

***Metropolitan Transportation  
Authority***

***(A Component Unit of the State of New York)***

**Independent Accountants' Review Report**

**Consolidated Financial Statements  
Three Months Ended March 31, 2006**

Of the above cash and investments, amounts held for restricted purposes were as follows at March 31, 2006 and December 31, 2005:

	March 2006 (Unaudited)	December 2005
Construction or acquisition of capital assets	\$1,232	\$1,301
Funds received from affiliated agencies for investment	724	897
Debt service	645	590
Payment of claims	306	304
Restricted for capital leases	2,475	2,505
Other	<u>620</u>	<u>558</u>
Total	<u>\$6,002</u>	<u>\$6,155</u>

#### 4. EMPLOYEE BENEFITS

Substantially all of the MTA's related groups and pension plans have separately issued financial statements that are publicly available and contain descriptions and supplemental information regarding employee benefit plans. These statements may be obtained by calling the administrative office of the respective related group.

**Pension Plans** - The MTA sponsors and participates in a number of pension plans for its employees. These plans are not component units of the MTA and are not included in the combined financial statements.

##### *Defined Benefit Pension Plans*

- *Single-Employer Pension Plans* - The Long Island Rail Road Company Pension Plan and the Long Island Rail Road Company Plan for Additional Pensions ("Additional Plan") are contributory, defined-benefit pension plans that cover employees who began service with MTA Long Island Rail Road prior to January 1, 1988. Benefit provisions are established by MTA Long Island Rail Road and are based on length of qualifying service and final average compensation.
- The TWU-MSBA Employees' Pension Plan ("MSBA Plan") is a contributory, defined-benefit plan covering substantially all its employees who began service prior to January 23, 1983. Persons employed after that date are covered by NYS Employees' Retirement System ("NYSERS"). In 1999, the "MSBA Plan," which was administered under terms of the TWU-MSBA Employees' Pension Trust, was merged with the MTA Defined-Benefit Plan and administered by the MTA.
- The MaBSTOA Pension Plan is a defined-benefit plan covering substantially all of its employees. This plan assigns authority to amend the plan and determine contributions to the MaBSTOA Board.
- For the plan years ended December 31, 2005 and 2004, MTA New York City Transit made contributions to the MaBSTOA Plan of \$153.4 and \$142.0, respectively, equal to the required contributions for each year. During the year ended December 31, 2004, MTA New York City Transit made advance payments of \$70.0 resulting in the recognition of a pension asset in the combined balance sheets.

- MTA Staten Island Railway has a contributory defined benefit plan that is a single-employer public employee retirement system covering certain employees. Authority to amend the plan and to determine contributions rests with the MTA Board.
- *Multi-Employer Pension Plan* - The MTA Defined-Benefit Pension Plan ("MTA Plan"), a defined benefit pension plan for certain MTA Long Island Rail Road non-represented and MTA Metro-North Railroad non-represented employees hired after December 31, 1987, certain MTA Long Island Bus employees hired prior to January 23, 1983, MTA Police, and certain MTA Long Island Rail Road represented employees hired after December 31, 1997 and certain MTA Metro-North Railroad represented employees, is a cost-sharing multiple-employer retirement plan. MTA Long Island Rail Road, MTA Metro-North Railroad and MTA contribute to the MTA Plan, which offers distinct retirement, disability, and death benefits for covered MTA Metro-North Railroad and MTA Long Island Rail Road employees, MTA 20-year Police Retirement Plan and MTA Long Island Bus Employees' Pension Plan. MTA Police contribute to the MTA Plan at various rates. Annual pension costs and related information about this plan are presented in the following table for all years presented as if the plan was a single-employer plan at the MTA level. A stand-alone financial report may be obtained by writing to the MTA Comptroller, 347 Madison Avenue, New York, New York, 10017.
- MTA Long Island Rail Road, MTA Metro-North Railroad, MTA, and MTA Long Island Bus recognized 2005 and 2004 pension cost based upon an assessment, which on average was 12.11 percent and 12.13 percent respectively, of annual compensation. The MTA Plan may be amended by action of the MTA Board.