Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Annual Comprehensive Financial Report
For the Years Ended December 31, 2023 and 2022

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

Table of Contents

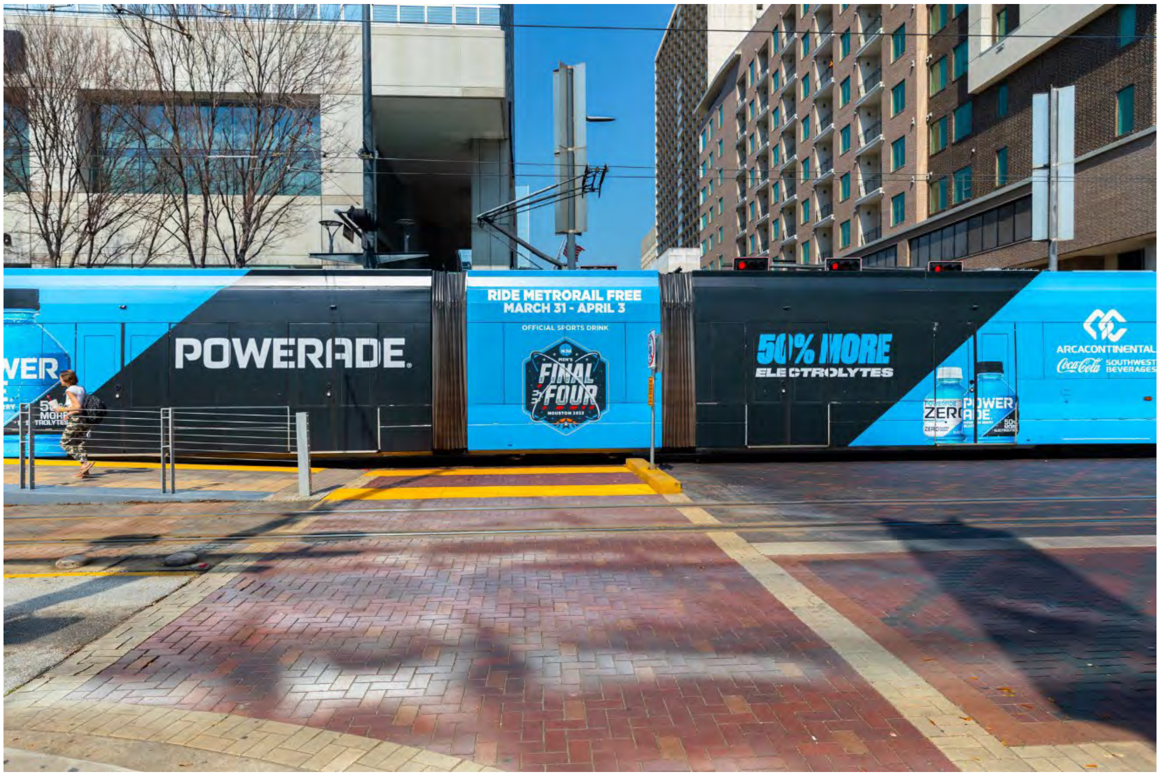
	Page Number
Introductory Section (Unaudited)	1
Transmittal Letter from the Chair of the Trustees	2
The Trustees and Their Responsibilities	4
Consultants and Money Managers	4
Organization	5
Certificate of Achievement for Excellence in Financial Reporting	6
Financial Section	7
Independent Auditor's Report	8
Management's Discussion and Analysis (Unaudited)	11
Schedule of Reallocation of Investment	11
Schedule of Net Pension Liability	12
Summarized Statements of Fiduciary Net Position	12
Summarized Statements of Fiduciary Net Position Changes During the Last Three Years	13
Summarized Statements of Changes in Fiduciary Net Position	13
Summarized Statements of Changes in Fiduciary Net Position Changes During the Last Three years	14
Basic Financial Statements	17
Statements of Fiduciary Net Position	18
Statements of Changes in Fiduciary Net Position	19
Notes to the Basic Financial Statements	20
Schedule of Plan Participants	21
Asset Allocation Policy	23
Fair Value of Plan's Investments by Asset Class	24
Schedule of Long-Term Expected Rate of Return	24
Fair Value of Plan's Investments by Reporting Hierarchy	28
Schedule of Significant assumptions- for Actuarially Determined Contribution	30
Schedule of Significant assumptions- for Total Pension Liability Calculation	31
Schedule of Net Pension Liability	32
Schedule of Sensitivity Analysis	32
Required Supplementary Information (Unaudited)	35
Schedule of Changes in Net Pension Liability	36
Schedule of Employer Contributions	38
Schedule of Money-Weighted Rate of Returns	38
Other Supplementary Information	39
Schedule of Investment and Administrative Services	40

Investment Section (Unaudited) 41
Overview of the Investment Policy 43
Chart of Actual Allocation of Assets 44
Current Money Managers 44
Schedule of Reallocation of Investment 44
Investment Values and Returns 47
Schedule of Fair Value of Plan's Investments by Asset Class 47
Schedule of Asset Values and Related Portfolio Percentages by Asset Class 48
Schedule of Five Largest Equity Holdings 48
Schedule of Investment Returns 49
Schedule of Accumulative Net Returns by Major Asset Class 50
Trading Fees and Commissions 51

Actuarial Section (Unaudited) 53
Multi-year Information from Previous Actuarial Reports 54
Schedule of Estimated Investment Returns on Fair Value of Assets 54
Schedule of Estimated Investment Returns on Actuarial Value of Assets 54
Schedule of Unfunded Actuarial Accrued Liability 54
Schedule of Normal Cost 55
Schedule of Retirants and Beneficiaries Added and Removed from Rolls 55
Schedule of Solvency Test 56
Actuary's Certification Letter and Valuation report 57
Actuary's GASB 67 and 68 Disclosure Report 109

Statistical Section (Unaudited) 137
Schedule of Benefit Payments to Participants 138
Schedule of Participants by Status 139
Schedule of Benefit Payments by Type 139
Schedule of Retired Participants by Types of Benefits 140
Statements of Changes in Fiduciary Net Position 141

Introductory Section
(Unaudited)



This section provides an overview of the Transport Workers Union Pension Plan, Local 260, AFL-CIO'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.

June 27, 2024

Plan Participants, Trustees of the Transport Workers Union Pension Plan and Members (Trustees) and the Board of Directors of the Metropolitan Transit Authority of Harris County, Texas (METRO):

I am pleased to present the Transport Workers Union Pension Plan, Local 260, AFL-CIO (Plan) Annual Comprehensive Financial Report (ACFR) for the years ended December 31, 2023, and 2022. The Plan is a defined benefit non-contributory plan, which is for employees covered by the collective bargaining agreement hired or transferred from a non-union position before October 1, 2012. New employees hired after that date are placed into a defined contribution plan, which is not part of this report.

This ACFR has five sections that bring together the major financial and management elements of the Plan. The Introductory Section discusses the overview of the Annual Report, the Plan's performance as well as the Trustees and METRO's (the Plan sponsor) responsibilities for managing the Plan and providing accurate, reliable financial information.

The preparation of the ACFR reflects the dedication and commitment the Trustees and METRO have made to providing quality and transparent financial information. This commitment has resulted in the Plan earning, for the twelfth 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 and effective October 1, 2018, pick-up $3 per pay period from eligible employees' wages and salary. During 2023, METRO contributed $14.6 million to the Plan, 100% of the annual, actuarially determined contribution and $103 thousand to the Plan from the eligible employees' wages and salary.

The Plan's funded status for 2023 was 70.7 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 result of experience gains/losses due to changes in capital market conditions and/or changes in assumptions.

For 2023, the Plan had a positive investment rate of return, net of fees, of 8.9 percent with a positive 4.9 percent return over the last ten years. The Trustees continue to work closely with Marquette Associates, Inc., the Plan's investment advisor, to implement an investment strategy that will achieve the 6.25% investment rate of return that was adopted by the Trustees and METRO 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 Trustees and financial advisor routinely meet 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 can be found in the notes to the basic financial statements and in the Investment Section (Unaudited) of this report.

In March 2024, the Trustees elected to rebalance the asset allocation to reduce the expected risk of the portfolio to 7.40 percent from 9.68 percent with an expected return of 6.93 percent. The Trustees will evaluate the current investment managers and select managers for private credit and private equity asset classes in 2024.

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*; Statement No. 61, *The Financial Reporting Entity: Omnibus*; and Statement No. 84, *Fiduciary Activities*.

Responsibility for accuracy, reliability, and fairness in the presentation of financial information and related disclosures rests with the Trustees 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 Trustees 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 report 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 present fairly, in all material respects, the financial position of the Plan as of December 31, 2023, and 2022, and the changes in financial position for the years then ended, in accordance with U.S. GAAP.

The Trustees appreciate the work and dedication of all those who support the objectives of the Plan and thanks Auturo Jackson for his service as a Trustee.

Debbie Sechler

Debbie Sechler
Chair, Transport Workers Union Pension Plan, Local 260, AFL-CIO

The Trustees' and Their Responsibilities

METRO's President and Chief Executive Officer and the Transport Workers Union, Local 260, AFL-CIO each appoint two Trustees to oversee the administration of the Metropolitan Transit Authority Transport Workers Union Pension Plan, Local 260, AFL-CIO (Plan). These Trustees 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. The Trustees are dedicated professionals and included the following as of December 31, 2023:

Debbie Sechler, Chair	J. Cruz Torres
Auturo Jackson	Horace Marves

Consultants and Money Managers

The Trustees rely on many professionals with different skills to ensure the Plan is operating as intended and include:

Consultants	Service provided
Marquette Associates, Inc.	Financial advisor
Milliman, Inc.	Actuary
Norton Rose Fulbright US LLP	Legal counsel
State Street Bank and Trust Co	Asset custodian, disbursing agent, and recordkeeping
Motley Rice, LLC	Monitoring/litigation service
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
- Hahn Capital Mid-Cap Value

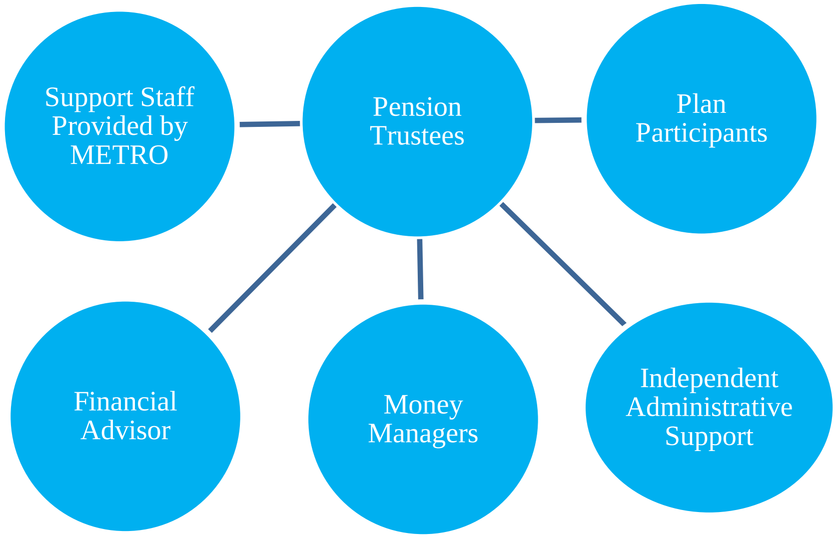
Global fixed income
- Rhumbline Core Bond Pooled Index Fund
- Brandywine Global Opportunistic Fixed Income Fund

International equity
- SSgA MSCI ACWI ex US Index
- SSgA MSCI EAFE Small Cap
- T. Rowe International Stock
- Fidelity Global Low Volatility
- Brown International Small Company

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 all those involved in supporting the Plan.

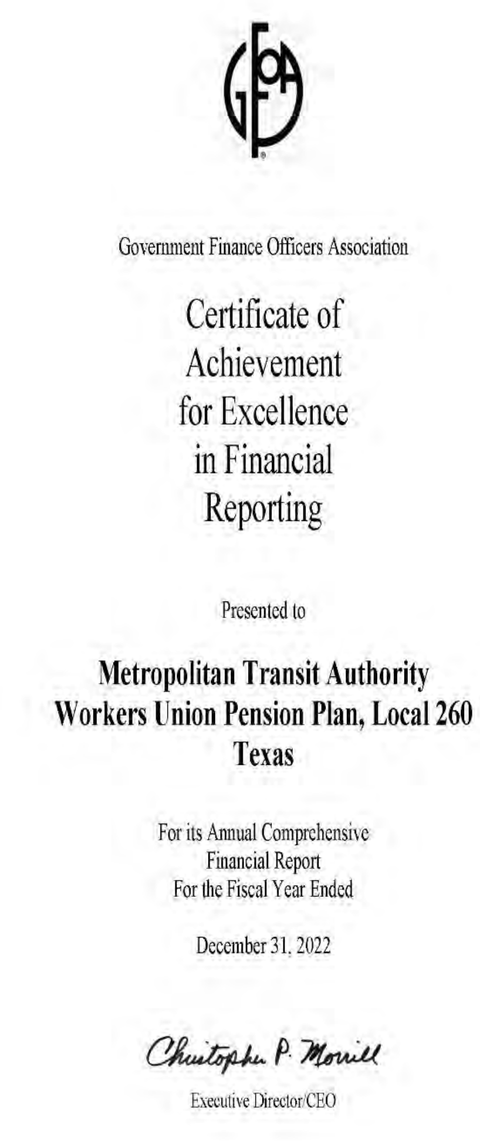
- The Trustees are responsible for the operations of the Plan. They select the financial advisor, money managers, and consultants who report directly to the Trustees.
- Support staff is provided by Human Resources and the Finance Department of METRO.
- Plan participants are those who are eligible to 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 in the Plan's assets. Discussion on money managers begins 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 the financial advisor, money managers, and independent administrative consultants are presented in the Schedule of Investment and Administrative Services located in the Other Supplementary Information section on page 40 of the ACFR. Trading Fees and Commissions schedule is located in the Investment Section 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 Trustees 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 Trustees 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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefits requires 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, 2022. This is the twelfth year to receive this award and reflects the commitment to quality financial reporting. In order to receive this award, you must publish an easily readable and efficiently organized Annual Comprehensive Financial Report which satisfies both generally accepted accounting principles and applicable legal requirements.

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 Workers Union Pension Plan, Local 260 Texas

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

Financial Section

McConnell Jones

INDEPENDENT AUDITOR'S REPORT

To the Participants and Trustees of
Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO:

Opinion

We have audited the financial statements of Metropolitan Transit Authority Transport Workers Union Pension Plan, Local 260, AFL-CIO (the Plan), which comprise the Statements of Fiduciary Net Position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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.

4828 Loop Central Dr.
Suite 1000
Houston, TX 77081
Phone: 713.968.1600
Fax: 713.968.1601
WWW.MCCONNELLJONES.COM

McConnell
Jones

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Plan's basic financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the Plan's basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Plan's basic financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Plan's basic financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

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

McConnell
Jones

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.

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, 2024

Management's Discussion and Analysis (Unaudited)

This discussion and analysis section provides an overview of the performance of the Transport Workers Union Pension Plan, Local 260, AFL-CIO (Plan) and should be read in conjunction with the rest of the basic financial statements of the Plan.

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 costs. This goal is accomplished by receiving annual contributions and pick-up contributions from METRO and investment returns on the Plan's assets. The Plan does not cover postemployment health care costs. The annual funding requirement and the funded status 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 Trustees reallocated investments during plan year 2023 as follows:

	Reallocation of Investments (In thousands)
Reduction in investment balance	
RhumbLine Russell 1000 Index	(360)
UBS Trumbull Property Fund	(5,000)
RhumbLine Mid-Cap Growth Fund	(9,000)
RREEF America REIT II	(1,100)
SSgA MSCI ACWI ex US	(2,300)
T. Rowe Price International Fund	(2,000)
Total reduction	$ (19,760)
Increase in investment balance	
RhumbLine Core Bond Pooled Fund	3,000
Cash	16,760
Total increase	$ 19,760

Financial Highlights

METRO's funding policy is to contribute each year 100 percent of the independent, actuarially determined contribution which totaled $14.6 million for 2023 and $15.2 million for 2022. METRO picked up $103 thousand in 2023 and $143 thousand in 2022 from employees' wages and salary.

Changes to the net pension liability are reflected, in thousands, in the following table:

	2023	2022	2021
Total pension liability	$ 450,463	$ 452,139	$ 446,651
Less: fiduciary net position	299,835	290,563	350,728
Net pension liability	$ 150,628	$ 161,576	$ 95,923

The decrease in the net pension liability during 2023 was due to the investment returns of 8.90 percent, above the assumed rate of 6.25 percent, favorable demographic experience netted with revised salary scale assumption.

The increase in the net pension liability during 2022 was due to the investment returns of negative 14.32 percent, significantly below the assumed rate of 6.25 percent and netted with favorable demographic experience and revised salary scale assumption. Additional analysis is located on page 122 of this ACFR.

The total pension liability was determined using an actuarial valuation that is dated January 1 of each year and then projected forward to the measurement date which is December 31 of each year and considering any significant changes between the valuation date and the fiscal year end 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 53 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)

	2023	2022	2021
Cash and cash equivalents	$ 5,833	$ 2,288	$ 1,322
Investments, at fair value	294,133	288,434	349,449
Receivable from sale of securities	-	-	147
Interest and dividends receivable	67	37	21
Total assets	300,033	290,759	350,939
Less: total liabilities	(198)	(197)	(211)
Fiduciary net position restricted for pensions	$ 299,835	$ 290,562	$ 350,728

The increase of cash equivalents over the last three years primarily relates to raising additional cash and 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)

	2023	2022	2021
Cash and cash equivalents	$ 3,545	$ 966	$ 647
Investments at fair value	5,699	(61,015)	28,164
Receivable from sale of securities	-	(147)	9
Interest and dividends receivable	30	16	(18)
Total assets	9,274	(60,180)	28,802
Less: total liabilities	1	14	61
Fiduciary net position restricted for pension	$ 9,273	$ (60,166)	$ 28,863

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)

	2023	2022	2021
Additions			
Employer contributions	$ 14,558	$ 15,668	$ 15,836
Pick-up contributions	103	143	164
Total contributions	14,661	15,811	16,000
Net investment income/(loss)	25,163	(49,439)	37,364
Net additions/(reductions)	39,824	(33,628)	53,364
Deductions			
Paid to Plan members and beneficiaries	30,148	26,127	24,084
Administrative services	403	411	417
Total deductions	30,551	26,538	24,501
Changes in fiduciary net position	9,273	(60,166)	28,863
Fiduciary net position restricted for pensions			
Beginning of the year	290,562	350,728	321,865
End of the year	$ 299,835	$ 290,562	$ 350,728

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

	2023	2022	2021
Additions			
Employer contributions	$ (1,110)	$ (168)	$ (1,243)
Pick-up contributions	(40)	(21)	(20)
Net investment income/(loss)	74,602	(86,803)	3,697
Net additions/(reductions)	73,452	(86,992)	2,434
Deductions			
Paid to Plan members and beneficiaries	4,021	2,043	777
Administrative services	(8)	(6)	29
Total deductions	4,013	2,037	806
Changes in fiduciary net position	69,439	(89,029)	1,628
Fiduciary net position restricted for			
Beginning of the year	(60,166)	28,863	27,235
End of the year	$ 9,273	$(60,166)	$ 28,863

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 are based on the prior year financial, actuarial, and demographic performance. Contributions have decreased in 2023, 2022 and 2021.

Pick-up contributions began October 1, 2018. METRO deducts $3 from each eligible employees' wages and salary each pay period and contributes it to the Plan. This contribution decreased due to eligible employees electing to retire.

Net investment activity resulted in an 8.9 percent gain for 2023 due to increase in returns from equity and fixed income funds / securities by 17.5 percent and 6.0 percent, respectively, partially offset by decrease in real estate funds by negative 15.5 percent. While 2022 resulted in a loss of 14.1 percent, 2021 experienced a 11.7 percent gain. 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 are vested but terminate prior to or at their retirement date. The changes between the three years were generally related to changes in the 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 increase in 2023 and 2021 and decrease in 2022 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 Trustees elected to continue using this projected net investment rate of return when preparing actuarial calculations included in this ACFR.

Contact Information

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

This Page Intentionally Left Blank

Basic Financial Statements

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Statements of Fiduciary Net Position
As of December 31, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalent	$ 5,832,862	$ 2,287,805
Investments, at fair value:		
Domestic equities	108,270,617	103,057,687
Fixed income	81,109,406	73,606,447
International equities	68,067,209	63,917,415
Real estate	36,685,723	47,852,786
Total investments	294,132,955	288,434,335
Interest and dividends receivable	67,312	37,464
Total assets	300,033,129	290,759,604
Liabilities		
Accounts payable	198,279	197,059
Total liabilities	198,279	197,059
Fiduciary net position restricted for pensions	$ 299,834,850	$ 290,562,545

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

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2023 and 2022

	2023	2022
Additions		
Employer contributions	$ 14,557,542	$ 15,668,399
Pick-up contributions	103,386	142,951
Total contributions	14,660,928	15,811,350
Investment income		
Interest and dividends	1,972,220	1,835,654
Net appreciation/(depreciation) on investments	23,917,246	(50,437,482)
Investment income/(loss)	25,889,466	(48,601,828)
Less: investment expenses	(726,297)	(837,193)
Net investment income/(loss)	25,163,169	(49,439,021)
Total additions/(reductions)	39,824,097	(33,627,671)
Deductions		
Paid to Plan members and beneficiaries	30,148,705	26,127,147
Administrative services	403,087	411,191
Total deductions	30,551,792	26,538,338
Change in fiduciary net position	9,272,305	(60,166,009)
Fiduciary net - position restricted for pensions:		
Beginning of the year	290,562,545	350,728,554
End of the year	$ 299,834,850	$ 290,562,545

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

1. OVERVIEW OF THE PLAN

Plan Description

The Metropolitan Transit Authority (METRO) established the Transport Workers Union Pension Plan, Local 260, AFL-CIO (Plan) for the purpose of accumulating funds to pay retirement benefits and certain related administrative costs. The Plan, closed to new members on October 1, 2012, is a single employer, non-contributory defined benefit pension plan which is for employees covered by the collective bargaining agreement. Retirement benefits are established during periodic negotiations with the Transport Workers Union of America, AFL-CIO and Local 260 of the Transport Workers Union of America, AFL-CIO (Union). Postemployment health care costs are not included in the Plan.

The Plan provides for monthly normal retirement benefits based on the participant's years of service but not less than $500 each month. The calculation for the monthly normal retirement benefit is based on the designated dollar amount multiplied by the number of credited years of service. The designated dollar amount used to determine the monthly normal retirement benefit is based on date of retirement as allowed by the Union labor agreement and consist of:

August 1, 2002 through July 31, 2003	$ 50
August 1, 2003 through July 31, 2004	$ 51
August 1, 2004 through July 31, 2005	$ 52
August 1, 2005 through July 31, 2006	$ 53
August 1, 2006 through July 31, 2007	$ 53
August 1, 2007 through January 31, 2009	$ 54
February 1, 2009 through September 30, 2018	$ 60
October 1, 2018 through September 30, 2023	$ 65
October 1, 2023 through current	$ 68

Effective October 1, 2023, and through the Plan Amendment executed on August 28, 2023, the Plan increased the retirement benefit to $68 per month for each year of credited service.

Effective October 1, 2018, and through the Plan Amendment executed on April 3, 2018, the Plan required eligible employees to contribute $3 per weekly pay period. This contribution is deducted by METRO from the eligible employees' wages and salary and treated as employer contributions in accordance with Section 414(h) of the Internal Revenue Code of 1986, as amended. Participants can only receive monthly distributions unless their balance is $5,000 or less, then the participant can elect to receive a lump sum payment.

Effective October 1, 2022, and through the Plan Amendment executed on May 26, 2022, the Plan provided In-Service Benefits. Eligible members may elect to commence benefits under the Plan as provided in Section 5.04 while continuing to be employed by METRO. In-Service Eligible Members shall include Members who have: (1) attained sixty (60) years of age and completed five (5) years of Credited Service, and (2) who are not accruing a pension benefit under the Metropolitan Transit Authority Non-Union Pension Plan. All accruals under the Plan shall cease upon commencement of In-Service Benefits. All Plan participants are 100 percent vested and become eligible to receive benefits at the earlier of 28 years of credit service or at age 60 with 5 years of credited service. The requirements for early retirement with reduced benefits are that an employee reaches age 55 with 25 years of credited service. In addition, the Plan provides for disability retirement benefits with the requirement of having 5 years of credit service. Additional requirements include 5 years of vesting service for vested deferred retirement benefits and for pre-retirement spousal benefits.

Changes in plan participants between January 1, 2023 and January 1, 2022 were as follows:

Participants	2023	2022	Change
Active	948	1,241	(290)
Terminated and vested	550	560	(10)
Retired	1,726	1,506	220
Disabled	168	175	(7)
Beneficiaries	400	382	15
Total for all participants	3,792	3,864	(72)

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 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 retiree's 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 finalization.
- 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 contribute annually the actuarially determined contribution over a 12-month period and effective October 1, 2018, deduct $3 per pay period from eligible employees' wages and salary. 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, are recognized when earned with expenses being recognized when a liability is incurred. In addition, benefit payments to members are recognized when due in accordance with the terms of the Plan.

Cash Equivalents

The Plan automatically invests 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, 2023 and December 31, 2022 was $5,699,022 and $2,153,306, respectively, which is uninsured by FDIC and uncollateralized. These funds are available for use in making investments, paying operating expenses, and providing 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 the 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 the real estate funds are based on the 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 the Plan's 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. TRUSTEES, INVESTMENT POLICY, AND INVESTMENTS

MTA/TWU Union Pension Board of Trustees (Trustees) 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 Trustees' approve the investment policy which 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 responsibility of a fiduciary.

Additional information on the investment policy, money managers and investment returns are 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 Trustee'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, 2023 and 2022 are as follows:

	2023	%	2022	%	Change
Domestic equities	$108,270,618	37%	$ 103,057,687	36%	$ 5,212,930
International equities	68,067,208	23%	63,917,415	22%	4,149,794
Fixed income	81,109,406	28%	73,606,447	25%	7,502,959
Real estate	36,685,723	12%	47,852,786	17%	(11,167,063)
Total investments	$ 294,132,955	100%	$ 288,434,335	100%	$ 5,698,620

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, 2023	Projected Long-term Expected Investment Rate of Return January 1, 2024
US Core Fixed Income	Bloomberg Barclays Aggregate	21.00%	2.08%
Global Bonds	FTSE WGBI USD	9.00%	0.70%
US Large Cap & Mid-Caps	Russell 1000 USD	21.00%	3.78%
US Small Caps	Russell 2000 USD	6.00%	4.39%
US Mid-Caps	Russell Mid Cap USD	8.00%	3.90%
Non-US Equity	MSCI ACWI Ex USA NR USD	25.00%	5.80%
US REITs	FTSE NAREIT Equity REITs USD	10.00%	4.49%
		100.00%	
Assumed Inflation-Mean			2.30%
Assumed Inflation-Standard Deviation			1.44%
Portfolio Real Mean Return			4.30%
Portfolio Nominal Mean Return			6.74%
Portfolio Standard Deviation			12.79%
Projected Long-term Expected Investment Rate of Return			6.25%

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	0.50%	0.59%
US Core Fixed Income	Barclays Aggregate	17.50%	2.13%
Global Bonds	FTSE WGBI	7.81%	0.42%
US Large Cap & Mid-Caps	Russell 1000	15.29%	4.03%
US Small Caps	Russell 2000	6.00%	4.67%
US Large & Mid Cap Valu	Russell 1000 Value	5.40%	3.88%
US Mid-Cap Growth	Russell Mid-Cap Growtl	4.97%	3.56%
US Mid-Cap Value	Russell Mid-Cap Value	4.02%	3.51%
Global Equity	MSCI ACWI NR	6.57%	4.82%
Non-US Equity	MSCI ACWI x USA NR	10.25%	5.81%
Non-US Small Cap	MSCI EAFE Small Cap	5.18%	5.31%
US REITs	FTSE NAREIT Equity	16.51%	4.50%
		100.00%	
Assumed Inflation-Mean			2.33%
Assumed Inflation-Standard Deviation			1.41%
Portfolio Real Mean Return			4.36%
Portfolio Nominal Mean Returr			6.83%
Portfolio Standard Deviation			13.39%
Projected Long-term Expected Investment Rate of Return			6.25%

Investments Returns

The money-weighted rate of return, calculated by the actuary, for 2023 and 2022 was a positive 8.90 percent and negative 14.32, 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 and 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 Trustees. Based on this method, the investment rate of return, net of investment expenses, were positive 8.9 percent for 2023 and negative 14.1 percent for 2022.

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 under 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 does 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 portfolio while decreases in interest rates will add value to such investments. 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 indexes. Significant variances from the benchmark are discussed with the Trustees and the related money manager.

Brandywine Global Opportunistic Fixed Income Fund had an average modified duration of 8.36 years while the primary benchmark (FTSE WGBI (USD)) was 7.43 years. Brandywine concentrates on 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 6.50 years while the benchmark (Bloomberg Barclays US Aggregate Bond index) duration was 6.48 years.

Additional credit risk disclosure

The two Global 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 2023 and 2022 using the reporting hierarchy are:

Investments, at fair value	Total 2023	Level 1	Level 2	Level 3
Common stocks	$ 24,043,888	$ 24,043,888	-	-
Mutual Funds	26,116,027	26,116,027	-	-
Total investments, at fair value	$ 50,159,915	$ 50,159,915	-	-
Investments measured at net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income				
Global Fixed Income Fund *1	$ 24,396,109	None	Daily	10 Days
Core Fixed Income Fund *2	56,713,297	None	Daily	1 Day
Domestic Equity				
Large-Cap Core Fund *3	46,302,252	None	Daily	1 Day
Large-Cap Value Fund *4	17,505,669	None	Daily	1 Day
Small-Cap Core Fund *8	20,418,809	None	Daily	2 Day
International Equity				
Non-U.S. Large-Cap Core Fund *6	14,414,569	None	Daily	2 Day
Non-U.S. Small-Cap Core Fund *7	7,173,789	None	Thrice Monthly	2 Day
Global Low Volatility Fund *5	20,362,823	None	Daily	5 Day
Real Estate Core Funds				
RREEF America REIT II *9	14,787,684	None	Quarterly	30 Days
Trumbull Property Fund *9	21,898,039	None	Quarterly	60 Days
Total Investments measured at NAV	243,973,040			
Total investments, at fair value	$ 294,132,955			

Investments, at fair value	Total 2022	Level 1	Level 2	Level 3
Common stocks	$ 25,419,952	$ 25,419,952	-	-
Mutual Funds	23,936,921	23,936,921	-	-
Total investments, at fair value	$ 49,356,873	$ 49,356,873	-	-

Investments measured at net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Fixed Income				
Global Fixed Income Fund *1	$ 22,714,093	None	Daily	10 Days
Core Fixed Income Fund *2	50,892,354	None	Daily	1 Day
Domestic Equity				
Large-Cap Core Fund *3	44,477,762	None	Daily	1 Day
Large-Cap Value Fund *4	15,709,505	None	Daily	1 Day
Small-Cap Core Fund *8	17,450,467	None	Daily	2 Day
International Equity				
Non-U.S. Large-Cap Core Fund *6	14,554,390	None	Daily	2 Day
Non-U.S. Small-Cap Core Fund *7	6,352,522	None	Thrice Monthly	2 Day
Global Low Volatility Fund *5	19,073,582	None	Daily	5 Day
Real Estate Core Funds				
RREEF America REIT II *9	20,351,020	None	Quarterly	30 Days
Trumbull Property Fund *9	27,501,767	None	Quarterly	60 Days
Total Investments measured at NAV	239,077,462			
Total investments, at fair value	$ 288,434,335			

*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 by investing in U.S. fixed income instruments and non-U.S. developed and emerging markets sovereign debt securities. The Fund concentrates its investment in bonds of countries having the best value in the form of high real interest rates.

*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 Pooled* Index *Trust* 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 Pooled Value Index Trust* 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 the market.

*6. Non-U.S. Large-Cap Core Funds - *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 II seeks to generate attractive investment returns from a portfolio of primarily equity investments in income-producing real property.

Trumbull Property Fund is a REIT based fund, structured as a Delaware limited partnership that offers participants an actively managed core portfolio of primarily equity real estate investments, located in the United States. Its return 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 Trustees.

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

Valuation date	January 1, 2023
Measurement date	December 31, 2022
Actuarial cost method	Entry Age Normal
Amortization Method	
Level percent or level dollar	Level dollars
Closed, open, or layered periods	Closed
Amortization Period at 1/1/2023	20 years
Asset Valuation method	
Smoothing period	Five-year smoothed fair value
Recognition method	Non-asymptotic
Inflation rate	2.33%
Salary increase	N/A for determination of ADC
Interest rate	6.25%
Normal retirement Age	60 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 2023 valuation are the same as those used in prior year except for updating the inflation assumption from 2.30% to 2.33% per year based on Milliman's capital market expectations as of January 1, 2023. The optional form election, termination rate, retirement rates and disability rates were updated based on the latest experience study dated April 8, 2020.

The retirement rates for non-suspended active members were increased by a factor of 1.5 (50% increase) for ages 60 to 69 anticipate increased retirements in connection with a plan amendment to allow for in-service retirements effective October 1, 2022, for non-suspended active members who have attained aged 60.

Actuarial assumptions used in the annual actuarial evaluation process represent the best estimates of the Plan's management, as approved by the Trustees 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 30, 2024. This report, along with the actuary's certification letter is included in the actuarial section of the ACFR starting on page 53.

Significant actuarial assumption that determined the total pension liability as of December 31, 2023, were based on the results of an actuarial experience study period 01/01/2015 – 12/31/2018:

Valuation date	January 1, 2023
Measurement date	December 31, 2023
Inflation rate	2.30%
Salary increase	4.575% for 2023, 3.525% for 2024, 3.75% for 2025, 3.25% for 2026, 3.75% for 2027 and 3.00% thereafter, with additional 0.25% for 2025, 1.25% for 2026, and 1.5% for 2027 for bus operators hired after June 1, 1999
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 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 4.85 percent for 2023, 4.25 percent for 2024, 4.275 percent for 2025, and 3.00 percent per year thereafter to 4.575% for 2023, 3.525% for 2024, 3.75% for 2025, 3.25% for 2026, 3.75% for 2027 and 3.00% thereafter, with additional 0.25% for 2025, 1.25% for 2026, and 1.5% for 2027 for bus operators hired after June 1, 1999.
- Inflation was updated from 2.33 percent to 2.30 percent.

These changes were made 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, 2023	December 31, 2022
Total pension liability	$ 450,462,920	$ 452,138,996
Fiduciary net position	299,834,850	290,562,545
Net pension liability	$ 150,628,070	$ 161,576,451
Fiduciary net position as a % of total pension liability	66.56%	64.26%

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, 2023, and 2022.

2023	1% Decrease to 5.25%	Current Discount Rate of 6.25%	1% Increase to 7.25%
Total pension liability	$ 496,974,860	$ 450,462,920	$ 410,857,791
Fiduciary net position	299,834,850	299,834,850	299,834,850
Net pension liability	$ 197,140,010	$ 150,628,070	$ 111,022,941

2022	1% Decrease to 5.25%	Current Discount Rate of 6.25%	1% Increase to 7.25%
Total pension liability	$ 499,627,520	$ 452,138,996	$ 411,706,246
Fiduciary net position	290,562,545	290,562,545	290,562,545
Net pension liability	$ 209,064,975	$ 161,576,451	$ 121,143,701

7. FEDERAL INCOME TAX

The Plan received its latest favorable letter of determination dated July 9, 2014, from the Internal Revenue Service stating that 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 net asset value of the Plan and the amount of the unfunded actuarial accrued liabilities. The Trustees have taken steps to minimize these risks by maintaining a diversified investment portfolio and hiring professional money managers and other consultants.

As discussed in Notes 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 processes, 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

The Plan's management has evaluated subsequent events through June 27, 2024; 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.

This Page Intentionally Left Blank

Required Supplementary Information
(Unaudited)

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Changes in Net Pension Liability
For the Year Ended December 31, 2023, and the Last Nine Years
(Unaudited) / (in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Changes for the year										
Service cost	$3,155	$4,416	$4,675	$5,231	$4,956	$4,647	$4,930	$5,329	$5,550	$5,435
Interest on total pension liability	27,528	27,388	26,721	26,440	27,494	25,779	25,076	24,589	24,786	22,447
Effective of plan changes	-	7,798	5,234	-	-	13,851	-	-	-	-
Effect of economic /demographic losses	(2,223)	(7,168)	(1,473)	(1,066)	(1,882)	(4,970)	(2,013)	(10,556)	(2,781)	-
Effect of assumptions changes or inputs	13	(819)	865	(1,880)	(8,162)	22,299	(2,089)	(5,369)	25,680	-
Benefit payments	(30,148)	(26,127)	(24,084)	(23,306)	(21,934)	(19,795)	(18,800)	(17,656)	(16,567)	(15,924)
Net change in total pension liability	(1,675)	5,488	11,938	5,419	472	41,811	7,104	(3,663)	36,668	11,958
Total pension liability - beginning	452,138	446,650	434,712	429,293	428,821	387,010	379,906	383,569	346,901	334,943
Total pension liability - ending	450,463	452,138	446,650	434,712	429,293	428,821	387,010	379,906	383,569	346,901
Fiduciary net position										
Contributions from the employer	14,558	15,668	15,836	17,078	17,806	15,631	15,414	16,565	19,062	13,477
Pick-up contributions	103	143	164	184	200	50	-	-	-	-
Net investment income	25,163	(49,439)	37,364	33,667	44,495	(18,517)	40,370	17,696	(7,810)	9,448
Benefit payments	(30,148)	(26,127)	(24,084)	(23,306)	(21,934)	(19,795)	(18,800)	(17,656)	(16,567)	(15,924)
Administrative expenses	(403)	(411)	(417)	(388)	(337)	(326)	(315)	(278)	(314)	(1,333)
Net change in fiduciary net position	9,273	(60,166)	28,863	27,235	40,230	(22,957)	36,669	16,327	(5,629)	5,668

Fiduciary net position – beginning	290,562	350,728	321,865	294,630	254,400	277,357	240,688	224,361	229,990	224,322
Fiduciary net position – ending	299,835	290,562	350,728	321,865	294,630	254,400	277,357	240,688	224,361	229,990
METRO's net pension liability ending	150,628	161,576	95,923	112,847	134,663	174,421	109,653	139,218	159,208	116,911
Fiduciary net position as a percentage of the total pension liability	66.56%	64.26%	78.52%	74.04%	68.63%	59.33%	71.67%	63.35%	58.49%	66.30%
Covered payroll	$71,122	$85,645	$83,722	$90,602	$94,602	$97,251	$103,246	$106,575	$93,228	$92,277
METRO's net pension liability as a percentage of covered payroll	211.79%	188.66%	114.57%	124.55%	142.35%	179.35%	106.20%	130.63%	170.77%	126.70%

Notes:

(1) The decrease in the net pension liability for 2023 was due to the unfavorable demographic experience and revised salary scale assumption.

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

(3) Numbers presented in Schedule of Changes in Net Pension Liability taken from the GASB 67 and 68 Disclosure issued by Milliman on April 30, 2024, are rounded and may differ slightly from the financial statements.

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Employer Contributions
For the last ten years (Unaudited)

Year Ended December 31,	Actuarially Determined Contribution	Actual Employer Contribution	Excess Contributions	Covered Payroll	Contribution as a % of Covered Payroll
2023	14,557,542	14,557,542	-	71,122,108	20.47%
2022	15,165,514	15,668,399	502,885	85,645,491	18.29%
2021	15,836,027	16,000,322	164,295	83,722,438	18.91%
2020	17,078,683	17,262,831	184,148	90,601,821	18.85%
2019	17,805,961	18,005,605	199,644	94,602,405	18.82%
2018	15,631,361	15,680,817	49,456	97,250,761	16.12%
2017	15,413,823	15,413,823	-	103,245,714	14.93%
2016	16,565,280	16,565,280	-	106,574,630	15.54%
2015	15,410,109	19,062,423	3,652,314	93,227,967	20.45%
2014	13,477,182	13,477,182	-	92,277,465	14.61%

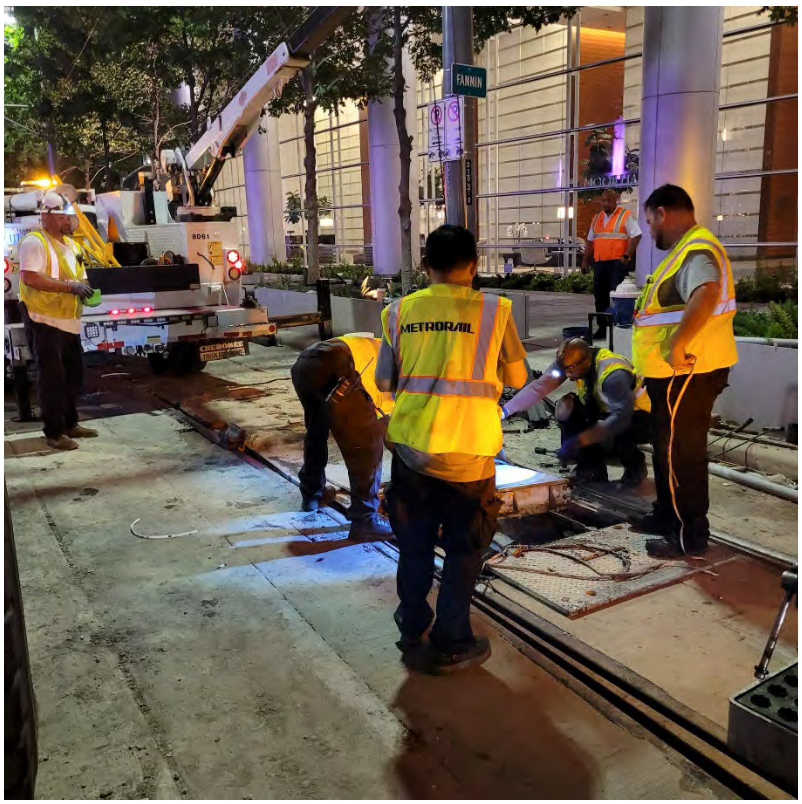
Note: Actuarial assumptions used to determine actuarially determined contribution is presented in Note 5 to the basic financial statements.

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Money-Weighted Rate of Returns
For the last ten years (Unaudited)

December 31,	Net Money-Weighted Rate of Return
2023	8.90%
2022	(14.32)%
2021	11.76%
2020	11.55%
2019	17.63%
2018	(6.73) %
2017	16.90%
2016	7.91%
2015	(3.38) %
2014	4.24%

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
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Investment and Administrative Services
for the Years Ended December 31, 2023 and 2022

Type	2023	2022
Investment service fees:		
Fixed Income		
Brandywine Global Opportunistic Fixed Income Fund	$ 103,949	$ 105,309
Rhumbline Core Bond Pool Trust	21,574	21,154
Total fixed income fees	125,523	126,463
Equities		
HAHN Capital Management	52,022	53,591
SSgA Russell 2000 Index Fund	14,651	35,889
SSgA MSCI EAFE Small Cap	12,751	21,838
SSgA MSCI ACWI ex US Index	18,436	11,711
Rhumbline Russell 1000 Large Capital Core	11,480	13,216
Rhumbline Russell 1000 Large Capital Value	10,000	10,000
Rhumbline Russell Mid Capital Growth	10,022	10,009
Rhumbline Global Low Volatility	312	-
Fidelity Global Low volatility	48,650	43,019
Total equity fees	178,324	199,273
Real Estate		
RREEF America REIT II	166,222	196,010
Trumbull Property Fund	170,728	229,946
Total real estate fees	336,950	425,956
Total of money managers fees	640,797	751,692
Financial advisor Marquette Associates, Inc.	85,500	85,500
Total investment services/fees	726,297	837,192
Administrative services:		
Audit services - McConnell & Jones	33,000	32,000
Legal counsel - Norton, Fulbright & Rose LLP	1,213	764
Performance Review – Smart Management Services	24,970	-
Custodian and disbursement agent – State Street Bank and Trust	245,943	247,692
Actuary - Milliman, Inc.	93,292	127,023
Other	4,669	3,711
Total administrative services	403,087	411,190
Total investment and administrative services	$ 1,129,384	$ 1,248,382

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 Transport Workers Union Pension Plan Trustees' 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 expectations, objective, and guidelines for the investment of the assets in the Plan.
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 investments guidelines regarding the selection of investments managers, permissible securities, and diversification of assets.
    - Specifying the criteria for evaluating and reporting on the performance of the Plan's investment managers.
3. Defines the responsibilities of the Trustees, financial advisor, money managers and plan administrator.
4. Encourage effective communication between all participants.
5. State funding policy.

Financial advisor

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

Investment objective

The Trustees invest 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 Trustees.

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.

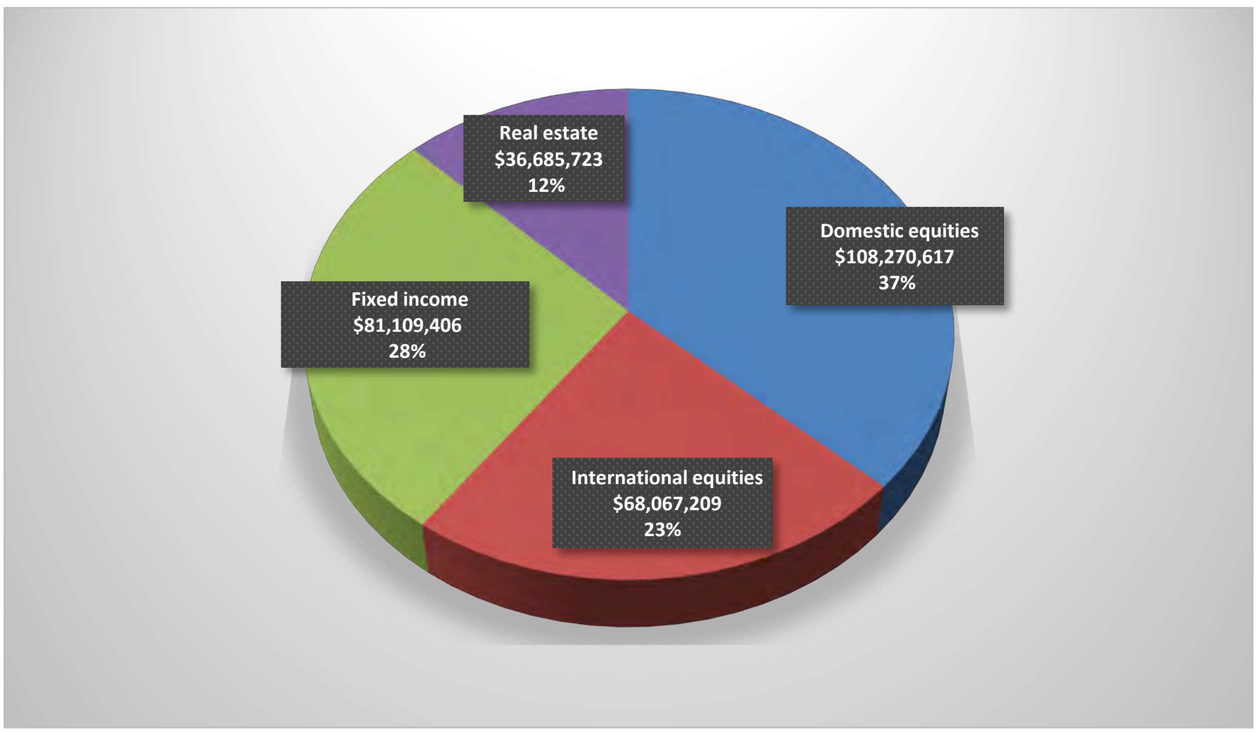
Diversification

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, 2023, 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 Trustees and financial advisor follow a stringent money manager selection process some of which include 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 Trustees 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 Trustees select money managers that invest in different parts of the worldwide markets using different investment strategies.

During 2023 the Trustees elected to reallocate investments which included:

	Reallocation of Investments (In thousands)
Reduction in investment balance	
Rhumbline Russell 1000 Index	(360)
UBS Trumbull Property Fund	(5,000)
Rhumbline Mid-Cap Growth Fund	(9,000)
RREEF America REIT II	(1,100)
SSgA MSCI ACWI ex US	(2,300)
T. Rowe Price International Fund	(2,000)
Total reduction	$ (19,760)
Increase in investment balance	
RhumbLine Core Bond Pooled Fund	3,000
Cash	16,760
Total increase	$ 19,760

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

<u>Domestic equity</u>

Rhumbline Russell 1000 Pooled I*ndex Trust* 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 Wolf & Company, P.C.

Rhumbline Russell 1000 Value Pooled Index Trust 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 Wolf & Company, P.C.

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, before expenses, 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.

International equity (mutual funds)

T. Rowe Price International Stock Fund is a diversified, open-end management investment company and is one of the portfolios established by T. Rowe Price Institutional International Funds, Inc. and registered under the Investment Company Act of 1940. The Fund seeks long-term growth of capital through investment primarily in common stocks of established non-U.S. companies. Annual financial reports were audited by PricewaterhouseCoopers LLP.

Investments are valued at the close of NYSE and are reported at fair value, which GAAP defines as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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) 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 at least eighty percent of its net assets 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. Commonwealth Fund Services, LTD. provides administration, record-keeping, and transfer agent services. The annual financial reports were audited by Cohen & Company, LTD.

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 fully 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 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 Wolf & Company, P.C.

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, amended. BGOFIF was organized with the objective of achieving interest income, long-term capital appreciation by investing in U.S. fixed income 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 II, 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 are 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 are 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 schedule is 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 Trustees.

Fair values of investments by asset class, money manager and market segment with related changes between 2023 and 2022 (in thousands) were:

Money managers and investments	**2023**	**2022**	**Change**
Domestic equity			
SSgA 2000 Value-Index	$ 20,419	$ 17,450	$ 2,969
HAHN Capital	11,665	10,975	690
RhumbLine Russell 1000 Index	46,302	44,478	1,824
RhumbLine Russell 1000 Index Value	17,506	15,710	1,796
RhumbLine Mid-Cap Growth	12,379	14,445	(2,066)
Total domestic equity	108,271	103,058	5,213
International equity – mutual funds			
T. Rowe Price International Stock	15,629	15,224	405
Brown Capital International	10,487	8,713	1,774
SSgA Non-US Small Cap	7,205	6,353	852
Fidelity Global Low Volatility	20,363	19,097	1,266
RhumbLine S&P Global Low Volatility	(31)	(24)	(7)
SSgA MSCI ACWI ex US Index	14,414	14,554	(140)
Total international equity - mutual funds	68,067	63,917	4,150
Fixed Income			
RhumbLine Core Bond Pooled Index Fund	56,713	50,892	5,821
Brandywine- Global Opportunistic Fixed Income	24,396	22,714	1,682
Total fixed income	81,109	73,606	7,503
Real Estate			
RREEF America REIT II	14,788	20,351	(5,563)
Trumbull Property Fund	21,898	27,502	(5,604)
Total real estate	36,686	47,853	(11,167)
Total net investments	$ 294,133	$ 288,434	$ 5,699

Asset values and related portfolio percentages by market segment, asset class, and money managers as of December 31, 2023 were:

Money managers and investments	Fair Value (In thousands)	Percent of Portfolio
Domestic equity		
SSgA 2000 Value-Index	$ 20,419	6.94
HAHN Capital	11,665	3.97
RhumbLine Russell 1000 Index	46,302	15.74
RhumbLine Russell 1000 Index Value	17,506	5.95
RhumbLine Mid-Cap Growth	12,379	4.21
Total domestic equity	108,271	36.81
International equity – mutual funds		
T. Rowe Price International Stock	15,629	5.31
Brown Capital International	10,487	3.57
SSgA Non-US Small Cap	7,205	2.45
Fidelity Global Low Volatility	20,363	6.92
RhumbLine S&P Global Low Volatility	(31)	(0.01)
SSgA MSCI ACWI ex US Index	14,414	4.90
Total international equity - mutual funds	68,067	23.14
Fixed Income		
RhumbLine Core Bond Pooled Index Fund	56,713	19.28
Brandywine- Global Opportunistic Fixed Income	24,396	8.29
Total fixed income	81,109	27.58
Real Estate		
REEF America REIT II	14,788	5.03
Trumbull Property Fund	21,898	7.44
Total real estate	36,686	12.47
Total net investments	$ 294,133	100.00

The five largest equity holdings for all money managers included:

Company	Fair value (In thousands)	% of Portfolio
Microsoft	$ 3,690	1.23
UST 0% 15/02/33 USDB-2033	3,660	1.22
Apple	3,481	1.16
Amazon.com	1,680	0.56
iShares Core US Aggregate	1,530	0.51

A complete listing of investments can be obtained by contacting METRO's Office of the Controller. The following schedule reflects the accumulative investment returns for the total Plan and by money managers as of December 31, 2023, with comparisons to their primary benchmark. Investment returns were calculated by the Plan's financial advisor using the time weighted method.

	Periods Ending 12/31/2023				
	Last Quarter	**1 Year**	**2 Years**	**3 Years**	**5 years**
Total Returns for the Plan (net of fees)	8.2	8.9	(3.2)	1.5	6.6
Policy Index	7.6	9.5	(2.7)	2.1	6.8
Over (under) performance	0.6	(0.6)	(0.5)	(0.6)	(0.2)
Returns by Money Manager (net of fees)					
RhumbLine Core Bond Pooled Trust	6.8	5.4	(4.3)	(3.4)	1.0
Bloomberg US Aggregate TR	6.8	5.5	(4.2)	(3.3)	1.1
Over (under) performance	-	(0.1)	(0.1)	(0.1)	(0.1)
Brandywine – Global Fixed Income	12.5	7.4	(5.1)	(1.2)	0.8
FTSE WGBI TR	8.1	5.2	(7.3)	(3.1)	(1.4)
Over (under) performance	4.4	2.2	2.2	1.9	2.2
Rhumbline Russell 1000 Index	11.9	26.5	1.1	8.9	15.5
Russell 1000	12.0	26.5	1.2	9.0	15.5
Over (under) performance	(0.1)	-	(0.1)	(0.1)	-
Rhumbline Russell 1000 Value Index	9.5	11.4	1.5	8.8	10.8
Russell 1000 Value	9.5	11.5	1.5	8.9	10.9
Over (under) performance	-	(0.1)	-	(0.1)	(0.1)
Hahn Capital Management	12.0	6.3	(6.2)	4.6	10.7
Russell Mid Capital Value	12.1	12.7	(0.4)	8.4	11.2
Over (under) performance	(0.1)	(6.4)	(5.8)	(3.8)	(0.5)
Rhumbline Mid-Cap Growth Index	14.5	25.7	(4.0)	1.3	13.8
Russell Mid-Cap Growth	14.5	25.9	(4.0)	1.3	13.8
Over (under) performance	-	(0.2)	-	-	-
SSgA Russell 2000 Index Fund	14.0	17.0	(3.5)	2.3	10.0
Russell 2000	14.0	16.9	(3.5)	2.2	10.0
Over (under) performance	-	(0.1)	-	0.1	-
T. Rowe Price International Stok	11.1	16.6	(0.8)	0.0	8.0
MSCI ACWI ex US	9.8	15.6	(1.5)	1.5	7.1
Over (under) performance	1.3	1.0	0.7	(1.5)	0.9
SSgA MSCI ACWI ex US Index	9.7	15.8	(1.3)	1.7	7.3
MSCI ACWI ex US	9.8	15.6	(1.5)	3.7	7.1
Over (under) performance	(0.1)	0.2	0.2	(2.0)	0.2
SSgA MSCI EAFE Small Cap	11.0	13.3	(5.4)	(0.5)	6.7
MSCI EAFE Small Cap	11.1	13.2	(5.7)	(0.7)	6.6
Over (under) performance	(0.1)	0.1	0.3	0.2	0.1

	Periods Ending 12/31/2023				
	Last Quarter	**1 Year**	**2 Years**	**3 Years**	**5 years**
Brown International Small Company	17.5	20.4	(9.1)	-	-
MSCI ACWI ex US Small Cap	10.1	15.7	(3.8)	-	-
Over (under) performance	7.4	4.7	(5.3)	-	-
Fidelity Global Low Volatility	7.1	6.6	(2.8)	-	-
MSCI ACWI Minimum Volatility Index	6.5	7.7	(1.7)	-	-
MSCI World	11.4	23.8	0.7	-	-
Over (under) performance	0.6/ (4.3)	(1.1)/(16.1)	(1.1)/(3.5)	-	-
RREEF America REIT II	(6.2)	(15.4)	(4.6)	4.1	3.9
NFI	(5.0)	(12.7)	(3.6)	4.0	3.3
Over (under) performance	(1.2)	(2.7)	(1.0)	0.1	0.6
Trumbull Property Fund	(4.2)	(15.6)	(5.8)	0.8	(1.1)
NFI	(5.0)	(12.7)	(3.6)	4.0	3.3
Over (under) performance	0.8	(2.9)	(2.2)	(3.2)	(4.4)

Accumulative Net returns by major asset class

Net Returns by Market Segment	Last Quarter	1 Year	2 Years	3 Years	5 Years
Total equity	8.2	8.9	(3.2)	1.5	6.6
Large capital equity	11.3	22.4	0.9	8.7	14.2
Middle capital equity	13.2	16.2	(5.3)	2.3	12.4
Small capital equity	14.0	17.0	(3.5)	2.3	10.0
International equity	10.5	13.6	(2.5)	0.2	6.8
Global Low Volatility	7.1	6.6	(2.8)	1.8	-
Fixed income	8.4	6.0	(4.5)	(4.0)	0.9
Real estate	(5.0)	(15.5)	(5.3)	2.2	1.1

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 2023 and 2022 consisted of:

Activity for 2023

Money Manager/ Broker Name	Trading Fees and Commission	Number of Shares	Commission Per Share
Equities			
Hahn Capital			
BTIG, LLC	$ 3,806	76,120	$ 0.0500
Rhumbline Mid-Cap Growth Index			
Academy Securities Inc	9	606	0.0149
Cabrera Capital Markets	3	209	0.0144
Electronic Brokerage Systems LLC	181	18,063	0.0100
Instinet	580	141,651	0.0041
Jefferies LLC	14	2,007	0.0070
Liquidnet Inc	131	14,979	0.0087
Loop Capital Markets	5	350	0.0143
Williams Capital Group LP	17	1,109	0.0153
	$ 940	178,974	0.0053
	$ 4,746	255,094	$ 0.0186

Activity for 2022

Money Manager/ Broker Name	Trading Fees and Commission	Number of Shares	Commission Per Share
Equities			
Hahn Capital			
BTIG, LLC	$ 194	3,880	$ 0.0500
Rhumbline Mid-Cap Growth Index			
Academy Securities Inc	2	158	0.0127
Cabrera Capital Markets	15	1,029	0.0146
Instinet	119	112,120	0.0011
Investment Technology Group Inc.	18	3,501	0.0051
Jefferies LLC	61	3,984	0.0153
Liquidnet Inc	17	3,401	0.0050
Loop Capital Markets	2	119	0.0168
Penserra Securities	72	4,732	0.0152
Williams Capital Group LP	22	1,419	0.0155
	$ 328	130,463	0.0025
	$ 522	134,343	$ 0.0039

This Page Intentionally Left Blank

Actuarial Section
(Unaudited)

Actuarial assumptions and funding requirements are reviewed for reasonableness by the Metropolitan Transit Authority Transport Workers Pension Plan Trustees 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, 2023, independent actuarial report and the GASB 67 and 68 Disclosure Report for the Fiscal Year October 1, 2023 to September 30, 2024. These reports were prepared by Milliman, Inc., the Plan's independent actuary.

State of Texas 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 Trustees, METRO, and the Plan's independent actuary. This report must also be sent to the Texas Pension Review Board.

The actuarial assumptions were independently audited on April 26, 2024. 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, a reduction to 6.25 percent projected investment rate of return was required.

An overview of the Plan is discussed in Note 1 to the Basic Financial Statements. Please see page 89 for the ten-year schedule of actuarially determined and actual contributions provided as required supplementary information.

Multi-year Information from Prior Years Actuarial Reports

The estimated investment returns on the fair value of assets assume 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, 2023	January 1, 2022	January 1, 2021
Beginning fair value of assets	$ 350,728,554	$ 321,865,241	$ 294,629,862
Net non-investment cash flows	(10,726,988)	(8,500,918)	(6,431,521)
Investment income	(49,439,021)	37,364,231	33,666,900
Ending fair value of assets	$ 290,562,545	$ 350,728,554	$ 321,865,241
Approximate investment return	(14.32)%	11.76%	11.55%

The estimated investment return on the actuarial value of assets is determined using a simplified formula. 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, 2023	January 1, 2022	January 1, 2021
Beginning actuarial value of	$ 323,630,642	$ 302,634,433	$ 284,189,712
Net non-investment cash flows	(10,726,988)	(8,500,918)	(6,431,521)
Investment income	12,177,488	29,497,127	24,876,242
Ending actuarial value of assets	$ 325,081,142	$ 323,630,642	$ 302,634,433
Estimated investment return	3.83%	8.85%	5.64%

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, 2023	January 1, 2022	January 1, 2021
Active participants	$ 125,057,255	$ 171,823,298	$ 170,820,236
Terminated vested participants	31,288,472	31,971,572	31,935,043
Retired participants	20,742,739	217,869,470	207,685,202
Disabled participants	266,365,189	17,169,301	17,418,630
Beneficiaries	16,342,136	20,031,938	19,183,648
Total	459,795,791	458,865,579	447,042,759
Actuarial value of assets	325,081,142	323,630,642	302,634,433
Unfunded actuarial accrued liabilities	$ 134,714,649	$ 135,234,937	$ 144,408,326

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, 2023	January 1, 2022	January 1, 2021
Withdrawal	$ 372,142	$ 451,653	$ 503,274
Unreduced retirement	1,588,172	2,311,865	2,430,703
Death	17,414	25,104	29,589
Disability	178,452	208,706	228,206
Total	2,156,180	2,997,328	3,191,772
Loading for expense	411,191	417,525	388,021
Total normal cost	$2,567,371	$3,414,853	$3,579,793

Schedule of retirees and beneficiaries added to and 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
2023	155	$ 5,234,146	(92)	$ (983,585)	2,324	$ 29,858,614	16.60%	$ 12,848
2022	311	2,313,289	(86)	(891,002)	2,261	25,608,053	5.88%	11,326
2021	138	2,175,778	(68)	(865,921)	2,036	24,185,766	5.73%	11,879
2020	143	2,123,197	(36)	(366,385)	1,966	22,875,909	8.32%	11,636
2019	170	2,222,000	(52)	(529,433)	1,859	21,119,097	8.71%	11,360
2018	117	1,446,000	(49)	(475,943)	1,741	19,426,495	5.26%	11,158
2017	137	1,643,786	(42)	(307,489)	1,673	18,456,438	7.81%	11,032
2016	120	920,732	(38)	(347,721)	1,578	17,120,141	3.46%	10,849
2015	122	1,379,092	(53)	(518,858)	1,496	16,547,130	5.48%	11,061
2014	100	1,073,271	(29)	(334,136)	1,427	15,686,896	4.94%	10,993

Solvency Test

Valuation Date January 1	Actuarial Accrued Liability (AAL)			Actuarial Value of Assets	Portion of AAL Covered by Assets		
	Retirees and Beneficiaries	Active and Inactive Members	Total		Retirees and Beneficiaries	Active and Inactive Members	Total
2023	$ 302,444,776	$157,351,015	$459,795,791	$ 325,081,142	100%	14.4%	70.7%
2022	254,004,218	204,861,361	458,865,579	323,630,642	100%	34.0%	70.5%
2021	243,327,559	203,715,200	447,042,759	302,634,433	100%	29.1%	67.7%
2020	228,120,591	214,704,430	442,825,021	284,189,712	100%	26.1%	64.2%
2019	206,121,805	230,793,851	436,915,656	273,167,539	100%	29.1%	62.5%
2018	189,547,602	214,168,546	403,716,148	267,444,642	100%	36.4%	66.2%
2017	178,020,187	209,314,892	387,335,079	252,586,471	100%	35.6%	62.2%
2016	172,618,836	209,538,803	382,157,639	238,717,731	100%	31.5%	62.5%
2015	181,670,789	169,936,537	351,607,326	223,969,107	100%	24.9%	63.7%
2014	157,643,778	122,315,347	279,959,125	206,052,122	100%	39.6%	73.6%
2013	145,133,491	122,225,939	267,359,430	181,660,667	100%	29.9%	67.9%
2012	134,860,787	120,692,122	255,552,909	173,837,727	100%	32.3%	68.0%
2011	123,380,792	117,637,323	241,018,115	168,963,695	100%	38.7%	70.1%
2010	116,246,146	110,844,693	227,090,839	162,389,627	100%	41.6%	71.5%

Milliman Actuarial Valuation

Milliman

Metropolitan Transit Authority Union Pension Plan

January 1, 2023 Actuarial Valuation

Prepared by:
James Tumlinson, Jr.
EA, MAAA

Jake Pringle
EA, MAAA

Milliman, Inc.
1415 Louisiana Street, Suite 500
Houston, TX 77002
Tel +1 713 658 8451
milliman.com

Issued August 3, 2023

January 1, 2023 Actuarial Valuation of the Metropolitan Transit Authority Union Pension Plan

The actuarial valuation of the Metropolitan Transit Authority of Harris County, Texas (METRO) Union Pension Plan (the "Plan") for the plan year beginning January 1, 2023 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 20 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, unless otherwise noted;
- 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"). Effective October 1, 2018, each eligible employee participating in the Plan began making a $3.00 contribution to the Plan per weekly pay period. These "Pick-Up Contributions" will be treated as employee contributions. 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	2019	2020	2021	2022	2023
Funded Status	62.5%	64.2%	67.7%	70.5%	70.7%

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 an assumption change effective with this valuation as listed below:

- The inflation assumption is changed from 2.30% to 2.33% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2023.

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 Fair Value of Assets, 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.

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

Jake Pringle

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

August 3, 2023
Date

Table of Contents

Executive Summary ES-1

Exhibits

Change in Participation 1
Summary of Active Participants by Age and Service 2
Inactive Participants 3
Summary of Plan Assets 4
Summary of Income and Disbursements 5
Actuarial Value of Assets 6
Estimated Investment Return on Actuarial Value of Assets 7
Estimated Investment Return on Fair Value of Assets 8
Contributions for Prior Plan Year 9
Unfunded Actuarial Accrued Liability 10
Actuarial (Gain) / Loss for Prior Plan Year 11
Normal Cost and Actuarially Determined Contribution 12
Present Value of Accumulated Plan Benefits 13
Change in Present Value of Accumulated Plan Benefits 14
Schedule of Retirees and Beneficiaries 15
Solvency Test 16
Retired Members by Type of Benefit 17
Schedule of Benefit Payments by Type 18
Funding Policy Accounting Information 19
Covered Persons Pay Inflation Comparison 21
Schedule of Participants by Status 22

Appendices

A – Summary of Actuarial Assumptions and Methods A-1
B – Summary of Principal Plan Provisions B-1
C – Risk Disclosure C-1
D – Glossary D-1

Executive Summary

A. Summary of Key Valuation Results

	Actuarial Valuation for Plan Year Beginning	
	January 1, 2022	January 1, 2023
Participant Data		
Number of Participants		
Active Participants	1,238	948
Terminated Vested Participants	560	550
Retired Participants	1,506	1,726
Disabled Participants	175	168
Beneficiaries	385	400
Total Participants	3,864	3,792
Assets		
Fair Value of Assets	$350,728,554	$290,562,545
Investment yield in year	11.8%	(14.3%)
Actuarial Value of Assets	$323,630,642	$325,081,142
Investment yield in year	9.9%	3.8%
Actuarial Present Values		
Present Value of Benefits	$474,684,111	$471,830,477
Actuarial Value of Assets	323,630,642	325,081,142
Unfunded Present Value of Benefits	151,053,469	146,749,335
Actuarial Accrued Liability	458,865,579	459,795,791
Actuarial Value of Assets	323,630,642	325,081,142
Unfunded Actuarial Accrued Liability	$135,234,937	$134,714,649
Costs and Contributions		
Normal Cost	$3,225,469	$2,421,667
Past Service Contribution	11,047,956 (1)	11,279,549 (2)
Interest on Contribution	892,089	856,326
Actuarially Determined Contribution as of end of year	$15,165,514	$14,557,542

(1) 21 year amortization for 2022.

(2) 20 year amortization for 2023.

B. Purpose of this Report

This funding policy report has been prepared for the Metropolitan Transit Authority Union Pension Plan as of January 1, 2023 to:

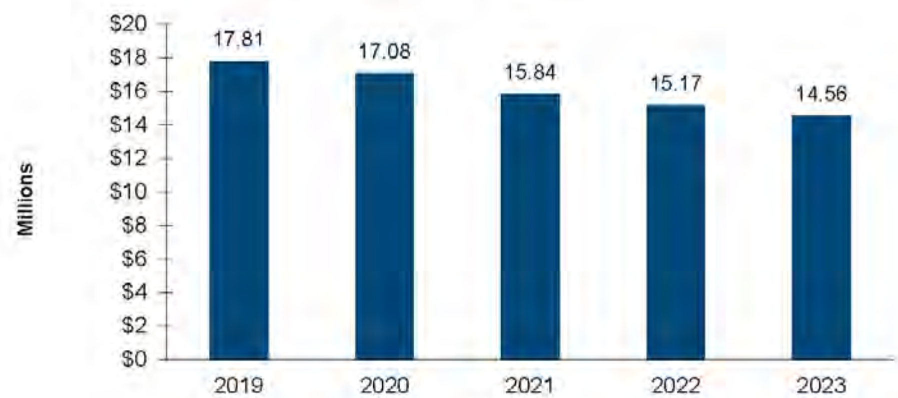
- Calculate the Actuarially Determined Contribution for the plan year beginning January 1, 2023.
- Review the experience for the plan year ending December 31, 2022. ("Experience" encompasses the performance of the Plan's assets during the year and changes in the Plan's participant demographics that impact liabilities.) A complete experience study was last performed on April 8, 2020.
- Review the Plan's funded status.

C. Actuarially Determined Contribution for the 2023 Plan Year

The Actuarially Determined Contribution for the plan year beginning January 1, 2023 is $14,557,542.

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

Actuarially Determined Contributions

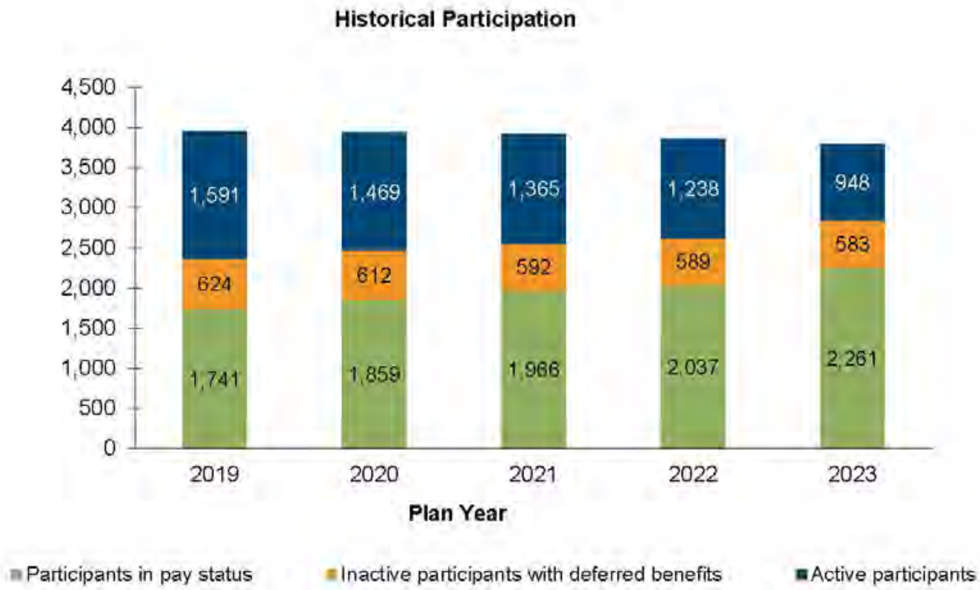


D. Plan Experience

Change in Demographics

From January 1, 2022 to January 1, 2023, the number of active participants in the Plan decreased by 23.4% from 1,238 to 948; while the total number of participants decreased by 1.9% from 3,864 to 3,792.

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 2022 plan year was more favorable than expected, generating a net actuarial gain as follows:

- Demographic experience different from that assumed, which resulted in an actuarial gain of approximately $4.0 million.

Change in Assets

Asset experience for the 2022 plan year was less favorable than expected. The return on the actuarial value of assets for 2022 was less than assumed, generating a net actuarial loss.

- The rate of return on the fair value of plan assets for 2022 was (14.32%), which was less than the assumed rate of 6.25%, resulting in an investment loss of approximately $71.0 million.

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

E. Funded Status

The graph below illustrates the funded status on both a fair 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 $417,525 for the 2022 plan year to $411,191 for the 2023 plan year and is based on the prior plan year's expenses, excluding investment management fees.
- The inflation assumption has been changed from 2.30% to 2.33% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2023.

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 plan provisions are the same as those used in the prior valuation.

Please see Appendix B for a summary of plan provisions.

Exhibits

Exhibit 1

Change in Participation

The change in participation from January 1, 2022 to January 1, 2023 is shown below.

	Active Participants	Inactive Participants with Deferred Benefits[1]	Participants in Pay Status	Total
Participants as of January 1, 2022	1,238	589	2,037	3,864
Terminated non-vested	0	0	0	0
Terminated vested	(26)	26	0	0
Died without beneficiary[2]	(2)	(8)	(68)	(78)
Died with beneficiary	(2)	(5)	(17)	(24)
Retired	(262)	(25)	287	0
Received lump sum distribution	0	0	0	0
Certain period expired	0	0	0	0
New Beneficiaries	0	6	18	24
New Alternate Payees	0	2	4	6
Pickup Participant	0	0	0	0
Pickup Beneficiary	0	0	0	0
Dropped Beneficiary	0	0	0	0
Dropped Alternate Payee	0	0	0	0
Rehired	1	(1)	0	0
Net data adjustments	1	(1)	0	0
Participants as of December 31, 2022	948	583	2,261	3,792
New participants as of January 1, 2023	0	0	0	0
Participants as of January 1, 2023	948	583	2,261	3,792

For January 1, 2022, the above participant counts include 108 alternate payees currently receiving benefits and 19 alternate payees entitled to future benefits under Qualified Domestic Relations Orders.

For January 1, 2023, the above participant counts include 113 alternate payees currently receiving benefits and 18 alternate payees entitled to future benefits under Qualified Domestic Relations Orders.

[1] Includes deferred beneficiaries, deferred alternate payees, and deferred disabled participants.
[2] Unmarried active participants and inactive participants with deferred benefits are not eligible for a death benefit.

Exhibit 2

Summary of Active Participants by Age and Service

Number of Participants by Age and Service Groups

	Years of Vesting 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	-	-	4	9	-	-	-	-	-	-	13
35-39	-	-	10	26	16	1	-	-	-	-	53
40-44	-	-	2	38	23	18	-	-	-	-	81
45-49	-	-	11	40	39	39	9	-	-	-	138
50-54	-	-	5	55	38	57	39	7	-	-	201
55-59	-	-	7	55	55	61	48	47	7	-	280
60-64	-	1	4	24	10	23	22	17	7	4	112
65-69	-	-	2	13	8	5	5	13	9	6	61
70&Up	-	-	-	4	-	-	1	2	2	-	9
Total	-	1	45	264	189	204	124	86	25	10	948

Exhibit 3

Inactive Participants

Terminated Vested Participants

Age	Number of Participants	Average Annual Benefit
< 30	-	$-
30 - 34	7	6,959
35 - 39	41	5,719
40 - 44	68	6,252
45 - 49	94	6,351
50 - 54	112	7,666
55 - 59	140	7,494
60 - 64	51	6,551
65 & Up	37	6,890
Total	550	$6,913

Retirees, Beneficiaries, and Disabled Participants

Age	Number of Participants	Average Annual Benefit
< 55	41	$6,801
55 - 59	87	9,472
60 - 64	471	13,614
65 - 69	678	13,795
70 - 74	524	12,826
75 - 79	307	12,242
80 - 84	123	12,003
85 - 89	46	7,734
90 & Up	17	6,141
Total	2,294	$12,765

Exhibit 4

Summary of Plan Assets

The summary of plan assets on a Fair Value basis as of December 31, 2022 is shown below.

1.	Assets	
	a. Receivable income	$37,464
	b. Interest bearing cash	2,287,805
	c. Corporate debt - other	73,606,447
	d. Corporate stocks - common	166,975,102
	e. Real estate	47,852,786
	f. Total	290,759,604
2.	Liabilities	
	a. Other liabilities	197,059
	b. Total	197,059
3.	Total [(1f) - (2b)]	$290,562,545

Exhibit 5

Summary of Income and Disbursements

The change in the Fair Value of Assets from December 31, 2021 to December 31, 2022 is shown below.

1.	Fair Value of Assets as of December 31, 2021	$350,728,554
2.	Income	
	a. Employer contributions for plan year	15,668,399
	b. Employee pick-up contributions for plan year	142,951
	c. Realized Gain / (Loss)	(50,437,482)
	d. Other income	1,835,654
	e. Total	(32,790,478)
3.	Disbursements	
	a. Benefit payments to participants	26,127,147
	b. Investment management fees	837,193
	c. Trustees fees/expenses	247,692
	d. Other expenses	163,499
	e. Total	27,375,531
4.	Net increase / (decrease) [(2e) - (3e)]	(60,166,009)
5.	Fair Value of Assets as of December 31, 2022 [(1) + (4)]	$290,562,545

Exhibit 6

Actuarial Value of Assets

The Actuarial Value of Assets is the Fair 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 Fair Value of Assets. The Actuarial Value of Assets as of January 1, 2023 is determined below.

1.	Fair Value of Assets as of December 31, 2022	$290,562,545
2.	Unrecognized asset gains / (losses) for the plan years ending	

	Plan Year Ending	Gain / (Loss) for Year	Percent Unrecognized	Amount Unrecognized
a.	December 31, 2022	(71,029,417)	80%	(56,823,534)
b.	December 31, 2021	17,509,281	60%	10,505,569
c.	December 31, 2020	15,450,473	40%	6,180,189
d.	December 31, 2019	28,095,897	20%	5,619,179
e.	Total			(34,518,597)

3.	Preliminary Actuarial Value of Assets as of January 1, 2023 [(1) - (2e)]	325,081,142
4.	Actuarial Value of Assets as of January 1, 2023 [(3), but not less than 80% × (1), nor more than 120% × (1)]	$325,081,142

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, 2022 is determined below.

1.	Actuarial Value of Assets as of January 1, 2022	$323,630,642
2.	Actuarial Value of Assets as of January 1, 2023	325,081,142
3.	Net non-investment cash flows for plan year ending December 31, 2022	(10,726,988)
4.	Investment income for plan year ending December 31, 2022 [(2) - (1) - (3)]	$12,177,488
5.	Estimated investment return on Actuarial Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	3.83%

Exhibit 8

Estimated Investment Return on Fair Value of Assets

The estimated investment return on the Fair Value of Assets for the plan year ending December 31, 2022, assuming all cash flows of contributions, benefit payments, and administrative expenses are paid at mid-year, is determined below.

1.	Fair Value of Assets as of December 31, 2021	$350,728,554
2.	Fair Value of Assets as of December 31, 2022	290,562,545
3.	Net non-investment cash flows for plan year ending December 31, 2022	(10,726,988)
4.	Investment income for plan year ending December 31, 2022 [(2) - (1) - (3)]	(49,439,021)
5.	Estimated investment return on Fair Value of Assets [{2 × (4)} ÷ {(1) + (2) - (4)}]	(14.32%)
6.	Expected rate of return on Fair Value of Assets	6.25%
7.	Investment gain/(loss) for plan year ending December 31, 2022	($71,029,417)

Exhibit 9

Contributions for Prior Plan Year

The contributions for the plan year ending December 31, 2022 were paid or are payable on the dates and in the amounts shown below.

Date of Contribution	Pick-Up Contributions*	Employer Contributions
January 4, 2022	$11,964	$1,319,668
February 4, 2022	11,733	1,319,669
March 4, 2022	11,643	1,319,669
April 5, 2022	14,445	1,319,669
May 3, 2022	11,562	1,319,669
June 3, 2022	11,755	1,319,669
July 6, 2022	14,316	1,319,669
August 2, 2022	11,393	1,319,669
September 2, 2022	14,355	1,319,669
October 4, 2022	9,618	1,263,793
November 4, 2022	9,145	1,263,793
December 2, 2022	11,022	1,263,793
Total	$142,951	$15,668,399
Grand Total		**$15,811,350**

*Pick-up contribution amounts are the total for the month.

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, 2023 is determined below.

1.	Actuarial Accrued Liability	
	a. Active participants	$125,057,255
	b. Terminated vested participants	31,288,472
	c. Beneficiaries	20,742,739
	d. Retired participants	266,365,189
	e. Disabled participants	16,342,136
	f. Total	459,795,791
2.	Actuarial Value of Assets	325,081,142
3.	Reserve for expenses	0
4.	Unfunded Actuarial Accrued Liability [(1f) - (2) + (3)]	134,714,649
5.	Amortization period as of January 1, 2023	20 years
6.	Past Service Contribution (level dollar amortization of Unfunded Actuarial Accrued Liability as of January 1, 2023)	$11,279,549

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, 2022 is determined below.

1.	Unfunded Actuarial Accrued Liability as of January 1, 2022	$135,234,937
2.	Total Normal Cost as of January 1, 2022	2,997,328
3.	Interest on (1) and (2) to end of plan year	8,639,517
4.	Subtotal [(1) + (2) + (3)]	146,871,782
5.	Employer contributions for plan year	15,668,399
6.	Employee pick-up contributions (valued as employer contributions) for plan year	142,951
7.	Administrative expenses	(411,191)
8.	Interest on [(5) + (6) + (7)] to end of plan year	473,962
9.	Subtotal [(5) + (6) + (7) + (8)]	15,874,121
10.	Changes in Actuarial Accrued Liability	
	a. Plan amendments	0
	b. Changes in actuarial assumptions	0
	c. Changes in cost method	0
	d. Total	0
11.	Expected Unfunded Actuarial Accrued Liability as of January 1, 2023 [(4) - (9) + (10d)]	130,997,661
12.	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023	134,714,649
13.	Actuarial (Gain) / Loss for prior plan year (excluding assumption changes) [(12) - (11)]	3,716,988
14.	Demographic experience (Gain)/Loss for prior plan year	(3,989,927)
15.	Actuarial Value of Assets (Gain)/Loss for prior plan year [(13) - (14)]	$7,706,915

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, 2023 is determined below. The Actuarially Determined Contribution is also shown with interest to December 31, 2023.

1. Normal Cost for benefits	
a. Withdrawal	$372,142
b. Retirement	1,588,172
c. Death	17,414
d. Disability	178,452
e. Total	2,156,180
2. Loading for expenses	411,191
3. Total Normal Cost [(1e) + (2)]	2,567,371
4. Employee Normal Cost (for Pick-Up Contributions)	145,704
5. Net Employer Normal Cost [(3) - (4)]	2,421,667
6. Past Service Contribution [from Exhibit 10]	11,279,549
7. Interest rate assumption	6.25%
8. Interest on contribution to end of year [{(5) + (6)} * (7)]	856,326
9. Actuarially Determined Contribution as of end of year [(5) + (6) + (8)]	$14,557,542

Exhibit 13

Present Value of Accumulated Plan Benefits

Accumulated Plan Benefits are benefits earned to date, based on 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, 2023 is shown below.

	January 1, 2022	January 1, 2023
1. Present Value of vested Accumulated Plan Benefits		
a. Retired participants	$217,869,470	$266,365,189
b. Disabled participants	17,169,301	16,342,136
c. Beneficiaries	20,031,938	20,742,739
d. Terminated vested participants	31,971,572	31,288,472
e. Active participants	150,970,821	107,737,204
f. Total	438,013,102	442,472,740
2. Present Value of non-vested Accumulated Plan Benefits	2,440,925	2,467,404
3. Present Value of all Accumulated Plan Benefits [(1f) + (2)]	440,454,027	444,943,144
4. Fair Value of Assets	$350,728,554	$290,562,545
5. Funded ratio		
a. Vested benefits [(4) ÷ (1f)]	80.07%	65.67%
b. All benefits [(4) ÷ (3)]	79.63%	65.30%
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, 2022 to January 1, 2023 is shown below.

1.	Present Value of all Accumulated Plan Benefits as of January 1, 2022	$440,454,027
2.	Changes	
	a. Reduction in discount period	26,724,277
	b. Benefits accumulated	5,808,973
	c. Benefit payments	26,127,147
	d. Plan amendments	0
	e. Change in assumptions	0
	f. Actuarial (gain) / loss	(1,916,986)
	g. Total [(a) + (b) - (c) + (d) + (e) + (f)]	4,489,117
3.	Present Value of all Accumulated Plan Benefits as of January 1, 2023 [(1) + (2g)]	$444,943,144

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
2022	311	2,313,289	(86)	(891,002)	2,261	25,608,053	5.88%	11,326
2021	138	2,175,778	(68)	(865,921)	2,036	24,185,766	5.73%	11,879
2020	143	2,123,197	(36)	(366,385)	1,966	22,875,909	8.32%	11,636
2019	170	2,222,035	(52)	(529,433)	1,859	21,119,097	8.71%	11,360
2018	117	1,446,000	(49)	(475,943)	1,741	19,426,495	5.26%	11,158
2017	137	1,643,786	(42)	(307,489)	1,673	18,456,438	7.81%	11,032
2016	120	920,732	(38)	(347,721)	1,578	17,120,141	3.46%	10,849
2015	122	1,379,092	(53)	(518,858)	1,496	16,547,130	5.48%	11,061
2014	100	1,073,271	(29)	(334,136)	1,427	15,686,896	4.94%	10,993
2013	234	2,185,278	(105)	(940,941)	1,356	14,947,761	9.08%	11,023
2012	122	1,646,982	(54)	(661,938)	1,227	13,703,424	7.75%	11,168
2011	123	1,548,895	(34)	(443,119)	1,159	12,718,380	9.52%	10,974
2010	91	1,224,707	(41)	(362,651)	1,070	11,612,604	8.02%	10,853
2009	89	1,268,338	(41)	(262,306)	1,020	10,750,548	10.32%	10,540
2008					972	9,744,516		

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				
2023	-	302,444,776	157,351,015	459,795,791	325,081,142	N/A	100%	14.4%	70.7%
2022	-	254,004,218	204,861,361	458,865,579	323,630,642	N/A	100%	34.0%	70.5%
2021	-	243,327,559	203,715,200	447,042,759	302,634,433	N/A	100%	29.1%	67.7%
2020	-	228,120,591	214,704,430	442,825,021	284,189,712	N/A	100%	26.1%	64.2%
2019	-	206,121,805	230,793,851	436,915,656	273,167,539	N/A	100%	29.1%	62.5%
2018	-	189,547,602	214,168,546	403,716,148	267,444,642	N/A	100%	36.4%	66.2%
2017	-	178,020,187	209,314,892	387,335,079	252,586,471	N/A	100%	35.6%	65.2%
2016	-	172,618,836	209,538,803	382,157,639	238,717,731	N/A	100%	31.5%	62.5%
2015	-	181,670,789	169,936,537	351,607,326	223,969,107	N/A	100%	24.9%	63.7%
2014	-	157,643,778	122,315,347	279,959,125	206,052,122	N/A	100%	39.6%	73.6%
2013	-	145,133,491	122,225,939	267,359,430	181,660,677	N/A	100%	29.9%	67.9%
2012	-	134,860,787	120,692,122	255,552,909	173,837,727	N/A	100%	32.3%	68.0%
2011	-	123,380,792	117,637,323	241,018,115	168,963,695	N/A	100%	38.7%	70.1%
2010		116,246,146	110,844,693	227,090,839	162,389,627	N/A	100%	41.6%	71.5%

*Pick-Up Contributions beginning in 2018 (coded for 2020 valuation) impact AAL Normal Cost only (minimum benefits not applied).

Exhibit 17

Retired Members by Type of Benefit

		Type of Retirement			
Monthly Benefit Payment	Number of Retired Members	1	2	3	4
$1 - $500	**506**	209	22	33	242
501 - 1,000	**614**	395	25	75	119
1,001 - 1,500	**539**	405	73	55	6
1,501 - 2,000	**408**	300	103	5	-
2,001 - 2,500	**156**	144	12	-	-
2,501 - 3,000	**37**	36	1	-	-
Over 3,000	**1**	1	-	-	-
	2,261	1,490	236	168	367

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

		Option Selected			
Monthly Benefit Payment	Number of Retired Members	1	2	3	4
$1 - $500	**506**	428	69	6	3
501 - 1,000	**614**	459	154	1	-
1,001 - 1,500	**539**	342	194	2	1
1,501 - 2,000	**408**	300	107	1	-
2,001 - 2,500	**156**	118	38	-	-
2,501 - 3,000	**37**	31	6	-	-
Over 3,000	**1**	1	-	-	-
	2,261	1,679	568	10	4

Option 1 - Life only
Option 2 - Joint and 50% survivor
Option 3 - Joint and 100% survivor
Option 4 - Other

Exhibit 18

Schedule of Benefit Payments by Type

	2022	2021	2020	2019	2018	2017	2016	2015
Service	22,084,439	20,679,878	19,446,051	17,788,497	16,152,412	15,183,240	13,908,836	13,026,439
Disabled	1,700,812	1,752,372	1,785,841	1,827,124	1,894,859	1,982,358	1,979,602	1,930,384
Beneficiary	1,822,803	1,753,516	1,644,016	1,503,476	1,379,224	1,290,841	1,231,703	1,133,635
Miscellaneous	519,094	(102,051)	430,422	815,093	368,702	343,102	536,383	476,950
Total	**26,127,147**	**24,083,715**	**23,306,331**	**21,934,190**	**19,795,197**	**18,799,540**	**17,656,524**	**16,567,409**

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)						
	(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)
01/01/01	75,549	94,382	18,833	80.0%	78,251	24.1%
01/01/02	82,865	105,012	82,865	78.9%	81,573	27.1%
01/01/03	89,273	118,565	29,292	75.3%	84,370	34.7%
01/01/04	98,135	131,147	33,012	74.8%	87,119	37.9%
01/01/05	104,180	146,044	41,864	71.3%	87,157	48.0%
01/01/06	121,483	164,424	42,941	73.9%	82,900	51.8%
01/01/07	139,914	172,140	32,226	81.3%	81,287	39.6%
01/01/08	160,889	193,595	32,706	83.1%	84,414	38.7%
01/01/09	131,281	204,685	73,403	64.1%	85,317	86.0%
01/01/10	162,390	227,091	64,701	71.5%	88,184	73.4%
01/01/11	168,964	241,018	72,054	70.1%	93,675	76.9%
01/01/12	173,838	255,553	81,715	68.0%	94,043	86.9%
01/01/13	181,661	267,359	85,698	67.9%	91,830	93.3%
01/01/14	206,052	279,959	73,907	73.6%	106,317	69.5%
01/01/15	223,969	351,607	127,638	63.7%	93,228	136.9%
01/01/16	238,718	382,158	143,440	62.5%	93,228	153.9%
01/01/17	252,586	387,335	134,749	65.2%	92,486	145.7%
01/01/18	267,444	403,716	136,272	66.2%	94,148	144.7%
01/01/19	273,168	436,916	163,748	62.5%	94,602	173.1%
01/01/20	284,190	442,825	158,635	64.2%	90,602	175.1%
01/01/21	302,634	447,043	144,409	67.7%	81,505	177.2%
01/01/22	323,631	458,866	135,235	70.5%	79,313	170.5%
01/01/23	325,081	459,796	134,715	70.7%	66,459	202.7%

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

Exhibit 19

Funding Policy Accounting Information (continued)

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

Fiscal Year Ending	Covered Payroll at Reporting Date	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	Investment Return	Equivalent Single Amortization Period
09/30/00		5,537,912	5,537,912	100.0%	8.0%	30 years
09/30/01		4,969,094	4,969,094	100.0%	8.0%	30 years
09/30/02		5,488,243	5,488,243	100.0%	8.0%	30 years
09/30/03		6,979,177	6,979,177	100.0%	8.0%	30 years
09/30/04		8,419,726	8,419,726	100.0%	8.0%	30 years
09/30/05		9,959,068	18,759,068	188.4%	8.0%	30 years
09/30/06		9,402,722	17,540,722	186.5%	8.0%	30 years
09/30/07		8,527,492	16,527,492	193.8%	8.0%	30 years
09/30/08		8,826,606	8,826,606	100.0%	8.0%	30 years
09/30/09		12,185,737	12,185,737	100.0%	8.0%	30 years
09/30/10		12,416,838	12,416,849	100.0%	8.0%	30 years
09/30/11		13,493,650	13,493,652	100.0%	8.0%	30 Years
09/30/12		14,444,476	14,444,476	100.0%	8.0%	30 Years
09/30/13		14,335,058	14,335,058	100.0%	8.0%	30 Years
09/30/14		13,477,182	13,477,182	100.0%	8.0%	29 Years
09/30/15		15,410,109	19,062,423	123.7%	6.75%	28 Years
09/30/16		16,565,280	16,565,280	100.0%	6.75%	27 Years
09/30/17		15,413,823	15,413,823	100.0%	6.75%	26 Years
09/30/18*		15,631,361	15,680,817	100.3%	6.75%	25 Years
09/30/19**		17,805,961	17,805,961	100.0%	6.50%	24 Years
09/30/20**		17,078,683	17,078,683	100.0%	6.25%	23 Years
09/30/21**		15,836,027	15,836,027	100.0%	6.25%	22 Years
09/30/22**	83,722,438	15,165,514	15,668,399	103.3%	6.25%	21 Years

* Actual contribution includes pick-up contributions.

** Actual contribution does not include pick-up contributions.

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

Exhibit 20

Covered Persons Pay Inflation Comparison

Actuarial Valuation Date	(1) Count	(2) Adjust Count*	(3) Annual Payroll	(4) Average Payroll (3) / (2)	(5) Average Payroll % Increase	(6) Inflation Increase % (CPI-U)
01/01/09	2,540	2,323	85,316,896	36,727	0	0.1%
01/01/10	2,502	2,362	89,325,908	37,818	3.0%	2.7%
01/01/11	2,552	2,377	93,675,182	39,409	4.2%	1.5%
01/01/12	2,504	2,321	94,043,360	40,518	2.8%	3.0%
01/01/13	2,274	2,074	91,829,981	44,277	9.3%	1.7%
01/01/14	2,241	1,873**	87,161,786	46,536	5.1%	1.5%
01/01/15	2,108	1,871	79,164,934	42,312	(9.1%)	0.8%
01/01/16	1,994	1,742	92,109,840	52,876	25.0%	0.7%
01/01/17	1,865	1,607	85,537,353	53,228	0.7%	2.1%
01/01/18	1,754	1,504	83,357,239	55,424	4.1%	2.1%
01/01/19	1,591	1,344	79,915,545	59,461	7.3%	1.9%
01/01/20	1,469	1,226	75,614,590	61,676	3.7%	2.3%
01/01/21	1,365	1,126	67,176,017	59,659	(3.3%)	1.4%
01/01/22	1,238	1,233	78,992,282	64,065	7.4%	7.0%
01/01/23	948	945	66,248,643	70,104	9.4%	6.5%

*Adjusted for active participants missing compensation amounts.
**Excludes 142 recent hires with no provided pay.

Exhibit 21

Schedule of Participants by Status

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

December 31	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Active	948	1,238	1,365	1,469	1,591	1,754	1,865	1,994	2,108	2,241
Terminated and vested	550	560	565	582	574	514	546	530	560	555
Retired	1,726	1,506	1,445	1,354	1,248	1,189	1,109	1,050	986	1,018
Disabled	168	175	178	185	192	201	205	198	209	175
Beneficiaries	400	385	370	350	351	335	313	295	247	177
Total Participants	**3,792**	**3,864**	**3,923**	**3,940**	**3,956**	**3,993**	**4,038**	**4,067**	**4,110**	**4,166**

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. The normal cost for each participant is computed as the level dollar amount 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 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 2023 unfunded accrued liability is amortized on a level dollar basis over a 20-year period as a component of the 2023 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 fair value*** method. The actuarial value of assets as of the end of a plan year is equal to the fair 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 fair value and in no case less than 80% of fair 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

N/A for determination of Actuarially Determined Contribution.

Inflation / Cost of Living Increases

2.33% per year (IRC Section 415(b) benefit limit). It is based on Milliman's capital market expectations as of January 1, 2023.

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 2023 plan year is $411,191.

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

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

Sample rates are as follows:

Age	Disability Rates
25	0.06%
30	0.06%
35	0.14%
40	0.21%
45	0.57%
50	0.53%
55	0.52%
60+	0.00%

Withdrawal Rates

Sample rates are as follows:

Service	Withdrawal Rates Male	Female
4-5	2.00%	2.00%
6	4.00%	4.00%
7-9	4.00%	5.00%
10	3.50%	6.00%
11	3.50%	7.00%
12	2.00%	2.50%
13-14	1.50%	2.00%
15	1.50%	2.50%
16	1.50%	2.00%
17	2.50%	2.00%
18	2.00%	2.00%
19-20	1.50%	2.00%
21-22	2.50%	2.00%
23	2.50%	2.50%
24+	1.50%	1.50%

Retirement Rates

Deferred vested and suspended active participants are assumed to retire according to the following rates:

Age	Retirement Rates Male Years of Service			Female Years of Service		
	<25	25-27	28+	<25	25-27	28+
<55	0.00%	0.00%	5.00%	0.00%	0.00%	10.00%
55	0.00%	5.00%	5.00%	0.00%	5.00%	5.00%
56	0.00%	5.00%	7.50%	0.00%	5.00%	5.00%
57	0.00%	5.00%	7.50%	0.00%	5.00%	7.50%
58	0.00%	10.00%	7.50%	0.00%	5.00%	7.50%
59	0.00%	10.00%	7.50%	0.00%	25.00%	7.50%
60	10.00%	20.00%	7.50%	10.00%	25.00%	7.50%
61	10.00%	15.00%	10.00%	10.00%	15.00%	20.00%
62	15.00%	20.00%	20.00%	30.00%	50.00%	20.00%
63	10.00%	20.00%	20.00%	13.00%	25.00%	20.00%
64	15.00%	30.00%	20.00%	13.00%	25.00%	20.00%
65	15.00%	40.00%	30.00%	25.00%	40.00%	30.00%
66	15.00%	20.00%	30.00%	25.00%	25.00%	40.00%
67	30.00%	30.00%	20.00%	25.00%	25.00%	40.00%
68	30.00%	30.00%	30.00%	25.00%	50.00%	40.00%
69	40.00%	40.00%	40.00%	25.00%	50.00%	40.00%
70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Non-suspended active participants are assumed to retire according to the following rates:

Age	Retirement Rates					
	Male Years of Service			Female Years of Service		
	<25	25-27	28+	<25	25-27	28+
<55	0.00%	0.00%	5.00%	0.00%	0.00%	10.00%
55	0.00%	5.00%	5.00%	0.00%	5.00%	5.00%
56	0.00%	5.00%	7.50%	0.00%	5.00%	5.00%
57	0.00%	5.00%	7.50%	0.00%	5.00%	7.50%
58	0.00%	10.00%	7.50%	0.00%	5.00%	7.50%
59	0.00%	10.00%	7.50%	0.00%	25.00%	7.50%
60	15.00%	30.00%	11.25%	15.00%	37.50%	11.25%
61	15.00%	22.50%	15.00%	15.00%	22.50%	30.00%
62	22.50%	30.00%	30.00%	45.00%	75.00%	30.00%
63	15.00%	30.00%	30.00%	18.75%	37.50%	30.00%
64	22.50%	45.00%	30.00%	18.75%	37.50%	30.00%
65	22.50%	60.00%	45.00%	37.50%	60.00%	45.00%
66	22.50%	30.00%	45.00%	37.50%	37.50%	60.00%
67	45.00%	45.00%	30.00%	37.50%	37.50%	60.00%
68	45.00%	45.00%	45.00%	37.50%	75.00%	60.00%
69	60.00%	60.00%	60.00%	37.50%	75.00%	60.00%
70	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Marriage Rates

a. Percentage married: Males - 85%, Females – 60%

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	Single Life Annuity	50% Joint and Survivor Annuity
Retirement Decrements*	70%	30%
Termination Decrements**	70%	30%

* Annuity options are immediate.

** Annuity options are deferred to normal retirement (age 60).

Benefits Not Valued

The pick-up contributions have not been applied as minimum required benefits for retirement, termination, disability, and death benefits since these contribution amounts are minimal and will have a de minimis impact.

Changes in Actuarial Assumptions

Inflation: The inflation assumption is changed from 2.20% to 2.33% per year (IRC Section 415(b) benefit limit) based on Milliman's capital market expectations as of January 1, 2023.

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.

Definitions

Accrued Benefit
The Accrued Benefit for each Member is determined using the same formula which is used to compute such Member'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

Effective Date
The Plan was last amended effective October 1, 2022. The Plan was last restated effective January 1, 2014.

Eligible Employee Classification

Any full-time member of the Metropolitan Transit Authority who is represented by Transport Workers Union of America, Local 260, AFL-CIO and was hired before October 1, 2012, 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 Member's Normal Retirement Age is the later of age 60 or attained age upon completion of five years of participation in the Plan, or upon completion of 28 years of participation in the Plan.

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

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

Pick-Up Contributions
Effective October 1, 2018, each eligible employee participating in the Plan shall make a $3.00 contribution to the Plan per weekly pay period during such employee's employment.

Plan Sponsor
Metropolitan Transit Authority is the Plan Sponsor.

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

Vested Accrued Benefit
A Member'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 member will receive one year of vesting service for each 12 month period, starting with date of employment, with at least 1,000 hours of service with METRO or a predecessor company employment. No credit is given for any 12-month period with fewer than 1,000 hours. A Member's Vested Percentage will be 100% upon the completion of 5 Years of Vesting Service. Prior to the completion of 5 Years of Vesting Service, a Member'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

After 1975, a member will receive credit for one year of service for each Plan year with at least 1,000 hours of employed service in METRO or a predecessor company. No credit will be given for any year with fewer than 1,000 hours, except in the first year of employment, or in a year of re-employment, during which the member will receive a partial year's credit based on months of employment. Prior to 1976, a member will receive one year of service credit for each completed calendar year of service with METRO or a predecessor company. All of a Member'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 Member's Vested Percentage are referred to as Years of Vesting Service and are determined using the Hours of Service Method.

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

Participation

An Employee will become a member in the Plan immediately upon hire. Employees hired on or after October 1, 2012 are not eligible to participate in the Plan.

Normal Retirement

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

(a) Normal Retirement Benefit
A Member'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:

- $68.00 multiplied by the participant's Years of Benefit Service for retirements on or after October 1, 2023,
- $65.00 multiplied by the participant's Years of Benefit Service for retirements on or after October 1, 2018, but before October 1, 2023,
- but not less than $500.00.

(b) Normal Benefit Form
Lifetime Pension - Monthly pension benefit payable for the lifetime of the Member with payments terminating upon the death of the Member.

In-Service Retirement

Effective October 1, 2022, the Plan has been amended to allow eligible Union members (at least age 60 with a minimum 5 years of service and not currently accruing a Non-Union Pension Plan benefit) the option to begin receiving their monthly Union pension benefit while continuing to work for METRO as a Union employee. Union members electing an in-service retirement will not accrue any additional pension benefits.

Early Retirement

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

(1) Attainment of age 55; and

(2) Completion of 25 Years of Service.

(b) Early Retirement Benefit
A Member'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 4% for each year that benefits commence before Normal Retirement Date.

Late Retirement

An active Member 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 Member'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 participant's Employer beyond the participant's Normal Retirement Date.

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

Disability Retirement

(a) Disability Retirement Date
A Member'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 Member has been found to be eligible for a Disability Retirement Benefit.

An Active Member 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 Member satisfies the following requirements:

(1) Completion of 5 Years of Service

(b) Disability Retirement Benefit

- $68.00 multiplied by the participant's Years of Benefit Service for retirements on or after October 1, 2023,
- $65.00 multiplied by the participant's Years of Benefit Service for retirements on or after October, 1, 2018,
- but not less than $500.00.

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:

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

Pre-Retirement Death Benefit

In the event of the death of a vested Member prior to the date that the participant begins to receive a monthly pension benefit under the Plan, the Member'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 Member 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 Member's earliest retirement date.

Termination Benefit

In the event of the termination of a Member's employment for any reason other than death, disability or retirement, the Member 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

None.

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 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 18.5 times last year's contributions indicating a one-year asset loss of 10% would be equal to 1.85 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. Effective with the October 1, 2022 plan amendment allowing eligible Union members the option to begin receiving their monthly Union pension benefit while continuing to work for METRO as a Union employee, the assumed retirement rates have been increased. A complete review of retirement rates will be included in the next experience study.

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 10.2 years. As such, if the interest rate changes by 1%, the estimated change in pension liability is 10.2%.

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 fair value of plan assets to the present value of accumulated plan benefits. When the fair 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 fair value of the plan assets to the present value of vested accumulated plan benefits.

Milliman

METROPOLITAN TRANSIT AUTHORITY
UNION PENSION PLAN

GASB 67 and 68 DISCLOSURE
Fiscal Year: October 1, 2023 to September 30, 2024

Prepared by

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

Jake Pringle, EA, MAAA
Principal and Consulting Actuary

Milliman, Inc.
1415 Louisiana Street, Suite 500
Houston, TX 77002
Tel +1 713 658 8451

milliman.com

April 30, 2024

Table of Contents

Executive Summary	ES-1
Certification	1
Overview of GASB 67 and GASB 68	3
Statement of Fiduciary Net Position	4
Statement of Changes in Fiduciary Net Position	5
Money-Weighted Rate of Return	6
Net Pension Liability	7
Long-Term Expected Rate of Return	8
Depletion Date Projection	9
Projection of Contributions	10
Projection of Fiduciary Net Position	11
Actuarial Present Value of Projected Benefit Payments	12
Changes in Net Pension Liability	13
Pension Expense	14
Schedule of Deferred Inflows and Outflows of Resources	15
Schedule of Changes in Net Pension Liability and Related Ratios	16
Schedule of Employer Contributions	17
Actuarial Methods and Assumptions Used for Funding Policy	18
Summary Chart	19
Glossary	20

Executive Summary

A. Summary of Key Results

Reporting Date	September 30, 2023	September 30, 2024
Valuation Date	**January 1, 2022**	**January 1, 2023**
Participant Data		
Number of participants		
Active Participants	1,238	948
Terminated Vested Participants	560	550
Retired Participants	1,506	1,726
Disabled Participants	175	168
Beneficiaries	385	400
Total Participants	3,864	3,792
Covered payroll at reporting date	$85,645,491	$71,122,108

Measurement Date	December 31, 2022	December 31, 2023
Assets		
Fiduciary net position	$290,562,545	$299,834,850
Money-weighted rate of return	(14.32%)	8.90%
Net Pension Liability		
Total pension liability	$452,138,996	$450,462,920
Fiduciary net position	290,562,545	299,834,850
Net Pension liability	$161,576,451	$150,628,070
Discount rate	6.25%	6.25%
Fiduciary net position as of % total pension liability	64.26%	66.56%
Net pension liability as of % covered payroll	188.66%	211.79%

Reporting Date	September 30, 2023	September 30, 2024
Pension Expense		
Service cost	$4,415,715	$3,154,530
Interest on total pension liability	27,387,593	27,527,976
Effect of plan changes	7,798,168	0
Administrative expenses	411,191	403,087
Member contributions	(142,951)	(103,386)
Expected investment return net of investment expenses	(21,590,396)	(17,671,095)
Recognition of deferred inflows/outflows of resources	3,281,243	(4,256,262)
Pension expense	$21,560,563	$9,054,850

B. Purpose of this Report

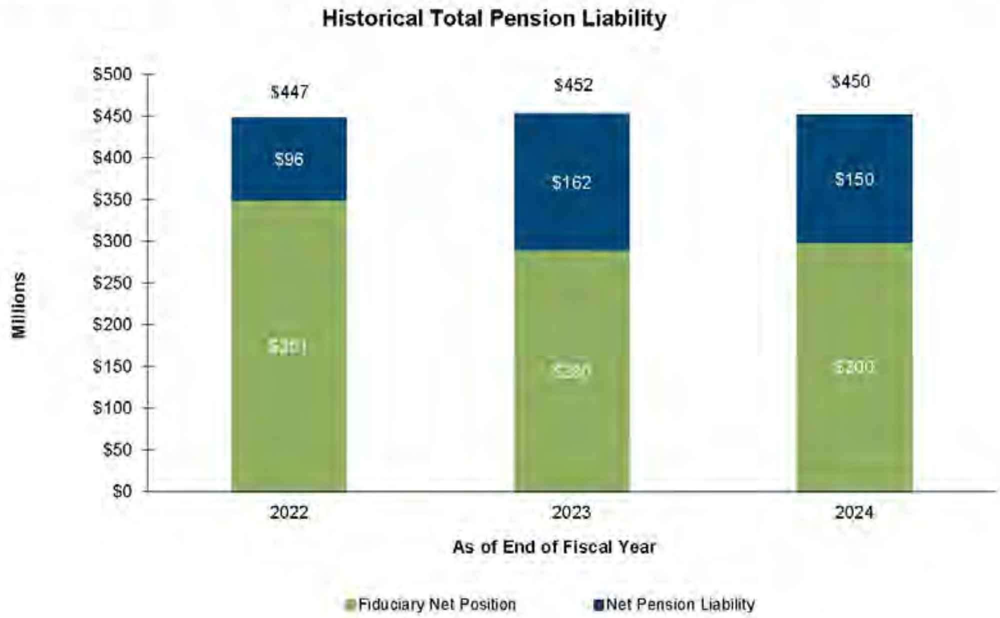
This accounting report has been prepared for the Metropolitan Transit Authority Union Pension Plan for the fiscal year October 1, 2023 to September 30, 2024 to:

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

The Valuation Date is January 1, 2023. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2023. This is the date as of which the net pension liability is determined. The Reporting Date is September 30, 2024. This is the employer's fiscal year ending date.

C. Total Pension Liability and 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.

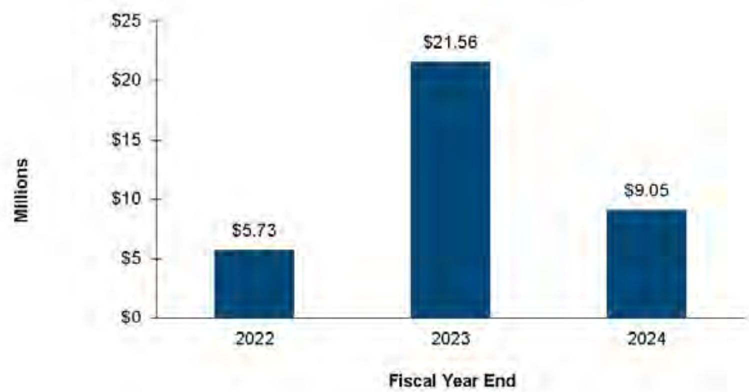


D. Pension Expense for the 2024 Fiscal Year End

The Pension Expense measured for the plan year ending December 31, 2023 and reported for the fiscal year ending September 30, 2024 is $9,054,850.

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

Pension Expense



E. Depletion Date

As of December 31, 2023, 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.

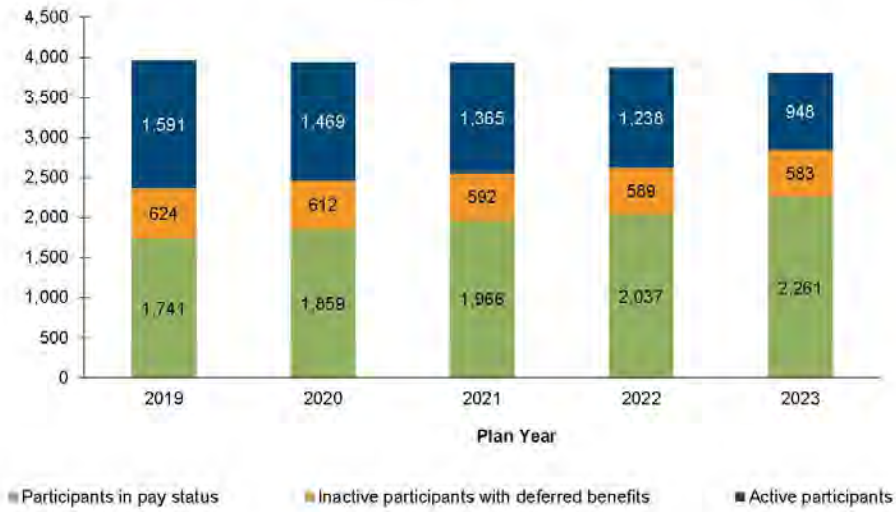
F. Plan Experience

Change in Demographics

From January 1, 2022 to January 1, 2023, the number of active participants in the Plan decreased by 23.4% from 1,238 to 948; while the total number of participants decreased by 1.9% from 3,864 to 3,792.

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

Historical Participation



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 2023 plan year was more favorable than expected, generating a net actuarial gain as follows:

- Demographic experience different from that assumed, which resulted in an actuarial gain of approximately $2.2 million.

In addition, the actuarial assumption changes resulted in an overall loss of approximately $13 thousand as follows:

- The revised salary scale assumption resulted in an increase of the total pension liability of approximately $13 thousand.
- The updated inflation assumption had an immaterial impact on the total pension liability.

Change in Assets

Asset experience for the 2023 plan year was more favorable than expected.

- The 2023 rate of return on the market value of plan assets was approximately 8.90%, above the assumed rate of 6.25%, resulting in an investment gain of approximately $7.5 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 4.85% for 2023, 4.25% for 2024, 4.275% for 2025, and 3.00% per year thereafter to 4.575% for 2023, 3.25% for 2024, 3.75% for 2025, 3.25% for 2026, 3.75% for 2027 and 3.00% per year thereafter, with an additional 0.25% for 2025, 1.25% for 2026, and 1.5% for 2027 for bus operators hired after June 1, 1999.
- Inflation was updated from 2.33% to 2.30%.

These changes were made to better reflect anticipated future plan experience and to align with negotiated increases in the 2024 Labor Agreement.

H. Plan Provisions

The plan provisions used in this measurement are the same as those used in the prior measurement.

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, 2023 to September 30, 2024. The reporting date for determining plan assets and obligations is December 31, 2023. 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, 2023 and December 31, 2023 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 3, 2023 for more information on the plan's participant group as of January 1, 2023 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, 2023 valuation assumptions report dated April 17, 2024 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., EA, MAAA	Jake Pringle, EA, MAAA
Principal and Consulting Actuary	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, 2022	December 31, 2023
Assets		
Cash and cash equivalents	$2,287,805	$5,832,862
Receivables and prepaid expenses:		
Receivable contributions	0	0
Receivable investment income	37,464	67,312
Receivables from brokers for unsettled trades	0	0
Prepaid expenses	0	0
Total receivables	37,464	67,312
Investments:		
Fixed income	73,606,447	81,109,406
Stocks	166,975,102	176,337,826
Short-term investments	0	0
Real estate	47,852,786	36,685,723
Alternative investments	0	0
Total investments	288,434,335	294,132,955
Invested securities lending cash collateral	0	0
Capital assets net of accumulated depreciation	0	0
Total assets	290,759,604	300,033,129
Liabilities		
Accrued expenses and benefits payable	197,059	198,279
Securities lending cash collateral	0	0
Payable to brokers for unsettled trades	0	0
Total liabilities	197,059	198,279
Net position restricted for pensions	$290,562,545	$299,834,850

Statement of Changes in Fiduciary Net Position

	December 31, 2023
Additions	
Pick-Up contributions	$103,386
Employer contributions	14,557,542
Total contributions	14,660,928
Investment income (loss):	
Interest	256,296
Dividends	1,715,924
Equity fund income, net	0
Net increase in fair value of investments	23,917,246
Securities lending income	0
Less investment expenses:	
Direct investment expense	726,297
Securities lending management fees	0
Securities lending borrower rebates	0
Net investment income	25,163,169
Other income	0
Total additions	39,824,097
Deductions	
Service benefits	30,148,705
Disability benefits	0
Death benefits	0
Refunds of member contributions	0
Administrative expenses	403,087
Total deductions	30,551,792
Net increase (decrease)	9,272,305
Net position restricted for pensions	
Beginning of year (December 31, 2022)	290,562,545
End of year (December 31, 2023)	$299,834,850

Money-Weighted Rate of Return

Measurement Year Ending December 31	Net Money-Weighted Rate of Return
2014	4.24%
2015	(3.38%)
2016	7.91%
2017	16.90%
2018	(6.73%)
2019	17.63%
2020	11.55%
2021	11.76%
2022	(14.32%)
2023	8.90%

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, 2023	$290,562,545
Annual net external cash flows:	
Employer contributions	14,557,542
Employee contributions	103,386
Benefit payments	(30,148,705)
Administrative expenses	(403,087)
Total	(15,890,864)
Investment Income	25,163,169
Ending Value - December 31, 2023	299,834,850
Money-Weighted Rate of Return	8.90%

Net Pension Liability

Net Pension Liability	December 31, 2022	December 31, 2023
Total pension liability	$452,138,996	$450,462,920
Fiduciary net position	290,562,545	299,834,850
Net pension liability	$161,576,451	$150,628,070
Fiduciary net position as a % of total pension liability	64.26%	66.56%
Covered payroll	85,645,491	71,122,108
Net pension liability as a % of covered payroll	188.66%	211.79%

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, 2023 were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2018.

Valuation date	January 1, 2022	January 1, 2023
Measurement date	December 31, 2022	December 31, 2023
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.33%	2.30%
Salary increases including inflation	3.525% for 2022, 4.85% for 2023, 4.25% for 2024, 4.275% for 2025, and 3.00% thereafter	4.575% for 2023, 3.25% for 2024, 3.75% for 2025, 3.25% for 2026, 3.75% for 2027 and 3.00% thereafter, with an additional 0.25% for 2025, 1.25% for 2026, and 1.5% for 2027 for bus operators hired after June 1, 1999
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, 2022 measurements, dated April 18, 2023, and for December 31, 2023 measurements, dated April 17, 2024, 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, 2024 based on a 30-year investment horizon.

Asset Class	Index	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Core Fixed Income (Aggregate)	Bloomberg Barclays Aggregate	21.00%	2.21%	2.08%
Global Bonds	FTSE WGBI USD	9.00%	1.00%	0.70%
US Large & Mid Cap Equity	Russell 1000 TR USD	21.00%	5.42%	3.78%
US Small Cap Equity	Russell 2000 TR USD	6.00%	6.94%	4.39%
US Mid Cap Equity	Russell Mid Cap TR USD	8.00%	5.95%	3.90%
Non-US Equity	MSCI ACWI Ex USA NR USD	25.00%	7.66%	5.80%
US REITs	FTSE Nareit All Equity REITs TR USD	10.00%	6.63%	4.49%
		100.00%		
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.44%	1.44%
Portfolio Real Mean Return			5.17%	4.30%
Portfolio Nominal Mean Return			7.47%	6.74%
Portfolio Standard Deviation				12.79%
Long-Term Expected Rate of Return				**6.25%**

* Target allocation as of December 31, 2023.

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:

- Pick-up contributions which began October 1, 2018 have been reflected in this projection.
- 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 December 31, 2023 measurement.
- 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 3, 2023 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	$60,993,657	$0	$60,993,657	$133,692	$14,479,165	$0	$14,612,857
2	57,147,391	0	57,147,391	121,992	14,970,721	0	15,092,713
3	53,660,008	0	53,660,008	110,916	15,738,190	0	15,849,106
4	49,865,119	0	49,865,119	100,152	16,839,725	0	16,939,877
5	45,896,878	0	45,896,878	90,324	16,454,904	0	16,545,228
6	41,953,042	0	41,953,042	80,808	16,240,309	0	16,321,117
7	38,305,477	0	38,305,477	71,916	16,030,803	0	16,102,719
8	34,942,088	0	34,942,088	63,960	15,839,647	0	15,903,607
9	31,386,008	0	31,386,008	56,628	15,658,123	0	15,714,751
10	28,106,838	0	28,106,838	49,452	15,482,551	0	15,532,003

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	$299,834,850	$14,612,857	$31,338,963	$407,118	$18,204,265	$300,905,891
2	300,905,891	15,092,713	32,227,178	411,189	18,258,317	301,618,554
3	301,618,554	15,849,106	33,056,158	415,301	18,300,461	302,296,662
4	302,296,662	16,939,877	33,792,643	419,454	18,353,785	303,378,227
5	303,378,227	16,545,228	34,354,309	423,649	18,391,366	303,536,863
6	303,536,863	16,321,117	34,871,524	427,885	18,377,982	302,936,553
7	302,936,553	16,102,719	35,308,296	432,164	18,319,855	301,618,667
8	301,618,667	15,903,607	35,668,798	436,486	18,219,864	299,636,854
9	299,636,854	15,714,751	35,896,755	440,851	18,082,839	297,096,838
10	297,096,838	15,532,003	36,005,823	445,260	17,914,831	294,092,589

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	$299,834,850	$31,338,963	$31,338,963	$0	$30,403,260	$0	$30,403,260
2	300,905,891	32,227,178	32,227,178	0	29,425,840	0	29,425,840
3	301,618,554	33,056,158	33,056,158	0	28,407,305	0	28,407,305
4	302,296,662	33,792,643	33,792,643	0	27,331,966	0	27,331,966
5	303,378,227	34,354,309	34,354,309	0	26,151,764	0	26,151,764
6	303,536,863	34,871,524	34,871,524	0	24,983,988	0	24,983,988
7	302,936,553	35,308,296	35,308,296	0	23,808,863	0	23,808,863
8	301,618,667	35,668,798	35,668,798	0	22,637,134	0	22,637,134
9	299,636,854	35,896,755	35,896,755	0	21,441,700	0	21,441,700
10	297,096,838	36,005,823	36,005,823	0	20,241,739	0	20,241,739
95	53,278	0	0	0	0	0	0
96	53,847	0	0	0	0	0	0
97	54,416	0	0	0	0	0	0
98	54,880	0	0	0	0	0	0
99	55,458	0	0	0	0	0	0
Total					468,380,347 +	0 =	468,380,347

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

	Increase (Decrease)		
Changes in Net Pension Liability	**Total Pension Liability (a)**	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances as of December 31, 2022	$452,138,996	$290,562,545	$161,576,451
Changes for the year:			
Service cost	3,154,530		3,154,530
Interest on total pension liability	27,527,976		27,527,976
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	(2,222,985)		(2,222,985)
Effect of assumptions changes or inputs	13,108		13,108
Benefit payments	(30,148,705)	(30,148,705)	0
Employer contributions		14,557,542	(14,557,542)
Member contributions		103,386	(103,386)
Net investment income		25,163,169	(25,163,169)
Administrative expenses		(403,087)	403,087
Balances as of December 31, 2023	$450,462,920	$299,834,850	$150,628,070

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	$496,974,860	$450,462,920	$410,857,791
Fiduciary net position	299,834,850	299,834,850	299,834,850
Net pension liability	$197,140,010	$150,628,070	$111,022,941

Pension Expense

Pension Expense	October 1, 2022 to September 30, 2023	October 1, 2023 to September 30, 2024
Service cost	$4,415,715	$3,154,530
Interest on total pension liability	27,387,593	27,527,976
Effect of plan changes	7,798,168	0
Administrative expenses	411,191	403,087
Member contributions	(142,951)	(103,386)
Expected investment return net of investment expenses	(21,590,396)	(17,671,095)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	(4,141,180)	(4,568,835)
Recognition of assumption changes or inputs	(1,990,485)	(183,763)
Recognition of investment gains or losses	9,412,908	496,336
Pension Expense	$21,560,563	$9,054,850

As of September 30, 2024, 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	($2,359,038)	$0
Changes of assumptions	(136,498)	6,866
Net difference between projected and actual earnings	0	26,530,186
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:	
2025	$3,732,082
2026	9,100,378
2027	12,707,470
2028	(1,498,414)
2029	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 09/30/2024	Amount Recognized in Pension Expense through 09/30/2024	Balance of Deferred Inflows as of 09/30/2024	Balance of Deferred Outflows as of 09/30/2024
Economic/ demographic gains or losses	($2,222,985)	9/30/2024	2.1	($1,058,564)	($1,058,564)	($1,164,421)	$0
	(7,167,707)	9/30/2023	2.4	(2,986,545)	(5,973,090)	(1,194,617)	0
	(1,472,895)	9/30/2022	2.9	(457,105)	(1,472,895)	0	0
	(1,065,945)	9/30/2021	3.2	(66,621)	(1,065,945)	0	0
		Total		(4,568,835)		(2,359,038)	0
Assumption changes or inputs	13,108	9/30/2024	2.1	6,242	6,242	0	6,866
	(818,994)	9/30/2023	2.4	(341,248)	(682,496)	(136,498)	0
	865,954	9/30/2022	2.9	268,744	865,954	0	0
	(1,880,019)	9/30/2021	3.2	(117,501)	(1,880,019)	0	0
		Total		(183,763)		(136,498)	6,866
Investment gains or losses	(7,492,074)	9/30/2024	5.0	(1,498,415)	(1,498,415)	(5,993,659)	0
	71,029,417	9/30/2023	5.0	14,205,883	28,411,766	0	42,617,651
	(17,509,281)	9/30/2022	5.0	(3,501,856)	(10,505,568)	(7,003,713)	0
	(15,450,473)	9/30/2021	5.0	(3,090,095)	(12,360,380)	(3,090,093)	0
	(28,095,897)	9/30/2020	5.0	(5,619,181)	(28,095,897)	0	0
		Total		496,336		(16,087,465)	42,617,651
Employer contributions made subsequent to measurement date.**							
Total for economic/demographic gains or losses and assumption changes or inputs						(2,495,536)	6,866
Net deferred (inflows)/outflows for investment gains or losses						0	26,530,186
Total deferred (inflows)/outflows						(2,495,536)	26,537,052
Total net deferrals							24,041,516

* 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$3,155	$4,416	$4,675	$5,231	$4,956	$4,647	$4,930	$5,329	$5,550	$5,435
Interest on total pension liability	27,528	27,388	26,720	26,440	27,494	25,780	25,075	24,589	24,786	22,447
Effect of plan changes	0	7,798	5,234	0	0	13,851	0	0	0	0
Effect of economic/demographic gains or losses	(2,223)	(7,168)	(1,473)	(1,066)	(1,882)	(4,970)	(2,013)	(10,556)	(2,781)	0
Effect of assumption changes or inputs	13	(819)	866	(1,880)	(8,162)	22,299	(2,089)	(5,369)	25,680	0
Benefit payments	(30,149)	(26,127)	(24,084)	(23,306)	(21,934)	(19,795)	(18,800)	(17,657)	(16,567)	(15,924)
Net change in total pension liability	($1,676)	$5,488	$11,939	$5,419	$472	$41,812	$7,104	($3,664)	$36,668	$11,958
Total pension liability, beginning	$452,139	$446,651	$434,712	$429,293	$428,821	$387,010	$379,906	$383,569	$346,901	$334,943
Total pension liability, ending (a)	$450,463	$452,139	$446,651	$434,712	$429,293	$428,821	$387,010	$379,906	$383,569	$346,901
Fiduciary Net Position										
Employer contributions	$14,558	$15,668	$15,836	$17,079	$17,806	$15,631	$15,414	$16,565	$19,062	$13,477
Pick-up contributions	103	143	164	184	200	0	0	0	0	0
Net investment income	25,163	(49,439)	37,364	33,667	44,495	(18,517)	40,370	17,696	(7,810)	9,448
Benefit payments	(30,149)	(26,127)	(24,084)	(23,306)	(21,934)	(19,795)	(18,800)	(17,657)	(16,567)	(15,924)
Administrative expenses	(403)	(411)	(418)	(388)	(337)	(326)	(315)	(278)	(314)	(1,333)
Net change in plan fiduciary net position	$9,272	($60,166)	$28,863	$27,235	$40,230	($22,957)	$36,669	$16,327	($5,629)	$5,668
Fiduciary net position, beginning	$290,563	$350,729	$321,865	$294,630	$254,400	$277,357	$240,688	$224,361	$229,990	$224,322
Fiduciary net position, ending (b)	$299,835	$290,563	$350,729	$321,865	$294,630	$254,400	$277,357	$240,688	$224,361	$229,990
Net pension liability, ending = (a) - (b)	$150,628	$161,576	$95,923	$112,847	$134,663	$174,421	$109,652	$139,217	$159,208	$116,911
Fiduciary net position as a % of total pension liability	66.56%	64.26%	78.52%	74.04%	68.63%	59.33%	71.67%	63.35%	58.49%	66.30%
Covered payroll	$71,122	$85,645	$83,722	$90,602	$94,602	$97,251	$103,246	$106,575	$93,228	$92,277
Net pension liability as a % of covered payroll	211.79%	188.66%	114.57%	124.55%	142.35%	179.35%	106.21%	130.63%	170.77%	126.70%

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, 2023 valuation assumptions report dated April 17, 2024 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
2015	$13,477,182	$13,477,182	$0	$92,277,465	14.61%
2016	15,410,109	19,062,423	(3,652,314)	93,227,967	20.45%
2017	16,565,280	16,565,280	0	106,574,630	15.54%
2018	15,413,823	15,413,823	0	103,245,714	14.93%
2019	15,631,361	15,680,817	(49,456)	97,250,761	16.12%
2020	17,805,961	17,805,961	0	94,602,405	18.82%
2021	17,078,683	17,078,683	0	90,601,821	18.85%
2022	15,836,027	15,836,027	0	83,722,438	18.91%
2023	15,165,514	15,668,399	(502,885)	85,645,491	18.29%
2024	14,557,542	14,557,542	0	71,122,108	20.47%

*2019 includes $49,456 in pick-up contributions, none shown for 2020 (valued as employee contributions going forward).

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the January 1, 2023 valuation unless stated otherwise. Please see Milliman's valuation report issued August 3, 2023 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
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 01/01/2023	20 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	80% - 120% of Market Value
Inflation	2.30%, adopted for December 31, 2023 measurement and beyond.
Salary Increases	4.575% for 2023, 3.25% for 2024, 3.75% for 2025, 3.25% for 2026, 3.75% for 2027 and 3.00% thereafter, with an additional 0.25% for 2025, 1.25% for 2026, and 1.5% for 2027 for bus operators hired after June 1, 1999, adopted for December 31, 2023 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, 2023 valuation report. Effective October 1, 2022, retirement rates were increased by 50% for participants age 60+ with at least 5 years of service to anticipate in-service benefits for currently active participants (excluding transfers).
Turnover	See turnover rates in the January 1, 2023 valuation report.
Mortality	Pub-2010 Mortality, projected forward (fully generational) with MP-2021 used for December 31, 2023 measurement).

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, 2023	($452,138,996)	$290,562,545	($161,576,451)	($5,300,135)	$268,744	$34,518,596	$29,487,205	($132,089,246)	
Service cost	(3,154,530)		(3,154,530)						3,154,530
Interest on total pension liability	(27,527,976)		(27,527,976)						27,527,976
Effect of plan changes	0		0						0
Effect of liability gains or losses	2,222,985		2,222,985	(2,222,985)			(2,222,985)		
Effect of assumption changes or inputs	(13,108)		(13,108)		13,108		13,108		
Benefit payments	30,148,705	(30,148,705)	0						
Administrative expenses		(403,087)	(403,087)						403,087
Member contributions		103,386	103,386						(103,386)
Expected net investment income		17,671,095	17,671,095						(17,671,095)
Investment gains or losses		7,492,074	7,492,074			(7,492,074)	(7,492,074)		
Employer contributions		14,557,542	14,557,542					14,557,542	
Recognition of liability gains or losses				4,568,835			4,568,835		(4,568,835)
Recognition of assumption changes or inputs				458,749	(274,986)		183,763		(183,763)
Recognition of investment gains or losses						(496,336)	(496,336)		496,336
Annual expense								(9,054,850)	9,054,850
Balances as of September 30, 2024	(450,462,920)	299,834,850	(150,628,070)	(2,495,536)	6,866	26,530,186	24,041,516	(126,586,554)	

Glossary

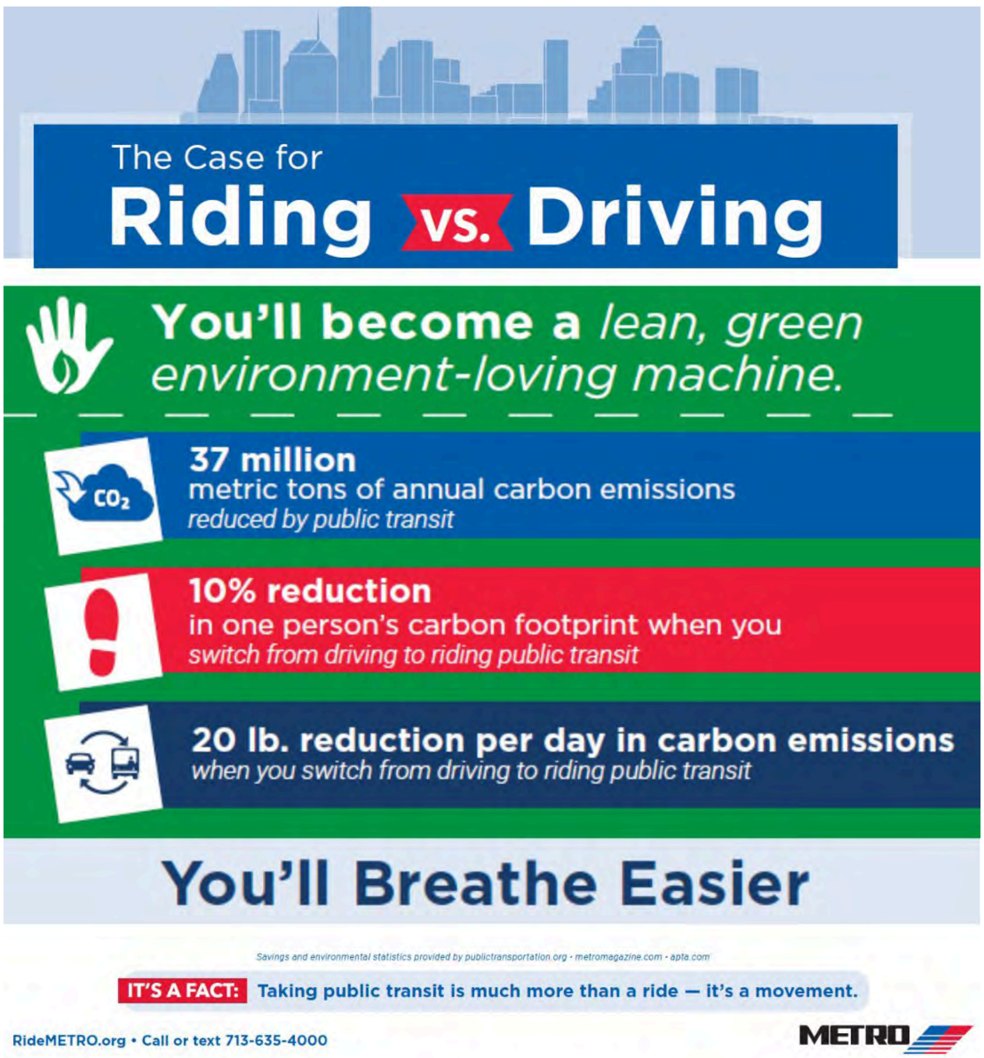
Actuarially Determined Contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.
Deferred Inflows/Outflows of Resources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

This Page Intentionally Left Blank

Statistical Section

(Unaudited)

The statistical section provides additional financial trends and participants was developed from information provided by the Plan's administrator, actuarial and audited financial reports.



Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Benefit Payments to Participants
For the Last Ten Years

End of Year	Participants Receiving Benefits	Payments (In thousands)	Approximate Average Annual Benefit
December 31 2023	2,324	$ 29,859	$ 12,848
December 31 2022	2,261	25,608	11,326
December 31 2021	2,036	24,186	11,879
December 31 2020	1,966	23,307	11,855
December 31 2019	1,859	21,934	11,799
December 31 2018	1,741	19,795	11,370
December 31 2017	1,673	18,800	11,237
December 31 2016	1,578	17,657	11,189
December 31 2015	1,496	16,567	11,074
December 31 2014	1,427	15,924	11,159

Participants receiving benefits continue to increase as more employees reach eligible retirement age.

Benefit payments are based on years of credited services time at a fixed rate as reflected in the following table.

August 1, 2002 through July 31, 2003	$ 50
August 1, 2003 through July 31, 2004	51
August 1, 2004 through July 31, 2005	52
August 1, 2005 through July 31, 2006	53
August 1, 2006 through July 31, 2007	53
August 1, 2007 through January 31, 2009	54
February 1, 2009 through September 30, 2018	60
October 1, 2018 through September 30, 2023	65
October 1, 2023 through present	68

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Participants by Status
For the Last Ten Years, as of December 31,

Participants	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Active	841	948	1,241	1,365	1,469	1,591	1,754	1,865	1,994	2,108
Terminated and vested	520	550	560	565	582	574	514	546	530	560
Retired	1,789	1,726	1,506	1,445	1,354	1,248	1,189	1,109	1,050	986
Disabled	163	168	175	178	185	192	201	205	198	209
Beneficiaries	411	400	382	370	350	351	335	313	295	247
Total participants	3,724	3,792	3,864	3,923	3,940	3,956	3,993	4,038	4,067	4,110

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 Types
For the Last Ten Years, as of December 31,
(In thousands)

Types of Benefit Payment	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service	$26,274	$22,084	$20,680	$19,446	$17,789	$16,152	$15,183	$13,909	$13,026	$12,345
Disabled	1,696	1,701	1,752	1,786	1,827	1,895	1,982	1,980	1,930	1,995
Beneficiary	1,889	1,823	1,754	1,644	1,503	1,379	1,291	1,232	1,134	1,018
Lump sum	290	519	(102)	430	815	369	343	536	477	566
	$30,149	$26,127	$24,084	$23,306	$21,934	$19,795	$18,799	$17,657	$16,567	$15,924

Benefit payments continue to increase as more individuals retire.

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Schedule of Retired Participants by Types of Benefits

Monthly Benefit Payment	Number of Retirees*	Type of Retirement					Option Selected			
		1	2	3	4	5	1	2	3	4
$1 - $500	501	213	19	29	240	-	422	70	6	3
501 - 1,000	629	401	29	73	126	-	467	161	1	-
1,001 - 1,500	551	418	72	54	7	-	353	195	2	1
1,501 - 2,000	430	321	103	6	-	-	317	112	1	-
2,001 - 2,500	169	155	14	-	-	-	131	38	-	-
2,501 – 3,000	43	42	1	-	-	-	36	7	-	-
Over 3,000	1	1	-	-	-	-	1	-	-	-
	2,324	1,551	238	162	373	-	1,727	583	10	4

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 - Joint and 50% survivor
Option 3 – Joint and 100% survivor
Option 4- Other

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

Metropolitan Transit Authority
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Statements of Changes in Fiduciary Net Position
For Ten Years Ended December 31,

	2023	2022	2021	2020	2019
Additions					
Employer contributions	$ 14,557,542	$ 15,668,399	$ 15,836,027	$ 17,078,683	$ 17,805,961
Pick-up contributions	103,386	142,951	164,295	184,148	199,644
Investment income					
Interest and dividends	1,972,220	1,835,654	3,874,488	3,821,788	2,175,848
Net appreciation/(depreciation) on investments	23,917,246	(50,437,482)	34,202,401	30,524,776	43,137,051
Investment income/(loss)	25,889,466	(48,601,828)	38,076,889	34,346,564	45,312,899
Less: investment expenses	(726,297)	(837,193)	(712,658)	(679,664)	(817,445)
Net investment income/(loss)	25,163,169	(49,439,021)	37,364,231	33,666,900	44,495,454
Total additions	39,824,097	(33,627,671)	53,364,553	50,929,731	62,501,059
Deductions					
Paid to Plan members and beneficiaries	30,148,705	26,127,147	24,083,715	23,306,331	21,934,190
Administrative services	403,087	411,191	417,525	388,021	337,196
Total deductions	30,551,792	26,538,338	24,501,240	23,694,352	22,271,386
Change in fiduciary net position	9,272,305	(60,166,009)	28,863,313	27,235,379	40,229,673
Fiduciary net position restricted for pension					
Beginning of the year	290,562,545	350,728,554	321,865,241	294,629,862	254,400,189
End of the year	$ 299,834,850	$ 290,562,545	$ 350,728,554	$ 321,865,241	$294,629,862

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
Transport Workers Union Pension Plan, Local 260, AFL-CIO
Statements of Changes in Fiduciary Net Position
For Ten Years Ended December 31,

	2018	2017	2016	2015	2014
Additions					
Employer contributions	$ 15,631,361	$ 15,413,823	$ 16,565,280	$ 19,062,423	$ 13,477,182
Pick-up contributions	49,456	-	-	-	-
Investment income					
Interest and dividends	2,296,629	1,671,687	812,399	1,380,500	1,815,928
Net appreciation/(depreciation) on investments	(20,344,177)	39,154,613	17,297,528	(8,338,049)	7,632,448
Investment income/(loss)	(18,047,548)	40,826,300	18,109,927	(6,957,549)	9,448,376
Less: investment expenses	(469,031)	(456,670)	(413,535)	(852,342)	(1,013,392)
Net investment income/(loss)	(18,516,579)	40,369,630	17,696,392	(7,809,891)	8,434,984
Total additions	(2,835,762)	55,783,453	34,261,672	11,252,532	21,912,166
Deductions					
Paid to Plan members and beneficiaries	19,795,197	18,799,540	17,656,524	16,567,409	15,923,974
Administrative services	326,240	314,986	277,833	314,046	319,754
Total deductions	20,121,437	19,114,526	17,934,357	16,881,455	16,243,728
Change in fiduciary net position	(22,957,199)	36,668,927	16,327,315	(5,628,923)	5,668,438
Fiduciary net position restricted for pension					
Beginning of the year	277,357,388	240,688,461	224,361,146	229,990,069	224,321,631
End of the year	$254,400,189	$277,357,388	$240,688,461	$224,361,146	$229,990,069

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