a real estate investment trust, is an open-ended core fund organized to serve as a collective investment vehicle through which eligible investors may invest in a professionally managed real estate portfolio consisting of multi-family, industrial, retail and office properties in targeted metropolitan areas within the continental United States. RREEF America L.L.C serves as the investment advisor. Real estate investments are carried at fair value based on independent market appraisals which is used when calculating the net asset value per unit. The Fund's annual financial statements are audited by Deloitte & Touché LLP.

Trumbull Property Fund is a REIT based fund, structured as a Delaware limited partnership that offers participants an actively managed, primarily core portfolio of equity real estate located in the United States. The Fund's return objective is to outperform the NFI-ODCE over a full market cycle. Investments are valued at fair value based on independent market appraisals which is used when calculating the net asset value per unit. The Fund's annual financial statements are audited by Ernst & Young LLP.

Proxy Voting

The Investment Policy requires investment managers to vote in the best interest of the Plan and must be able to support all proxy voting in written format as requested.

Investment values and returns

The following schedules were developed from information provided by the Plan's financial advisor, Marquette Associates, Inc. and represents information included in the quarterly reporting package provided to the Committee.

Fair values of investments by market segment, money manager and asset class with related changes between 2022 and 2021 (in thousands) were:

Money managers and investments	2022	2021	Change
Domestic equity			
Rhumbline Russell 1000 Large Capital Core	$ 28,295	$ 41,236	$ (12,941)
Rhumbline Russell 1000 Large Capital Value	7,789	8,420	(631)
Rhumbline Russell Mid Capital Growth	12,645	17,227	(4,582)
SSgA Russell 2000 Small Capital Core	4,458	5,600	(1,142)
Channing Capital	6,664	8,081	(1,417)
Total domestic equity	59,851	80,564	(20,713)
International equity – mutual funds			
SSgA MSCI ACWI ex US Index	20,562	24,426	(3,864)
SSgA MSCI EAFE Small Cap	3,812	4,832	(1,020)
Brown Non-US Small Cap	5,082	7,410	(2,328)
Fidelity Global Low Volatility	9,097	10,275	(1,178)
RhumbLine S&P Global Low Volatility	(16)	-	(16)
Total international equity – mutual funds	38,537	46,943	(8,406)
Fixed income			
Rhumbline Core Bond Pooled Trust	32,376	37,197	(4,821)
Brandywine Global Opportunistic Fixed Income	13,545	16,158	(2,613)
Total fixed income	45,921	53,355	(7,434)
Real Estate			
RREEF America REIT II	13,083	12,143	940
Trumbull Property Fund	17,159	16,736	423
Total real estate	30,242	28,879	1,363
Total net investments	$ 174,551	$ 209,741	$ (35,190)

Asset values and related portfolio percentages by market segment, asset class, and money managers as of December 31, 2022 were:

Investments	Fair value (In thousands)	Percent of Portfolio
Domestic equity		
Rhumbline Russell 1000 Large Capital Core	$ 28,295	16.21
Rhumbline Russell 1000 Large Capital Value	7,789	4.46
Rhumbline Russell Mid Capital Growth	12,645	7.24
SSgA Russell 2000 Small Capital Core	4,458	2.55
Channing Capital	6,664	3.82
Total domestic equity	59,851	34.29
International equity – mutual funds		
SSgA MSCI ACWI ex US Index	20,562	11.78
SSgA MSCI EAFE Small Cap	3,812	2.18
Brown Non US Small Cap	5,082	2.91
Fidelity Global Low Volatility	9,097	5.21
RhumbLine S&P Global Low Volatility	(16)	0.00
Total international equity – mutual funds	38,537	22.08
Fixed income		
Rhumbline Core Bond Pooled Trust	32,376	18.55
Brandywine Global Opportunistic Fixed Income Fund	13,545	7.76
Total fixed income	45,921	26.31
Real Estate		
RREEF America REIT II	13,083	7.50
Trumbull Property Fund	17,159	9.83
Total real estate	30,242	17.33
Total net investments	$ 174,551	100.00

The five largest equity holdings for all money managers included:

Company	Fair value (In thousands)	% of Portfolio
Apple	$ 1,984	1.12
Microsoft	1,825	1.03
US Treasury Bonds	1,471	0.97
iShares Core US Aggregate	1,081	0.61
Berkshire Hathaway	$ 957	0.54

A complete listing of investment can be obtained by contacting METRO's Office of the Controller.

The following schedule reflects the investment returns for the total Plan by money managers along with comparisons to their primary benchmark that were active as of December 31, 2022. Investment returns were calculated by the Plan's financial advisor using the time weighted method.

	Periods Ended 12/31/2022				
	Last Quarter	1 Year	2 Years	3 Years	5 years
Total Returns for the Plan (net of fees)	5.3	(14.0)	(1.9)	2.3	3.2
Current Asset Mixed Benchmark (policy index)	4.9	(13.6)	(1.7)	2.5	3.7
Over (under) mixed benchmark (policy index)	0.4	(0.4)	(0.2)	(0.2)	(0.5)
Returns by Money Manager (net of fees)					
Rhumbline Russell 1000	7.2	(19.1)	1.1	7.3	9.1
Russell 1000 benchmark	7.2	(19.1)	1.1	7.3	9.1
Over (under) benchmark	-	-	-	-	-
Rhumbline Russell 1000 Value	12.4	(7.5)	7.5	5.9	6.6
Russell 1000 Value benchmark	12.4	(7.5)	7.6	6.0	6.7
Over (under) benchmark	-	-	(0.1)	(0.1)	(0.1)
Rhumbline Russell Mid Capital Growth	6.8	(26.7)	(9.1)	3.9	7.6
Russell Mid Capital Growth benchmark	6.9	(26.7)	(9.1)	3.9	7.6
Over (under) benchmark	(0.1)	-	-	-	-
Channing Capital	10.0	(16.9)	1.0	3.5	2.3
Russell 2500 Value benchmark	9.2	(13.1)	5.4	5.2	4.8
Over (under) benchmark	0.8	(3.8)	(4.4)	(1.7)	(2.5)
SSgA Russell 2000 Small Capital Core	6.3	(20.3)	(4.4)	3.1	4.1
Russell 2000 benchmark	6.2	(20.4)	(4.4)	3.1	4.1
Over (under) benchmark	0.1	0.1	-	-	-
SSgA MSCI EAFE Small Cap	15.7	(21.0)	(6.8)	(0.8)	0.0
MSCI EAFE Small Cap benchmark	15.8	(21.4)	(7.0)	(0.9)	0.0
Over (under) benchmark	(0.1)	0.4	0.2	0.1	-
SSgA MSCI ACWI ex US Index	14.2	(15.9)	(4.7)	0.2	1.1
MSCI ACWI ex USA benchmark	14.3	(16.0)	(4.8)	0.1	0.9
Over (under) benchmark	(0.1)	0.1	0.1	0.1	0.2
Brown International Small Cap	14.5	(31.4)	-	-	-
MSCI ACWI ex USA Small Cap	13.3	(20.0)	-	-	-
Over (under) benchmark	1.2	(11.4)	-	-	-
Fidelity Global Low Volatility	10.5	(11.7)	-	-	-
MSCI ACWI Minimum Volatility Index	8.5	(10.3)			
MSCI World	9.8	(18.1)	-	-	-
Over (under) benchmark	2.0/0.7	(1.4)/6.4	-	-	-

(This schedule is continued on the next page)

	Periods Ended 12/31/2022				
	Last Quarter	1 Year	2 Years	3 Years	5 years
Rhumbline Core Bond Pooled Trust	1.8	(13.0)	(7.6)	(2.8)	0.0
Bloomberg US Aggregate benchmark	1.9	(13.0)	(7.5)	(2.7)	0.0
Over (under) benchmark	(0.1)	-	(0.1)	(0.1)	-
Brandywine – Global Opportunistic Fixed Income Fund	6.9	(16.2)	(10.9)	(3.9)	(1.7)
FTSE WGBI Unhedged Index benchmark	3.8	(18.3)	(12.8)	(5.7)	(2.5)
Over (under) benchmark	3.1	2.1	1.9	1.8	0.8
RREEF America REIT II	(3.7)	7.7	15.5	10.5	-
NFI	(5.2)	6.5	13.6	9.0	-
Over (under) benchmark	1.5	1.2	1.9	1.5	-
Trumbull Property Fund	(5.6)	5.0	10.1	5.0	-
NFI	(5.2)	6.5	13.6	9.0	-
Over (under) benchmark	(0.4)	(1.5)	(3.5)	(4.0)	-

Accumulative Net returns by major asset class:

Net Returns by Market Segment	Last	1 Year	2 Years	3 Years	5 Years
Total equity	5.3	(14.0)	(1.9)	2.3	3.2
Large capital equity	8.2	(17.1)	2.3	6.8	8.4
Mid capital equity	6.8	(26.7)	(9.1)	3.9	7.6
Small capital equity	8.5	(18.3)	(1.2)	3.5	2.9
International equity	13.5	(18.0)	(5.0)	(0.2)	0.5
Global low volatility	10.5	(11.7)	(0.9)	-	-
Fixed income	3.3	(14.0)	(8.6)	(3.1)	(0.5)
Real estate	(4.8)	6.2	12.3	7.2	-

The investment returns were calculated using the time-weighted (geometric) method. This method calculates the average rate per period on an investment that is compounded over multiple periods.

A complete listing of all investments owned by the Plan can be obtained by contacting METRO's Office of the Controller.

Trading Fees and Commissions for 2022 and 2021 consisted of:

Activity for 2022			
Money manager/ Broker name	Trading Fees and Commission	Number of Shares	Commission Per Share
Equities			
Channing Capital			
Abel Noser Corp	$ 2,811	108,667	$ 0.0259
BMO Capital Markets	55	1,849	0.0300
BofA Securities, Inc.	16	1,061	0.0150
Cabrera Capital Markets	461	18,417	0.0250
Cantor Fitzgerald	56	1,853	0.0300
CJS Securities Inc	131	4,355	0.0300
Cornerstone Macro LLC	9	609	0.0150
Cowen Andcompany, LLC	58	1,947	0.0300
Davidson D.A. + Company Inc.	19	1,289	0.0150
Deutsche Bank Securities Inc	46	2,419	0.0189
Evercore ISI	60	2,001	0.0300
Goldman Sachs	9	469	0.0200
Hibernia Southcoast Capital Inc.	102	3,390	0.0300
Hilltop Securities Inc	25	1,641	0.0150
Instinet	5	249	0.0200
J.P. Morgan Securities LLC	43	1,439	0.0300
Jefferies LLC	246	12,311	0.0200
Jmp Securities	52	3,484	0.0150
Johnson Rice & Company LLC	136	4,753	0.0287
Keefe Bruyette + Woods Inc	145	5,804	0.0250
Keybanc Capital Markets Inc	78	2,944	0.0266
Liquidnet Inc	41	5,494	0.0075
Loop Capital Markets	629	25,150	0.0250
Luminex Trading and Analytics LLC	39	2,596	0.0150
MKM Partners LLC	73	2,427	0.0300
Morgan Stanley Co Incorporated	18	882	0.0200
Needham and Company LLC	177	7,777	0.0227
O Neil, William and Co.	157	5,218	0.0300
Penserra Securities	101	6,015	0.0169
Piper Jaffray & Co.	292	12,608	0.0232
Raymond James And Associates Inc	319	13,320	0.0240
Rbc Capital Markets, LLC	119	3,970	0.0300
Robert W. Baird Co. Incorporated	164	6,555	0.0251
Roth Capital Partners LLC	6	213	0.0300
Sanford Cbernstein Co LLC	4	132	0.0300
Seaport Group Securities, LLC	219	7,349	0.0298

(This schedule is continued on the next page)

Activity for 2022			
Money manager/ Broker Name	Trading Fees and Commission	Number of Shares	Commission Per Share
Stephens, Inc	219	7,297	0.0300
Stifel Nicolaus + Co Inc	250	11,941	0.0209
Suntrust Capital Markets, Inc.	75	2,514	0.0300
Telsey Advisor Group	41	2,711	0.0150
UBS Securities LLC	13	641	0.0200
Wells Fargo Securities, LLC	106	4,230	0.0252
William Blair & Company LLC	20	1,330	0.0150
Williams Capital Group Lp (The)	603	24,109	0.0250
	8,248	335,430	0.0246
Rhumbline Mid-Cap Growth			
Academy Securities Inc	2	149	0.0150
Cabrera Capital Markets	13	891	0.0150
Instinet	104	98,083	0.0011
Investment Technology Group Inc	15	2,883	0.0052
Jefferies, LLC	54	3,512	0.0152
Liquidnet Inc	16	3,076	0.0051
Loop Capital Markets	2	104	0.0150
Penserra Securities	65	4,314	0.0151
Williams Capital Group Lp (The)	18	1,217	0.0151
	289	114,229	0.0025
	$ 8,537	449,659	$ 0.0190

Activity for 2021			
Money manager/ Broker name	Trading Fees and Commission	Number of Shares	Commission Per Share
Equities			
Channing Capital			
Abel Noser Corp	$ 1,423	52,968	$ 0.0269
Apex Clearing Corp	3	194	0.0155
Berenberg Capital Markets	537	17,913	0.0300
Cabrera Capital Markets	158	6,303	0.0251
Cantor Fitzgerald	11	369	0.0298
CJS Securities Inc	24	794	0.0302
Cornerstone Macro LLC	121	7,679	0.0158
Davidson D.A. + Company Inc.	49	2,250	0.0218
Evercore ISI	28	930	0.0301
Goldman Sachs	19	640	0.0297
Hibernia Southcoast Capital Inc.	66	2,199	0.0300
Hilltop Securities Inc	25	1,635	0.0153
Jefferies LLC	134	5,331	0.0251
Jmp Securities	27	1,809	0.0149
Johnson Rice & Company LLC	19	647	0.0294
Keefe Bruyette + Woods Inc	92	3,653	0.0252
Keybanc Capital Markets Inc	57	2,045	0.0279
Liquidnet Inc	57	7,598	0.0075
Loop Capital Markets	299	11,937	0.0250
Luminex Trading and Analytics LLC	93	6,205	0.0150
Mischler Financial Group, Inc-Equities	4	256	0.0156
Mkm Partners LLC	20	669	0.0299
Morgan Stanley Co Incorporated	21	1,059	0.0198
National Financial Services Corporation	8	337	0.0237
Needham and Company LLC	67	4,450	0.0151
O Neil, William and Co.	193	6,420	0.0301
Penserra Securities	66	2,821	0.0234
Piper Jaffray & Co.	72	2,901	0.0248
Raymond James And Associates Inc	115	4,687	0.0245
Robert W. Baird Co. Incorporated	168	6,614	0.0254
Seaport Group Securities, LLC	90	3,001	0.0300
Stephens, Inc	30	1,006	0.0298
Stifel Nicolaus + Co Inc	130	5,212	0.0249

(This schedule is continued on the next page)

Activity for 2021

Money manager/ Broker Name	Trading Fees and Commission	Number of Shares	Commission Per Share
Sturdivant and Co., Inc	$ 3	218	$ 0.0138
Telsey Advisor Group	30	1,994	0.0150
Wells Fargo Securities, LLC	71	2,844	0.0250
William Blair & Company LLC	7	478	0.0146
Williams Capital Group Lp (The)	379	15,288	0.0248
	4,716	193,354	0.0244
Rhumbline Mid-Cap Growth			
Cabrera Capital Markets	3	208	0.0144
Instinet	109	104,674	0.0010
Investment Technology Group Inc	44	5,829	0.0075
Jefferies + Company Inc	20	4,004	0.0050
Liquidnet Inc	217	23,711	0.0092
Loop Capital Markets	12	798	0.0150
Penserra Securities	27	1,788	0.0151
Williams Capital Group Lp (The)	29	1,937	0.0150
	461	142,949	0.0032
Rhumbline S&P Global Low Volatility			
CIBC World Markets Inc	88	2,979	0.0295
Instinet	175,394	1,929,982	0.0909
Penserra Securities	59	3,916	0.0151
	175,541	1,936,877	0.0906
	$ 180,718	2,273,180	$ 0.0795

Actuarial Section
(Unaudited)

Actuarial assumptions and funding requirements are reviewed for reasonableness by the Metropolitan Transit Authority Non-Union Pension Plan Committee and METRO each year during discussions with the independent actuary.

The first part of this section includes selected information for three years taken from previous actuarial valuation reports.

The second part of this section includes the January 1, 2022 actuarial valuation report and the GASB 67 and 68 Disclosure Report for the Fiscal Year October 1, 2022 to September 30, 2023. These reports were prepared by Milliman, Inc., the Plan's independent actuary.

State law requires the actuary's report along with the independently audited annual financial report be filed each year with the Pension Review Board. In addition, every five years the actuarial assumptions must be independently audited by a different actuary and their report reviewed by the Committee, METRO, and the Plan's independent actuary. This report must also be sent to Pension Review Board.

The actuarial assumptions were independently audited on October 30, 2018. A copy of this audit report can be obtained by contacting METRO's Office of the Controller

Governmental Accounting Standard Board Statement No. 67 *Financial Reporting for Pension Plans* requires the preparation of a depletion analysis to determine if the projected cash inflows from contributions and investment returns will be adequate to meet benefit payments and expenses. The investment rate of return used in actuarial calculations must be reduced when projected cash flows are determined to be inadequate. Based on this analysis, reduction to 6.25% projected investment rate of return was required.

An overview of the Plan is discussed in Note 1 to the Basic Financial Statements.

Multi-year Information from Prior Years Actuarial Reports

The estimated investment returns on the fair value of assets assumes all cash flows of contributions, benefit payments, and all administrative expenses are paid at mid-year. The estimated investment returns on the fair value of assets for the last three years were:

	January 1, 2022	January 1, 2021	January 1, 2020
Beginning fair value of assets	$ 204,513,675	$ 186,645,413	$ 162,565,041
Net non-investment cash flows	(16,056,743)	(3,014,025)	(2,968,323)
Investment income	22,699,453	20,882,287	27,048,695
Ending fair value of assets	$ 211,156,385	$ 204,513,675	$ 186,645,413
Estimated market investment return	11.55%	11.28%	16.79%

The estimated investment return on the actuarial value of assets is determined for the Schedule MB of IRS Form 5500 using a simplified formula as specified in the form instructions. It assumes all cash flows of the contributions, benefit payments, and administrative expenses are paid at mid-year. The estimated investment returns on the actuarial value of assets for the last three years were:

	January 1, 2022	January 1, 2021	January 1, 2020
Beginning actuarial value of	$ 193,513,120	$ 181,431,446	$ 175,433,638
Net non-investment cash flows	(16,056,743)	(3,014,025)	(2,968,323)
Investment income	17,827,445	15,095,699	8,966,131
Ending actuarial value of assets	$ 195,283,822	$ 193,513,120	$ 181,431,446
Estimated investment return	9.61%	8.39%	5.15%

The Unfunded Actuarial Accrued Liability represents the balance of the present value of benefits that is allocated to employees' service before the current plan year and not yet funded. The balances and related components for the last three years were:

Actuarial accrued liability	January 1, 2022	January 1, 2021	January 1, 2020
Active participants	$164,674,212	$194,521,066	$189,649,254
Terminated vested participants	7,957,160	6,353,216	7,882,965
Retired participants	121,489,350	99,689,070	95,999,463
Beneficiaries	8,782,854	7,141,515	6,427,482
Total	302,903,576	307,704,867	299,959,164
Actuarial value of assets	195,283,822	193,513,120	181,431,446
Unfunded actuarial accrued liabilities	$107,619,754	$114,191,747	$118,527,718

Normal cost is the amount allocated to the current year using the Plan's actuarial cost method. This method changed from the projected unit credit to the entry age normal starting with the January 1, 2015, actuarial valuation report. Normal cost for the last three years consisted of:

	Entry Age Normal		
Normal cost	January 1, 2022	January 1, 2021	January 1, 2020
Withdrawal	$ 672,499	$ 733,727	$ 888,410
Unreduced retirement	2,281,349	2,406,031	2,906,714
Death	26,280	28,079	34,657
Total	2,980,128	3,167,837	3,829,781
Loading for expense	324,750	351,276	280,381
Total normal cost	$ 3,304,878	$ 3,519,113	$ 4,110,162

Schedule of Retirees and Beneficiaries Added to or Removed from Rolls

	Added to Rolls		Removed from Rolls		Rolls-End of Year			
Year Ended December 31	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	% Increase in Monthly Allowance	Average Annual Allowance
2022	17	$ 619,696	(12)	$ (204,105)	384	$ 12,089,253	3.56%	$ 31,482
2021	48	2,399,391	(17)	(354,879)	379	11,673,662	21.23%	30,801
2020	17	891,144	(3)	(69,561)	348	9,629,150	9.33%	27,670
2019	31	740,252	(9)	(115,168)	334	8,807,568	7.64%	26,370
2018	24	791,734	(10)	(145,693)	312	8,182,485	8.57%	26,226
2017	23	823,221	(2)	(28,092)	298	7,536,444	11.79%	25,290
2016	19	328,498	(6)	(109,136)	277	6,741,314	3.36%	24,337
2015	17	536,340	(2)	(13,156)	264	6,521,952	8.72%	24,704
2014	24	782,595	(2)	(26,743)	249	5,998,768	14.20%	24,091
2013	20	379,103	(36)	(773,752)	227	5,242,915	(7.00%)	23,097

Solvency Test

Valuation Date January 1	Actuarial Accrued Liability (AAL) Active Member Contributions	Retirees and Beneficiaries	Active and Inactive Members	Total	Actuarial Value of Assets	Portion of AAL Covered by Assets Active Member Contributions	Retirees and Beneficiaries	Active and Inactive Members	Total
2022	$	$ 128,871,197	$ 174,032,379	$ 302,903,576	$ 195,283,822	N/A	100%	38.2%	64.5%
2021	-	105,473,703	202,231,164	307,704,867	193,513,120	N/A	100%	43.5%	62.9%
2020	-	100,704,721	199,254,443	299,959,164	181,431,446	N/A	100%	40.5%	60.5%
2019	-	92,240,206	191,870,323	284,110,529	175,433,638	N/A	100%	43.4%	61.7%
2018	-	82,963,830	178,795,590	261,759,420	171,626,913	N/A	100%	49.6%	65.6%
2017	-	74,738,626	180,196,993	254,935,619	162,634,498	N/A	100%	48.8%	63.8%
2016	-	70,778,581	173,024,707	243,803,288	152,638,016	N/A	100%	47.3%	62.6%
2015	-	68,939,930	144,310,347	213,250,277	142,619,248	N/A	100%	51.1%	66.9%
2014	-	49,749,704	111,648,730	161,398,434	129,398,834	N/A	100%	71.3%	80.2%
2013	-	52,937,702	97,571,229	150,508,931	113,144,758	N/A	100%	61.7%	75.2%
2012	-	51,130,839	90,920,928	142,051,767	110,276,187	N/A	100%	65.1%	77.6%
2011	-	26,905,274	124,686,424	151,591,698	114,082,428	N/A	100%	69.9%	75.3%
2010	132,417	20,519,641	123,588,975	144,241,033	110,433,818	100%	100%	72.6%	76.6%

Milliman

Metropolitan Transit Authority Non-Union Pension Plan

January 1, 2022 Actuarial Valuation

Prepared by:

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Issued August 10, 2022

January 1, 2022 Actuarial Valuation of the Metropolitan Transit Authority Non-Union Pension Plan

The actuarial valuation of the Metropolitan Transit Authority of Harris County, Texas (METRO) Non-Union Pension Plan (the "Plan") for the plan year beginning January 1, 2022 has been completed in accordance with applicable provisions of the Internal Revenue Code (IRC) and the Employee Retirement Income Security Act of 1974 (ERISA), including all regulations and guidance issued to date. The valuation results contained in this report are based on the actuarial assumptions and methodology (Appendix A) and principal plan provisions (Appendix B) summarized in the appendices. In addition, Appendix C contains information about the Plan's risks.

Purpose of the Valuation

In general, the annual actuarial valuation determines the current level of employer contributions that, taking into account prior funding, will accumulate assets sufficient to meet benefit payments and administrative expenses when due under the terms of the Plan. More specifically, the valuation determines the contribution for the current plan year sufficient to fund the cost of benefits accruing during the year (normal cost) plus an additional amount to fund the excess of plan liabilities over plan assets (unfunded accrued liability) over a period not to exceed 21 years.

The valuation also includes:

- Operational information that is required either for inclusion in financial statements or in forms to be filed with regulatory governmental agencies;
- Assumptions based on an experience study for the four plan years ending December 31, 2018;
- A new mortality assumption effective December 31, 2021 based on the latest mortality projection scale published by the Society of Actuaries in October 2021; and
- An assessment of the relative funded position of the Plan comparing assets and projected liabilities.

The valuation results were developed using models employing standard actuarial techniques. In addition, Milliman has developed certain models to develop the expected long term rate of return on assets. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice. The models, including all input, calculations, and output, may not be appropriate for other purposes.

There is substantial uncertainty regarding the impact of the COVID-19 pandemic on projected plan costs. Therefore, for purposes of this report, we have chosen not to make any adjustments to these costs. However, please be aware that the COVID-19 pandemic could have a material cost impact in future valuations.

Funding Objective

The Plan's funding objective is to receive each year the actuarially determined contribution from Metropolitan Transit Authority of Harris County, Texas (the "Plan Sponsor"). Employees do not contribute to the Plan. This funding will allow the Plan to accumulate sufficient assets, generally over the employees' working career, to pay retirement benefits.

Annual contributions from the Plan Sponsor will change due to actuarial assumptions, investment returns and census changes being different from expected.

Meeting the Funding Objective

The Plan is meeting its funding objective as it continues to receive the actuarially determined annual contribution from the Plan sponsor. The Plan Sponsor has made annual contributions amounts that have matched or exceeded the actuarially determined contribution for at least each of the prior 10 plan years. Any decreases in year to year funded status were the result of experience losses and/or changes in assumptions. The funded status of the Plan for the last five years is as follows:

Plan Year	2018	2019	2020	2021	2022
Funded Status	65.6%	61.7%	60.5%	62.9%	64.5%

Responsibility for Actuarial Assumptions

Actuarial assumptions and methods are chosen and authorized by the Committee and Plan Sponsor after discussions with the actuary.

Changes in Actuarial Methods and Assumptions

While there was no change to actuarial methods, there was one assumption change effective with this valuation as listed below:

- The mortality table assumption for the prior valuation was the PubG-2010 projected forward (fully generational) with MP-2020. The mortality table was updated to PubG-2010 projected forward (fully generational) with MP-2021. Pub-2010 tables for disabled lives and contingent survivors were used.

Limited Distribution

Milliman’s work is prepared solely for the use and benefit of the Plan Sponsor. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman’s work may not be provided to third parties without Milliman’s prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman’s consent to release its work product to any third party may be conditioned on the third party signing a release, subject to the following exceptions:

- The Plan Sponsor may provide a copy of Milliman’s work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman’s work for any purpose other than to benefit the Plan.
- The Plan Sponsor may provide a copy of Milliman's work, in its entirety to other governmental entities, as required by law.

Any third party recipient of this work product who desires professional guidance should not rely upon Milliman’s work product, but should engage qualified professionals for advice appropriate to its own specific needs.

Reliance

In preparing the funding policy report, we relied, without audit, on information (some oral and some in writing) supplied by the Plan Sponsor and the Plan’s Trustees. This information includes, but is not limited to, plan documents and provisions, participant data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete, our results may be different and our calculations may need to be revised.

Limited Use

Actuarial computations for purposes other than determining the contribution requirements for an ongoing plan (such as for assessing benefit security upon potential plan termination) may yield significantly different results from those shown in this report.

This report includes assessments of the Plan's funded status as well as any other purposes that may be described above based on asset and liability measurements using the actuarial assumptions and methods for each measurement. These measurements are summarized in the relevant sections of this report. Funded status measurements provided for the purpose of complying with accounting requirements may not be appropriate for assessing the need for, or the amount of, future plan contributions. Likewise, the funded status measurements may not be appropriate for assessing the sufficiency of the Plan's assets to cover the estimated cost of settling the Plan's obligations, and these values could also change if there is any change in the Plan's Actuarial Value of Assets.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the Plan Sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Certification

In order to provide an assessment of the relative funded position of the Plan and required financial reporting information, we have prepared the following supporting exhibits: Change in Participation, Summary of Active Participants by Age and Service, Inactive Participants, Summary of Plan Assets, Summary of Income and Disbursements, Actuarial Value of Assets, Estimated Investment Return on Actuarial Value of Assets, Estimated Investment Return on Market Value of Assets, Employer Contributions for Prior Plan Year, Unfunded Actuarial Accrued Liability, Actuarial (Gain) / Loss for Prior Plan Year, Normal Cost and Actuarially Determined Contribution, Present Value of Accumulated Plan Benefits, Change in Present Value of Accumulated Plan Benefits, Schedule of Retirees and Beneficiaries, Solvency Test, Retired Members by Type of Benefit, Schedule of Benefit Payments by Type, Funding Policy Accounting Information, Covered Persons Pay Inflation Comparison, and Schedule of Participants by Status.

All costs, liabilities, rates of interest, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods, which we believe are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the Plan. Further, in our opinion, each actuarial assumption used is reasonably related to the experience of the Plan and to reasonable expectations, which in combination, represent our best estimate of anticipated experience under the Plan.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements. The Plan Sponsor has the final decision regarding the appropriateness of the assumptions and actuarial cost methods, and the Plan Sponsor has adopted them as indicated in Appendix A.

On the basis of the foregoing, we hereby certify that to the best of our knowledge and belief, this funding policy report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States of the American Academy of Actuaries. The assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

We would like to express our appreciation to Metropolitan Transit Authority of Harris County, Texas, and to the members of the staff, who gave substantial assistance in supplying the data on which this report is based.

We respectfully submit this report, and we look forward to discussing it with you.

James Tumlinson, Jr.
Principal and Consulting Actuary
Member, American Academy of Actuaries

Jake Pringle
Principal and Consulting Actuary
Member, American Academy of Actuaries

August 10, 2022
Date

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Executive Summary

A. Summary of Key Valuation Results

	Actuarial Valuation for Plan Year Beginning	
	January 1, 2021	January 1, 2022
Participant Data		
Number of Participants		
Active participants	420	344
Terminated vested participants	74	79
Retired participants	297	326
Disabled participants	0	0
Beneficiaries	64	67
Total Participants	855	816
Total annual prior year compensation	$38,043,136	$32,168,284
Average annual prior year compensation (1)	$90,579	$93,512
Assets		
Market Value	$204,513,675	$211,156,385
Investment yield in prior year	11.3%	11.6%
Actuarial Value	$193,513,120	$195,283,822
Investment yield in prior year	8.4%	9.6%
Actuarial Present Values		
Present Value of Benefits	$326,956,086	$320,492,040
Actuarial Value of Assets	193,513,120	195,283,822
Unfunded Present Value of Benefits	133,442,966	125,208,218
Actuarial Accrued Liability	307,704,867	302,903,576
Actuarial Value of Assets	193,513,120	195,283,822
Unfunded Actuarial Accrued Liability	$114,191,747	$107,619,754
Costs and Contributions		
Normal Cost	$3,519,113	$3,304,878
Past Service Contribution	9,120,253 (2)	8,791,946 (3)
Interest on Contribution	789,960	756,052
Actuarially Determined Contribution as of end of year	$13,429,326	$12,852,876

(1) Includes two suspended active participants not currently earning additional benefits under the Non-Union Pension Plan.
(2) 22 year amortization for 2021.
(3) 21 year amortization for 2022.

B. Purpose of this Report

This funding policy report has been prepared for the Metropolitan Transit Authority Non-Union Pension Plan as of January 1, 2022 to:

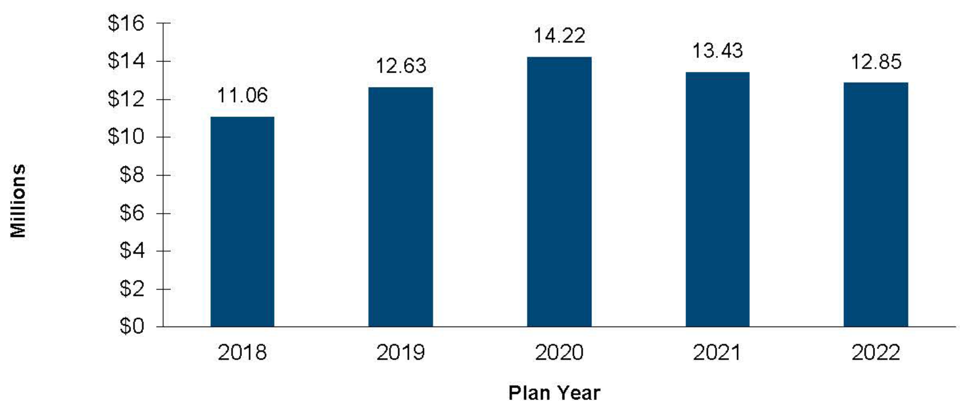
- Calculate the Actuarially Determined Contribution for the plan year beginning January 1, 2022.
- Review the experience for the plan year ending December 31, 2021. ("Experience" encompasses the performance of the Plan's assets during the year and changes in the Plan's participant demographics that impact liabilities.) A complete experience study was last performed on April 8, 2020. In addition, we completed a review of lump sum experience.
- Review the Plan's funded status.

C. Actuarially Determined Contribution for the 2022 Plan Year

The Actuarially Determined Contribution as of January 1, 2022 is $12,852,876.

The graph below illustrates the Actuarially Determined Contribution for the current and preceding four plan years.

Actuarially Determined Contributions

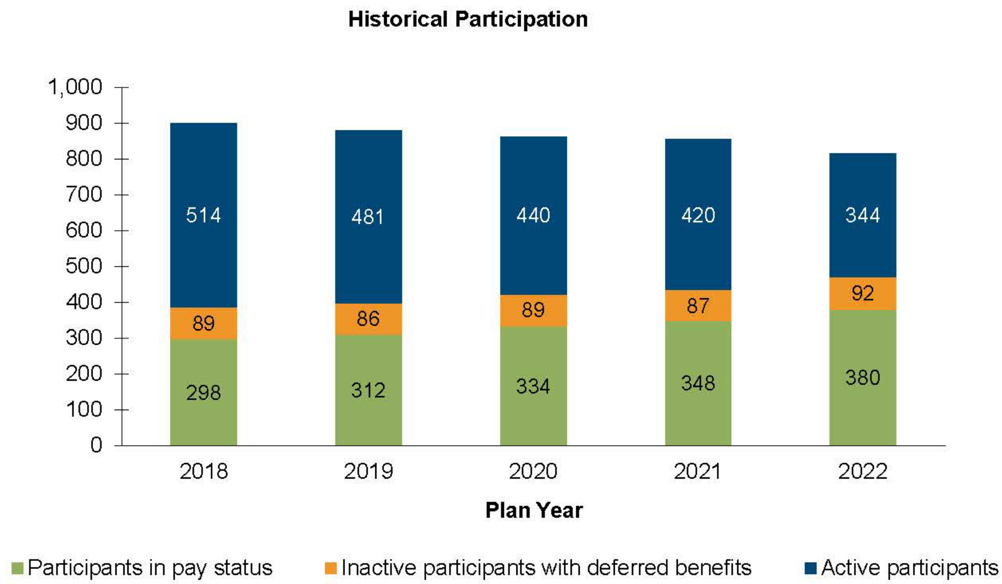


D. Plan Experience

Change in Demographics

From January 1, 2021 to January 1, 2022, the number of active participants in the Plan decreased by 18.1% from 420 to 344; while the total number of participants decreased by 4.6% from 855 to 816. From 2021 to 2022, total annual compensation decreased by 15.4% from $38,043,136 to $32,168,284 and average annual compensation per active participant increased by 3.2% from $90,579 to $93,512.

The following graph illustrates the count of participants, by category, as of the valuation date for the current and preceding four plan years.



Actuarial Accrued Liability

Under the Entry Age Normal actuarial cost method, and prior to reflecting any plan, method or assumption changes, liability experience for the 2021 plan year was less favorable than expected, generating a net actuarial loss as follows:

- Demographic experience different from that assumed and minor data corrections, which resulted in an actuarial loss of approximately $2.2 million.

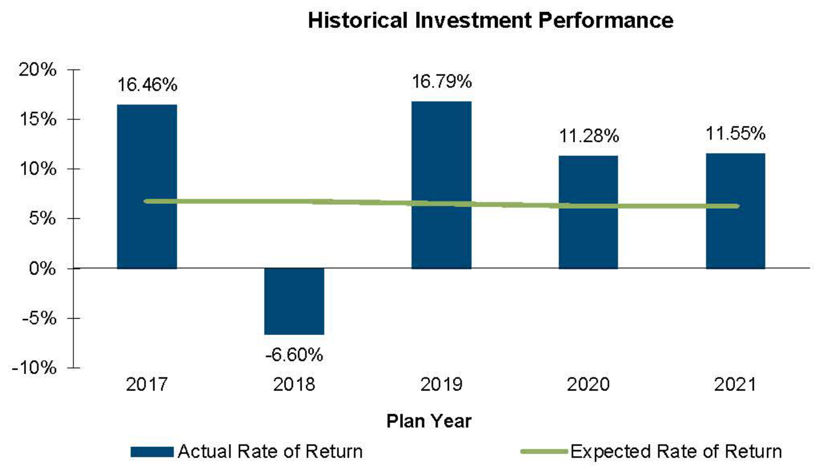
Additionally, the actuarial assumption change to mortality resulted in an actuarial loss of approximately $0.4 million.

Change in Assets

Asset experience for the 2021 plan year was more favorable than expected, generating a net actuarial gain. The return on the actuarial value of assets for 2021 plan year was more than assumed, generating a net actuarial gain.

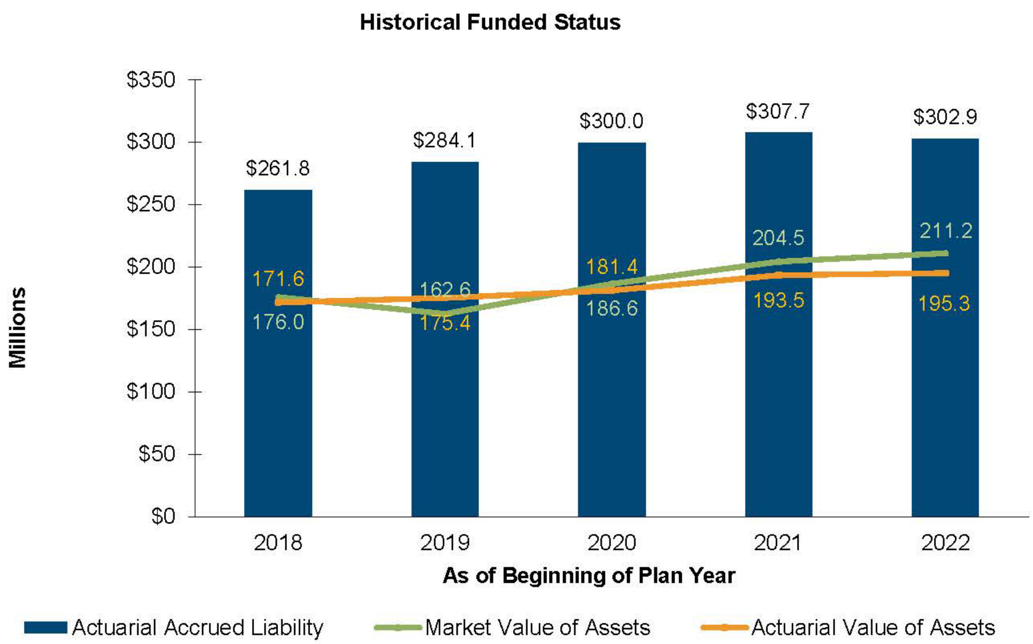
- The rate of return on the market value of plan assets for 2021 was 11.55%, which was greater than the assumed rate of 6.25%, resulting in an investment gain of approximately $10.4 million.

The following graph illustrates the investment performance on a market value basis for the preceding five plan years.



E. Funded Status

The graph below illustrates the funded status on both a market value and actuarial value basis for the current and preceding four years.



F. Actuarial Methods and Assumptions

The actuarial methods and assumptions used in this valuation are the same as those used in the prior valuation except as follows:

- The expense load to the Normal Cost has been changed from $351,276 for the 2021 plan year to $324,750 for the 2022 plan year and is based on the prior plan year's expenses, excluding investment management fees.
- The inflation assumption has been changed from 2.20% to 2.30% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2022.
- The mortality table was updated to Pub-2010 General Employees/Retirees Amount–Weighted Mortality projected forward (fully generational) with MP-2021. Pub-2010 General Disabled Retirees Amount–Weighted Mortality with MP-2021 for disabled lives and contingent survivors were also used.

These changes were made to better reflect anticipated plan experience.

Please see Appendix A for a summary of the actuarial methods and assumptions used in this valuation.

G. Plan Provisions

The valuation reflects the plan provisions in effect on January 1, 2022, including the following:

- An increase in the Internal Revenue Code (IRC) Section 401(a)(17) compensation limit from $290,000 to $305,000. This change had an immaterial impact on the Plan's liabilities.

Please see Appendix B for a summary of plan provisions.

Exhibits

Exhibit 1

Change in Participation

The change in participation from January 1, 2021 to January 1, 2022 is shown below.

	Active Participants	Inactive Participants with Deferred Benefits*	Participants in Pay Status	Total
Participants as of January 1, 2021	420	87	348	855
Terminated non-vested	0	0	0	0
Terminated vested	(6)	6	0	0
Died without beneficiary	(2)	0	(11)	(13)
Died with beneficiary	(1)	0	(6)	(7)
Retired	(38)	(1)	39	0
Received lump sum distribution	(29)	0	0	(29)
Certain period expired	0	0	0	0
New Beneficiaries	0	0	7	7
New Alternate Payees	0	0	0	0
Rehired	0	0	0	0
Net data adjustments	0	0	3	3
Participants as of December 31, 2021	344	92	380	816
New participants as of January 1, 2022	0	0	0	0
Participants as of January 1, 2022	344	92	380	816

For January 1, 2021, the above participant counts include 2 active particpants suspended without pay, 13 alternate payees receiving benefits and 7 alternate payees entitled to future benefits under Qualified Domestic Relations Orders, and 6 beneficiaries with deferred benefits.

For January 1, 2022, the above participant counts include 2 active participants suspended without pay, 12 alternate payees receiving benefits and 7 alternate payees entitled to future benefits under Qualified Domestic Relations Orders, and 6 beneficiaries with deferred benefits.

* Includes deferred beneficiaries and deferred alternate payees.

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

	Years of Credited Service										
Age	**<1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40&Up**	**Total**
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	1	-	-	-	-	-	1
35-39	-	-	-	2	7	-	-	-	-	-	9
40-44	-	-	-	9	15	8	-	-	-	-	32
45-49	-	1	-	1	22	11	1	-	-	-	36
50-54	-	-	-	10	21	28	14	2	-	-	75
55-59	1	-	-	3	26	22	17	4	3	-	76
60-64	-	-	-	6	19	14	12	6	6	2	65
65-69	-	-	-	-	15	10	2	6	5	1	39
70&Up	-	-	-	2	5	-	-	-	4	-	11
Total	1	1	-	33	131	93	46	18	18	3	344

Average Valuation Compensation by Age and Service Groups

	Years of Credited Service										
Age	**<1**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40&Up**	**Average**
0-24	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	*	-	-	-	-	-	*
35-39	-	-	-	*	*	-	-	-	-	-	*
40-44	-	-	-	*	*	*	-	-	-	-	71,329
45-49	-	*	-	*	92,979	*	*	-	-	-	86,367
50-54	-	-	-	*	93,835	90,663	*	*	-	-	90,584
55-59	*	-	-	*	99,593	105,756	*	*	*	-	102,103
60-64	-	-	-	*	*	*	*	*	*	*	112,412
65-69	-	-	-	-	*	*	*	*	*	*	100,942
70&Up	-	-	-	*	*	-	-	-	*	-	*
Average	*	*	-	82,760	94,323	92,042	101,400	*	*	*	96,170

* If there are fewer than 20 participants in a cell, the average valuation compensation is not reported. Average valuation compensation is based on actual prior year compensation projected to 2022 using the salary scale assumption.

Exhibit 3

Inactive Participants

Terminated Vested Participants

Age	Number of Participants	Average Annual Benefit
< 30	-	$0
30 - 34	-	0
35 - 39	2	9,064
40 - 44	8	17,249
45 - 49	12	19,904
50 - 54	19	18,567
55 - 59	14	16,611
60 - 64	14	15,476
65 & Up	10	9,010
Total	79	$16,292

Retirees, Beneficiaries, and Disabled Participants

Age	Number of Participants	Average Annual Benefit
< 55	8	$9,809
55 - 59	21	33,623
60 - 64	59	41,100
65 - 69	101	32,428
70 - 74	105	31,534
75 - 79	47	26,172
80 - 84	33	24,282
85 - 89	7	10,000
90 & Up	12	7,627
Total	393	$30,505

Exhibit 4

Summary of Plan Assets

The summary of plan assets on a Market Value basis as of December 31, 2021 is shown below.

1.	Assets	
	a. Receivable income	$14,476
	b. Interest bearing cash	1,574,865
	c. Corporate debt - other	53,355,771
	d. Corporate stocks - common	127,505,700
	e. Real Estate	28,879,440
	f. Total	211,330,252
2.	Liabilities	
	a. Other liabilities	173,867
	b. Total	173,867
3.	Total [(1f) - (2b)]	$211,156,385

Exhibit 5

Summary of Income and Disbursements

The change in the Market Value of Assets from December 31, 2020 to December 31, 2021 is shown below.

1.	Market Value of Assets as of December 31, 2020	$204,513,675
2.	Income	
	a. Employer contributions for plan year	13,447,958
	b. Realized gain / (loss)	21,752,092
	c. Other income	1,455,245
	d. Total	36,655,295
3.	Disbursements	
	a. Benefit payments to participants	29,179,951
	b. Investment management fees	507,884
	c. Trustees fees/expenses	164,365
	d. Other expenses	160,385
	e. Total	30,012,585
4.	Net increase / (decrease) [(2d) - (3e)]	6,642,710
5.	Market Value of Assets as of December 31, 2021 [(1) + (4)]	$211,156,385

Exhibit 6

Actuarial Value of Assets

The Actuarial Value of Assets is the Market Value of Assets less a weighted average of asset gains / (losses) over a four-year period (five-year smoothing), but not less than 80% nor more than 120% of the Market Value of Assets. The Actuarial Value of Assets as of January 1, 2022 is determined below.

1.	Market Value of Assets as of December 31, 2021			$211,156,385
2.	Unrecognized asset gains / (losses) for the plan years ending			
	Plan Year Ending	Gain / (Loss) for Year	Percent Unrecognized	Amount Unrecognized
	a. December 31, 2021	10,411,517	80%	8,329,214
	b. December 31, 2020	9,309,710	60%	5,585,826
	c. December 31, 2019	16,576,919	40%	6,630,768
	d. December 31, 2018	(23,366,223)	20%	(4,673,245)
	e. Total			15,872,563
3.	Preliminary Actuarial Value of Assets as of January 1, 2022 [(1) - (2e)]			195,283,822
4.	Actuarial Value of Assets as of January 1, 2022 [(3), but not less than 80% × (1), nor more than 120% × (1)]			$195,283,822

Exhibit 7

Estimated Investment Return on Actuarial Value of Assets

The estimated investment return on the Actuarial Value of Assets is determined using a simplified formula. It assumes all cash flows of contributions, benefit payments, and administrative expenses are paid at mid-year. The estimated investment return on the Actuarial Value of Assets for the plan year ending December 31, 2021 is determined below.

1.	Actuarial Value of Assets as of January 1, 2021	$193,513,120
2.	Actuarial Value of Assets as of January 1, 2022	195,283,822
3.	Net non-investment cash flows for plan year ending December 31, 2021	(16,056,743)
4.	Investment income for plan year ending December 31, 2021 [(2) - (1) - (3)]	$17,827,445
5.	Estimated investment return on Actuarial Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	9.61%

Exhibit 8

Estimated Investment Return on Market Value of Assets

The estimated investment return on the Market Value of Assets for the plan year ending December 31, 2021, assuming all cash flows of contributions, benefit payments, and administrative expenses are paid at mid-year, is determined below.

1.	Market Value of Assets as of December 31, 2020	$204,513,675
2.	Market Value of Assets as of December 31, 2021	211,156,385
3.	Net non-investment cash flows for plan year ending December 31, 2021	(16,056,743)
4.	Investment income for plan year ending December 31, 2021 [(2) - (1) - (3)]	22,699,453
5.	Estimated investment return on Market Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	11.55%
6.	Expected rate of return on Market Value of Assets	6.25%
7.	Investment gain/(loss) for plan year ending December 31, 2021	$10,411,517

Exhibit 9

Employer Contributions for Prior Plan Year

The employer contributions for the plan year ending December 31, 2021 were paid or are payable on the dates and in the amounts shown below.

Date of Contribution	Amount
January 5, 2021	$1,186,382
February 2, 2021	1,186,382
March 2, 2021	1,186,382
April 2, 2021	1,186,383
May 4, 2021	1,186,383
June 3, 2021	1,186,383
July 2, 2021	1,186,383
August 3, 2021	1,186,383
September 3, 2021	594,908
October 4, 2021	1,120,663
November 2, 2021	1,120,663
December 7, 2021	1,120,663
Total	$13,447,958

Exhibit 10

Unfunded Actuarial Accrued Liability

The Actuarial Accrued Liability represents that portion of the Present Value of Benefits that is allocated to service before the current plan year. The Unfunded Actuarial Accrued Liability is the excess (deficiency) of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability as of January 1, 2022 is determined below.

1. Actuarial Accrued Liability	
a. Active participants	$164,674,212
b. Terminated vested participants	7,957,160
c. Beneficiaries	8,782,854
d. Retired participants	121,489,350
e. Total	302,903,576
2. Actuarial Value of Assets	195,283,822
3. Reserve for expenses	0
4. Unfunded Actuarial Accrued Liability [(1e) - (2) + (3)]	107,619,754
5. Amortization period as of January 1, 2022	21 years
6. Past Service Contribution (level dollar amortization of Unfunded Actuarial Accrued Liability as of January 1, 2022)	$8,791,946

Exhibit 11

Actuarial (Gain) / Loss for Prior Plan Year

The Actuarial (Gain) / Loss for the prior plan year is the difference between the expected and actual Unfunded Actuarial Accrued Liability as of the beginning of the current plan year. The Actuarial (Gain) / Loss for the plan year ending December 31, 2021 is determined below.

1. Unfunded Actuarial Accrued Liability as of January 1, 2021	$114,191,747
2. Normal Cost as of January 1, 2021	3,167,837
3. Interest on (1) and (2) to end of plan year	7,334,974
4. Subtotal [(1) + (2) + (3)]	124,694,558
5. Employer contributions for plan year	13,447,958
6. Administrative expenses	(324,750)
7. Interest on [(5) + (6)] to end of plan year	403,885
8. Subtotal [(5) + (6) + (7)]	13,527,093
9. Changes in Actuarial Accrued Liability	
a. Plan amendments	0
b. Changes in actuarial assumptions	447,846
c. Changes in cost method	0
d. Total	447,846
10. Expected Unfunded Actuarial Accrued Liability as of January 1, 2022 [(4) - (8) + (9d)]	111,615,311
11. Actual Unfunded Actuarial Accrued Liability as of January 1, 2022	107,619,754
12. Actuarial (Gain) / Loss for prior plan year (excluding assumption changes) [(11) - (10)]	(3,995,557)
13. Demographic experience (Gain)/Loss for prior plan year	2,245,306
14. Actuarial Value of Assets (Gain)/Loss for prior plan year [(12) - (13)]	($6,240,863)

Exhibit 12

Normal Cost and Actuarially Determined Contribution

The Normal Cost is the amount allocated to the current plan year under the plan's actuarial cost method. The employer Normal Cost as of January 1, 2022 is determined below. The Actuarially Determined Contribution is also shown with interest to December 31, 2022.

1. Normal Cost for benefits	
a. Withdrawal	$672,499
b. Retirement	2,281,349
c. Death	26,280
d. Disability	0
e. Total	2,980,128
2. Loading for expenses	324,750
3. Total Employer Normal Cost [(1e) + (2)]	3,304,878
4. Past Service Contribution [from Exhibit 10]	8,791,946
5. Interest rate assumption	6.25%
6. Interest on contribution to end of year [{(3) + (4)} * (5)]	756,052
7. Actuarially Determined Contribution as of end of year [(3) + (4) + (6)]	$12,852,876

Exhibit 13

Present Value of Accumulated Plan Benefits

Accumulated Plan Benefits are benefits earned to date, based on pay history and service rendered to date, expected to be paid in the future to retired, terminated vested, and active participants, and beneficiaries of active or former participants. The Present Value of Accumulated Plan Benefits (determined on a plan continuation basis) as of January 1, 2022 is shown below.

	January 1, 2021	January 1, 2022
1. Present Value of vested Accumulated Plan Benefits		
a. Retired participants	$99,689,070	$121,489,350
b. Terminated vested participants	6,353,216	7,957,160
c. Beneficiaries	7,141,515	8,782,854
d. Active participants	146,698,564	118,900,628
e. Total	259,882,365	257,129,992
2. Present Value of non-vested Accumulated Plan Benefits	7,848,905	6,600,226
3. Present Value of all Accumulated Plan Benefits [(1e) + (2)]	267,731,270	263,730,218
4. Market Value of Assets	$204,513,675	$211,156,385
5. Funded ratio		
a. Vested benefits [(4) ÷ (1e)]	78.69%	82.12%
b. All benefits [(4) ÷ (3)]	76.39%	80.07%
6. Interest rate assumption	6.25%	6.25%

Exhibit 14

Change in Present Value of Accumulated Plan Benefits

The change in the Present Value of Accumulated Plan Benefits (determined on a plan continuation basis) from January 1, 2021 to January 1, 2022 is shown below.

1.	Present Value of all Accumulated Plan Benefits as of January 1, 2021	$267,731,270
2.	Changes	
	a. Reduction in discount period	15,835,150
	b. Benefits accumulated	8,026,682
	c. Benefit payments	29,179,951
	d. Plan amendments	0
	e. Change in assumptions	404,329
	f. Actuarial (gain) / loss	912,738
	g. Total [(a) + (b) - (c) + (d) + (e) + (f)]	(4,001,052)
3.	Present Value of all Accumulated Plan Benefits as of January 1, 2022 [(1) + (2g)]	$263,730,218

Exhibit 15

Schedule of Retirants and Beneficiaries
Added and Removed from Rolls

The following exhibit outlines the flow of retirants and beneficiaries.

	Added to Rolls		Removed from Rolls		Rolls-End of Year			
Year Ended December 31,	Count	Annual Benefits	Count	Annual Benefits	Count	Annual Benefits	% Increase in Monthly Allowance	Average Annual Allowance
2021	48	2,399,391	(17)	(354,879)	379	11,673,662	21.23%	30,801
2020	17	891,144	(3)	(69,561)	348	9,629,150	9.33%	27,670
2019	31	740,252	(9)	(115,168)	334	8,807,568	7.64%	26,370
2018	24	791,734	(10)	(145,693)	312	8,182,485	8.57%	26,226
2017	23	823,221	(2)	(28,092)	298	7,536,444	11.79%	25,290
2016	19	328,498	(6)	(109,136)	277	6,741,314	3.36%	24,337
2015	17	536,340	(2)	(13,156)	264	6,521,952	8.72%	24,704
2014	24	782,595	(2)	(26,743)	249	5,998,768	14.42%	24,091
2013	20	379,103	(36)	(773,752)	227	5,242,915	-7.00%	23,097
2012	14	295,535	(4)	(83,999)	243	5,637,564	3.90%	23,200
2011	67	2,414,196	-	-	233	5,426,028	80.16%	23,288
2010	18	661,352	(4)	(33,596)	166	3,011,832	26.33%	18,144
2009	26	574,355	(1)	(22,727)	152	2,384,076	30.10%	15,685
2008					127	1,832,448		

Exhibit 16

Solvency Test

	Actuarial Accrued Liability (AAL)					Portion of AAL Covered by Assets			
	1	2	3	4	5	1	2	3	4
Valuation Date January 1	Active Member Contribution	Retirees and Beneficiaries	Active and Inactive Members (ER Financed Portion)	Total	Actuarial Value of Assets				
2022	-	128,871,197	174,032,379	302,903,576	195,283,822	N/A	100%	38.2%	64.5%
2021	-	105,473,703	202,231,164	307,704,867	193,513,120	N/A	100%	43.5%	62.9%
2020	-	100,704,721	199,254,443	299,959,164	181,431,446	N/A	100%	40.5%	60.5%
2019	-	92,240,206	191,870,323	284,110,529	175,443,638	N/A	100%	43.4%	61.7%
2018	-	82,963,830	178,795,590	261,759,420	171,626,913	N/A	100%	49.6%	65.6%
2017	-	74,738,626	180,196,993	254,935,619	162,634,498	N/A	100%	48.8%	63.8%
2016	-	70,778,581	173,024,707	243,803,288	152,638,016	N/A	100%	47.3%	62.6%
2015	-	68,939,930	144,310,347	213,250,277	142,619,248	N/A	100%	51.1%	66.9%
2014	-	49,749,704	111,648,730	161,398,434	129,398,834	N/A	100%	71.3%	80.2%
2013	-	52,937,702	97,571,229	150,508,931	113,144,758	N/A	100%	61.7%	75.2%
2012	-	51,130,839	90,920,928	142,051,767	110,276,187	N/A	100%	65.1%	77.6%
2011	-	26,905,274	124,686,424	151,591,698	114,082,428	N/A	100%	69.9%	75.3%
2010	132,417	20,519,641	123,588,975	144,241,033	110,433,818	100%	100%	72.6%	76.6%

Exhibit 17

Retired Members by Type of Benefit

Monthly Benefit Payment	Number of Retired Members	Type of Retirement 1	2	3	4
$1 - $500	**35**	10	11	-	14
501 - 1,000	**45**	15	13	-	17
1,001 - 1,500	**41**	14	17	-	10
1,501 - 2,000	**67**	26	34	-	7
2,001 - 2,500	**33**	11	20	-	2
2,501 - 3,000	**28**	9	19	-	-
Over 3,000	**131**	47	80	-	4
	380	132	194	-	54

1 Normal retirement for age and service
2 Early retirement
3 Disability retirement
4 Beneficiary

Monthly Benefit Payment	Number of Retired Members	Option Selected 1	2	3	4	5	6	7	8
$1 - $500	**35**	27	-	-	-	-	1	6	1
501 - 1,000	**45**	27	-	1	1	2	6	7	1
1,001 - 1,500	**41**	23	1	-	3	1	6	7	-
1,501 - 2,000	**67**	30	-	2	-	3	19	13	-
2,001 - 2,500	**33**	13	-	-	1	2	9	8	-
2,501 - 3,000	**28**	10	-	-	-	2	10	6	-
Over 3,000	**131**	51	5	1	6	13	40	15	-
	380	181	6	4	11	23	91	62	2

Option 1 - Life only
Option 2 - 5 year certain and life
Option 3 - 10 year certain and life
Option 4 - 15 year certain and life
Option 5 - 20 year certain and life
Option 6 - Joint and 50% survivor
Option 7 - Joint and 100% survivor
Option 8 - 10 year certain

Exhibit 18

Schedule of Benefit Payments by Type

	2021	2020	2019	2018	2017	2016	2015	2014
Service	10,977,724	9,081,819	8,398,440	7,806,518	7,172,158	6,382,845	5,939,216	5,275,495
Disabled	-	-	-	-	-	-	-	-
Beneficiary	695,938	547,332	409,128	375,966	364,286	358,469	351,481	349,643
Lump Sum / Miscellaneous	17,506,289	7,270,191	6,527,626	4,552,742	5,643,227	3,633,268	2,487,053	3,079,382
Total	**29,179,951**	**16,899,341**	**15,335,194**	**12,735,226**	**13,179,671**	**10,374,582**	**8,777,750**	**8,704,519**

Exhibit 19

Funding Policy Accounting Information

Please note that the Schedule of Funding Progress was required by GASB Statement No 27 through 2014. For fiscal years 2015 and beyond, the information below outlines the funding policy. The actuarial assumptions and methods employed are detailed in Appendix A.

Schedule of Funding Progress (in $1,000's)							Schedule of Contributions from the Employer (in $1,000's)		
	(1)	(2)	(3)	(4)	(5)	(6)			
Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (2) - (1)	Funded Ratio (1) / (2)	Covered Payroll	UAAL as a % of Covered Payroll (3) / (5)	Fiscal Year Ending	Actuarially Determined Contribution	Percentage Contributed
01/01/00	68,517	59,818	-8,699	114.5%	49,567	-17.5%			
01/01/01	69,201	70,646	1,445	98.0%	52,044	2.8%	09/30/00	3,114	132.5%
01/01/02	65,951	79,230	13,279	83.2%	56,585	23.5%	09/30/01	5,549	77.5%
01/01/03	72,093	86,761	14,668	83.1%	58,953	24.9%	09/30/02	7,520	84.3%
01/01/04	80,024	99,354	19,330	80.5%	61,962	31.2%	09/30/03	7,949	100.0%
01/01/05	85,188	108,439	23,251	78.6%	62,869	37.0%	09/30/04	8,850	100.0%
01/01/06	88,141	111,898	23,757	78.8%	58,554	40.6%	09/30/05	9,628	122.8%
01/01/07	92,588	113,708	21,120	81.4%	64,349	32.8%	09/30/06	9,152	106.6%
01/01/08	104,824	120,407	15,583	87.1%	62,930	24.8%	09/30/07	9,503	142.1%
01/01/09	87,155	139,380	52,226	62.5%	63,625	82.1%	09/30/08	8,948	100.0%
01/01/10	110,434	144,241	33,807	76.6%	56,962	59.4%	09/30/09	12,653	100.0%
01/01/11	114,082	151,592	37,510	75.3%	57,702	65.0%	09/30/10	10,833	102.9%
01/01/12	110,276	142,052	31,776	77.6%	47,185	67.3%	09/30/11	10,689	100.0%
01/01/13	113,145	150,509	37,364	75.2%	44,389	84.2%	09/30/12	8,215	100.0%
01/01/14	129,399	161,398	31,999	80.2%	45,602	70.2%	09/30/13	8,847	100.0%
01/01/15	142,619	213,250	70,631	66.9%	44,838	157.5%	09/30/14	9,006	100.0%
01/01/16	152,638	243,803	91,165	62.6%	47,098	193.6%	09/30/15	8,911	126.2%
01/01/17	162,634	254,936	92,302	63.8%	43,480	212.3%	09/30/16	11,181	100.0%
01/01/18	171,627	261,759	90,132	65.6%	41,770	215.8%	09/30/17	11,307	100.0%
01/01/19	175,434	284,111	108,677	61.7%	40,747	266.7%	09/30/18	11,061	100.1%
01/01/20	181,431	299,959	118,528	60.5%	39,027	303.7%	09/30/19	12,629	100.1%
01/01/21	193,513	307,705	114,192	62.9%	38,043	300.2%	09/30/20	14,218	100.1%
01/01/22	195,284	302,904	107,620	64.5%	32,168	334.6%	09/30/21	13,429	100.1%

The calculation of the actuarially determined contribution is based on level dollar amortization.

Exhibit 19

Funding Policy Accounting Information

The following exhibit provides information for the calculation of the Funding Policy.

Fiscal Year Ending	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	Investment Return	Equivalent Single Amortization Period
09/30/00	3,113,636	4,125,446	132.5%	8.0%	30 years
09/30/01	5,549,302	4,298,839	77.5%	8.0%	30 years
09/30/02	7,519,533	6,338,145	84.3%	8.0%	30 years
09/30/03	7,948,648	7,948,648	100.0%	8.0%	30 years
09/30/04	8,849,850	8,849,850	100.0%	8.0%	30 years
09/30/05	9,627,759	11,827,759	122.9%	8.0%	30 years
09/30/06	9,151,972	9,751,968	106.6%	8.0%	30 years
09/30/07	9,503,253	13,503,253	142.1%	8.0%	30 years
09/30/08	8,948,287	8,948,287	100.0%	8.0%	30 years
09/30/09	12,652,728	12,652,728	100.0%	8.0%	30 years
09/30/10	10,833,143	11,143,438	102.9%	8.0%	30 years
09/30/11	10,689,258	10,689,264	100.0%	8.0%	30 years
09/30/12	8,215,493	8,215,493	100.0%	8.0%	30 years
09/30/13	8,847,436	8,847,436	100.0%	8.0%	30 years
09/30/14	9,006,301	9,006,301	100.0%	8.0%	29 years
09/30/15	8,911,253	11,248,671	126.2%	6.75%	28 years
09/30/16	11,181,136	11,181,136	100.0%	6.75%	27 years
09/30/17	11,307,275	11,307,275	100.0%	6.75%	26 years
09/30/18	11,060,833	11,073,255	100.1%	6.75%	25 years
09/30/19	12,628,619	12,647,252	100.1%	6.50%	24 years
09/30/20	14,217,959	14,236,592	100.1%	6.25%	23 years
09/30/21	13,429,326	13,447,958	100.1%	6.25%	22 years

The calculation of the actuarially determined contribution is based on level dollar amortization.

Exhibit 20

Covered Persons Pay Inflation Comparison

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Count	Adjust Count*	Annual Payroll	Average Payroll (3) / (2)	Average Payroll % Increase	Inflation Increase % (CPI-U)
01/01/09	994	994	63,625,252	64,009	N/A	0.1%
01/01/10	927	927	56,962,295	61,448	(4.0%)	2.7%
01/01/11	902	902	57,702,434	63,972	4.1%	1.5%
01/01/12	730	730	47,184,896	64,637	1.0%	3.0%
01/01/13	694	694	44,388,906	63,961	(1.0%)	1.7%
01/01/14	657	657	45,601,509	69,409	8.5%	1.5%
01/01/15	621	620	44,837,816	72,319	4.2%	0.8%
01/01/16	585	581	47,098,356	81,064	12.1%	0.7%
01/01/17	551	548	43,479,995	79,343	(2.1%)	2.1%
01/01/18	514	512	41,769,919	81,582	2.8%	2.1%
01/01/19	481	479	40,747,394	85,068	4.3%	1.9%
01/01/20	440	438	39,026,869	89,102	4.7%	2.3%
01/01/21	420	420	38,043,136	90,579	1.7%	1.4%
01/01/22	344	344	32,168,284	93,512	3.2%	7.0%

*Adjusted for active particpants suspended without pay.
Suspended actives for 2022 reported with compensation.

Exhibit 21

Schedule of Participants by Status

Below is the schedule of participants by status as of December 31 for the last ten years.

Participants	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Active	344	420	440	481	514	551	585	620	657	694
Terminated and vested	79	74	77	79	84	89	87	87	98	118
Retired	326	297	286	268	254	234	225	210	193	209
Disabled	-	-	-	-	-	-	-	-	12	13
Beneficiaries	67	64	60	51	48	48	43	44	24	28
Total Participants	816	855	863	879	900	922	940	961	984	1,062

Appendix A

Summary of Actuarial Assumptions and Methods

Plan Sponsor

Metropolitan Transit Authority of Harris County, Texas

The true cost of a pension plan will ultimately be determined by the excess of benefits actually paid and the expenses incurred in its administration over investment income earned on monies set aside for its funding. Thus, the ultimate cost of a plan cannot be known until the last payment has been made to its last participant. The actuarial cost method is the technique adopted by the actuary for establishing the amount and incidence of annual actuarial costs. The actuarial cost method determines the portion of the ultimate cost of a pension plan which should be allocated to each plan year (known as the normal cost). The cost method is thus a budgeting tool which helps to ensure that the pension plan will be adequately and systematically funded.

The annual costs for a pension plan can be determined using any one of several actuarial cost methods. The methods differ in how much of the ultimate cost of the plan is assigned to each prior year, the current year and to each future year. Although the ultimate cost for a pension plan will be determined not by the cost method, but by the benefits and expenses which become payable and the earnings which are obtained on the investments of the plan, the pattern of annual contributions from year to year and the rate of funding for the benefits will vary with the choice of actuarial cost method. In addition, the choice of actuarial assumptions for a given actuarial cost method will affect the current level of contributions and pattern of future contributions.

Annual contributions are also affected by the “asset valuation method” (as well as the plan provisions, actuarial assumptions, and actual plan demographic and investment experience each year).

Actuarial Cost Method

The actuarial cost method used in the valuation of this Plan is known as the entry age normal cost method. Under this method a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to the participant’s assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund the participant’s projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on the participant’s behalf from the participant’s normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan. The Plan utilizes a 30-year closed amortization with the initial year of 2013. The 2022 unfunded accrued liability is amortized on a level dollar basis over a 21-year period as a component of the 2022 annual contribution.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used. The actuarially computed present value of accrued or accumulated plan benefits is the present value of retirement benefits which have been accrued or earned to date based only upon service and earnings to date.

The funding cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc., which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Asset Valuation Method

For purposes of applying the actuarial cost method, the assets valuation method is a ***five year smoothed market value*** method. The actuarial value of assets as of the end of a plan year is equal to the market value of assets minus a gain/loss adjustment factor. This factor is calculated as follows:

1. $^4/_5$ of the gain/(loss) during the year just ended; plus
2. $^3/_5$ of the gain/(loss) during the prior year; plus
3. $^2/_5$ of the gain/(loss) two years prior; plus
4. $^1/_5$ of the gain/(loss) three years prior.

The actuarial value of assets is in no case greater than 120% of market value and in no case less than 80% of market value.

Interest Rate

6.25% per annum (Plan Sponsor prescribed assumption adopted December 31, 2019). We believe that the assumption is reasonable based on our review of the distribution of long-term expected returns generated by the Milliman Expected Return Model with a 30-year horizon.

Earnings Progression

3.00% per annum. The Plan Sponsor selected a 3.00% compensation increase assumption to align with budget forecasts.

Inflation / Cost of Living Increases

2.30% per year (IRC Section 415(b) benefit limit). It is based on Milliman's capital market expectations as of January 1, 2022.

Explicit Provision for Expenses

Normal Cost (as of the beginning of the plan year) is loaded by the prior plan year's expenses, excluding investment management fees. The normal cost load for the 2022 plan year is $324,750.

Demographic Assumptions

Except where noted, all demographic assumptions are based on Milliman's Demographic Assumptions Study dated April 8, 2020 and on the actuary's judgement and continual review of experience.

Mortality Rates

The mortality assumption is updated to Pub-2010 General Employee/Healthy Retiree Mortality Tables for M/F projected forward (fully generational) with MP-2021 with separate tables for contingent survivors and disabled participants. This reflects the most current mortality experience published by the Society of Actuaries for public plans. This assumption includes a margin for future improvements in longevity.

Disability Rates

None assumed.

Withdrawal Rates

Withdrawal rates as follows:

Service	Withdrawal
<7	10.00%
7	10.00%
8-13	5.00%
14	7.50%
15-16	5.00%
17-19	4.00%
20-27	3.00%
28+	2.00%

Retirement Rates

Participants are assumed to retire according to the following rates:

Age	Retirement Rates	
	Male	Female
55	7.50%	10.00%
56-58	7.50%	7.50%
59	7.50%	15.00%
60-61	10.00%	7.50%
62	20.00%	10.00%
63	20.00%	20.00%
64	25.00%	15.00%
65	30.00%	30.00%
66	25.00%	25.00%
67	40.00%	40.00%
68	40.00%	50.00%
69	40.00%	40.00%
70+	100.00%	100.00%

Marriage Rates

a. Percentage married: Males - 100%; Females – 100%

b. Age difference: Males are assumed to be 3 years older than their spouse.

Optional Form Election

The optional Payment form assumption was updated as per 2019 METRO Experience Study to the following rates:

Active participants	Immediate Lump Sum	Single Life	50% Joint & Survivor Annuity	100% Joint & Survivor Annuity	20 Year Certain and Life Annuity
Early Retirement Decrement*	50.00%	20.00%	20.00%	5.00%	5.00%
Normal Retirement Decrement*	20.00%	40.00%	25.00%	10.00%	5.00%
Termination Decrement**	50.00%	40.00%	5.00%	5.00%	0.00%

* Annuity options are immediate.

** Annuity options are deferred to normal retirement (age 65).

Changes in Actuarial Assumptions

Inflation: The inflation assumption is changed from 2.20% to 2.30% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2022.

Mortality: The mortality improvement projection scale is updated from MP-2020 to MP-2021 to reflect the latest (October 2021) Society of Actuaries Public Plans Mortality Study in anticipation of future mortality experience.

Changes in Actuarial Methods

None.

Appendix B

Summary of Plan Provisions

This summary of plan provisions is intended to only describe the essential features of the plan. All eligibility requirements and benefit amounts shall be determined in strict accordance with the plan document itself.

Accrued Benefit

The Accrued Benefit for each Participant is determined using the same formula which is used to compute such Participant's Normal Retirement Benefit multiplied by a fraction for which the numerator is the total number of Years of Benefit Service as of any given date and the denominator is the potential number of Years of Benefit Service to the Normal Retirement Date.

Actuarial Equivalent

Actuarial Equivalent means a form of benefit differing in time, period and/or manner of payment from another form of benefit but having the same value when computed based upon the following interest and mortality assumptions:

Interest:	7.0% per annum, compounded annually
Mortality:	1971 Group Annuity Mortality Table for Females

Average Monthly Compensation

A Participant's Average Monthly Compensation, as of a given date, is determined by averaging the total Compensation the participant received during the last 36 months of participation for which the participant received Compensation.

Compensation

Except where otherwise specifically provided in this Plan, Compensation means a Participant's total compensation from an Employer subject to reporting on Internal Revenue Service Form W-2 within a Plan Year, including elective deferrals under Code Section 401(k) and salary reduction contributions under Code Section 125.

Compensation in excess of the Statutory Compensation Limit will be disregarded. Statutory Compensation Limit means $305,000 as of January 1, 2022, as adjusted in accordance with Code Section 401(a)(17)(B).

The Compensation Period is the 12 month period which begins each January 1 and ends each December 31.

Effective Date

The Effective Date of the Plan is December 29, 1975.

The Plan was last amended effective October 22, 2020. The Plan was last restated effective January 1, 2014.

Employee Contributions

The Accrued Benefit from employee contributions is a monthly benefit payable at age 65 equal to the employee's contributions accumulated with 5% interest per annum until the employee's age 65, divided by an actuarial equivalent factor of 120.

Eligible Employee Classification

Any full-time employee of the Metropolitan Transit Authority hired before October 1, 2007 who is not represented by Union of America, Local 260, AFL-CIO, shall be immediately eligible to participate.

Limitation Year

The Limitation Year is the 12 month period beginning January 1 and ending December 31.

Normal Retirement Age

A Participant's Normal Retirement Age is age 65.

Normal Retirement Date
A Participant's Normal Retirement Date is the first day of the month which coincides with or next follows the date on which the Participant attains Normal Retirement Age.

One Year Break-in-Service
One Year Break-in-Service occurs in any 365-day period following a Participant's Date of Termination in which an Employee does not complete at least 500 Hours of Service.

Plan Sponsor
Metropolitan Transit Authority is the Plan Sponsor. The Plan Administrator is the Board of Directors.

Plan Year
The Plan Year is the 12 month period beginning January 1 and ending December 31.

Vested Accrued Benefit
A Participant's Vested Accrued Benefit as of a given date is equal to the product of the participant's Accrued Benefit multiplied by the participant's Vested Percentage as of that same date.

Vesting Schedule
A Participant's Vested Percentage will be 100% upon the completion of 5 Years of Vesting Service. A Year of Vesting Service is credited for each Vesting Computation Period during which 1,000 or more Hours of Service are credited. Prior to the completion of 5 Years of Vesting Service, a Participant's Vested Percentage is zero.

Year of Service

For Eligibility Purposes
Years of Service for purposes of eligibility to participate in the Plan are referred to as Years of Eligibility Service and are determined using the Hours of Service Method.

All of an Employee's Years of Eligibility Service are taken into account in determining the participant's eligibility to participate.

For Benefit Purposes
Years of Service for purposes of computing a Participant's Normal Retirement Benefit are referred to as Years of Benefit Service and are determined using the Hours of Service Method. A Year of Service is credited for each Accrual Computation Period during which 1,000 or more Hours of Service are credited, except fractional Years of Service are credited for the year of employment, rehire, or termination based on the number of months with at least one hour worked divided by 12.

All of a Participant's Years of Benefit Service are taken into account in determining the participant's monthly benefit except:

- Service for which the Employee was not entitled to receive Compensation; and
- Service while the Employee was not in an Eligible Employee Classification.

For Vesting Purposes
Years of Service for purposes of computing a Participant's Vested Percentage are referred to as Years of Vesting Service and are determined using the Hours of Service Method.

All of a Participant's Years of Vesting Service are taken into account in determining the participant's Vested Percentage.

Participation

An Employee will become a participant in the Plan immediately upon hire. Employees hired on or after October 1, 2007 are not eligible to participate in the Plan.

Normal Retirement

Each Participant who becomes eligible for a Normal Retirement Benefit under the plan will be entitled to receive a monthly retirement pension benefit beginning at the Participant's Normal Retirement Date and payable in the Normal Benefit Form.

(a) Normal Retirement Benefit

A Participant's Normal Retirement Benefit is a monthly pension benefit commencing on the participant’s Normal Retirement Date payable in the Normal Benefit Form in an amount equal to:

$65.00 multiplied by the participant’s Years of Benefit Service prior to October 1, 1978, plus 2.5% (3.25% for present participants who elected to continue employee contributions) of Final Average Compensation, multiplied by years of Credited Service after September 30, 1978.

$300 minimum for participants who have 10 years of Credited Service.

(b) Normal Benefit Form

Lifetime Pension - Monthly pension benefit payable for the lifetime of the Participant with payments terminating upon the death of the Participant.

Early Retirement

(a) Early Retirement Date

A Participant's Early Retirement Date is the first day of the month so elected by the Participant which coincides with or next follows the date upon which the Participant satisfies the following requirements:

(1) Attainment of age 55; and

(2) Completion of 15 Years of Credited Service.

(b) Early Retirement Benefit

A Participant's Early Retirement Benefit is a monthly pension benefit, payable in the Normal Benefit Form in an amount equal to the Accrued Benefit determined as of the participant’s Early Retirement Date, reduced by 2% for each year that benefits commence after age 60 but before Normal Retirement Date and 4% for each year that benefits commence before age 60.

Late Retirement

An active Participant who continues the participant’s employment with the Employer beyond the participant’s Normal Retirement Date may begin to receive the participant’s Late Retirement Benefit to which the participant is entitled as of the participant’s Late Retirement Date.

(a) Late Retirement Date

A Participant's Late Retirement Date is the first day of the month coincident with or next following the date the participant retires and requests the commencement of the participant’s Late Retirement Benefit after the participant has continued in the employ of the Employer beyond the participant’s Normal Retirement Date.

(b) Late Retirement Benefit

A Participant's Late Retirement Benefit is equal to the monthly benefit, which is based on the Normal Retirement Benefit formula using the Participant's Years of Benefit Service and Compensation through the participant's Late Retirement Date.

Disability Retirement

(a) Disability Retirement Date

A Participant's Disability Retirement Date is the first day of the month coincident with or next following the date of termination of the participant's employment due to disability provided such Participant has been found to be eligible for a Disability Retirement Benefit.

An Active Participant will be eligible for a Disability Retirement Benefit under the Plan upon the occurrence of permanent disability coincident with or following the date upon which the Participant incurs total and permanent disability at any age.

(b) Disability Retirement Benefit

Normal retirement benefit assuming participant continues earning benefit service and pay remains level from date of disability to normal retirement date. Benefits commence at normal retirement date.

Optional Benefit Forms

Optional Benefit Forms are available and equal to the Actuarial Equivalent of the Normal Benefit Form and may be in an amount more than or less than that provided by the Normal Benefit Form depending on the option selected. Such distribution may be in one or more of the following forms:

Certain and Life Option – monthly pension benefit, with spousal written consent, payable for the lifetime of the Participant with payments guaranteed for a specified number of months from 60 to 240.

Joint & 50% Contingent Survivor Pension – monthly pension benefit payable during the joint lifetime of the Participant and the Joint Annuitant; reduces to 50% of the original amount upon the death of the Participant.

Lump Sum – single sum payment in cash using Plan's definition of Actuarial Equivalence for lump sum conversion. No other payments will be made to the participant.

Pre-Retirement Death Benefit

In the event of the death of a vested Participant prior to the date that the participant begins to receive a monthly pension benefit under the Plan, the Participant's Surviving Spouse, if any, will be entitled to receive a monthly pension benefit equal to 50% of the monthly pension benefit which would have been payable had the Participant retired on the day before the participant's death and elected a Joint and 50% Contingent Survivor Pension. This benefit is payable to the spouse commencing on what would have been the Participant's earliest retirement date.

Termination Benefit

In the event of the termination of a Participant's employment for any reason other than death, disability or retirement, the Participant will become entitled to receive a monthly pension benefit commencing on the participant's Normal Retirement Date equal to the participant's Vested Accrued Benefit.

Changes in Plan Provisions since Prior Valuation

The valuation reflects the plan provisions in effect on January 1, 2022, including the following:

- An increase in the Internal Revenue Code (IRC) Section 401(a)(17) compensation limit from $290,000 to $305,000.

Appendix C

Risk Disclosures

The purpose of this appendix is to identify, assess, and provide illustrations of risks that are significant to the Plan, and in some cases to the Plan's participants. Historical data is included.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these likely differences when making decisions that may affect the future financial health of the Plan, or of the Plan's participants.

In addition, as plans mature they accumulate larger pools of assets and liabilities. This increases the potential risk to plan funding and the finances of those who are responsible for plan funding. As an example, it is more difficult for a plan sponsor to deal with the effects of a 10% investment loss on a plan with $1 billion in assets and liabilities than if the same plan sponsor is responsible for a 10% investment loss on a plan with $1 million in assets and liabilities. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the Plan is today, and how mature it may become in the future.

Actuarial Standard of Practice No. 51 (ASOP 51) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the Plan.
- Assess the risks identified as significant to the Plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the Plan's risks.

ASOP 51 states that if in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the Plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

This appendix uses the framework of ASOP 51 to communicate important information about: significant risks to the Plan, the Plan's maturity, and relevant historical plan data.

DEFINITION AND IDENTIFICATION LANGUAGE FOR EACH POTENTIAL RISK

Liquidity Risk

Definition: This is the potential that assets must be liquidated at a loss earlier than planned in order to pay for the Plan's benefits and operating costs. This risk is heightened for plans with negative cash flow, in which contributions do not exceed annual benefit payments plus expenses.

Identification: This Plan has high cash flow requirements because the sum of benefit payments plus expenses is significantly larger than contributions. The Plan also has a high allocation to illiquid assets such as real estate and private equity. As a result, there is a significant risk that assets may need to be liquidated at a loss before planned in order to pay benefits and expenses.

Inflation Risk

Definition: This is the potential of a pension to lose purchasing power over time due to inflation.

Identification: The participants of pension plans without fully inflation-indexed benefits are subject to the risk that their purchasing power will be reduced over time due to inflation.

Assessment: Participants in this Plan bear all of the inflation risk occurring after retirement since the benefits are calculated to replace a percent of pay at retirement and include no postretirement cost-of-living adjustments.

Maturity Risk

Definition: This is the potential for total plan liabilities to become more heavily weighted toward inactive liabilities over time.

Identification: The Plan is subject to maturity risk because as plan assets and liabilities continue to grow, the impact of any gains or losses on the assets or liabilities also becomes larger.

Assessment: Currently assets are equal to 15.7 times last year's contributions indicating a one-year asset loss of 10% would be equal to 1.57 times last year's contributions.

Retirement Risk

Definition: This is the potential for participants to retire and receive subsidized benefits more valuable than expected.

Identification: This Plan has valuable early retirement benefits. If participants retire at earlier ages than anticipated by the actuarial assumptions, it is expected that additional funding will be required.

Contribution Risk

Definition: This is the possibility that actual future contributions deviate from expected future contributions.

Identification: The Plan is subject to the contribution risk that the actuarially determined contributions will not be made. If contributions are deferred to the future, investment income is lost in the intervening period and the Plan becomes more expensive. The Plan Sponsor has paid the Actuarially Determined Contribution for the last ten years.

Investment Risk

Definition: The potential that investment returns will be different than expected.

Identification: To the extent that actual investment returns differ from the assumed investment return, the Plan's future assets, funding contributions, and funded status may differ significantly from those presented in this valuation.

Interest Rate Risk

Definition: The potential that interest rates will be different than expected.

Identification: The pension liabilities reported herein have been calculated by computing the present value of expected future benefit payments using the interest rate described in Appendix A. If interest rates in future valuations differ from this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation. As a general rule, using a higher interest rate to compute the present value of future benefit payments will result in a lower pension liability, and vice versa. One aspect that can be used to estimate the impact of different interest rates is a plan's duration.

Assessment: If the interest rate changes by 1%, the estimated percentage change in pension liability is a plan's duration in years. The approximate duration of this Plan is 9.7 years. As such, if the interest rate changes by 1%, the estimated change in pension liability is 9.7%.

Demographic Risks

Definition: The potential that mortality or other demographic experience will be different than expected.

Identification: The pension liabilities reported herein have been calculated by assuming that participants will follow patterns of demographic experience (e.g., mortality, withdrawal, disability, retirement, form of payment election, etc.) as described in Appendix A. If actual demographic experience or future demographic assumptions are different from what is assumed to occur in this valuation, future pension liabilities, funding contributions, and funded status may differ significantly from those presented in this valuation.

Appendix D

Glossary

Glossary

Actuarial Assumptions - assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and national pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the actuarial value of assets; and other relevant items.

Actuarial Cost Method - a particular technique used to establish the amount and incidence of the annual actuarial cost of plan benefits.

Accrued Liability - that portion, as determined by a particular actuarial cost method, of the actuarial present value of plan benefits and expenses which is not provided by future normal costs. The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on the participant's behalf from the participant's normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. Also referred to as Actuarial Accrued Liability.

Accumulated Plan Benefit - the amount of an individual's pension benefit (whether or not vested) which has been earned as of a specified date based upon service and compensation to that date. Also referred to as Accrued Benefit.

Actuarial Equivalent - of equal actuarial present value, determined as of a given date with each value based upon the same set of actuarial assumptions.

Actuarial Gain or Loss - a measure of the difference between actual experience and that which is expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

Actuarial Value of Assets - the value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation.

Amortization Payments - that portion of the pension plan contribution which is designated to pay interest on and to amortize the unfunded accrued liability or the unfunded frozen actuarial liability.

Funded Ratio - the ratio, as of a given date, of the market value of plan assets to the present value of accumulated plan benefits. When the market value of plan assets is equal to the present value of accumulated plan benefits, the funded ratio is equal to 100%.When the funded ratio is less than 100%, there may be sufficient assets to cover the vested accumulated plan benefits but not sufficient assets to cover all of the additional non-vested accumulated plan benefits. At the time that a retirement plan is adopted, the funded ratio is usually substantially less than 100% but usually exceeds 100% after the plan has been funded on an ongoing basis for a period of years (such as ten).The funded ratio may decline from one year to the next, however, as a result of benefit improvements or a relative decline in the amount of assets when measured against the usual increase in the value of accumulated plan benefits from year to year.

ERISA - the Employee Retirement Income Security Act of 1974.

Future Benefits - those pension plan benefit amounts which are expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits. Also referred to as Projected Benefits.

GASB - Governmental Accounting Standards Board.

Normal Cost - that portion of the present value of future pension plan benefits and expenses which is allocated to a valuation year by the actuarial cost method.

Present Value - the value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Also referred to as Actuarial Present Value.

Unfunded Accrued Liability - the excess of the accrued liability over the actuarial value of assets.

Vested Accumulated Plan Benefit - the portion of an individual's accumulated plan benefit which is vested. Also referred to as Vested Accrued Benefit.

Vested Funded Ratio - the ratio, as of a given date, of the market value of the plan assets to the present value of vested accumulated plan benefits.

METROPOLITAN TRANSIT AUTHORITY
NON-UNION PENSION PLAN

GASB 67 and 68 DISCLOSURE
Fiscal Year: October 1, 2022 to September 30, 2023

Prepared by

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April 20, 2023

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Executive Summary

A. Summary of Key Results

Reporting Date	September 30, 2022	September 30, 2023
Valuation Date	**January 1, 2021**	**January 1, 2022**
Participant Data		
Number of participants		
Active participants	420	344
Terminated vested participants	74	79
Retired participants	297	326
Disabled participants	0	0
Beneficiaries	64	67
Total participants	855	816
Covered payroll at reporting date	$40,062,815	$35,434,804

Measurement Date	December 31, 2021	December 31, 2022
Assets		
Fiduciary net position	$211,156,385	$177,050,322
Money-weighted rate of return	11.55%	(14.14%)
Net Pension Liability		
Total pension liability	$300,676,330	$313,408,393
Fiduciary net position	211,156,385	177,050,322
Net pension liability	$89,519,945	$136,358,071
Discount rate	6.25%	6.25%
Fiduciary net position as of % total pension liability	70.23%	56.49%
Net pension liability as of % covered payroll	223.45%	384.81%

Reporting Date	September 30, 2022	September 30, 2023
Pension Expense		
Service cost	$3,167,837	$2,980,128
Interest on total pension liability	18,405,328	18,437,014
Effect of plan changes	0	0
Administrative expenses	324,750	278,324
Expected investment return net of investment expenses	(12,287,936)	(13,056,772)
Recognition of deferred inflows/outflows of resources	(1,827,326)	12,574,984
Pension expense	$7,782,653	$21,213,678

B. Purpose of this Report

This accounting report has been prepared for the Metropolitan Transit Authority Non-Union Pension Plan for the fiscal year October 1, 2022 to September 30, 2023 to:

- Calculate the Net Pension Liability.
- Prepare the Plan's Pension Expense.
- Review the Plan's depletion date projection.

The Valuation Date is January 1, 2022. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2022. This is the date as of which the net pension liability is determined. The Reporting Date is September 30, 2023. This is the employer's fiscal year ending date.

C. Net Pension Liability

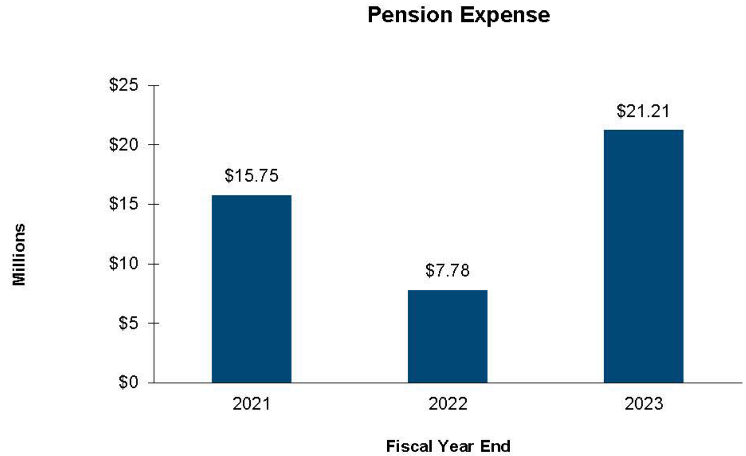
The graph below illustrates the total pension liability and the net pension liability (funded status) for the current and preceding two years.

Historical Total Pension Liability

D. Pension Expense for the 2023 Fiscal Year End

The Pension Expense measured for the plan year ending December 31, 2022 and reported for the fiscal year ending September 30, 2023 is $21,213,678.

The graph below illustrates the Pension Expense for the current and preceding two fiscal years.



E. Depletion Date

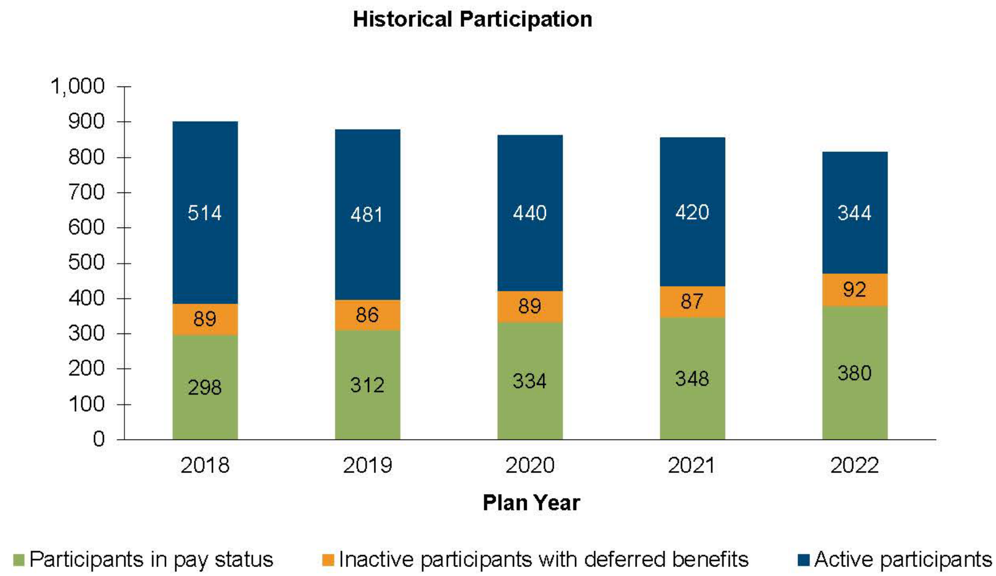
As of December 31, 2022, our projections show the plan will have enough assets to make projected benefit payments under the assumptions outlined on page 9 and developed on page 12 of the report.

F. Plan Experience

Change in Demographics

From January 1, 2021 to January 1, 2022, the number of active participants in the Plan decreased by 18.1% from 420 to 344; while the total number of participants decreased by 4.6% from 855 to 816.

The following graph illustrates the count of participants, by category, as of the valuation date for the current and preceding four plan years.



Total Pension Liability

Under the Entry Age Normal actuarial cost method, and prior to reflecting any plan, method or assumption changes, liability experience for the 2022 plan year was less favorable than expected, generating a net actuarial loss as follows:

- Demographic experience different from that assumed, which resulted in an actuarial loss of approximately $2.4 million.

In addition, the actuarial assumption changes resulted in an overall loss of approximately $6.5 million as follows:

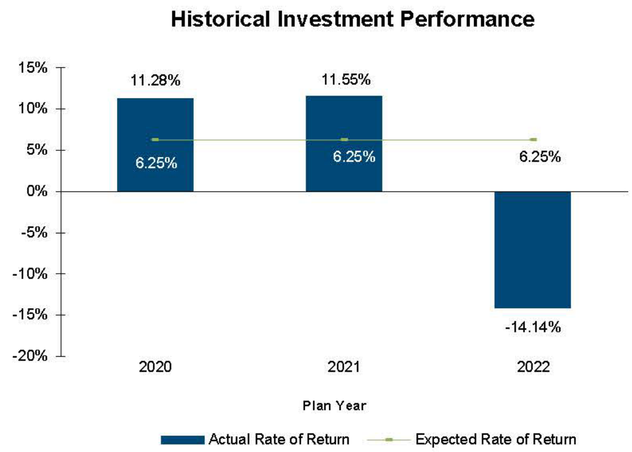
- The revised salary scale assumption resulted in an increase of the total pension liability of approximately $6.5 million.

Change in Assets

Asset experience for the 2022 plan year was less favorable than expected.

- The 2022 rate of return on the market value of plan assets was approximately (14.14%), significantly below the assumed rate of 6.25%, resulting in an investment loss of approximately $42.6 million.

The following graph illustrates the investment performance on a market value basis for the preceding three plan years.



G. Actuarial Methods and Assumptions

The actuarial methods and assumptions used in this measurement are the same as those used in the prior measurement except as follows:

- The salary scale assumption was updated from 3.00% per year to 3.533% for 2022, 8.617% for 2023, and 3.00% per year thereafter.

These changes were made to better reflect anticipated future plan experience.

H. Plan Provisions

The January 1, 2022 measurement reflects the plan provisions in effect on January 1, 2022, including the following:

- An increase in the Internal Revenue Code (IRC) Section 401(a)(17) compensation limit from $290,000 to $305,000. This change had an immaterial impact on the December 31, 2022 measurement of Plan liabilities.

Certification

Actuarial computations presented in this report under Statements No. 67 and 68 of the Governmental Accounting Standards Board are for purposes of assisting METRO in fulfilling its financial accounting requirements. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year October 1, 2022 to September 30, 2023. The reporting date for determining plan assets and obligations is December 31, 2022. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

In preparing this report, we relied, without audit, on information as of January 1, 2022 and December 31, 2022 furnished by METRO. This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please see Milliman's funding valuation report issued August 11, 2022 for more information on the plan's participant group as of January 1, 2022 as well as a summary of the plan provisions and a summary of the actuarial methods used for funding purposes. Please see Milliman's preliminary December 31, 2022 valuation assumptions report dated April 18, 2023 for a summary of the assumptions used in this measurement.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

We hereby certify that, to the best of our knowledge, this report, including all costs and liabilities based on actuarial assumptions and methods, is complete and accurate and determined in conformance with generally recognized and accepted actuarial principles and practices, which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions and supporting Recommendations of the American Academy of Actuaries.

Each of the assumptions used in this valuation with the exception of those set by law was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Certification

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

Milliman has developed certain models to estimate the values included in this report. The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOP).

There is substantial uncertainty regarding the impact of the COVID-19 pandemic on projected plan costs. Therefore, for purposes of this report, we have chosen not to make any adjustments to these costs. However, please be aware that the COVID-19 pandemic could have a material cost impact in future valuations.

Milliman's work is prepared solely for the internal use and benefit of Metropolitan Transit Authority of Harris County, Texas. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit METRO; and (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and has been prepared in accordance with generally recognized accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

James Tumlinson, Jr.

James Tumlinson, Jr., EA, MAAA
Principal and Consulting Actuary

Jake Pringle

Jake Pringle, EA, MAAA
Principal and Consulting Actuary

Overview of GASB 67 and GASB 68

The Governmental Accounting Standards Board (GASB) released new accounting standards for public pension plans and participating employers in 2012. These standards, GASB Statements No. 67 and 68, have substantially revised the accounting requirements previously mandated under GASB Statements No. 25 and 27. The most notable change is the distinct separation of funding from financial reporting. The Annual Required Contribution (ARC) has been eliminated under GASB 67 and 68 and is no longer relevant for financial reporting purposes. As a result, plan sponsors have been encouraged to establish a formal funding policy that is separate from financial reporting calculations.

GASB 67 applies to financial reporting for public pension plans and is required to be implemented for plan fiscal years beginning after June 15, 2013. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue standalone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2014. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Statement of Fiduciary Net Position

	December 31, 2021	December 31, 2022
Assets		
Cash and cash equivalents	$1,574,865	$2,601,861
Receivables and prepaid expenses:		
Receivable contributions	0	0
Receivable investment income	14,476	27,098
Receivables from brokers for unsettled trades	0	2,290
Prepaid expenses	0	0
Total receivables	14,476	29,388
Investments:		
Fixed income	53,355,771	45,920,807
Stocks	127,505,700	98,388,472
Short-term investments	0	0
Real estate	28,879,440	30,242,254
Alternative investments	0	0
Total investments	209,740,911	174,551,533
Invested securities lending cash collateral	0	0
Capital assets net of accumulated depreciation	0	0
Total assets	211,330,252	177,182,782
Liabilities		
Accrued expenses and benefits payable	173,867	132,460
Securities lending cash collateral	0	0
Payable to brokers for unsettled trades	0	0
Total liabilities	173,867	132,460
Net position restricted for pensions	$211,156,385	$177,050,322

Statement of Changes in Fiduciary Net Position

	December 31, 2022
Additions	
Member contributions	$0
Employer contributions	13,308,196
Total contributions	13,308,196
Investment income (loss):	
Interest	46,298
Dividends	998,984
Equity fund income, net	0
Net increase in fair value of investments	(30,036,962)
Securities lending income	0
Less investment expenses:	
Direct investment expense	549,135
Securities lending management fees	0
Securities lending borrower rebates	0
Net investment income	(29,540,815)
Other income	0
Total additions	(16,232,619)
Deductions	
Service benefits	17,595,120
Disability benefits	0
Death benefits	0
Refunds of member contributions	0
Administrative expenses	278,324
Total deductions	17,873,444
Net increase (decrease)	(34,106,063)
Net position restricted for pensions	
Beginning of year (December 31, 2021)	211,156,385
End of year (December 31, 2022)	$177,050,322

Money-Weighted Rate of Return

Measurement Year Ending December 31	Net Money-Weighted Rate of Return
2013	17.42%
2014	3.49%
2015	(4.00%)
2016	6.98%
2017	16.46%
2018	(6.60%)
2019	16.79%
2020	11.28%
2021	11.55%
2022	(14.14%)

Calculation of Money-Weighted Rate of Return

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

	Net External Cash Flows
Beginning Value - January 1, 2022	$211,156,385
Annual net external cash flows:	
Employer contributions	13,308,196
Employee contributions	0
Benefit payments	(17,595,120)
Administrative expenses	(278,324)
Total	(4,565,248)
Investment Income	(29,540,815)
Ending Value - December 31, 2022	177,050,322
Money-Weighted Rate of Return	(14.14%)

Net Pension Liability

Net Pension Liability	December 31, 2021	December 31, 2022
Total pension liability	$300,676,330	$313,408,393
Fiduciary net position	211,156,385	177,050,322
Net pension liability	$89,519,945	$136,358,071
Fiduciary net position as a % of total pension liability	70.23%	56.49%
Covered payroll	40,062,815	35,434,804
Net pension liability as a % of covered payroll	223.45%	384.81%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67 and 68.

Discount Rate

Discount rate	6.25%	6.25%
Long-term expected rate of return, net of investment expense	6.25%	6.25%
Municipal bond rate	N/A	N/A

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

Other Key Actuarial Assumptions

The actuarial assumptions that determined the total pension liability as of December 31, 2022 were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2018.

Valuation date	January 1, 2021	January 1, 2022
Measurement date	December 31, 2021	December 31, 2022
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.30%	2.33%
Salary increases including inflation	3.00%	3.533% for 2022, 8.617% for 2023, and 3.00% thereafter
Mortality	Pub-2010 Mortality, projected forward (fully generational) with MP-2021	Pub-2010 Mortality, projected forward (fully generational) with MP-2021

Please see Milliman's preliminary assumptions reports for December 31, 2021 measurements, dated April 12, 2022, and for December 31, 2022 measurements, dated April 18, 2023, for more detail.

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of January 1, 2023 based on a 30-year investment horizon.

Asset Class	Index	Actual Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Month T-Bills	1.29%	0.61%	0.59%
US Core Fixed Income (Aggregate)	Barclays Aggregate	18.27%	2.27%	2.13%
Global Bonds	FTSE WGBI	7.64%	0.72%	0.42%
US Large & Mid Cap Equity	Russell 1000 TR	15.97%	5.65%	4.03%
US Small Cap Equity	Russell 2000 TR	2.52%	7.25%	4.67%
US Small & Mid Cap Equity	Russell 2500 TR	3.88%	6.50%	4.10%
US Large & Mid Cap Value Equity	Russell 1000 Value TR	4.40%	5.41%	3.88%
US Mid Cap Growth Equity	Russell Mid Cap Growth TR	7.15%	6.57%	3.56%
Global Equity	MSCI ACWI NR	5.13%	6.43%	4.82%
Non-US Equity	MSCI ACWI Ex USA NR	11.61%	7.65%	5.81%
Non-US Small Cap Equity	MSCI EAFE Small Cap NR	5.02%	7.51%	5.31%
US REITs	FTSE Nareit All Equity REITs TR	17.12%	6.71%	4.50%
		100.00%		
Assumed Inflation - Mean			2.33%	2.33%
Assumed Inflation - Standard Deviation			1.41%	1.41%
Portfolio Real Mean Return			5.27%	4.35%
Portfolio Nominal Mean Return			7.60%	6.82%
Portfolio Standard Deviation				13.21%
Long-Term Expected Rate of Return				**6.25%**

* Actual allocation as of December 31, 2022.

Depletion Date Projection

In order to determine if the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, we have prepared a depletion date projection using the following techniques and assumptions:

- There are no required employee contribution amounts.
- The employer contributes the actuarially determined contribution amounts.
- Benefit payments are projected based on the actuarial assumptions and the current plan provisions.
- Members are assumed to receive pay increases, terminate, retire, become disabled, die, and so forth according to the actuarial assumptions used for the January 1, 2023 measurements.
- Terminating and retiring members will not be replaced with new employees.
- Current administrative expenses are assumed to increase by 1.00% per year.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 6.25%.
- The tax-exempt, high-quality general obligation municipal bond index rate is N/A.
- The funding policy used to determine actuarially determined contributions does not change. See the last page of this report for details.
- The actuarial assumptions do not change.
- The plan provisions do not change except if any material future changes have been agreed upon as of the measurement date.

Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

In accordance with ASOP 51, please refer to Appendix C of the valuation report issued August 11, 2022 which identifies, assesses, and provides illustrations of risks that are significant to the Plan, and in some cases to the Plan's participants.

Projection of Contributions

Year	Projected Payroll Current Employees	Projected Payroll Future Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Contributions from Future Employees	Total Contributions
1	$27,043,984	$0	$27,043,984	$0	$13,244,006	$0	$13,244,006
2	24,427,277	0	24,427,277	0	13,106,596	0	13,106,596
3	21,906,849	0	21,906,849	0	13,313,569	0	13,313,569
4	19,774,055	0	19,774,055	0	13,702,630	0	13,702,630
5	17,825,003	0	17,825,003	0	14,331,860	0	14,331,860
6	16,039,651	0	16,039,651	0	14,069,711	0	14,069,711
7	14,368,213	0	14,368,213	0	13,823,976	0	13,823,976
8	12,824,029	0	12,824,029	0	13,594,265	0	13,594,265
9	11,375,840	0	11,375,840	0	13,378,451	0	13,378,451
10	10,023,592	0	10,023,592	0	13,174,197	0	13,174,197

Note: Years subsequent to year 10 have been omitted from this table.

Projection of Fiduciary Net Position

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Adminstrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
1	$177,050,322	$13,244,006	$21,523,602	$281,107	$10,798,123	$179,287,742
2	179,287,742	13,106,596	21,873,418	283,918	10,922,648	181,159,650
3	181,159,650	13,313,569	22,347,189	286,757	11,031,216	182,870,489
4	182,870,489	13,702,630	23,024,416	289,625	11,129,049	184,388,127
5	184,388,127	14,331,860	23,569,649	292,521	11,226,436	186,084,253
6	186,084,253	14,069,711	23,853,168	295,446	11,315,300	187,320,650
7	187,320,650	13,823,976	24,534,646	298,400	11,363,507	187,675,087
8	187,675,087	13,594,265	24,517,286	301,384	11,378,930	187,829,612
9	187,829,612	13,378,451	24,646,737	304,398	11,377,704	187,634,632
10	187,634,632	13,174,197	24,478,873	307,442	11,364,286	187,386,800

Note: Years subsequent to year 10 have been omitted from this table.

Actuarial Present Value of Projected Benefit Payments

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments*	Present Value of "Unfunded" Benefit Payments**	Present Value of Total Benefit Payments***
1	$177,050,322	$21,523,602	$21,523,602	$0	$20,880,961	$0	$20,880,961
2	179,287,742	21,873,418	21,873,418	0	19,972,078	0	19,972,078
3	181,159,650	22,347,189	22,347,189	0	19,204,392	0	19,204,392
4	182,870,489	23,024,416	23,024,416	0	18,622,472	0	18,622,472
5	184,388,127	23,569,649	23,569,649	0	17,942,084	0	17,942,084
6	186,084,253	23,853,168	23,853,168	0	17,089,797	0	17,089,797
7	187,320,650	24,534,646	24,534,646	0	16,544,045	0	16,544,045
8	187,675,087	24,517,286	24,517,286	0	15,559,848	0	15,559,848
9	187,829,612	24,646,737	24,646,737	0	14,721,886	0	14,721,886
10	187,634,632	24,478,873	24,478,873	0	13,761,523	0	13,761,523
95	36,853	0	0	0	0	0	0
96	37,196	0	0	0	0	0	0
97	37,577	0	0	0	0	0	0
98	37,884	0	0	0	0	0	0
99	38,337	0	0	0	0	0	0
Total					324,851,274	0	324,851,274

Note: Years 11-94 have been omitted from this table.

* Discounted at the long-term expected rate of return, 6.25%.

** Discounted at the municipal bond rate, N/A.

*** Discounted at the single interest rate that produces a total actuarial present value equal to the sum of the actuarial present values of "funded" and "unfunded" benefit payments, 6.25%.

Changes in Net Pension Liability

Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
	Increase (Decrease)		
Balances as of December 31, 2021	$300,676,330	$211,156,385	$89,519,945
Changes for the year:			
Service cost	2,980,128		2,980,128
Interest on total pension liability	18,437,014		18,437,014
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	2,366,449		2,366,449
Effect of assumptions changes or inputs	6,543,592		6,543,592
Benefit payments	(17,595,120)	(17,595,120)	0
Employer contributions		13,308,196	(13,308,196)
Member contributions		0	0
Net investment income		(29,540,815)	29,540,815
Administrative expenses		(278,324)	278,324
Balances as of December 31, 2022	313,408,393	177,050,322	136,358,071

Sensitivity Analysis

The following presents the net pension liability of METRO, calculated using the discount rate of 6.25%, as well as what METRO's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.25%) or 1 percentage point higher (7.25%) than the current rate.

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
Total pension liability	$345,438,398	$313,408,393	$286,087,520
Fiduciary net position	177,050,322	177,050,322	177,050,322
Net pension liability	168,388,076	136,358,071	109,037,198

Pension Expense

Pension Expense	October 1, 2021 to September 30, 2022	October 1, 2022 to September 30, 2023
Service cost	$3,167,837	$2,980,128
Interest on total pension liability	18,405,328	18,437,014
Effect of plan changes	0	0
Administrative expenses	324,750	278,324
Member contributions	0	0
Expected investment return net of investment expenses	(12,287,936)	(13,056,772)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	1,101,712	1,887,628
Recognition of assumption changes or inputs	2,610,469	4,754,225
Recognition of investment gains or losses	(5,539,507)	5,933,131
Pension Expense	7,782,653	21,213,678

As of September 30, 2023, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	($218,280)	$2,468,433
Changes of assumptions	(163,407)	4,807,786
Net difference between projected and actual earnings	0	20,791,892
Contributions made subsequent to measurement date*	N/A	Employer determined

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2024	$5,022,101
2025	7,707,592
2026	6,437,212
2027	8,519,519
2028	0
Thereafter**	0

* Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period should be reported as a deferred outflow of resources related to pensions.

** Note that additional future deferred inflows and outflows of resources may impact these numbers.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Rec. Period*	Amount Recognized in Pension Expense for FYE 09/30/2023	Amount Recognized in Pension Expense through 09/30/2023	Balance of Deferred Inflows as of 09/30/2023	Balance of Deferred Outflows as of 09/30/2023
Economic/ demographic gains or losses	$2,366,449	9/30/2023	3.0	$788,816	$788,816	$0	$1,577,633
	2,144,763	9/30/2022	3.2	670,238	1,340,476	0	804,287
	(1,527,960)	9/30/2021	3.5	(436,560)	(1,309,680)	(218,280)	0
	3,547,049	9/30/2020	4.1	865,134	3,460,536	0	86,513
		Total		1,887,628		(218,280)	2,468,433
Assumption changes or inputs	6,543,592	9/30/2023	3.0	2,181,197	2,181,197	0	4,362,395
	452,087	9/30/2022	3.2	141,277	282,554	0	169,533
	(1,143,852)	9/30/2021	3.5	(326,815)	(980,445)	(163,407)	0
	11,310,122	9/30/2020	4.1	2,758,566	11,034,264	0	275,858
		Total		4,754,225		(163,407)	4,807,786
Investment gains or losses	42,597,587	9/30/2023	5.0	8,519,517	8,519,517	0	34,078,070
	(10,411,517)	9/30/2022	5.0	(2,082,303)	(4,164,606)	(6,246,911)	0
	(9,309,710)	9/30/2021	5.0	(1,861,942)	(5,585,826)	(3,723,884)	0
	(16,576,919)	9/30/2020	5.0	(3,315,384)	(13,261,536)	(3,315,383)	0
	23,366,223	9/30/2019	5.0	4,673,243	23,366,223	0	0
		Total		5,933,131		(13,286,178)	34,078,070
Employer contributions made subsequent to measurement date.**							
Total for economic/demographic gains or losses and assumption changes or inputs						(381,687)	7,276,219
Net deferred (inflows)/outflows for investment gains or losses						0	20,791,892
Total deferred (inflows)/outflows						(381,687)	28,068,111
Total net deferrals							27,686,424

* Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

** Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period should be reported as a deferred outflow of resources related to pensions.

Schedule of Changes in Net Pension Liability and Related Ratios
(in 1,000s)

	Fiscal Year Ending September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$2,980	$3,168	$3,830	$3,106	$3,035	$3,211	$3,465	$2,783	$2,754	N/A
Interest on total pension liability	18,437	18,405	18,555	17,962	17,396	16,923	16,608	15,166	13,385	N/A
Effect of plan changes	0	0	1,503	0	0	0	0	0	0	N/A
Effect of economic/demographic gains or losses	2,366	2,145	(1,528)	3,547	873	(2,443)	9,768	6,721	0	N/A
Effect of assumption changes or inputs	6,544	452	(1,144)	11,310	11,270	(948)	2,531	12,233	0	N/A
Benefit payments	(17,595)	(29,180)	(16,899)	(15,335)	(12,735)	(13,180)	(10,375)	(8,778)	(8,705)	N/A
Net change in total pension liability	12,732	(5,010)	4,317	20,590	19,838	3,563	21,997	28,124	7,434	N/A
Total pension liability, beginning	300,676	305,686	301,370	280,780	260,942	257,379	235,381	207,258	199,824	N/A
Total pension liability, ending (a)	313,408	300,676	305,686	301,370	280,780	260,942	257,379	235,381	207,258	N/A
Fiduciary Net Position										
Employer contributions	$13,308	$13,448	$14,237	$12,647	$11,073	$11,307	$11,181	$11,249	$9,006	N/A
Member contributions	0	0	0	0	0	0	0	0	0	N/A
Net investment income	(29,541)	22,699	20,882	27,049	(11,548)	25,030	9,971	(5,891)	4,934	N/A
Benefit payments	(17,595)	(29,180)	(16,899)	(15,335)	(12,735)	(13,180)	(10,375)	(8,778)	(8,705)	N/A
Administrative expenses	(278)	(325)	(351)	(280)	(242)	(244)	(226)	(235)	(941)	N/A
Net change in plan fiduciary net position	(34,106)	6,643	17,868	24,080	(13,452)	22,914	10,552	(3,655)	4,294	N/A
Fiduciary net position, beginning	211,156	204,514	186,645	162,565	176,017	153,103	142,552	146,207	141,913	N/A
Fiduciary net position, ending (b)	177,050	211,156	204,514	186,645	162,565	176,017	153,103	142,552	146,207	N/A
Net pension liability, ending = (a) - (b)	$136,358	$89,520	$101,173	$114,724	$118,215	$84,924	$104,275	$92,830	$61,051	N/A
Fiduciary net position as a % of total pension liability	56.49%	70.23%	66.90%	61.93%	57.90%	67.45%	59.49%	60.56%	70.54%	N/A
Covered payroll	$35,435	$40,063	$39,027	$40,747	$41,770	$43,480	$46,853	$44,838	$45,602	N/A
Net pension liability as a % of covered payroll	384.81%	223.45%	259.24%	281.55%	283.01%	195.32%	222.56%	207.03%	133.88%	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

Notes to Schedule:
Please see Milliman's preliminary December 31, 2022 valuation assumptions report dated April 18, 2023 for a description of changes in principal plan provisions and actuarial assumptions since the prior valuation.

Schedule of Employer Contributions

Fiscal Year Ending September 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2014	$8,847,436	$8,847,436	$0	$44,388,906	19.93%
2015	9,006,301	9,006,301	0	45,601,509	19.75%
2016	8,911,253	11,248,671	(2,337,418)	44,837,816	25.09%
2017	11,181,136	11,181,136	0	46,853,004	23.86%
2018	11,307,275	11,307,275	0	43,479,995	26.01%
2019	11,060,833	11,073,255	(12,422)	41,769,919	26.51%
2020	12,628,619	12,647,252	(18,633)	40,747,394	31.04%
2021	14,217,959	14,236,592	(18,633)	39,026,869	36.48%
2022	13,429,326	13,447,958	(18,632)	40,062,815	33.57%
2023	12,852,876	13,308,196	(455,320)	35,434,804	37.56%

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the January 1, 2022 valuation unless stated otherwise. Please see Milliman's valuation report issued August 11, 2022 for more detail.

Valuation Timing	Actuarially determined contribution amounts are calculated based on valuations performed as of January 1st 20 months prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal (Level Percent of Salary)
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 01/01/2022	21 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	80% - 120% of Market Value
Inflation	2.33%, adopted for December 31, 2022 measurement and beyond.
Salary Increases	3.533% for 2022, 8.617% for 2023, and 3.00% thereafter, adopted for December 31, 2022 measurement and beyond.
Investment Rate of Return	6.25%, adopted for December 31, 2019 measurement and beyond.
Cost of Living Adjustments	None.
Retirement	See retirement rates in the January 1, 2022 valuation report.
Turnover	See turnover rates in the January 1, 2022 valuation report.
Mortality	Pub-2010 Mortality, projected forward (fully generational) with MP-2021 used for December 31, 2022 measurement.
Optional Form Election	See optional payment form assumptions in the January 1, 2022 valuation report.

Summary Chart

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Deferred (Inflows)	Deferred Outflows	Net Investment (Inflows)/ Outflows	Net Deferrals	Net Pension Liability plus Net Deferrals	Annual Expense
Balances as of September 30, 2022	($300,676,330)	$211,156,385	($89,519,945)	($1,145,062)	$5,771,406	($15,872,564)	($11,246,220)	($100,766,165)	
Service cost	(2,980,128)		(2,980,128)						2,980,128
Interest on total pension liability	(18,437,014)		(18,437,014)						18,437,014
Effect of plan changes	0		0						0
Effect of liability gains or losses	(2,366,449)		(2,366,449)		2,366,449		2,366,449		
Effect of assumption changes or inputs	(6,543,592)		(6,543,592)		6,543,592		6,543,592		
Benefit payments	17,595,120	(17,595,120)	0						
Administrative expenses		(278,324)	(278,324)						278,324
Member contributions		0	0						0
Expected net investment income		13,056,772	13,056,772						(13,056,772)
Investment gains or losses		(42,597,587)	(42,597,587)			42,597,587	42,597,587		
Employer contributions		13,308,196	13,308,196					13,308,196	
Recognition of liability gains or losses				436,560	(2,324,188)		(1,887,628)		1,887,628
Recognition of assumption changes or inputs				326,815	(5,081,040)		(4,754,225)		4,754,225
Recognition of investment gains or losses						(5,933,131)	(5,933,131)		5,933,131
Annual expense								(21,213,678)	21,213,678
Balances as of September 30, 2023	(313,408,393)	177,050,322	(136,358,071)	(381,687)	7,276,219	20,791,892	27,686,424	(108,671,647)	

Glossary

Actuarially Determined Contribution
A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.

Deferred Inflows/Outflows of Resources
Portion of changes in net pension liability that is not immediately recognized in Pension Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

Discount Rate
Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of:

1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.
2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.

Fiduciary Net Position
Equal to market value of assets.

Long-Term Expected Rate of Return
Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses.

Money-Weighted Rate of Return
The internal rate of return on pension plan investments, net of investment expenses.

Net Pension Liability
Total Pension Liability minus the Plan's Fiduciary Net Position (unfunded accrued liability).

Projected Benefit Payments
All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and expected future service.

Service Cost
The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Total Pension Liability
The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 67 and 68.

Statistical Section

(Unaudited)

The statistical section provides additional financial trend and participant information and was developed from information provided by the Plan’s administrator, actuarial, and audited financial reports.

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Schedule of Benefit Payments to Participants
For the Last Ten Years

Year Ended	Participants Receiving Benefits	Annuity and Other Benefit Payments	Approximate Average Annual Benefit	Lump Sum	Participants Receiving Lump Sum
December 31, 2022	384	$12,089,253	$ 31,482	$ 5,273,486	12
December 31, 2021	379	11,673,662	30,801	17,450,564	34
December 31, 2020	348	9,629,150	27,670	7,270,191	8
December 31, 2019	334	8,807,568	26,370	6,527,626	20
December 31, 2018	312	8,182,485	26,226	4,552,742	21
December 31, 2017	298	7,536,444	25,290	5,643,227	22
December 31, 2016	277	6,741,314	24,337	3,633,268	18
December 31, 2015	264	6,330,656	23,980	2,487,053	20
December 31, 2014	249	5,625,138	22,591	3,079,382	19
December 31, 2013	227	5,130,003	22,599	3,573,751	20

The number of participants receiving benefits continues to increase as the work force is aging.

Schedule of Annual Covered Payroll
For Participants
For the Last Ten Years

Valuation Date	Active Participants	Total Annual Valuation Compensation (In millions)	Average Annual Valuation Compensation	Percentage Change in Average Annual Compensation
January 1, 2022	344	$ 32,168	$ 93,512	3.2
January 1, 2021	420	38,043	90,579	1.7
January 1, 2020	440	39,027	89,102	4.7
January 1, 2019	481	40,747	85,068	4.3
January 1, 2018	514	41,770	81,582	2.8
January 1, 2017	551	43,480	79,343	(2.1)
January 1, 2016	585	47,098	81,064	12.1
January 1, 2015	620	44,838	72,319	4.2
January 1, 2014	657	45,602	69,409	8.4
January 1, 2013	694	44,389	64,053	(0.9)

Active participants and total compensation continue to decline as the plan is closed for new enrollments and participants are retiring.

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Schedule of Participants by Status
For the Last Ten Years, As of December 31,

Participants	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Active	320	344	420	440	481	514	551	585	620	657
Terminated and vested	75	79	74	77	79	84	89	87	87	98
Retired	332	326	297	286	268	254	234	225	210	193
Disabled	-	-	-	-	-	-	-	-	-	12
Beneficiaries	65	67	64	60	51	49	48	43	44	24
Total participants	792	816	855	863	879	901	922	940	961	984

It is expected that the number of participants will continue to decline as the Plan is closed to new members and the census population review/adjustments has been completed.

Schedule of Benefit Payments by Type
For the Last Ten Years as of December 31
(Amounts in thousands)

Types of Benefit Payment	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Service	$ 11,390	$ 10,978	$ 9,082	$ 8,398	$ 7,806	$ 7,172	$ 6,383	$ 5,979	$ 5,276	$ 4,768
Disabled	-	-	-	-	-	-	-	-	-	109
Beneficiaries	700	696	547	409	376	364	359	352	349	253
Lump sums	5,505	17,506	7,270	6,528	4,553	5,643	3,633	2,447	3,079	3,574
	$ 17,595	$ 29,180	$16,899	$15,335	$12,735	$13,179	$10,375	$ 8,778	$ 8,704	$ 8,704

Benefit payments continue to increase as more individuals retire.

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Schedule of Retired Participants by Type of Benefits

Monthly benefit payment	Number of Retirees *	Type of Retirement					Option Selected							
		1	2	3	4	5	1	2	3	4	5	6	7	8
$1 - $500	35	10	11	-	14	-	27	-	-	-	-	1	6	1
501 - 1,000	45	15	13	-	17	-	27	-	1	1	2	6	7	1
1,001 - 1,500	41	14	17	-	10	-	23	1	-	3	1	6	7	-
1,501 - 2,000	67	26	34	-	7	-	30	-	2	-	3	19	13	-
2,001 - 2,500	33	11	20	-	2	-	13	-	-	1	2	9	8	-
2,501 - 3,000	28	9	19	-	-	-	10	-	-	-	2	10	6	-
Over 3,000	131	47	80	-	4	-	51	5	1	6	13	40	15	-
	380	132	194	-	54	-	181	6	4	11	23	91	62	2

1. Normal retirement for age and service
2. Early retirement
3. Disability retirement
4. Vested termination retirement
5. Beneficiary

Option 1 – Life only
Option 2 – 5 years certain life
Option 3 – 10 years certain life
Option 4 – 15 years certain life
Option 5 – 20 years certain life
Option 6 – Joint and 50% survivor
Option 7 – Joint and 100% survivor
Option 8 – 10 years certain

* Includes certain beneficiaries and disabled participants that are receiving benefits.

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Statements of Changes in Fiduciary Net Position
For Ten Years ended December 31,

	2022	2021	2020	2019	2018
Additions					
Employer contributions	$ 13,308,196	$ 13,447,958	$ 14,236,592	$ 12,647,252	$ 11,073,255
Investment income					
Interest and dividends	1,045,282	1,455,245	960,902	857,051	665,810
Net (depreciation)/appreciation on investments	(30,036,961)	21,752,092	20,373,224	26,730,303	(11,885,822)
Investment (loss)/ income	(28,991,679)	23,207,337	21,334,126	27,587,354	(11,220,012)
Less: investment expenses	(549,135)	(507,884)	(451,839)	(538,659)	(328,255)
Net investment (loss)/ income	(29,540,814)	22,699,453	20,882,287	27,048,695	(11,548,267)
Total (reductions)/additions	(16,232,618)	36,147,411	35,118,879	39,695,947	(475,012)
Deductions					
Paid to Plan members and beneficiaries	17,595,120	29,179,951	16,899,341	15,335,194	12,735,227
Administrative services	278,324	324,750	351,276	280,381	241,979
Total deductions	17,873,444	29,504,701	17,250,617	15,615,575	12,977,206
Change in fiduciary net position	(34,106,062)	6,642,710	17,868,262	24,080,372	(13,452,218)
Fiduciary net position - restricted for pensions					
Beginning of the year	211,156,385	204,513,675	186,645,413	162,565,041	176,017,259
End of the year	$ 177,050,323	$ 211,156,385	$ 204,513,675	$ 186,645,413	$ 162,565,041

Source: Annual audited financial reports. For trending analysis, please see Management's Discussion and Analysis starting on page 11.
(Continued on next page)

Metropolitan Transit Authority
Non-Union Pension Plan and Trust
Statements of Changes in Fiduciary Net Position
For Ten Years ended December 31,

	2017	2016	2015	2014	2013
Additions					
Employer contributions	$ 11,307,275	$ 11,181,136	$ 11,248,671	$ 9,006,301	$ 8,847,436
Investment income					
Interest and dividends	336,686	513,330	800,313	946,699	1,055,514
Net appreciation/(depreciation) on investments	25,006,009	9,784,962	(6,025,771)	3,987,135	20,061,561
Investment income/(loss)	25,342,695	10,298,292	(5,225,458)	4,933,834	21,117,075
Less: investment expenses	(312,845)	(327,188)	(665,458)	(716,728)	(497,730)
Net investment income/(loss)	25,029,850	9,971,104	(5,890,916)	4,217,106	20,619,345
Total additions	36,337,125	21,152,240	5,357,755	13,223,407	29,466,781
Deductions					
Paid to Plan members and beneficiaries	13,179,671	10,374,582	8,777,750	8,704,519	8,703,754
Administrative services	243,606	226,067	235,357	224,559	172,857
Total deductions	13,423,277	10,600,649	9,013,107	8,929,078	8,876,611
Change in fiduciary net position	22,913,848	10,551,591	(3,655,352)	4,294,329	20,590,170
Fiduciary net position - restricted for pensions					
Beginning of the year	153,103,411	142,551,820	146,207,172	141,912,843	121,322,673
End of the year	$ 176,017,259	$ 153,103,411	$ 142,551,820	$ 146,207,172	$ 141,912,843

Source: Annual audited financial reports. For trending analysis, please see Management's Discussion and Analysis starting on page 11.