

**TRANSPORT WORKERS UNION
METROPOLITAN TRANSIT AUTHORITY
HEALTH & WELFARE TRUST**

**Financial Statements
And Supplemental Schedules**

December 31, 2012 and 2011
(With Independent Auditor's Report Thereon)

**TRANSPORT WORKERS UNION
METROPOLITAN TRANSIT AUTHORITY
HEALTH & WELFARE TRUST**

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Independent Auditor's Report

To Participants and Trustees of
the Transport Workers Union Metropolitan Transit Authority
Health and Welfare Trust:

Report on the Financial Statements

We have audited the accompanying financial statements of the Transport Workers Union Metropolitan Transit Authority Health & Welfare Trust (Trust), which comprise of the Statements of Net Position as of December 31, 2012, and the related Statements of Changes in Net Position for the year then ended, and the related Notes to Financial Statements (collectively, Trust's financial statements).

Trust Management's Responsibility for the Financial Statements

Trust's management is responsible for the preparation and fair presentation of these Trust's financial statements in accordance with accounting principles generally accepted in the United State of America (US GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Trust's financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Trust's financial statements based on our audits. We conducted our audits in accordance with the auditing standards generally accepted in the United States of America (US GAAS). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Trust's financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Trust's financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Trust's financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by Trust's management, as well as evaluating the overall presentation of the Trust's financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the Trust's financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2012, and changes therein for the year then ended, in accordance with US GAAP.

Other Matters

Prior Year Financial Statements

The Trust's financial statements as of and for the year ended December 31, 2011, were audited by other auditors whose report dated October 12, 2012, expressed an unmodified opinion on those statements.

Required Supplemental Information

US GAAP requires that the management's discussion and analysis, schedule of funding progress and schedule of employer contributions, as listed in the table of contents, be presented to supplement the Trust's financial statements. Such information, although not a part of the Trust's financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the Trust's financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 Trust's financial statements, and other knowledge we obtained during our audit of the Trust's 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.

Other Information

Our audit was conducted for the purposes of forming an opinion on the Trust's financial statements. The other supplemental information for ten years ("Other Information"), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the Trust's financial statements.

The Other Information has not been subjected to the auditing procedures applied in the audit of the Trust's financial statements and, accordingly, we do not express an opinion or provide any assurance on the Other Information.

McConnell & Jones LLP

Houston, Texas
November 1, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

The discussion and analysis portion of this report provides an overview of the benefits, eligibility, and performance of the Transport Workers Union Metropolitan Transit Authority Health & Welfare Trust (Trust). Included in this discussion, is the Trustees and management's responsibility for maintaining an effective accounting and financial reporting structure. This section should be read in conjunction with the rest of the financial report.

The Trust provides medical, dental, and disability benefits for eligible employees and retirees covered under the labor agreement, including their dependents. The labor agreement between the Metropolitan Transit Authority of Harris County, Texas (METRO), the Transport Workers Union of America Local 260, (Local 260) and the Transport Workers Union of America, AFL-CIO is periodically re-negotiated with the most recent labor agreement starting October 1, 2012 and expiring July 31, 2015.

Under the new agreement, METRO's monthly contributions increased starting October 1, 2012 from \$800 to \$835 for each eligible employee and retiree. This agreement also increases METRO's monthly contribution to \$845 effective October 1, 2013 and to \$880 starting October 1, 2014. Contributions from eligible employees and retirees are determined as part of the annual health care enrollment process. Funding deficits, if any, can only be reduced through changing benefits or increasing contributions from eligible employees and retirees.

The Trust is managed by four Trustees. One is appointed by the Transport Workers Union of America, Local 260, one is appointed by the Transport Workers Union of America, AFL-CIO and two are appointed by METRO's Chief Executive Officer.

Trust pays retirement benefits on a pay as you go basis and maintains approximately 30 days of liquidity.

FINANCIAL HIGHLIGHTS

Trust Net Position:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Assets			
Cash and cash equivalent	\$ 2,297,625	\$ 4,662,058	\$ 5,213,366
Supplemental insurance receivable	85,233	14,131	98,356
Other receivable	28,846	8,681	-
Office furniture and equipment, net	17,121	21,394	35,327
Other assets	1,069	1,069	1,069
Total assets	<u>2,429,894</u>	<u>4,707,333</u>	<u>5,348,118</u>
Accounts payable	457,091	2,809,926	2,949,255
Plan net position held in trust for benefits	<u>\$ 1,972,803</u>	<u>\$ 1,897,407</u>	<u>\$ 2,398,863</u>

Changes in the Trust net position for last three years were:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Additions:			
METRO contributions	\$ 25,075,920	\$ 24,704,800	\$ 23,506,215
Participants' contributions	8,227,735	7,846,110	7,422,991
Interest and other income	8,895	2,396	835
Total additions	<u>33,312,550</u>	<u>32,553,306</u>	<u>30,930,041</u>
Deductions:			
Paid health benefits	32,614,634	32,503,190	30,724,856
Administrative expenses	622,520	551,572	645,790
Total deductions	<u>33,237,154</u>	<u>33,054,762</u>	<u>31,370,646</u>
Net increase (decrease)	75,396	(501,456)	(440,605)
Plan net position held in trust for benefits:			
Beginning of year	1,897,407	2,398,863	2,839,468
End of year	<u>\$ 1,972,803</u>	<u>\$ 1,897,407</u>	<u>\$ 2,398,863</u>

Changes between years

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Additions:			
METRO contributions	\$ 371,120	\$ 1,198,585	\$ 2,127,438
Participants' contributions	381,625	423,119	142,463
Interest and other income	6,499	1,561	(117,271)
Total additions	<u>759,244</u>	<u>1,623,265</u>	<u>2,152,630</u>
Deductions:			
Paid health benefits	111,444	1,778,334	3,284,203
Administrative expenses	70,948	(94,218)	210,637
Total deductions	<u>182,392</u>	<u>1,684,116</u>	<u>3,494,840</u>
Net Increase (decrease)	576,852	(60,851)	(1,342,210)
Plan net position held in trust for benefits:			
Beginning of the year	(501,456)	(440,605)	901,605
End of the year	<u>\$ 75,396</u>	<u>\$ (501,456)</u>	<u>\$ (440,605)</u>

Trust net position improved by \$576,852 or approximately 115.04% as employees and retirees reduced their participation in preferred provider organizations and move to managed care systems.

During 2011 and 2010 the net position of the Trust decreased by \$501,456 and \$440,605 as medical care premiums and administrative expenses continued to exceed contributions from METRO, the participants and retirees. This decline was related primarily to higher costs associated with preferred provider organizations.

ACCOUNTING SYSTEM AND INTERNAL CONTROLS

Responsibility for accuracy, reliability and fairness in presentation of the financial information and related disclosures rests with the Trustees and management. All the disclosures that are necessary to enable readers to gain an understanding of Trust's financial activities have been included. The Trustees and management are also responsible for ensuring that adequate internal control measures are in place for preparing financial information, safeguarding assets, effective and efficient use of resources, and for compliance with applicable laws and regulations. The internal control structure has been designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived; and (b) valuation of cost and benefits require estimates and judgment by management

CONTACT ADDRESS OF THE TRUST

This financial report is designed to provide a general overview of the Trust's finances for the Trustees and participants. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the Transport Workers Union Metropolitan Transit Authority Health & Welfare Trust, 2150 West 18th Street, Suite 112, Houston, Texas 77008.

Transport Workers Union
Metropolitan Transit Authority
Health & Welfare Trust

Statements of Net Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Cash and cash equivalent	\$ 2,297,625	\$ 4,662,058
Supplemental insurance receivable	85,233	14,131
Other receivables	28,846	8,681
Office furniture and equipment, net	17,121	21,394
Other assets	1,069	1,069
Total assets	<u>2,429,894</u>	<u>4,707,333</u>
Liabilities:		
Accounts payable	457,091	2,809,926
Plan net position held in trust for benefits	<u>\$ 1,972,803</u>	<u>\$ 1,897,407</u>

See the accompanying notes to the financial statements.

Transport Workers Union
Metropolitan Transit Authority
Health & Welfare Trust

Statements of Changes in Net Position
December 31, 2012 and 2011

	2012	2011
Additions:		
METRO contributions	\$ 25,075,920	\$ 24,704,800
Participants' contributions	8,227,735	7,846,110
Interest and other income	8,895	2,396
Total additions	33,312,550	32,553,306
Deductions:		
Paid health benefits	32,614,634	32,503,190
Administrative expenses	622,520	551,572
Total deductions	33,237,154	33,054,762
Net increase (decrease)	75,396	(501,456)
Plan net position held in trust for benefits:		
Beginning of year	1,897,407	2,398,863
End of year	\$ 1,972,803	\$ 1,897,407

See the accompanying notes to the financial statements.

Transport Workers Union
Metropolitan Transit Authority
Health & Welfare Trust

Notes to the Financial Statements
December 31, 2012 and 2011

1. Plan Description

General

Transport Workers Union Metropolitan Transit Authority Health & Welfare Trust (“Trust”) is designed to provide benefits to participating employees, retirees, their dependents and certain spouses of deceased former employees (collectively referred to as “participants”). Benefits provided include hospital, surgical, major medical, dental and disability. Major medical care is provided through contracts with managed care providers.

The Trust is funded from irrevocable contributions by METRO and participants. Contributions from eligible employees and retirees are determined as part of the annual health care enrollment process. Funding deficits, if any, can only be reduced through changing benefits or increasing contributions from eligible employees and retirees.

Eligible employees and retirees as of December 31, 2012 and 2011 were:

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Active employees	1,823	1,857	(34)
Retirees	781	745	36
Total	<u>2,604</u>	<u>2,602</u>	<u>2</u>

In the current year, METRO, the Transport Workers Union of America Local 260, and the Transport Workers Union of America, AFL-CIO re-negotiated the terms of its existing labor agreement to increase METRO’s monthly contributions from the existing \$800 to \$835 for each eligible employee and retiree. This increase was effective from October 1, 2012. The new agreement also increased METRO’s monthly contributions to \$845 and \$880 for each eligible employee and retiree, effective October 1, 2013 and October 1, 2014, respectively.

Participants should refer to the Trust agreement for complete description of benefits and can obtain information on their benefits by contacting management of the Trust at 2150 West 18th Street, Suite 112, Houston, Texas 77008.

Financial Reporting Entity

The Trust is not a component unit of METRO, and the accompanying financial statements include all activities for which the Trust is financially accountable, as defined by Governmental Accounting Standard No. 14 “The Financial Reporting Entity”.

Transport Workers Union
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Notes to the Financial Statements
December 31, 2012 and 2011

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements are presented in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to state and local governmental units. The accompanying basic financial statements include solely the accounts of the Trust including all programs, activities and functions relating to accumulation and investment of the net assets and related income necessary to provide benefits required under the terms of the Trust agreement.

Basis of Accounting

The basis of accounting is the method by which revenues and expenses are recognized in the accounts and reported in the basic financial statements. The accrual basis of accounting is used by the Trust. Under the accrual basis of accounting, contributions from METRO and participants, and interest income are recognized when they are earned and collection is reasonably assured. Expenses are recognized when the liability is incurred. Benefits are recognized when they are due and payable in accordance with the terms of the Trust agreement.

Cash and Cash Equivalent

As of December 31, 2012, cash and cash equivalent consisted of a demand deposit account with JPMorgan Chase Bank, N.A., a petty cash account and a single money market investment in Invesco's Cash Management Class Short-Term Investment Trust - Government and Agency Portfolio.

Office Furniture and Equipment

Office furniture and equipment are recorded at cost and capitalized if they cost in excess of \$1,000 and have a useful life of more than one year. Depreciation is calculated using the straight-line method based on the estimated useful lives of the related asset, generally five years. Maintenance and repairs are charged as administrative expenses when incurred.

Recognition of Additions and Deductions

The Trust's principal source of income is derived from contributions received from METRO, employees and retirees who participate in the Trust. Contributions are used to fund health and welfare benefits for participants and certain dependents. Contributions are reported as additions when earned and collection is reasonably certain. Deductions are recorded when incurred and primarily consist of health and welfare benefits and administrative support.

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Notes to the Financial Statements
December 31, 2012 and 2011

Plan Benefits

Paid health benefits are premiums paid to third party administrators for medical, dental, vision and disability income coverage. Major medical care is provided through contracts with managed care providers. The Trustees may alter benefits or increase participants' required contributions as needed to maintain sustainability of the Trust.

Administrative expenses

All administrative expenses are paid by the Trust and amounted to \$622,520 and \$551,572 in years 2012 and 2011, respectively. Please see Schedule of Administrative Expenses (unaudited) on page 22 for a detail of such expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, benefit obligations, and changes therein. Accordingly, actual results could differ from those estimates.

3. Cash and Cash Equivalent

As of December 31, 2012 and 2011 cash and cash equivalents consisted of the following:

	2012	2011
Cash equivalent	\$ 1,652,029	\$ 4,254,837
Cash at bank	645,396	407,021
Petty cash	200	200
Total cash and cash equivalent	<u>\$ 2,297,625</u>	<u>\$ 4,662,058</u>

Cash equivalent consists of a single investment in Invesco Treasury Portfolio, Short-term Investment Trust cash management class. This portfolio invests in United State Treasury obligations either directly or through repurchase agreements supported by these obligations. Cash equivalent is uninsured against loss in value and uncollateralized.

Cash at bank is with a local bank and insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. Amounts in excess of FDIC insured limit of \$250,000 is uninsured and uncollateralized.

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Notes to the Financial Statements
December 31, 2012 and 2011

4. Other Postemployment Benefit

The Trust provides medical and dental benefits to retirees and their dependents. To qualify for this retirement benefits, an employee must be 60 years old and with at least 5 years of credited service, 55 years old with at least 25 years of credited service or any age with 28 years of credited service, or meet the disability qualifications. Benefits are provided on a pay-as-you-go basis from monthly contributions made by METRO, participants and retirees.

GASB requires METRO (the Trust sponsor) and the Trust to use the same actuarial assumptions and cost method when calculating the cost and liability related to other postemployment benefits. GASB also allows for the actuarial valuation to be prepared using other than the entity's year-end reporting date as long as this is done consistently from year to year.

Actuarial valuations of an ongoing trust involve estimated values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past experience and new estimates made about the future. The Schedule of Funding Progress (unaudited), presented on page 16, presents multi-year trend information about whether the actuarial value of Trust's assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The accompanying Schedule of Employer Contributions (unaudited) presented on page 16, presents trend information about the amounts contributed to the Trust by METRO in comparison to the actuarially determined annual required contribution (ARC) calculated in accordance with parameters established in GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Plans Other Than Pension*. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost for each year and amortize any unfunded actuarial accrued liability (or excess) over a period not to exceed thirty years.

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Health & Welfare Trust

Notes to the Financial Statements
December 31, 2012 and 2011

METRO and the actuary evaluate actuarial assumptions for their appropriateness biennially. The valuation report date and most significant actuarial assumptions used in the January 1, 2012 actuarial valuation were:

Valuation date	Biennial on January 1 st
Cost method used	Projected unit credit
Healthcare cost trend rate	Varying from 6.2% declining to 3.9%
Investment rate of return (without prefunding)	4.0% per annum
Funding policy	Pay-as-you-go
Assumed annual retirement rate	Varying percentage ranging from 5% to 100% for age 55 through 70
Inflation assumed	2.75% per annum, compound annually
Mortality basis after normal retirement: Healthy lives:	RP-2000 Combined Mortality Table (sex distinct) projected to 2012 using Projection Scale AA (sex distinct)
Disabled lives:	RP-2000 Disabled Mortality Table (sex distinct) projected to 2012 using Projection Scale AA (sex distinct)
Amortization of gains and losses:	
Method	Level dollars/reestablished annually
Period	30 years
Open to new members	Yes

Key actuarial assumptions are consistent from the prior year with the exception of the following change in mortality improvement assumption:

<u>Description of actuarial Assumption</u>	<u>Current Assumption</u>	<u>Previous assumption</u>
Mortality improvement assumption	Projected improvement using PSAA to 2012	No projected on RP-2000 combined table

The funded status as calculated by an independent actuary as of October 1, 2012 and 2011 were:

Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Ratio
-	\$ 327,920,311	\$ 327,920,311	-

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Notes to the Financial Statements
December 31, 2012 and 2011

5. Federal Income Tax

The Trust is exempt from federal income taxes under the Internal Revenue Code (Code) section 501 section (c) (9) and obtained its latest determination letter on March 12, 1990, in which the Internal Revenue Service (IRS) stated that the Trust, as then designed, complied with the applicable requirements of the Code. Although the Trust has been amended since receiving that determination letter, the Trust's management believes that the Trust is currently designed and is being operated in compliance with the applicable requirements of the Code. Therefore, management of the Trust believes that the Trust was qualified and the related Trust was tax-exempt as of December 31, 2012 and 2011.

Accounting principles generally accepted in the United States of America require Trust's managements to evaluate tax positions taken by their organizations and recognize a tax liability (or asset) if the Trust has taken an uncertain positions that more likely than not would not be sustained upon examination by the IRS. The Trust's management has analyzed tax positions taken and has concluded that as of December 31, 2012 and 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or require disclosure in the Trust's basic financial statements. The Trust is also subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. Additionally, the trustees believe that the Trust is no longer subject to income tax examinations for years prior to 2009.

6. Related Party Transaction

The Trust pays a monthly fee to METRO for accounting services. Total related party payments during 2012 and 2011 amounted to \$21,000 and \$17,500 respectively which is included under administrative expenses.

7. Termination of the Trust

The Plan and Trust may be terminated at any time by the Trustees. Upon complete or partial termination or discontinuance of the Plan and Trust, the Trustees have the right to settle the Trust Fund account. Upon the settlement of the account of the Trust Fund, the assets of the Trust Fund (after provision for expenses properly chargeable against the Trust Fund, including the administrative expenses relating to such termination, discontinuance or revocation) and to the extent they are sufficient, will then be allocated, applied and distributed to or for the benefit of Plan participants.

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Notes to the Financial Statements
December 31, 2012 and 2011

8. Commitments

The Trust leases its office space and certain office equipment under various operating lease agreements that expire through 2016. Future minimum payments under the non-cancelable operating lease are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2013	\$ 49,629
2014	46,989
2015	46,989
2016	<u>10,499</u>
Total	<u>\$ 154,106</u>

Lease rental expense for the years ended December 31, 2012 and 2011 were approximately \$65,344 and \$71,200 respectively.

9. Risks and Uncertainties

The Trust's contribution rates and funding progress for other post-employment benefits mentioned in note 4 above are based on assumptions pertaining to interest rates, inflation rates and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the Trust's basic financial statements.

10. Subsequent Events

The Trust's management has evaluated events through November 1, 2013; the date the Trust's financial statements were available to be issued. No changes were made or necessary to be made, to the Trust's financial statements as a result of this evaluation.

Required Supplemental Information

Transport Workers Union
Metropolitan Transit Authority
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Schedule of Funding Progress (Unaudited)

<u>Trust Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Unit Credit</u>	<u>Unfunded AAL (UALL)</u>	<u>Funded Ratio</u>
12/31/2012	10/01/12	-	\$ 338,260,120	\$ 338,260,120	-
12/31/2011	10/01/10	-	301,283,583	301,238,583	-
12/31/2010	10/01/08	-	236,771,728	236,771,728	-

Schedule of Employer Contributions (Unaudited)

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Employer Year End</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
12/31/2012	01/01/2012	09/30/2012	\$ 27,665,834	27.05%
12/31/2011	01/01/2012	09/30/2011	27,665,834	27.05%
12/31/2010	01/01/2010	09/30/2010	28,213,826	25.96%

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Notes to Required Supplemental Schedules (Unaudited)

METRO and the actuary evaluate actuarial assumptions for their appropriateness biennially. The valuation report date and most significant actuarial assumptions used in the January 1, 2012 actuarial valuation were:

Valuation date	Biennial on January 1 st
Cost method used	Projected unit credit
Healthcare cost trend rate	Varying from 6.2% declining to 3.9%
Investment rate of return (without prefunding)	4.0% per annum
Funding policy	Pay-as-you-go
Assumed annual retirement rate	Varying percentage ranging from 5% to 100% for age 55 through 70
Inflation assumed	2.75% per annum, compound annually
Mortality basis after normal retirement:	RP-2000 Combined Mortality Table (sex distinct)
Healthy lives:	projected to 2012 using Projection Scale AA (sex distinct)
Disabled lives:	RP-2000 Disabled Mortality Table (sex distinct) projected to 2012 using Projection Scale AA (sex distinct)
Amortization of gains and losses:	
Method	Level dollars/reestablished annually
Period	30 years
Open to new members	Yes

**Other Supplemental Information
For Ten Years**

Transport Workers Union
Metropolitan Transit Authority
Health & Welfare Trust

Statements of Plan Net Position (Unaudited)
For the Ten Years Ended December 31, 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Assets										
Cash and cash equivalent	\$ 2,297,625	\$ 4,662,058	\$ 5,213,366	\$ 2,956,020	\$ 2,246,706	\$ 1,995,280	\$ 1,632,275	\$ 1,038,665	\$ 717,636	\$ 640,187
Contributions receivable – employees	-	-	-	4,769	2,690	119,064	115,761	251,728	336,056	92,897
Supplemental insurance receivable	85,233	14,131	98,356	52,716	33,648	17,619	-	-	-	-
Other receivables	28,846	8,681	-	3,173	-	-	-	-	-	-
Office furniture and equipment, net	17,121	21,394	35,327	59,107	972	-	-	220	1,765	6,890
Other assets	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069
Total Assets	2,429,894	4,707,333	5,348,118	3,076,854	2,285,085	2,133,032	1,749,105	1,291,682	1,056,526	741,043
Liabilities										
Accounts payable	457,091	2,809,926	2,949,255	237,386	347,222	332,808	243,534	239,114	243,087	242,510
Net position held in trust for benefits	\$ 1,972,803	\$ 1,897,407	\$ 2,398,863	\$ 2,839,468	\$ 1,937,863	\$ 1,800,224	\$ 1,505,571	\$ 1,052,568	\$ 813,439	\$ 498,533

Transport Workers Union
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Statements of Changes in Plan Net Position (Unaudited)
For the Ten Years Ended December 31, 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
METRO's contributions	\$ 25,075,920	\$ 24,704,800	\$ 23,506,215	\$ 21,378,777	\$ 20,827,540	\$ 20,382,010	\$19,585,520	\$19,063,875	\$18,535,270	\$17,815,652
Participants' contributions	8,227,735	7,846,110	7,422,991	7,280,528	7,261,796	7,571,600	7,483,600	7,075,016	6,020,668	4,576,786
Interest and other income	8,895	2,396	835	118,106	123,125	98,794	83,647	42,434	21,287	14,139
Total additions	33,312,550	32,553,306	30,930,041	28,777,411	28,212,461	28,052,404	27,152,767	26,181,325	24,577,225	22,406,577
Deductions										
Paid health benefits	32,614,634	32,503,190	30,724,856	27,440,653	27,671,674	27,443,040	26,434,434	25,680,390	23,984,361	21,826,115
Administrative expenses	622,520	551,572	645,790	435,153	403,148	314,711	265,330	261,806	277,958	232,331
Total deductions	33,237,154	33,054,762	31,370,646	27,875,806	28,074,822	27,757,751	26,699,764	25,942,196	24,262,319	22,058,446
Net increase (decrease)	75,396	(501,456)	(440,605)	901,605	137,639	294,653	453,003	239,129	314,906	348,131
Net position held in trust for benefits:										
Beginning of year	1,897,407	2,398,863	2,839,468	1,937,863	1,800,224	1,505,571	1,052,568	813,439	498,533	150,402
End of year	\$ 1,972,803	\$ 1,897,407	\$ 2,398,863	\$ 2,839,468	\$ 1,937,863	\$ 1,800,224	\$ 1,052,568	\$ 813,439	\$ 498,533	\$ 150,402

Transport Workers Union
Metropolitan Transit Authority
Health & Welfare Trust

Schedule of Health Benefits Paid (Unaudited)
For the Ten Years Ended December 31, 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
PPO	\$ 4,310,329	\$ 3,059,896	\$ 3,135,845	\$ 3,108,517	\$ 1,060,837	\$ 683,263	\$ 4,776,533	\$ 4,543,166	\$ 3,369,100	\$ 2,937,846
HMO	25,051,903	26,176,119	24,977,031	22,057,360	21,644,608	21,491,600	20,584,905	19,984,281	19,566,279	17,651,662
PFFS insurance	1,714,485	1,549,344	1,162,699	915,798	1,072,474	267,283	-	-	-	-
Dental indemnity	620,708	660,821	499,590	425,371	381,380	389,802	382,682	367,318	335,696	111,340
Disability insurance	266,735	409,469	256,900	244,553	262,786	256,386	246,485	339,156	240,437	420,581
DMO	408,546	405,101	449,617	448,349	435,662	437,688	443,829	446,469	472,412	535,674
VMO	241,928	242,440	223,055	240,705	223,759	72,283	-	-	-	-
Vision claim	-	-	20,119	-	-	-	-	-	-	-
PPO-CPOS	-	-	-	-	2,590,168	3,844,735	-	-	437	267,792
Total health benefits Paid	\$ 32,614,634	\$ 32,503,190	\$ 30,724,856	\$ 27,440,653	\$ 27,671,674	\$ 27,443,040	\$ 26,434,434	\$ 25,680,390	\$ 23,984,361	\$ 21,924,895

Transport Workers Union
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Schedule of Administrative Expenses (Unaudited)
For the Ten Years Ended December 31, 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Salaries	\$ 164,292	\$ 153,167	\$ 155,825	\$ 146,904	\$ 139,958	\$ 135,195	\$ 129,751	\$ 123,149	\$ 125,520	\$ 99,960
Audit and consulting fees	270,830	208,331	312,500	125,000	106,348	-	-	-	-	-
Equipment rental	40,124	45,816	31,659	39,166	33,139	33,825	26,835	10,964	5,202	4,672
Accounting	34,711	33,900	33,500	33,100	33,100	41,250	21,000	35,000	49,500	32,750
Rent	25,220	25,375	23,114	27,314	26,836	23,280	23,280	23,280	27,968	27,321
Office supplies	12,795	14,385	26,613	15,674	12,407	11,825	11,458	9,828	9,787	6,612
Depreciation	8,720	13,933	5,429	3,996	128	-	220	1,545	5,125	6,475
Payroll taxes	14,547	13,170	12,889	11,644	11,875	10,838	13,087	12,764	13,011	10,797
Postage and delivery	12,270	10,372	4,999	5,982	11,974	9,919	20,240	16,478	12,347	5,229
Telephone	10,328	8,508	8,053	7,170	5,710	5,743	5,312	5,005	5,049	4,533
Bank fees and penalties	5,143	4,666	3,171	2,985	-	-	-	59	1,274	4,953
Repairs and maintenance	3,669	3,794	4,064	3,300	3,000	4,120	3,000	3,146	3,338	4,327
Printing	-	-	-	-	498	2,691	459	165	2,648	1,107
Temporary personnel	-	-	-	-	8,274	11,208	3,223	3,086	5,390	15,160
Other	19,871	16,155	23,974	12,918	9,901	24,817	7,465	17,337	11,799	8,435
Total administrative expenses	\$ 622,520	\$ 551,572	\$ 645,790	\$ 435,153	\$ 403,148	\$ 314,711	\$ 265,330	\$ 261,806	\$ 277,958	\$ 232,331

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Schedule of Per Participant Averages (Unaudited)
For the Ten Years Ended December 31, 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Number of Participants in Year	2,604	2,602	2,836	2,774	2,758	2,624	2,708	2,835	2,993	3,042
Average Contribution per Participant per Year										
METRO	9,630	9,495	8,289	7,707	7,552	7,768	7,232	6,724	6,193	5,856
Participants	3,160	3,015	2,617	2,625	2,633	2,885	2,764	2,496	2,012	1,504
Total average contribution	12,790	12,510	10,906	10,332	10,185	10,653	9,996	9,220	8,205	7,360
Average Percentage Contribution										
METRO	75	76	76	75	74	73	72	73	76	80
Participants	25	24	24	25	26	27	28	27	24	20
Total percentage	100	100	100	100	100	100	100	100	100	100