

# Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan  
Transportation Authority)

Financial Statements as of and for the  
Years Ended December 31, 2022 and 2021,  
Required Supplementary Information, and  
Independent Auditor's Report

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of  
Metropolitan Transportation Authority

### Opinion

We have audited the financial statements of the Triborough Bridge and Tunnel Authority (the "Authority"), a public benefit corporation which is a component unit of the Metropolitan Transportation Authority ("MTA"), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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.

### Emphasis of Matter

As discussed in Note 2 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of January 1, 2021. The adoption of GASB Statement No. 87 resulted in the restatement of the 2021 financial statements. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the 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 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 Authority'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 financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of Net Pension Liability in the New York City Employees' Retirement System, Schedule of the Authority's Contributions to the New York City Employees' Retirement System, Schedule of the Authority's Proportionate Share of Net OPEB Liability in the MTA OPEB Plan, and Schedule of the Authority's Contributions to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the 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 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 auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audits of the 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.

*Deloitte & Touche LLP*

June 6, 2023

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands, except as noted)**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Introduction**

The following is a narrative overview and analysis of the financial activities of Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels" or "Authority") for the years ended December 31, 2022 and 2021. This discussion and analysis is intended to serve as an introduction to MTA Bridges and Tunnels' financial statements which have the following components: (1) Management's Discussion and Analysis ("MD&A"), (2) Financial Statements (3) Notes to the Financial Statements, and (4) Required Supplementary Information.

**Management's Discussion and Analysis**

This MD&A provides an assessment of how MTA Bridges and Tunnels' position has improved or deteriorated and identifies the factors that, in management's view, significantly affected MTA Bridges and Tunnels' overall financial position. It may contain opinions, assumptions, or conclusions by MTA Bridges and Tunnels' management that should not be considered a replacement for and must be read in conjunction with the financial statements.

**The Financial Statements Include**

The Statements of Net Position provide information about the nature and amounts of resources with present service capacity that MTA Bridges and Tunnels presently controls (assets), consumption of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred outflow of resources), present obligations to sacrifice resources that MTA Bridges and Tunnels has little or no discretion to avoid (liabilities), and acquisition of net assets by MTA Bridges and Tunnels that is applicable to a future reporting period (deferred inflow of resources) with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources being reported as net position.

The Statements of Revenues, Expenses and Changes in Net Position show how MTA Bridges and Tunnels' net position changed during each year and accounts for all the current and prior year's revenues and expenses, measure the success of MTA Bridges and Tunnels' operations over the twelve months and can be used to determine how MTA Bridges and Tunnels has funded its costs.

The Statements of Cash Flows provide information about MTA Bridges and Tunnels' cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital and related financing, and investing activities.

## **The Notes to the Financial Statements Provide**

Information that is essential to understanding the financial statements, such as MTA Bridges and Tunnels' basis of presentation, and significant accounting policies, details of cash and investments, capital assets, employee benefits, long-term debt, lease transactions, future commitments and contingencies, and subsequent events of MTA Bridges and Tunnels.

The notes to the financial statements also describe any other events or developing situations that could materially affect MTA Bridges and Tunnels' financial position.

## **Required Supplementary Information**

The Required Supplementary Information provides information about the changes in the net pension liability and net other postemployment benefits ("OPEB") liability, employer contributions for the OPEB and pension plans, related ratios and actuarial assumptions used to calculate the net pension liability and net OPEB liability.

## **FINANCIAL REPORTING ENTITY**

Triborough Bridge and Tunnel Authority is a public benefit corporation, separate and apart from the State of New York, without any power of taxation. Triborough Bridge and Tunnel Authority is empowered to operate and maintain nine toll bridges and tunnels and the Battery-Parking Garage, all located in New York City. The board members of the Metropolitan Transportation Authority ("MTA") also serve as the Board of Triborough Bridge and Tunnel Authority. Triborough Bridge and Tunnel Authority operates under the name of MTA Bridges and Tunnels and is a component unit of the MTA. The MTA is a component unit of the State of New York.

MTA Bridges and Tunnels' operations and capital costs (debt obligations) for its bridges and tunnels are paid by the revenues it generates from its facilities. MTA Bridges and Tunnels' surplus amounts are used to fund transit and commuter operations and finance capital projects for the transit and commuter systems operated by other affiliates and subsidiaries of the MTA.

On April 1, 2019 the MTA Reform and Traffic Mobility Act ("the Act") was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-J, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling capital lock-box fund which is kept separate and apart from TBTA operating monies. The fund shall consist of monies received through the Central Business District Tolling Program (CBDTP), as well as real estate transfer tax ("Mansion Tax") and Portions of City and State wide sales taxes ("Internet Tax").

Monies in the fund are to be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the Authority, or to the City of New York subject to the memorandum of understanding including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling Collection System and the Central Business District tolling Customer Service Center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19.

## CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA Bridges and Tunnels' financial position for the years ended December 31, 2022, and 2021. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with MTA Bridges and Tunnels' financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

### Total Assets and Deferred Outflows of Resources, Distinguishing Between Capital Assets, Other Assets and Deferred Outflows of Resources

Capital assets include, but are not limited to: bridges, structures, tunnels, roadway, buildings and the acquisition of equipment and vehicles. Additionally a right-of-use asset for the lease on the Two Broadway office building has been included in the current year financial statements as a result of the implementation of GASB Statement No. 87, *Leases* with retroactive effect of this adoption as of January 1, 2021. Refer to the Significant Accounting Policies footnote 2 for additional information.

Other assets include, but are not limited to: cash, restricted and unrestricted investments, receivables and prepaid expenses. This also includes the receivable from applicable leases of MTA Bridges and Tunnels garage spaces and bridges and tunnels easement rights to third parties as a result of the implementation of GASB No. 87, *Leases* with retroactive effect of this adoption as of January 1, 2021. Refer to footnote 2 for additional information.

Deferred outflows of resources reflect: deferred outflows from pension activities and OPEB activities.

(In thousands)

Assets and Deferred Outflows of Resources	As of December 31,			Increase/(Decrease)	
	2022	2021 (Restated)	2020	2022-2021	2021-2020 (Restated)*
Capital Assets—Net	\$ 7,794,286	\$ 7,631,332	\$7,250,134	\$ 162,954	\$ 381,198
Other Assets	11,143,649	4,729,541	1,847,806	6,414,108	2,881,735
Deferred Outflows of Resources	<u>463,696</u>	<u>579,546</u>	<u>565,003</u>	<u>(115,850)</u>	<u>14,543</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 19,401,631</u>	<u>\$ 12,940,419</u>	<u>\$9,662,943</u>	<u>\$ 6,461,212</u>	<u>\$3,277,476</u>

\*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparative with 2020.

### Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2022 versus 2021:

Total assets and deferred outflows of resources increased by \$6,461,212 for the year ended December 31, 2022.

Capital assets, net, increased \$162,954 for the year ended December 31, 2022. This was primarily due to increases in roadway of \$433,312, primary structures of \$252,910, property road and equipment of \$39,246, open road tolling systems and equipment of \$1,807, buildings of \$11,158 and other of \$6,245. These increases

in assets were offset by accumulated depreciation and amortization of \$206,374 and decrease in construction work in progress of \$375,350. See Capital Asset footnote for further details.

Other assets increased by \$6,414,108 for the year ended December 31, 2022. This was primarily due to a new loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of \$5,796,324; increase in restricted short-term investments of \$798,927, interest receivable of \$39,119 and accounts receivable of \$36,645. This increase was offset by decreases in unrestricted short-term investments of \$10,467; cash of \$208,226 due to the transfer of internet and mansion tax for the MTA Capital Program and allowance for doubtful accounts \$49,642.

There was a decrease in deferred outflows of resources of \$115,850. This was due to decreases in the deferred outflows of resources related to OPEB of \$19,836; change in fair market value of derivative instruments of \$98,998; and deferred financing costs of \$18,490 offset by an increase in the deferred outflows related to pension of \$21,474 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System.

December 31, 2021 versus 2020:

Total assets and deferred outflows of resources increased by \$3,277,476 for the year ended December 31, 2021.

Capital assets, net, increased \$381,198 for the year ended December 31, 2021. This increase was primarily due to construction work in progress of \$186,661 offset by a write-off of costs related to a study that has no future benefit of \$8,854, primary structures of \$194,667, property road and equipment of \$102,508, roadway of \$43,063, open road tolling systems and equipment of \$8,469, buildings of \$8,218, other of \$5,733 and right-of-use asset of \$45,604 was added due to implementation of GASB Statement No. 87, *Leases*. In addition, leasehold improvement previously reported as capital assets of \$36,952 were removed from capital assets and moved to right-of-use assets because of the implementation of GASB Statement No. 87, *Leases*. These increases in assets were offset by accumulated depreciation and amortization of \$176,773 which was net of \$17,186 of accumulated depreciation removed from capital assets due to the adoption of GASB Statement No. 87, *Leases*. See Capital Asset footnote for further details.

Other assets increased by \$2,881,735 for the year ended December 31, 2021. The increase was primarily due to a new loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of \$2,088,314, higher restricted short-term investments of \$867,269, of which \$803,104 is due to restricted PMT proceeds, higher unrestricted short-term investments of \$129,343, an increase in current lease receivable-lessor of \$1,514 and increase in non-current lease receivable-lessor of \$14,308 due to the adoption of GASB Statement No. 87, *Leases*, and higher accounts receivable of \$116,509 less allowance for doubtful accounts increase of \$39,943. This increase was offset by lower cash of \$290,007, which was mainly due to internet and mansion tax cash transferred out in the current year.

There was an increase in deferred outflows of resources of \$14,543. This was due to an increase in the deferred outflows of resources related to OPEB of \$100,142, which was offset by decreases in the change in fair market value of derivative instruments of \$45,445, deferred financing costs of \$24,264 and the deferred outflows related to pension of \$15,890 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System.



## Total Liabilities and Deferred Inflows of Resources, Distinguishing Between Current Liabilities, Non- Current Liabilities and Deferred Inflows of Resources

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed tolls, and other current liabilities. This also includes the current portion of long-term lease payable as a result of the implementation of GASB Statement No. 87, *Leases*. Refer to Significant Accounting Policies footnote 2 for additional information.

Non-current liabilities include: net pension liabilities, claims for injuries to persons, post-employment benefits and other non-current liabilities. This also includes the long-term lease liability as a result of the implementation of GASB Statement No. 87, *Leases* with retroactive effect of this adoption as of January 1, 2021. Refer to footnote 2 for additional information.

Deferred inflows of resources reflect pension related deferred inflows and deferred inflows from OPEB activities. As a result of the implementation of GASB Statement No. 87, *Leases*, a deferred inflow of resources from leases at the amount of the lease receivable was recognized. Refer to footnote 2 for additional information.

Total Liabilities and Deferred Inflows of Resources	As of December 31,			Increase/(Decrease)	
	2022	2021 (Restated)	2020	2022-2021	2021-2020 (Restated)*
Current Liabilities	\$ 1,252,283	\$ 1,507,010	\$ 1,318,083	\$ (254,727)	\$ 188,927
Noncurrent Liabilities	20,686,901	13,813,471	10,668,094	6,873,430	3,145,377
Deferred Inflow of Resources	<u>234,942</u>	<u>257,243</u>	<u>120,080</u>	<u>(22,301)</u>	<u>137,163</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$22,174,126</u>	<u>\$15,577,724</u>	<u>\$12,106,257</u>	<u>\$ 6,596,402</u>	<u>\$ 3,471,467</u>

\*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparative with 2020

## Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2022 versus 2021:

Total liabilities and deferred inflows of resources increased by \$6,596,402 for the year ended December 31, 2022.

Current liabilities decreased by \$254,727 for the year ended December 31, 2022. This was primarily due to a decrease in unearned toll revenues by \$18,847 decrease in surplus paid to NYCTA of \$3,681 and MTA of \$1,233; decrease of accounts payable of \$34,726; decrease of current portion claims payable \$1,867, and payable to MTA of \$334,829 primarily due to reimbursements to MTA for capital projects. These were offset by increases in interest payable of \$40,207 and unearned interest revenue of \$45,366 primarily due to the issuance of new PMT bonds; reclassification of long-term debt obligations of \$50,125 from noncurrent to current; and increase in accrued salaries of \$6,102 attributable to an increase in labor reserves.

Non-current liabilities increased by \$6,873,430 for the year ended December 31, 2022. This was mainly due to the increase in long-term debt obligations of \$6,940,901 for the issuance of new PMT bonds of \$6,172,585, Sales Tax bond of \$758,796, and senior and subordinate bonds of \$9,520. There was also an increase in net pension liability of \$107,586 based upon the most current valuation report in accordance with GASB Statements No. 68 and GASB No. 71. These increases were offset by a decrease in OPEB liability of \$79,332 primarily due to the change in proportionate share and difference in employer contributions based upon the

most current actuarial valuation report in accordance with GASB Statement No. 71; and decrease in net derivative liabilities of \$99,018.

There was a net decrease in deferred inflows of resources of \$22,301. This was mainly attributable to an increase of \$84,477 related to OPEB due to change in assumptions and proportionate share and difference in employer contributions; offset by a decrease of \$104,869 related to pensions primarily on changes in the projected versus actual plan investment earnings, and \$1,463 amortization of deferred inflows of resources as a result of implementation of GASB Statement No. 87, *Leases*.

December 31, 2021 versus 2020:

Total liabilities and deferred inflows of resources increased by \$3,471,467 for the year ended December 31, 2021.

Current liabilities increased by \$188,927 for the year ended December 31, 2021. Unearned toll revenue was higher by \$70,616, which was due to easing of COVID-19 restrictions. There was also an increase in interest payable of \$15,284 and unearned interest revenue of \$7,141, which was primarily due from the issuance of new PMT bonds, and higher current portion of long-term debt obligations of \$17,690. There were also increases in due to NYCTA and MTA of \$55,083 and \$53,312, respectively, due to higher surplus paid, and higher accrued salaries of \$9,313, attributable to an increase in the labor reserves. These increases were offset by lower accounts payable of \$20,365 and lower payable to MTA of \$17,373.

Non-current liabilities increased by \$3,145,377 for the year ended December 31, 2021. The increase was mainly due to higher long-term debt obligations of \$3,189,274 of which \$2,863,787 relate to the issuance of new PMT bonds and \$325,487 relates to senior and subordinate bonds and a net increase of \$24,279 lease payable, as lessee due implementation of GASB No. 87, *Leases*. There was also an increase in postemployment benefits other than pensions of \$174,084 attributable to the increase of the Authority's portion of the overall liability from 3.85% to 4.05% based on actual contributions from the participating employers. These increases were offset by lower net pension liability of \$195,722, which was due to higher investment income and lower net derivative liabilities of \$45,466.

There was a net increase in deferred inflows of resources of \$137,163. This amount was mainly due to increase of \$134,372 related to OPEB primarily on changes in the projected versus actual plan investment earnings, and lease deferral of \$15,382 as a result of the implementation of GASB Statement No. 87, *Leases* and offset by a decrease of \$12,591 related to OPEB.

(In thousands)

Net Position	As of December 31,			Increase/(Decrease)	
	2022	2021 (Restated)	2020	2022-2021	2021-2020 (Restated)*
Net investment in capital assets	\$ 2,105,405	\$ 2,147,095	\$ 2,295,343	\$ (41,690)	\$ (148,248)
Restricted	2,409,990	1,606,192	747,646	803,798	858,546
Unrestricted	<u>(7,287,890)</u>	<u>(6,390,592)</u>	<u>(5,486,303)</u>	<u>(897,298)</u>	<u>(904,289)</u>
Total net position	<u>\$ (2,772,495)</u>	<u>\$ (2,637,305)</u>	<u>\$ (2,443,314)</u>	<u>\$ (135,190)</u>	<u>\$ (193,991)</u>

\*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparative with 2020

The negative net position resulted from assets transferred to MTA and NYCTA for prior years' debt financing incurred on their behalf. Net position represents the residual interest in the MTA Bridges and Tunnels assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consist of three components: net investment in capital assets, restricted and unrestricted. Net investment in capital assets include capital assets and right-of-use lease assets, net of accumulated depreciation and amortization,

and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted. In 2021, the total net position was restated and increased by \$341 due to the implementation of GASB No. 87, *Leases*. Refer to footnote 2 for additional information.

### Significant Changes in Net Position

December 31, 2022 versus 2021:

In 2022, the total net position decreased by \$135,190. This was due to operating income of \$1,686,603, non-operating income of \$497,127, relief of MTA transfers in of \$372,656 and offset by transfers out to MTA and NYCTA for operating surplus of \$1,184,711 and contribution for labor settlement to MTA of \$7,740 to settle inter-company loan balance, internet and mansion tax transfers of \$1,041,465, and Sales Tax bond proceeds transfer of \$457,660.

December 31, 2021 versus 2020:

In 2021, the total net position decreased by \$193,991. This was due to operating income of \$1,541,785 plus net non-operating income of \$396,864 less net transfers out of \$1,036,544 for operating surplus and \$1,096,096 for internet and mansion transfers. The 2021 net position increased by \$341 due to adoption of GASB Statement No. 87, *Leases*.

### Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)

	Years Ended December 31,			Increase/(Decrease)	
	2022	2021 (Restated)	2020	2022-2021	2021-2020 (Restated)*
Operating revenues	\$ 2,356,751	\$ 2,194,414	\$ 1,660,735	\$ 162,337	\$ 533,679
Operating expenses	<u>(670,148)</u>	<u>(652,629)</u>	<u>(636,336)</u>	<u>(17,519)</u>	<u>(16,293)</u>
Operating income	<u>1,686,603</u>	<u>1,541,785</u>	<u>1,024,399</u>	<u>144,818</u>	<u>517,386</u>
Nonoperating revenue, net excluding transfers	<u>497,127</u>	<u>396,864</u>	<u>117,746</u>	<u>100,263</u>	<u>279,118</u>
Income before transfers	2,183,730	1,938,649	1,142,145	245,081	796,504
Transfers in—MTA	372,656	491	3,344	372,165	(2,853)
Transfers out	<u>(2,691,576)</u>	<u>(2,133,131)</u>	<u>(472,755)</u>	<u>(558,445)</u>	<u>(1,660,376)</u>
Changes in net position	(135,190)	(193,991)	672,734	58,801	(866,725)
Net position—Beginning of year	<u>(2,637,305)</u>	<u>(2,443,314)</u>	<u>(3,116,048)</u>	<u>(193,991)</u>	<u>672,734</u>
Net position—End of year	<u><u>\$(2,772,495)</u></u>	<u><u>\$(2,637,305)</u></u>	<u><u>\$(2,443,314)</u></u>	<u><u>\$ (135,190)</u></u>	<u><u>\$ (193,991)</u></u>

\*GASB 87 restatement is as of 1/1/2021, therefore 2021 balances are not comparative with 2020

### Operating Revenues

For the year ended December 31, 2022, the operating revenues increased by \$162,337 as compared to December 31, 2021. The year 2022 reflected the full year effect of the toll increase effective April 11, 2021 while 2021 only reflected 8.5 months of the toll increase. Total crossings in 2022 were 326.3 million versus 307.3 million in 2021, an increase of 6.2%. See “Overall Financial Position and Results of Operations and Important Economic Conditions” below.

For the year ended December 31, 2021, the operating revenues increased by \$533,679 as compared to December 31, 2020. The current year included a toll increase effective April 11, 2021. Total crossings in 2021 were 307.3 million versus 253.2 million in 2020, an increase of 21.4%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

### **Revenue by Major Source**

MTA Bridges and Tunnels tolls accounted for 98.9% and 98.9% of operating revenues in 2022 and 2021, respectively. The remaining revenue primarily represented income from parking fees (net of operating expenses) collected at the Battery Parking Garage and fees collected from E-ZPass customers.

Toll revenues (net of bad debt expense relating to toll collections) were \$2,332,384 and \$2,169,877 for the years ended December 31, 2022 and December 31, 2021, respectively.

### **Operating Expenses**

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2022, as compared to the prior year by \$17,519. This was primarily due to the increases in maintenance and other operating contracts of \$24,543 mainly due to major maintenance and painting projects; depreciation and amortization expense of \$4,141; salaries and wages of \$6,953, insurance of \$2,767, credit card fees of \$5,239; and retirement and other benefits of \$5,116. These increases were offset by a decrease in OPEB expense of \$21,820 and professional service contracts decrease of \$12,786.

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2021, as compared to the prior year by \$16,293. The increase was primarily due to higher depreciation and amortization expense of \$22,169 partly due to the effect of the implementation of GASB Statement No. 87, *Leases*, higher post-employment benefits other than pensions of \$16,441, and higher professional services of \$10,590 due to higher legal expenses resulting from an increase in reserves for new pending litigation settlements. There was also an increase in credit card fees of \$5,388 and higher insurance expense of \$3,910. These increases were offset by lower retirement and other employee benefits of \$30,243 and lower maintenance and other operating contracts of \$11,731, mainly from major maintenance and painting projects.

### **Non-operating Revenues (Expenses)**

Net non-operating revenues increased by \$100,263 for the year ended December 31, 2022. This was mainly due to increases in mansion tax and investment income of \$118,787 and \$13,003 respectively for CBDTP, interest income of \$127,256 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA. This was offset by increase in interest expense of \$141,213, mostly related to senior bonds, including the new PMT interest expense and premium/discount, decrease in internet tax of \$16,857 and increase in interest expense-leases of \$710 due annual amortization.

Net non-operating revenues increased by \$279,118 for the year ended December 31, 2021. This increase was mainly due to higher internet tax and mansion tax of \$84,507 and \$214,713, respectively, for CBDTP, and higher interest income of \$37,295 for the new PMT interest income on senior bonds and premium/discount due to reimbursement for interest expense from MTA. This increase was offset by higher interest expense of \$58,591, mostly related to senior bonds, including the new PMT interest expense and premium/discount and due to the implementation of GASB No. 87, *Leases*.

## **OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS**

### **Economic Conditions/Results of Operations**

Two key economic factors that have statistically significant relationships to changes in traffic volumes are regional non-farm employment and inflation (CPI-U). Based on data from the U.S. Bureau of Labor Statistics, regional employment 2022 and 2021 increased by 5.9% and 2.7%, respectively. Inflation was 3.3% in 2021, however, there was a sharp increase to 6.1% in 2022.

In the fourth quarter 2022, crossings were up 1.4 million (1.7%) compared with the fourth quarter of 2021. The 2019 New York State Budget approved congestion pricing in Manhattan south of 60<sup>th</sup> Street, which will likely impact ridership and vehicle crossings once implemented.

In April 2019, with the passage of the New York State MTA Reform and Traffic Mobility Act (“the Act”), TBTA was authorized to design, develop, install/implement, operate, and maintain the Central Business District (CBD) Tolling Program. TBTA’s implementation of CBD Tolling is contingent on completion of a federal environmental review in accordance with the National Environmental Policy Act (NEPA). If the Federal Highway Administration (FHWA) issues a favorable decision that allows the project to move forward, the vendor (TransCore) will have up to 310 days from Notice to Proceed 2 to complete design and construction of the tolling infrastructure. The MTA continues to work with FHWA to complete the NEPA process and anticipates a federal decision in 2023. If the program receives federal approval, the final determination of the toll structure (including potential caps on the number of times different vehicle types are charged), will not occur until after recommendations by the Traffic Mobility Review Board (as defined in the Act), a hearing, and adoption of the toll structure by the TBTA Board.

Traffic in 2022 has recovered from the impact of COVID-19, B&T paid crossings of 326.3 million in 2022 was less than a 1% decreased from a record 329.4 million in 2019. In addition to the steadily rebounding traffic volume, the toll increase in 2021 has also resulted in toll revenue for the year 2022 to total \$2,332.4 million, which was \$261.0 million, or 12.6% higher than 2019.

In its announcement on May 4, 2022, the Federal Open Market Committee (“FOMC”) raised its target for the Federal Funds rate to the range of 0.75% to 1.00%. Previously, on March 16, 2022, the FOMC raised its target for the Federal Funds rate to the range of 0.25% to 0.50%. Prior to the March 16 increase, the Federal Funds rate target range was 0.00% to 0.25%, and was last changed on March 15, 2020, when it was reduced from a range of 1.50% to 1.75%. The FOMC cites the invasion of Ukraine by Russia as causing uncertainty for the US economy, creating additional upward pressure on inflation which will weigh on economic activity. Additionally, COVID-related lockdowns in China are likely to exacerbate supply chain disruptions. While economic activity edged down in the first quarter of 2022, household spending and fixed business investment remained strong. Job gains have been robust, and the national unemployment rate has declined substantially. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices and broader price pressures. The FOMC seeks to achieve maximum employment and a 2 percent inflation rate over the longer run, and with appropriate firming of its monetary policy stance, the FOMC expects to achieve these goals. The FOMC also plans to begin, on June 1, reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. The FOMC will continue to assess the economic outlook and is prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the FOMC’s employment and inflation goals.

The E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E-ZPass market share remained consistent overall, with a slight increase in Passenger Vehicles market share and a slight decrease in Commercial vehicles market share from 2021 to 2022.

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total	95.1 %	94.9 %	95.2 %
Average weekday	95.6	95.3	95.6
Passenger vehicles	95.4	95.2	95.5
Commercial vehicles	97.1	96.7	97.1
Average weekend	94.2	93.9	94.1

## **SIGNIFICANT CAPITAL ASSET ACTIVITY**

### **Capital Program**

MTA Bridge and Tunnels’ facilities are all in a state of good repair. MTA Bridge and Tunnels’ portion of the MTA’s Capital Program for 2020-2024 totals \$2,823,241 (*this excludes \$503,000 for Central Business District Tolling Program (“CBDTP”) discussed below*) for normal replacement and system improvement projects. The commitments made during the fourth quarter 2022 were \$123,134 bringing the total commitment under the five-year plan to \$620,455.

MTA Bridge and Tunnels’ portion of the MTA’s Capital Program for 2015-2019 totals \$2,935,089 for normal replacement and system improvement projects. The commitments made during the fourth quarter 2022 were \$1,965 bringing the total commitment under the five-year plan to \$2,515,907. All planned major projects in the 2015-2019 program have been committed as of December 31, 2022. The differential between the total program value and the committed value reflects a combination of good bid savings and project contingency, which are held in reserve for potential re-programming for additional future work.

MTA Bridge and Tunnels’ portion of the Capital Program for 2010-2014 totals \$2,021,982 for normal replacement and system improvement projects. The commitments made during the fourth quarter 2021 were \$495 bringing the total commitment under the five-year plan to \$1,948,433.

MTA Bridge and Tunnels’ portion of the Capital Program for 2005-2009 totals \$1,126,736 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter 2022. The total commitment under the five-year plan is \$1,115,272.

Approximately 74% of the projected expenditures in the 2020-2024 Capital Program will be incurred at three facilities over the life of the program: The Robert F. Kennedy Bridge, the Throgs Neck Bridge and the Verrazzano-Narrows Bridge. Other major projects in the 2020-2024 Capital Program include the Dyckman Street Abutment replacement and substation upgrade at the Henry Hudson Bridge, lighting and power redundancy and resiliency improvements at the Bronx-Whitestone Bridge, tower elevator replacement at the Marine Parkway Bridge, rehabilitation of the Queens Midtown and Hugh L. Carey tunnels’ ventilation and service buildings, and the rehabilitation/replacement of the agency-wide facility monitoring and safety systems.

Approximately 59% of the projected expenditures in the 2015-2019 Capital Program have been incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. Two of the three largest valued projects in this program – the Replacement of the Grid Decks on the Suspended Span at the Throgs Neck Bridge and the Reconstruction of the Upper-Level Approach Ramps at the Verrazzano Narrows Bridge -- were completed in 2022. Other major projects in the 2015-2019 Capital

Program include the skewback retrofit and the reconstruction of the upper and lower-level toll plaza decks and southbound approach roadway (Phase B) at the Henry Hudson Bridge, the rehabilitation of the Queens Midtown Tunnel controls and communication systems, rehabilitation of the Hugh L. Carey Tunnel ventilation systems, and scour protection, repair, and replacement of the pier fender systems at the Cross Bay Bridge. The majority of the original planned capital projects in the 2015-2019 Capital Program have been completed, with the remaining major projects planned for completion later in 2023.

Approximately 63% of the expenditures in the 2010-2014 Capital Program have been incurred at three facilities over the life of the program: the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Verrazzano-Narrows Bridge. Other major projects in the 2010-2014 Plan included the rehabilitation of tunnel walls, roadway drainage, fire lines and ceiling repairs (Phase II) and replacement of electrical switchgear and power distribution equipment at the Brooklyn-Battery Tunnel, upper and lower-level toll plazas deck rehabilitation at the Henry Hudson Bridge and a facility-wide electrical upgrade, vent building switchgear and motor control center replacement at the Queens Midtown Tunnel. All original plan projects from the 2010-2014 program have been completed.

Approximately 62% of the expenditures in the 2005-2009 Capital Program have been incurred at four facilities over the life of the program: the Verrazzano-Narrows Bridge, the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Throgs Neck Bridge.

MTA Bridge and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals \$764,980 of which \$595,959 is for facility restoration and \$169,021 is for facility mitigation projects. There was no commitment made during the fourth quarter 2022. The total commitment under these plans is \$697,074 to date.

Approximately 92% of the expenditures have been incurred at the Hugh L. Carey and Queens Midtown Tunnels.

On April 11, 2019, legislation was signed into law enabling the Triborough Bridge and Tunnel Authority (TBTA) to implement the nation's first ever CBDTP as part of the Fiscal Year 2020 New York State Budget. The planning, design, construction, operations and maintenance of the CBDTP will primarily be the responsibility of TBTA though it will also require the involvement of various other regional agencies and stakeholders. The CBDTP will reduce congestion and enhance mobility in Manhattan's Central Business District (south of and inclusive of 60th street).

MTA Bridge and Tunnels' Central Business District Tolling Program (CBDTP) totals \$503,000, which represents the total capital budget established to support the entire CBDTP. Key components include program and construction management; design, construction, and integration of the toll technology system and infrastructure; development of Customer Service Centre Software and build-out: the Environmental Assessment; and outreach and education. A contract with TransCore was executed on October 31, 2019, one month ahead of schedule. TransCore will design, build, operate, and maintain the tolling system. The total commitments made during the fourth quarter 2022 were \$582. The total commitment under this plan is \$367,173 to date.

## **CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

### **Ridership and Traffic Update**

Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, ridership compared to the pre-pandemic equivalent day in 2019 is down 32 percent on the subways, 38 percent for bus (combined NYCT bus and MTA Bus Company), 36 percent on MTA Metro-North

Railroad, and 38 percent on the MTA Long Island Railroad. Traffic crossings at MTA Bridges and Tunnels facilities are closely resembling pre-pandemic levels.

### **Verrazzano-Narrows Bridge Rebate Programs**

The cost of the 2021-2022 (covering the period April 2021 through March 2022) Verrazzano-Narrows Bridge Rebate Programs totaled \$28.3 million. The rebates for Staten Island Residents were \$22.0 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program were \$6.3 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was \$24.0 million (\$21.2 million Resident Program and \$2.8 million Commercial Program) and the MTA contribution was \$7 million (\$3.5 million Resident Program and \$3.5 million Commercial Program).

The projected annualized cost of the 2022-2023 (covering the period April 2022 through March 2023) Verrazzano-Narrows Bridge Rebate Programs is expected to total \$30.0 million. The rebates for Staten Island Residents are estimated to be \$23.0 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be \$7.0 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was \$25.0 million (\$19.7 million Resident Program and \$5.3 million Commercial Program) and the MTA contribution was \$7 million (\$3.5 million Resident Program and \$3.5 million Commercial Program).

If, as a result of unexpected toll transaction activity, MTA Bridges and Tunnels estimates that such MTA and State funds allocated to the MTA for the 2022-2023 Verrazzano-Narrows Bridge Rebate Programs, net of offsets, will be insufficient to fund the 2022-2023 Verrazzano-Narrows Bridge Commercial Rebate Program for the full Program year, MTA Bridges and Tunnels may reduce the rebate amount under such Program to a percentage that is forecast to be payable in full for the remainder of the Program year with the available funds. However, in the event that such MTA and State funds allocated to MTA for the 2022-2023 Verrazzano-Narrows Bridge Rebate Programs are fully depleted at any time during the 2022-2023 Verrazzano-Narrows Bridge Rebate Programs annual period, the 2022-2023 Verrazzano-Narrows Bridge Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable New York Customer Service Center E-ZPass toll for the Verrazzano-Narrows Bridge.

The Verrazzano-Narrows Bridge Rebate Programs will continue into future years provided that (a) MTA's annual period contribution does not exceed \$7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

### **CONTACTING MTA CONTROLLER'S OFFICE**

This financial report is designed to provide our customers and other interested parties with a general overview of MTA Bridges and Tunnel Authority finances and to demonstrate MTA Bridges and Tunnel Authority's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact MTA Bridges and Tunnel Authority, Deputy Chief, Controller's Office, 2 Broadway, New York, NY 10004

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**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF NET POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

	<b>2022</b>	<b>2021</b> (Restated)
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
CURRENT ASSETS:		
Cash—unrestricted (Note 3)	\$ 9,038	\$ 217,264
Unrestricted investments (Note 4)	224,169	234,636
Restricted investments (Note 4)	2,002,017	1,203,090
Invested funds at MTA—unrestricted (Note 5)	377,205	372,582
Invested funds at MTA—restricted (Note 5)	407,973	403,101
Accrued interest receivable	39,424	305
Accounts receivable	518,577	481,932
Less allowance for doubtful accounts	(357,751)	(308,109)
Lease receivable, as lessor (Note 14)	1,463	1,514
Due from MTA (Note 18)	4,124	2,485
Loan receivable from MTA (Note 18)	31,625	2,088,314
Prepaid expenses	<u>8,741</u>	<u>6,912</u>
Total current assets	<u>3,266,605</u>	<u>4,704,026</u>
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	537,383	912,733
Other capital assets (net of accumulated depreciation and amortization)	<u>7,256,903</u>	<u>6,718,599</u>
Total capital assets-net of accumulated depreciation and amortization	7,794,286	7,631,332
Lease receivable, as lessor (noncurrent) (Note 14)	12,845	14,308
Due from MTA (Note 18)	7,860,753	7,740
Derivative instrument assets (Note 13)	<u>3,446</u>	<u>3,467</u>
Total non-current assets	<u>15,671,330</u>	<u>7,656,847</u>
<b>TOTAL ASSETS</b>	<u><b>18,937,935</b></u>	<u><b>12,360,873</b></u>
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	79,906	58,432
Related to other post-employment benefits (Note 8)	155,800	175,636
Accumulated decreases in fair value of derivative instruments (Note 13)	70,933	169,931
Loss on debt refunding	<u>157,057</u>	<u>175,547</u>
Total deferred outflows of resources	<u>463,696</u>	<u>579,546</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$19,401,631</b></u>	<u><b>\$ 12,940,419</b></u>

(Continued)

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF NET POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

	<b>2022</b>	<b>2021</b> (Restated)
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 140,249	\$ 174,975
Accrued expenses:		
Interest	101,894	61,687
Payable to MTA (Note 18)	43,488	378,317
Payable to NYCTA—operating expense (Note 18)	39	37
Accrued salaries	36,080	29,978
Accrued vacation and sick pay benefits	<u>18,278</u>	<u>19,624</u>
Total accrued expenses	<u>199,779</u>	<u>489,643</u>
Current portion—long-term debt (Notes 9 to 12)	380,080	329,955
Current portion—estimated liability from injuries to persons (Note 15)	4,874	6,741
Due to NYCTA—operating surplus (Note 1 and 18)	82,495	86,176
Due to MTA—operating surplus (Note 1 and 18)	103,292	104,525
Other unearned revenue	52,507	7,141
Unearned tolls revenue (includes \$83,307 and \$95,693 in 2022 and 2021, respectively, due to other toll agencies)	<u>289,007</u>	<u>307,854</u>
Total current liabilities	<u>1,252,283</u>	<u>1,507,010</u>
<b>NON-CURRENT LIABILITIES:</b>		
Estimated liability arising from injuries to persons (Note 15)	51,530	49,149
Post employment benefits other than pensions (Note 8)	908,111	987,443
Long-term debt (Notes 9 to 12)	19,400,579	12,459,678
Net pension liability (Note 7)	167,407	59,821
Derivative instrument liabilities (Note 13)	34,608	147,415
Due to MTA—change in fair value of derivative (Note 13 and 18)	39,771	25,982
Lease payable, as lessee (Note 14)	<u>84,895</u>	<u>83,983</u>
Total non-current liabilities	<u>20,686,901</u>	<u>13,813,471</u>
<b>TOTAL LIABILITIES</b>	<u>21,939,184</u>	<u>15,320,481</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Related to pensions (Note 7)	54,456	159,325
Related to leases	13,473	15,382
Related to other post-employment benefits (Note 8)	<u>167,013</u>	<u>82,536</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>234,942</u>	<u>257,243</u>
<b>NET POSITION:</b>		
Net investment in capital assets	2,105,405	2,147,095
Restricted	2,409,990	1,606,192
Unrestricted	<u>(7,287,890)</u>	<u>(6,390,592)</u>
Total net position	<u>(2,772,495)</u>	<u>(2,637,305)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 19,401,631</u>	<u>\$ 12,940,419</u>

See notes to financial statements.

(Concluded)

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

	<b>2022</b>	<b>2021</b> (Restated)
<b>OPERATING REVENUES:</b>		
Bridges and tunnels	\$ 2,332,384	\$ 2,169,877
Building rentals and fees	23,737	22,928
Other income	<u>630</u>	<u>1,609</u>
Total operating revenues	<u>2,356,751</u>	<u>2,194,414</u>
<b>OPERATING EXPENSES:</b>		
Salaries and wages	118,498	111,545
Retirement and other employee benefits	51,836	46,720
Post employment benefits other than pensions	54,738	76,558
Electric power	4,645	3,977
Fuel	2,813	1,765
Insurance	13,774	11,007
Maintenance and other operating contracts	145,171	120,628
Professional service contracts	14,781	27,567
Materials and supplies	3,631	3,300
Depreciation and amortization	206,374	202,233
Credit card fees	38,073	32,834
Other	<u>15,814</u>	<u>14,495</u>
Total operating expenses	<u>670,148</u>	<u>652,629</u>
<b>OPERATING INCOME</b>	<u>1,686,603</u>	<u>1,541,785</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Build America Bonds subsidy	8,533	8,536
Interest expense	(527,654)	(386,441)
Interest expense—leases	(7,688)	(6,978)
Interest income on PMT	164,551	37,295
Change in fair value of derivative financial instruments (Note 13)	13,789	8,965
Change in fair value of derivative—due to MTA	(13,789)	(8,965)
Internet revenue tax	328,059	344,916
Mansion revenue tax	513,078	394,291
Investment income	13,515	512
Other non-operating revenue	<u>4,733</u>	<u>4,733</u>
Total non-operating revenue, net	<u>497,127</u>	<u>396,864</u>
<b>INCOME BEFORE TRANSFERS</b>	2,183,730	1,938,649
<b>TRANSFERS IN—MTA</b>	372,656	491

(Continued)

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

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	<b>2022</b>	<b>2021</b> (Restated)
TRANSFERS OUT (Note 1):		
New York City Transit Authority	\$ (546,904)	\$ (463,827)
Metropolitan Transportation Authority	(637,807)	(573,208)
Contribution for labor settlement to MTA	(7,740)	-
Sales tax bond proceeds transfers	(457,660)	-
Internet and mansion transfers	<u>(1,041,465)</u>	<u>(1,096,096)</u>
	(2,691,576)	(2,133,131)
 CHANGE IN NET POSITION	 (135,190)	 (193,991)
NET POSITION—Beginning of year	<u>(2,637,305)</u>	<u>(2,443,314)</u>
NET POSITION—End of year	<u><u>\$(2,772,495)</u></u>	<u><u>\$(2,637,305)</u></u>
See notes to financial statements.		(Concluded)

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

	<b>2022</b>	<b>2021</b> (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Tolls collected	\$ 2,316,708	\$ 2,183,752
Building rentals and fees received	22,581	22,860
Payroll and related fringe benefits	(217,031)	(211,276)
Other operating expenses	<u>(244,530)</u>	<u>(211,685)</u>
Net cash provided by operating activities	<u>1,877,728</u>	<u>1,783,651</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES—</b>		
Transfer internet & mansion revenue to MTA	(1,041,465)	(1,096,096)
Internet & mansion tax revenue	852,678	719,411
Proceeds from PMT bonds	6,222,558	2,865,821
PMT loan interest paid on debt	(167,434)	(31,209)
PMT loan principal paid on debt	(8,360)	-
Proceeds from Sales Tax Bonds	755,758	-
Transfers of proceeds of sales tax bond to MTAHQ	(457,797)	-
Sales Tax Bonds interest paid on debt	(10,929)	-
Subsidies paid to affiliated agencies	<u>(1,193,342)</u>	<u>(928,734)</u>
Net cash provided in noncapital financing activities	<u>4,951,667</u>	<u>1,529,193</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payment for capital assets	(376,917)	(578,619)
Principal payments on Senior, Subordinate, and BAN	(321,695)	(312,265)
Bond proceeds	434,642	717,086
Receipts from leases	1,764	1,666
Payments of leases	(2,043)	(2,043)
Interest payments	<u>(401,420)</u>	<u>(386,559)</u>
Net cash used in capital and related financing activities	<u>(665,669)</u>	<u>(560,734)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Gross sales of short-term securities	10,255,499	6,908,174
Gross purchases of short-term securities	(10,856,063)	(7,918,555)
PMT bonds interest received on debt	235,522	45,910
PMT bonds principal received on debt	35,472	4,611
Transfer of PMT bond proceeds to MTAHQ	<u>(6,042,382)</u>	<u>(2,082,257)</u>
Net cash used in investing activities	<u>(6,371,952)</u>	<u>(3,042,117)</u>
<b>NET (DECREASE)/INCREASE IN CASH</b>	<b>(208,226)</b>	<b>(290,007)</b>
<b>CASH—Beginning of year</b>	<b><u>217,264</u></b>	<b><u>507,271</u></b>
<b>CASH—End of year</b>	<b><u>\$ 9,038</u></b>	<b><u>\$ 217,264</u></b>

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$ in thousands)**

	<b>2022</b>	<b>2021</b> (Restated)
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,686,603	\$ 1,541,785
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	206,374	202,233
On-behalf payments related to rent (Note 14)	(7,437)	(2,133)
GASB 68 pension expense adjustment	(22,210)	(45,917)
GASB 75 OPEB expense adjustment	24,982	61,350
Net (increase) decrease in receivables	(28,807)	(58,596)
Net increase in operating payables	30,175	5,590
Net increase in prepaid expenses	1,627	609
Net increase in accrued salary costs, vacation and insurance	5,268	8,113
Net (decrease) increase in unearned revenue	<u>(18,847)</u>	<u>70,617</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b><u>\$ 1,877,728</u></b>	<b><u>\$ 1,783,651</u></b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital assets related liabilities	\$ 117,457	\$ 145,481
Contributed capital assets	352,499	-
Interest expense for leases	7,688	6,978
Interest income from leases	<u>250</u>	<u>418</u>
<b>TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>\$ 477,894</u></b>	<b><u>\$ 152,877</u></b>
Interest expense includes amortization of net (premium)	<u>\$ (61,299)</u>	<u>\$ (74,877)</u>

See notes to financial statements.

(Concluded)

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(\$in thousands, except as noted)**

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**1. BASIS OF PRESENTATION**

**Reporting Entity**—The Triborough Bridge and Tunnel Authority (the “Authority” or “MTA Bridges and Tunnels”) is a public benefit corporation created pursuant to the Public Authorities Law (the “Act”) of the State of New York (the “State”). MTA Bridges and Tunnels is a component unit of the Metropolitan Transportation Authority (“MTA”). The MTA is a component unit of the State and is included in the State of New York Comprehensive Annual Financial Report of the Comptroller as a public benefit corporation. MTA Bridges and Tunnels is operationally and legally independent of the MTA. MTA Bridges and Tunnels enjoy certain rights typically associated with separate legal status including the ability to issue debt. However, MTA Bridges and Tunnels is included in the MTA’s consolidated financial statements as a blended component unit because of the MTA’s financial accountability and MTA Bridges and Tunnels is under the direction of the MTA Board (a reference to “MTA Board” means the board of MTA and/or the boards of the MTA Bridges and Tunnels and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include MTA Bridges and Tunnels in its consolidated financial statements.

MTA Bridges and Tunnels operates seven toll bridges, two toll tunnels, and the Battery Parking Garage.

All Authority toll facilities operate E-ZPass in conjunction with a regional electronic toll collection system. MTA Bridges and Tunnels’ annual net earnings before depreciation and amortization and other adjustments (“operating transfer”) are transferred to the New York City Transit Authority (“TA”) and the MTA pursuant to provisions of the Act. In addition, MTA Bridges and Tunnels annually transfers its unrestricted investment income to the MTA. The operating transfer and the investment income transfer can be used to fund operating expenses or capital projects. The TA receives \$24,000 plus 50% of MTA Bridges and Tunnels’ remaining annual operating transfer, as adjusted, to reflect certain debt service transactions and the MTA receives the balance of the operating transfer, as adjusted, to reflect certain debt service transactions, plus the annual unrestricted investment income. Transfers are made during the year. The remaining amount due at December 31, 2022 and 2021, of \$185,787 and \$190,701, respectively, is recorded as a liability in MTA Bridges and Tunnels’ financial statements.

MTA Bridges and Tunnels certified to the City of New York (the “City”) and the MTA that its operating transfer and its unrestricted investment income at December 31, 2022 and 2021, were as follows:

	<b>2022</b>	<b>2021</b>
Operating transfer	\$1,184,711	\$1,037,035
Investment income (excludes unrealized gain or loss)	<u>3,718</u>	<u>94</u>
	<u>\$1,188,429</u>	<u>\$1,037,129</u>

## 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting**—The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The MTA Bridges and Tunnels applies Governmental Accounting Standards Board (“GASB”) Codification of Governmental Accounting and Financial Reporting Standards (“GASB Codification”) Section P80, Proprietary Accounting and Financial Reporting.

**New Accounting Standards Adopted**—The MTA Bridges and Tunnels adopted the following GASB Statements for the year ended December 31, 2022:

GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The MTA Bridges and Tunnels evaluated all the requirements under GASB Statement No. 87, *Leases*, and adopted this Statement for the year ended December 31, 2022, and applied the retroactive effect of this adoption by the recognition and measurement of lease assets and liabilities as of January 1, 2021. Net position as of and for the year ended December 31, 2021, was restated by \$341.



The following schedule summarizes the net effect of adopting GASB Statement No. 87 in the Consolidated Statement of Net Position as of December 31, 2021 (in thousands):

	As Previously Stated	GASB Statement No. 87 Impact	Restatement Reported
<b>CURRENT ASSETS:</b>			
Lease receivable, as lessor	\$ -	\$ 1,514	\$ 1,514
Total current assets	4,702,512	1,514	4,704,026
<b>NONCURRENT ASSETS:</b>			
Other capital assets, net of accumulated depreciation/amortization	6,694,419	24,180	6,718,599
Total capital assets-net of accumulated depreciation and amortization	7,607,152	24,180	7,631,332
Lease receivable, as lessor	-	14,308	14,308
Total non-current assets	7,618,359	38,488	7,656,847
Total assets	12,320,871	40,002	12,360,873
Total assets and deferred outflows of resources	12,900,417	40,002	12,940,419
<b>NONCURRENT LIABILITIES:</b>			
Capital Lease Obligation	59,704	(59,704)	-
Lease payable, as lessee	-	83,983	83,983
Total non-current liabilities	13,789,192	24,279	13,813,471
Total Liabilities	15,296,202	24,279	15,320,481
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to leases	-	15,382	15,382
Total deferred inflows of resources	241,861	15,382	257,243
<b>NET POSITION:</b>			
Net investment in capital assets	2,147,194	(99)	2,147,095
Unrestricted	(6,391,032)	440	(6,390,592)
Total net position	(2,637,646)	341	(2,637,305)

In addition, revenues, expenses and changes in net position for the year ended December 31, 2021 were required to be restated by GASB Statement No. 87, *Leases*, as follows (in thousands):

	As Previously Stated	GASB Statement No. 87 Impact	Restatement Reported
OPERATING REVENUES:			
Other income	\$ 1,586	\$ 23	\$ 1,609
Total operating revenues	2,194,391	23	2,194,414
OPERATING EXPENSES:			
Maintenance and other operating contracts	120,520	108	120,628
Depreciation and amortization	201,356	877	202,233
Total operating expenses	651,644	985	652,629
Operating income	1,542,747	(962)	1,541,785
NON-OPERATING REVENUES (EXPENSES):			
Other non-operating revenue	2,220	2,513	4,733
Interest expense-capital lease obligation	(5,350)	(1,628)	(6,978)
Investment income	94	418	512
Total non-operating (expenses)	395,561	1,303	396,864
Income before contributions and transfers	1,938,308	341	1,938,649
Change in net position	(194,332)	341	(193,991)
NET POSITION - End of period	(2,637,646)	341	(2,637,305)

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 87, *Leases* in Consolidated Statement of Cash Flows (in thousands) for certain leases previously classified as operating and capital leases:

<b>Year-ended December 31,</b>	<b>As Previously Stated</b>	<b>GASB Statement No. 87 Impact</b>	<b>Restatement Reported</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Building rentals and fees received	\$ 24,526	\$ (1,666)	\$ 22,860
Other operating expenses	(213,728)	2,043	(211,685)
Net cash provided by operating activities	1,783,274	377	1,783,651
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Receipts from leases	-	1,666	1,666
Payments of leases	-	(2,043)	(2,043)
Net cash used in capital and related financing activities	(560,357)	(377)	(560,734)
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>			
Operating income	1,542,747	(962)	1,541,785
Depreciation and amortization	201,356	877	202,233
On-behalf payments related to rent (Note 14)	(2,219)	86	(2,133)
Net (increase) decrease in receivables	(56,930)	(1,666)	(58,596)
Net (increase) decrease in payables	3,548	2,042	5,590
Net cash provided by operating activities	1,783,274	377	1,783,651
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Noncash capital and related financing activities:			
Capital assets related liabilities	61,498	83,983	145,481
Interest expense for leases	-	6,978	6,978
Interest income from leases	-	418	418
Total noncash capital and related financing activities	61,498	91,379	152,877

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligations; establishing that a conduit debt is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Conduit debt obligations doesn't apply to the primary government MTA and its component unit MTA Bridges and Tunnels. The adoption of this Statement did not have an impact on the financial position, results of operations or cash flows of the MTA Bridges and Tunnels.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to *postemployment benefit arrangements*.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The adoption of this Statement has no material impact on the financial position, results of operations or cash flows of MTA Bridges and Tunnels.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate

reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The adoption of this Statement has no material impact on the financial position, results of operations or cash flows of MTA Bridges and Tunnels.

**Accounting Standards Issued But Not Yet Adopted**—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the MTA Bridges and Tunnels upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	MTA Required Year of Adoption
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
96	<i>Subscription-based information technology arrangements</i>	2023
99	<i>Omnibus 2022</i>	2023
100	<i>Accounting changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2024

**Use of Management’s Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include fair value of investments and derivative instruments, allowances for doubtful accounts, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits. Actual results could differ significantly from those estimates.

**Operating Revenues—Bridges and Tunnels**—Revenue is recognized through the fully cashless toll collection system, comprising of toll collection activity and the Tolls-By-Mail video billing. Revenues are earned when the vehicles use the TBTA facilities, however, the cash is either on a prepaid or post-paid basis.

MTA Bridges and Tunnels has two toll rebate programs at the Verrazzano-Narrows Bridge: the Staten Island Resident (“SIR”) Rebate Program, available for residents of Staten Island participating in the Staten Island Resident E-ZPass toll discount plan, and the Verrazzano-Narrows Bridge Commercial Rebate Program (“VNB Commercial Rebate Program”), available for commercial vehicles making more than ten trips per month using the same New York Customer Service Center (“NYCSC”) E-ZPass account. The Verrazzano- Narrows Bridge Commercial Rebate Program and Staten Island Resident Rebate Program are funded by the State and the MTA. There is no impact to revenue due to this program.

**Non-operating Revenues—Build America Bonds subsidy**—MTA Bridges and Tunnels is receiving cash subsidy payments from the U.S. Treasury equal to 35% of the interest payable on the Series of Bonds issued as “Build America Bonds” and authorized by the Recovery Act. The Internal Revenue Code of 1986 imposes requirements that MTA Bridges and Tunnels must meet and continue to meet after the

issuance in order to receive the cash subsidy payments. The interest on these bonds is fully subject to Federal income taxation.

Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) had interest income on the Payroll Mobility Tax senior bonds that were received from MTA. The funding for PMT was received by MTA from Payroll Mobility Tax receipts. This income transferred to MTA Bridges and Tunnels from MTA to covered interest payment on the PMT senior bonds.

On April 1, 2019 the MTA Reform and Traffic Mobility Act (“the Act”) was enacted as part of the State budget for Fiscal Year 2019-2020. Pursuant to Public Authorities Law section 553-j, created by the Act, MTA Bridges and Tunnels is required to establish the Central Business District tolling (CBDTP) capital lockbox fund which is kept separate and apart from any other TBTA monies. The fund shall consist of all monies received by MTA Bridges and Tunnels under the Central Business District Tolling Program (CBDTP), as well as revenues of the real estate transfer tax (“Mansion Tax”) and Portions of New York City and State sales taxed revenue.

Monies in the fund are to be applied, subject to agreements with bondholders and applicable Federal law, to the payment of operating, administration, and other necessary expenses of the MTA Bridges and Tunnels, or to New York City subject to the memorandum of understanding between the City and MTA Bridges and Tunnels properly allocable to the CBDTP, including the planning, designing, constructing, installing or maintaining of the CBDTP, including, without limitation, the Central Business District tolling infrastructure, the Central Business District Tolling collection system and the Central Business District tolling customer service center, and the costs of any Metropolitan Transportation Authority capital projects included within the 2020 to 2024 MTA capital program or any successor programs.

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19. For the years ended December 31, 2022, and 2021 MTA Bridges and Tunnels had internet and mansion tax revenue earned of \$841 million and \$739 million respectively.

During 2022, Triborough Bridge and Tunnel Authority issues bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These Bonds are issued by MTA Bridges and Tunnels under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The Bonds are MTA Bridges and Tunnels’ special, not general, obligations, payable solely from monies in the Obligations Trust Estate pledged by the TBTA Sales Tax Resolution derived primarily from the sales tax receipts that flow into the Central Business District Tolling Capital Lockbox Fund.

**Operating and Non-operating Expenses**—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA Bridges and Tunnels (e.g., salaries, insurance, depreciation, lease amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases, etc.) are reported as non-operating expenses.

**Investments**—MTA Bridges and Tunnels adopted GASB Statement No. 72, Fair Value Measurement and Application, which addresses accounting and financial reporting issues related to fair value measurements. Under the Statement, investment assets and liabilities are to be measured at fair value, which is described as the “price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.” Fair Value assumes that the transaction will occur in the MTA’s Bridges and Tunnels principal (or most advantageous) market. GASB Statement No. 72 requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The MTA Bridges and Tunnels investment policies comply with the New York State Comptroller’s guidelines for such operating and capital policies. Those policies permit investments in, among others, obligations of the U.S. Treasury, its agencies, and instrumentalities, and repurchase agreements secured by such obligations.

Investments are recorded on the MTA Bridges and Tunnels statement of net position at fair value, except for repurchase agreements, which are recorded at amortized cost. All investment income, including changes in the fair value of investments, is reported as revenue on the MTA Bridges and Tunnels statement of revenues, expenses, and changes in net position. Fair values have been determined using quoted market values at December 31, 2022 and December 31, 2021.

Investment derivative instrument contracts are reported at fair value using the income approach.

**MTA Investment Pool**—The MTA, on behalf of the MTA Bridges and Tunnels, invests funds which are not immediately required for the MTA Bridges and Tunnels’ operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes and U.S. Treasury zero-coupon bonds. All investments are held by the MTA’s agent in custody accounts in the name of the MTA. The Company has no financial instruments with significant individual or group concentration of credit risk.

**Capital Assets**—Properties and equipment are carried at cost and are depreciated on a straight-line basis over estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than \$25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB 87 leases are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Accumulated depreciation and amortization are reported as reductions of fixed assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, 25 to 100 years for infrastructure, 10 years for open road tolling systems and equipment, and 25 years for open road tolling infrastructure. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less.

**Leases** – As a result of the adoption of GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate

stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

**Compensated Absences**—MTA Bridges and Tunnels has accrued the full value (including fringe benefits) of all vacation and sick leave benefits earned by employees to date if the leave is attributable to past service and it is probable that MTA Bridges and Tunnels will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

**Net Position**—MTA Bridges and Tunnels follows the “business type” activity requirements of GASB 34, Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments which requires that resources be classified for accounting and reporting purposes into the following three net position categories:

#### **Net investment in Capital Assets**

Capital assets, inclusive of right-of-use assets, net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

#### **Restricted**

*Nonexpendable*—Net position subject to externally imposed stipulations such that the Authority maintains them permanently. For the years ended December 31, 2022 and 2021, the Authority did not have nonexpendable net position.

*Expendable*—Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire with the passage of time. For the years ended December 31, 2022, and 2021, the Authority had expendable restricted net position related to (1) Debt Service of \$214,333 and \$176,772, (2) the Necessary Reconstruction Reserve of \$724,183 and \$647,316 and (3) Payroll Mobility Tax \$1,167,356 and \$782,104, (4) Sale Tax Revenue Bond \$304,118 and \$0, respectively.

#### **Unrestricted**

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by actions of management or the Board of Directors.

**Subsidies**—Subsidies provided by MTA Bridges and Tunnels represent its operating transfer and investment income computed on an accrual basis these transferred are made to NYTCA and MTA. In addition, for the years ended December 31, 2022, and 2021 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of \$1,041,465 and \$1,096,096, respectively.

**Pension Plans**—The Authority follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, for its pension plans.

The MTA Bridges and Tunnels recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the MTA Bridges and Tunnels’ proportionate share thereof in the case of a cost-sharing multiple-employer plan. The net pension liability is calculated using the qualified pension plan’s measurement date. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature



of the change, in the year incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

**Postemployment Benefits Other Than Pensions**—MTA Bridges and Tunnels follows GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 85, *Omnibus* for the OPEB Plan.

The MTA Bridges and Tunnels recognizes a proportionate share of the net OPEB liability for the MTA’s cost-sharing multiple-employer OPEB Plan, which represents the excess of the total OPEB liability over the fiduciary net position of the OPEB Plan, measured as of the measurement date of the plan. The change in portion is based on actual contributions from the participating employers.

Changes in the net OPEB liability during the year are recorded as OPEB expense, or as deferred outflows of resources or deferred inflows of resources relating to OPEB depending on the nature of the change, in the year incurred. Changes in net OPEB liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the OPEB plan and recorded as a component of OPEB expense beginning with the year in which they are incurred. Projected earnings on qualified OPEB plan investments are recognized as a component of OPEB expenses. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflow of resources as a component of OPEB expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

### 3. CASH

The bank balances are insured up to \$250 in the aggregate by the Federal Deposit Insurance Corporation (“FDIC”) for each bank in which funds are deposited.

Cash at December 31, 2022 and 2021 consists of the following (in thousands):

	2022		2021	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	\$ 250	\$ 250	\$ 250	\$ 250
Collateralized deposits	<u>8,788</u>	<u>8,608</u>	<u>217,014</u>	<u>216,796</u>
	<u>\$ 9,038</u>	<u>\$ 8,858</u>	<u>\$ 217,264</u>	<u>\$ 217,046</u>

All collateralized deposits are held by the Authority or its agent in the Authority’s name.

The MTA, on behalf of itself, its affiliates, and subsidiaries invests funds which are not immediately required for the MTA's operations in securities permitted by the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero coupon bonds.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the MTA will not be able to recover the value of its deposits. While the MTA does not have a formal deposit policy for custodial credit risk, New York State statutes govern the MTA's investment policies. The MTA's uninsured and uncollateralized deposits are primarily held by commercial banks in the metropolitan New York area and are subject to the credit risks of those institutions.

#### 4. INVESTMENTS

MTA Bridges and Tunnels' investment policies comply with the New York State Comptroller's guidelines for investment policies. MTA's All-Agency Investment Guidelines restrict MTA Bridges and Tunnels' investments to obligations of the U.S. Treasury, its agencies and instrumentalities and repurchase agreements backed by U.S. Treasury securities. All investments were managed by the MTA, as MTA Bridges and Tunnels' agent, in custody accounts kept in the name of MTA Bridges and Tunnels for restricted investments and in the name of the MTA Bridges and Tunnels for unrestricted investments. MTA's All-Agency Investment Guidelines state that securities underlying repurchase agreements must have a market value at least equal to the cost of the investment.

MTA Bridges and Tunnels holds its investments at a custodian bank. The custodian must meet certain banking institution criteria enumerated in MTA's Bridges and Tunnels Investment Guidelines. The Investment Guidelines also require the Treasury Division to hold at least \$100 of its portfolio with a separate emergency custodian bank. The purpose of this deposit is in the event that MTA Bridges and Tunnels main custodian cannot execute transactions due to an emergency outside of the custodian's control, MTA Bridges and Tunnels has an immediate alternate source of liquidity.

MTA Bridges and Tunnels categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

MTA Bridges and Tunnels had the following recurring fair value measurements as of December 31, 2022 and 2021 (in thousands):

	December 31, 2022	Fair Value Measurements		December 31, 2021	Fair Value Measurements	
		Level 1	Level 2		Level 1	Level 2
Investments by fair value level:						
Debt securities:						
U.S. treasury securities	\$ 2,209,627	\$ 1,407,834	\$ 801,793	\$1,427,700	\$1,427,700	\$ -
Repurchase agreements	<u>16,559</u>	<u>16,559</u>	<u>-</u>	<u>10,026</u>	<u>10,026</u>	<u>-</u>
Total debt securities	<u>2,226,186</u>	<u>1,424,393</u>	<u>801,793</u>	<u>1,437,726</u>	<u>1,437,726</u>	<u>-</u>
Total investments by fair value level	<u>2,226,186</u>	<u>\$ 1,424,393</u>	<u>\$ 801,793</u>	<u>1,437,726</u>	<u>\$1,437,726</u>	<u>\$ -</u>
Total investments	<u>\$ 2,226,186</u>			<u>\$1,437,726</u>		

Investments classified as Level 1 and Level 2 of the fair value hierarchy, totaling \$2,226,186 and \$1,437,726 as of December 31, 2022 and 2021, respectively, are valued using quoted prices in active markets. Fair values include accrued interest to the extent that interest is included in the carrying amounts. Accrued interest on investments other than Treasury bills and coupons is included in other receivables on the statements of net position.

Investments available to pay operating and maintenance expenses, debt service and operating surplus transfers, at December 31, 2022 and 2021, are as follows (in thousands):

<b>Investments</b>	<b>2022</b>	<b>2021</b>
CURRENT:		
Restricted:		
Bond Proceeds Fund	\$ 1,736,341	\$ 996,475
Primarily Necessary Reconstruction Fund	30,824	30,310
Debt Service Fund	229,477	173,217
Cost of Issuance Fund	<u>5,375</u>	<u>3,088</u>
Total current—restricted	2,002,017	1,203,090
Total current—unrestricted	<u>224,169</u>	<u>234,636</u>
TOTAL—CURRENT	<u>\$ 2,226,186</u>	<u>\$ 1,437,726</u>

The unexpended bond proceeds of the General Purpose Revenue Bonds 1980 Resolution, not including proceeds held for the Transportation Project, were restricted for payment of capital improvements of MTA Bridges and Tunnels' present facilities. The Debt Service Funds are restricted for the payment of debt service as provided by the bond resolutions.

The fair value of the above investments consists of \$224,169 and \$234,636 in 2022 and 2021 in unrestricted investments respectively, and \$2,002,017 and \$1,203,090 in 2022 and 2021 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 0.089% to 2.941% for the year ended December 31, 2022 and 0.063% to 0.151% for the year ended December 31, 2021. The net unrealized gain on investments was \$9,547 and \$73 for the years ended December 31, 2022 and 2021, respectively.

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. Duration is a measure of interest rate risk. The greater the duration of a bond or portfolio of bonds, the greater its price volatility will be in response to a change in interest rate risk and vice versa. Duration is an indicator of bond price’s sensitivity to a 100-basis point change in interest rates (in thousands).

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Fair Value	Duration (In years)	Fair Value	Duration (In years)
U.S. Treasuries	\$ 2,209,627	0.01	\$ 1,427,700	0.01
Repurchase agreements	<u>16,559</u>	<u>*</u>	<u>10,026</u>	<u>*</u>
Total fair value	2,226,186		1,437,726	
Modified duration	<u>-</u>	0.01	<u>-</u>	0.01
Total investments	<u>\$ 2,226,186</u>		<u>\$ 1,437,726</u>	

\* Duration is less than a month

**Credit Risk**—At December 31, 2022 and 2021, the following credit quality rating has been assigned to MTA investments by a nationally recognized rating organization (in thousands):

Quality Rating from Standard & Poor’s	December 31, 2022	Percent of Portfolio	December 31, 2021	Percent of Portfolio
Not Rated	\$ 16,559	1 %	\$ 10,026	1 %
U.S. Government	<u>2,209,627</u>	<u>99</u>	<u>1,427,700</u>	<u>99</u>
Total	<u>2,226,186</u>	<u>100 %</u>	<u>1,437,726</u>	<u>100 %</u>
Total investment	<u>\$ 2,226,186</u>		<u>\$ 1,437,726</u>	

## 5. MTA INVESTMENT POOL

The MTA, on behalf of MTA Bridges and Tunnels, invests funds which are not immediately required for MTA Bridges and Tunnels’ operations in securities permitted by the MTA’s All-Agency Investment Guidelines in accordance with the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero-coupon bonds. All investments are held by the MTA’s agent in custody accounts in the name of the MTA. The MTA has no financial instruments with significant individual or group concentration of credit risk. MTA Bridges and Tunnels categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA Bridges and Tunnels’ investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs). The amounts related to investment pool funds for the year ended December 31, 2022 were \$377,205 for short-term unrestricted and \$407,973 for short-term restricted. The amounts related to investment pool

funds for the year ended December 31, 2021 were \$372,582 for short-term unrestricted and \$403,101 for short-term restricted.

## **6. CAPITAL ASSETS**

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA Bridges and Tunnels' having a minimum useful life of two years and having a cost of more than \$25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. Leases recorded under GASB Statement No. 87, *Leases* are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-of-use assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less.

The following is a summary of capital assets activity at January 1, 2021, December 31, 2021 and December 31, 2022:

	Restated Balance January 1, 2021	Restated Additions/ Transfers	Restated Deletions/ Transfers	Restated Balance December 31, 2021	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2022
Capital assets not being depreciated:							
Land	\$ 52,940	\$ -	\$ -	\$ 52,940	\$ -	\$ -	\$ 52,940
Construction in progress	<u>673,132</u>	<u>563,792</u>	<u>377,131</u>	<u>859,793</u>	<u>368,349</u>	<u>743,699</u>	<u>484,443</u>
Total capital assets not being depreciated	<u>726,072</u>	<u>563,792</u>	<u>377,131</u>	<u>912,733</u>	<u>368,349</u>	<u>743,699</u>	<u>537,383</u>
Capital assets being depreciated:							
Leasehold improvement—2 Broadway	45,020	-	-	45,020	-	-	45,020
Primary structures	3,973,023	194,667	-	4,167,690	252,910	-	4,420,600
Toll equipment	574	-	-	574	-	-	574
Buildings	684,546	8,218	-	692,764	11,158	-	703,922
Roadway	2,332,892	43,063	-	2,375,955	433,312	-	2,809,267
Property—Road and equipment	740,110	102,508	-	842,618	39,246	-	881,864
ORT systems and equipment	456,958	8,469	-	465,427	1,807	-	467,234
Other	<u>263,589</u>	<u>5,733</u>	<u>-</u>	<u>269,322</u>	<u>6,245</u>	<u>-</u>	<u>275,567</u>
Total capital assets being depreciated	<u>8,496,712</u>	<u>362,658</u>	<u>-</u>	<u>8,859,370</u>	<u>744,678</u>	<u>-</u>	<u>9,604,048</u>
Less accumulated depreciation:							
Leasehold improvement—2 Broadway	29,148	1,100	-	30,248	319	-	30,567
Primary structures	699,865	40,144	-	740,009	43,173	-	783,182
Toll equipment	31	14	-	45	14	-	59
Buildings	238,696	17,231	-	255,927	17,458	-	273,385
Roadway	679,515	80,879	-	760,394	88,948	-	849,342
Property—Road and equipment	53,848	19,983	-	73,831	21,737	-	95,568
ORT systems and equipment	67,357	22,871	-	90,228	23,208	-	113,436
Other	<u>223,956</u>	<u>10,079</u>	<u>-</u>	<u>234,035</u>	<u>9,859</u>	<u>-</u>	<u>243,894</u>
Total accumulated depreciation	<u>1,992,416</u>	<u>192,301</u>	<u>-</u>	<u>2,184,717</u>	<u>204,716</u>	<u>-</u>	<u>2,389,433</u>
Total capital assets being depreciated— Net of accumulated depreciation	<u>6,504,296</u>	<u>170,357</u>	<u>-</u>	<u>6,674,653</u>	<u>539,962</u>	<u>-</u>	<u>7,214,615</u>
Capital assets—Net	<u>\$7,230,368</u>	<u>\$ 734,149</u>	<u>\$377,131</u>	<u>\$7,587,386</u>	<u>\$ 908,311</u>	<u>\$743,699</u>	<u>\$7,751,998</u>
Right of use assets being amortized							
Leased buildings and structures	<u>45,604</u>	<u>-</u>	<u>-</u>	<u>45,604</u>	<u>-</u>	<u>-</u>	<u>45,604</u>
Total right of Use Assets being amortized	<u>45,604</u>	<u>-</u>	<u>-</u>	<u>45,604</u>	<u>-</u>	<u>-</u>	<u>45,604</u>
Less accumulated depreciation - Right of Use Assets							
Leased buildings and structures	<u>-</u>	<u>1,658</u>	<u>-</u>	<u>1,658</u>	<u>1,658</u>	<u>-</u>	<u>3,316</u>
Total accumulated depreciation	<u>-</u>	<u>1,658</u>	<u>-</u>	<u>1,658</u>	<u>1,658</u>	<u>-</u>	<u>3,316</u>
Right of use assets being amortized - net	<u>45,604</u>	<u>(1,658)</u>	<u>-</u>	<u>43,946</u>	<u>(1,658)</u>	<u>-</u>	<u>42,288</u>
Total capital assets, including right of use asset - net	<u>\$7,275,972</u>	<u>\$ 732,491</u>	<u>\$377,131</u>	<u>\$7,631,332</u>	<u>\$ 906,653</u>	<u>\$743,699</u>	<u>\$7,794,286</u>

In 2022 and 2021, capital asset additions included \$16,147 and \$21,640, respectively, of costs incurred by engineers working on capital projects.

## 7. EMPLOYEE BENEFITS

### Plan Description

**NYCERS**—The New York City Employees Retirement System (NYCERS) Plan is a cost-sharing, multiple-employer retirement system for employees of The City of New York (the City) and certain other governmental units whose employees are not otherwise members of the City’s four other pension systems. NYCERS administers the New York City Employees Retirement System qualified pension plan.

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law (RSSL), and the New York City Administrative Code, which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees.

NYCERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the New York City Employees’ Retirement System at 335 Adams Street, Suite 2300, Brooklyn, NY 11201-3724 or at [www.nycers.org](http://www.nycers.org).

All employees holding permanent civil service positions in the competitive or labor class are required to become members of NYCERS six months after their date of appointment but may voluntarily elect to join NYCERS prior to their mandated membership date. All other eligible employees have the option of joining NYCERS upon appointment or anytime thereafter. NYCERS members are assigned to a “Tier” depending on the date of their membership.

- Tier 1 All members who joined prior to July 1, 1973.
- Tier 2 All members who joined on or after July 1, 1973 and before July 27, 1976.
- Tier 3 Only certain members who joined on or after July 27, 1976 and prior to April 1, 2012.
- Tier 4 All members (with certain member exceptions) who joined on or after July 27, 1976 but prior to April 1, 2012. Members who joined on or after July 27, 1976 but prior to September 1, 1983 retain all rights and benefits of Tier 3 membership.
- Tier 6 Members who joined on or after April 1, 2012.

**Benefits Provided**—NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (non-job-related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers. Chapter 89 of the Laws of 2020, passed by the Legislature and signed by the Governor on May 30, 2020, provides benefits to statutory beneficiaries of members whose death was a result or was contributed to by COVID-19. This act adds Retirement and Social Security Law Sections 509-a and 607-i and Administrative Code of the City of New York Section 13-149.1 by providing an Accidental Death Benefit to eligible members of the NYCERS Plan.

The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of final salary. The fourth category has

no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of final salary.

Tier 2 participants have provisions similar to Tier 1, except that the eligibility for retirement and the salary base for benefits are different and there is a limitation on the maximum benefit.

Tier 3 participants were later mandated into Tier 4 but could retain their Tier 3 rights. The benefits for Tier 3 participants are reduced by one half of the primary Social Security benefit attributable to service and provides for an automatic annual cost-of-living escalator in pension benefits of not more than 3.0%.

During March 2012, the Governor signed Chapter 18 of the Laws of 2012 that placed certain limitations on the Tier 3 and Tier 4 benefits available to participants who joined on and after April 1, 2012. In general, these changes, commonly referred to as Tier 6, increase the age requirement to 63 for most non-uniformed employees to retire and receive a full pension, require member contributions for all years of service for non-uniformed employees, institute progressive member contributions for non-uniformed employees, and lengthen the final average salary period from 3 to 5 years.

NYCERS provides automatic Cost-of-Living Adjustments (COLA), death benefits, accident, disability retirement benefits, and other supplemental pension benefits to certain retirees and beneficiaries. Members become fully vested as to benefits upon the completion of 5 years of service.

The State Constitution provides that pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, 1976, 1983 and 2012, significant amendments made to the State Retirement and Social Security Law (RSSL) modified certain benefits for employees joining the Plan on or after the effective date of such amendments, creating membership tiers.

**Contributions and Funding Policy**—NYCERS funding policy is to contribute statutorily-required contributions (Statutory Contributions), determined by the Chief Actuary for the New York City Retirement System, in accordance with State statutes and City laws, and are generally funded by employers within the appropriate Fiscal Year. The Statutory Contributions are determined under the One-Year Lag Methodology (OYLM). Under OYLM, the actuarial valuation date is used for calculating the Employer Contributions for the second following Fiscal Year. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for NYCERS' assets to be sufficient to pay benefits when due.

Member contributions are established by law. NYCERS has both contributory and noncontributory requirements, with retirement age varying from 55 to 70 depending upon when an employee last entered qualifying service.

In general, Tier 1 and Tier 2 member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier 3 and Tier 4 members make basic contributions of 3.0% of salary, regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees enrolled in the Transit 20-Year Plan, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Effective December 2000, certain Transit Authority Tier 3 and Tier 4 members make basic member contributions of 2.0% of salary, in accordance with Chapter 10 of the Laws of 2000. Certain Tier 2, Tier 3 and Tier 4 members who are participants in special retirement plans are required to make additional member contributions of 1.85%, in addition to their base membership contribution. Tier 6



members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from service or retire.

MTA Bridges and Tunnels is required to contribute at an actuarially determined rate. MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2022 and 2021 were \$31,973 and \$34,591, respectively.

**Net Pension Liability**—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2022 and December 31, 2021 was measured as of June 30, 2022 and June 30, 2021, respectively. The total pension liability at December 31, 2022 and December 31, 2021 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2021 and June 30, 2020, respectively, and updated to roll forward the total pension liability to the measurement dates, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

**Actuarial Assumptions**—The total pension liability in each pension plan’s actuarial valuation dates were determined using the following actuarial assumptions for the pension plan:

Valuation Date:	NYCERS	
	June 30, 2021	June 30, 2020
Investment Rate of Return	7.00% per annum, net of investment expenses	7.00% per annum, net of investment expenses
Salary Increases	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.	In general, merit and promotion increases, plus assumed General Wage increases of 3.0% per year.
Inflation	2.50%	2.50%
Cost-of Living Adjustments	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees	1.5% per annum for Tiers 1, 2, 4 and certain Tier 3 and Tier 6 retirees. 2.5% per annum for certain Tier 3 and Tier 6 retirees
Mortality	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.	Mortality tables for service and disability pensioners were developed from an experience study of the plan. The mortality tables for beneficiaries were developed from an experience review.
Pre-retirement	N/A	N/A
Post-retirement—Healthy Lives	N/A	N/A
Post-retirement—Disabled Lives	N/A	N/A

**Expected Rate of Return on Investments**—The long-term expected rate of return on investments of 7.0% for the NYCERS plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are

developed for each major asset class. These ranges are combined to produce the 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.

The target asset allocations of the fund and the expected real rate of return (RROR) for the asset class in NYCERS was as of the measurement dates of June 30, 2022 and 2021 and is summarized as follows:

Asset Class	NYCERS 2022	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	27.0 %	7.0 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.0
Fixed income	30.5	2.5
Private markets (alternative investments):		
Private Equity	8.0	11.3
Private real estate	7.5	6.7
Infrastructure—	4.0	6.0
Opportunistic fixed income	<u>6.0</u>	7.4
	<u>100 %</u>	
Assumed inflation—mean		2.50 %
Long term expected rate of return		7.00 %
Asset Class	NYCERS 2021	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	27.0 %	7.1 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.0
Fixed income	30.5	1.8
Private markets (alternative investments):		
Private Equity	8.0	11.3
Private real estate	7.5	6.9
Infrastructure—	4.0	6.0
Opportunistic fixed income	<u>6.0</u>	7.1
	<u>100 %</u>	
Assumed inflation—mean		2.50 %
Long term expected rate of return		7.00 %

**Discount Rate**—The discount rate used to measure the total pension liability was 7.0% for the NYCERS plan as of June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the rates applicable for the pension plan and that employer contributions will be made at the rates determined by the pension plan’s actuary. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all

projected future benefit payments of current and non-active members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MTA Bridges and Tunnels Proportion of Net Pension Liability—NYCERS**—The following table presents the MTA Bridges and Tunnels proportionate share of the net pension liability of NYCERS at the measurement date of June 30, 2022 and 2021, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

	<b>2022</b>	<b>2021</b>
	(\$ in millions)	
Bridges and Tunnels proportion of the net pension liability	0.924 %	0.933 %
Bridges and Tunnels proportionate share of the net pension liability	\$ 167.40	\$ 59.82

MTA Bridges and Tunnels proportion of the net pension liability was based on the actual contributions made to NYCERS for the years ended June 30, 2022 and 2021, relative to the contributions of all employers in the plan.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate**—The following table presents MTA Bridges and Tunnels proportionate share of the net pension liability calculated using the discount rate of 7.0% for NYCERS, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate used as of each measurement date:

	June 30, 2022			June 30, 2021		
	1% Decrease (6.00%)	Discount Rate (7.00%) (In millions)	1% Increase (8.00%)	1% Decrease (6.00%)	Discount Rate (7.00%) (In millions)	1% Increase (8.00%)
Bridges and Tunnels proportionate share of the net pension liability	\$ 266.40	\$ 167.40	\$ 83.79	\$ 156.97	\$ 59.82	\$ (22.60)

**Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**—For the years ended December 31, 2022 and 2021, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

<b>Pension Plans</b>	<b>2022</b>	<b>2021</b>
NYCERS	\$ 9,762	\$ (11,273)

For the years ended December 31, 2022 and 2021, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	<b>2022</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<b>(In millions)</b>	
Differences between expected and actual experience	\$ 14,520	\$ 3,680
Changes in assumptions	28	5,355
Net difference between projected and actual earnings on pension plan investments	30,596	-
Proportionate share of contributions	6,245	45,421
Employer contribution to plan subsequent to the measurement date of net pension liability	<u>28,517</u>	<u>-</u>
Total	<u>\$ 79,906</u>	<u>\$ 54,456</u>
	<b>2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<b>(In millions)</b>	
Differences between expected and actual experience	\$ 15,356	\$ 6,920
Changes in assumptions	55	7,422
Net difference between projected and actual earnings on pension plan investments	-	87,789
Proportionate share of contributions	7,593	57,194
Employer contribution to plan subsequent to the measurement date of net pension liability	<u>35,428</u>	<u>-</u>
Total	<u>\$ 58,432</u>	<u>\$ 159,325</u>

The annual differences between the projected and actual earnings on investments are amortized over a five-year-closed period beginning the year in which the difference occurs.

The following table presents the recognition periods used by each pension plans to amortize the annual differences between expected and actual experience and the changes in proportion and differences between employer contributions and proportionate share of contributions, beginning the year in which the deferred amount occurs.

Pension Plan	Recognition Period (in Years)		
	Difference between Expected and Actual Experience	Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contribution	Changes in Actuarial Assumptions
NYCERS	5.79	5.79	5.79

For the years ended December 31, 2022 and 2021, \$28,517 and \$35,428, respectively, were reported as deferred outflows of resources related to pensions resulting from MTA Bridges and Tunnels contributions subsequent to the measurement date. The amount of \$28,517 will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2022, will be recognized as pension expense as follows (in millions):

Years Ending December 31	Increase/(Decrease) in Pension Expense
2023	\$ (8,588)
2024	(823)
2025	(8,450)
2026	14,750
2027	44
Thereafter	_____
Total	<u>\$ (3,067)</u>

**Deferred Compensation Plans**—As permitted by Internal Revenue Code Section 457, MTA Bridges and Tunnels has established a trust or custodial account to hold plan assets for the exclusive use of the participants and their beneficiaries.

Certain MTA Bridges and Tunnels employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. MTA Bridges and Tunnels did not contribute to the plan in 2022 and 2021.

## 8. OTHER POSTEMPLOYMENT BENEFITS

MTA Bridges and Tunnels participates in a defined benefit other postemployment benefits (“OPEB”) plan for its employees, the Metropolitan Transportation Authority Retiree Welfare Benefits Plan (“OPEB Plan”). A description of the Plan follows:

### **(1) Plan Description**

The MTA Retiree Welfare Benefits Plan (“OPEB Plan”) and the related Trust Fund (“Trust”) was established on January 1, 2009 for the exclusive benefit of MTA and related agencies retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with the MTA Bridges and Tunnels various collective bargaining agreements. Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Amounts contributed to the OPEB Plan are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants.

The OPEB Plan and the Trust are exempt from federal income taxation under Section 115(1) of the Internal Revenue Code. The OPEB Plan is classified as a cost-sharing multiple-employer defined benefit OPEB plan.

The OPEB Plan Board of Managers, comprised of the MTA Chairman, MTA Chief Financial Officer and MTA Director of Labor Relations, are the administrators of the OPEB Plan. The MTA Board has the right to amend, suspend or terminate the OPEB Plan.

The separate annual financial statements of the OPEB Plan may be obtained by writing to MTA Comptroller, 2 Broadway, 16th Floor, New York, New York, 10004 or at [www.mta.info](http://www.mta.info).

*Benefits Provided*—The benefits provided by the OPEB Plan include medical, pharmacy, dental, vision, life insurance and a Medicare supplemental plan. The different types of benefits provided vary by agency, employee type (represented employees versus non-represented) and the relevant collective bargaining agreements. Certain benefits are provided upon retirement as defined in the applicable pension plan. Certain agencies provide benefits to certain former employees if separated from service within 5 years of attaining retirement eligibility. Employees of MTA Bridges and Tunnels are members of the NYCERS pension plan.

MTA Bridges and Tunnels participates in the New York State Health Insurance Program (“NYSHIP”) and provides medical and prescription drug benefits, including Medicare Part B reimbursements, to many of its retirees. NYSHIP offers a Preferred Provider Organization (“PPO”) plan and several Health Maintenance Organization (“HMO”) plans.

MTA Bridges and Tunnels is a participating employer in NYSHIP. The NYSHIP financial report can be obtained by writing to NYS Department of Civil Service, Employee Benefits Division, Alfred E. Smith Office Building, 805 Swan Street, Albany, NY 12239.

*OPEB Plan Eligibility*—To qualify for benefits under the OPEB Plan, a former employee of MTA Bridges and Tunnels must:

- (a) have retired;
- (b) be receiving a pension (except in the case of the 401(k) Plan);
- (c) have at least 10 years of credited service as a member of NYCERS, and

(d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

Surviving Spouse and Other Dependents—Lifetime coverage is provided to the surviving spouse (not remarried) or domestic partner and surviving dependent children to age 26 of retired managers and certain non-represented retired employees.

The OPEB Plan Board of Managers has the authority to establish and amend the benefits that will be covered under the OPEB Plan, except to the extent that they have been established by collective bargaining agreement.

*Contributions*—MTA Bridges and Tunnels is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2022 and 2021, MTA Bridges and Tunnels paid \$32,898 and \$28,855, respectively, of PAYGO to the OPEB Plan.

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefits. Under GASB Statement No. 75, the discount rate depends on the nature of underlying assets for funded plans. A depletion date of Trust assets is assumed to occur immediately. Therefore, the discount rate is set equal to the municipal bond index. The MTA elected the Bond Buyer General Obligation 20-Bond Municipal Bond Index. As a result, the discount rates as of December 31, 2021 and 2020, the measurement dates, are 2.06% and 2.12%, respectively.

Employer contributions include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy arises when an employer allows a retiree and their dependents to continue the active plans and pay the active premiums. Retirees are not paying the true cost of their benefits because they have higher utilization rates than actives and therefore are partially subsidized by the active employees. As shown in the following table, for the years ended December 31, 2021 and 2020, the employer made a cash payment for retiree healthcare of \$1,290 and \$2,495, respectively, as part of the employer’s payment for active-employee healthcare benefits. For purposes of GASB Statement No. 75, this payment made on behalf of the active employees should be reclassified as benefit payments for retiree health care to reflect the retirees’ underlying age-adjusted, retiree benefit costs.

<b>Blended and Age-adjusted Premium</b>	<b>2021 Retirees</b>	<b>2020 Retirees</b>
	<b>(In thousands)</b>	
Total blended premiums	\$ 27,565	\$ 26,823
Employment payment for retiree healthcare	<u>1,290</u>	<u>2,495</u>
Net payments	<u>\$ 28,855</u>	<u>\$ 29,318</u>

**(2) Net OPEB Liability**

At December 31, 2022 and 2021, MTA Bridges and Tunnels reported a net OPEB liability of \$908,111 and \$987,443, respectively, for its proportionate share of the Plan’s net OPEB liability. The net OPEB liabilities were measured as of the OPEB Plan’s fiscal year-end of December 31, 2021 and 2020, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date

of July 1, 2021 and July 1, 2019 respectively, and rolled forward to December 31, 2021 and 2020, respectively. The MTA Bridges and Tunnels proportion of the net OPEB liability was based on a projection of the MTA Bridges and Tunnels long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating employers. At December 31, 2022 and 2021, the MTA Bridges and Tunnels proportion was 3.64% and 4.05%, respectively.

*OPEB Plan Fiduciary Net Position*—The fiduciary net position has been determined on the same basis used by the OPEB Plan. The OPEB Plan uses the accrual basis of accounting under which contributions from the employer are recognized when paid. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value based on quoted market prices or net asset value.

### **(3) Actuarial Assumptions**

Actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as future employment, mortality and health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan, which refers to the plan terms as understood by the employer and the plan members at the time of the valuation, including only changes to plan terms that have been made and communicated to employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members at that time. MTA Bridges and Tunnels may not be obligated to provide the same types or levels of benefits to retirees in the future.

The total OPEB liability was determined by an actuarial valuation performed on July 1, 2021 and July 1, 2019 respectively and update procedures were used to roll forward the total OPEB liability to December 31, 2021 and 2020, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	<b>2022</b>	<b>2021</b>
Valuation date	July 1, 2021	July 1, 2019
Measurement date	December 31, 2021	December 31, 2020
Discount rate	2.06%—net of expenses	2.12%—net of expenses
Inflation	2.25%	2.25%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Investment rate of return	2.06%	2.12%



### Salary Increases

Salary Scale—salaries are assumed to increase by years of service. Rates are shown below:

<b>Years of Employment</b>	<b>2022 Rate of Increase</b>	<b>2021 Rate of Increase</b>
0	11.00 %	11.00 %
1	10.00	10.00
2	9.00	9.00
3	8.00	8.00
4	7.00	7.00
5	6.00	6.00
6	5.00	5.00
7	4.00	4.00
8	3.80	3.80
9	3.60	3.60
10+	3.50	3.50

*Healthcare Cost Trend*— The healthcare trend assumption is based on the Society of Actuaries-Getzen Model version 2021 utilizing the baseline assumptions included in the model, except inflation of 2.25% for medical and pharmacy benefits. Further adjustments apply based on percentage of costs associated with administrative expenses, inflation on administrative costs, and aging factors. For NYSHIP benefits, trends are multiplied by 90% to reflect that NYSHIP trends have been generally lower than trends projected by the Getzen model over the past 10 years. Separate long-term trends are used for Medicare Part B reimbursements and for dental and vision benefits (3.5% per year). No self-insured post-65 trend is assumed during 2021 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2022.

The valuation reflects the actuaries understanding of the impact in future health costs due to the Affordable Care Act (“ACA”) passed into law in March 2010. An excise tax for high-cost health coverage or “Cadillac” health plans was included in ACA. The provision levies a 40% tax on the value of health plan costs that exceed certain thresholds for single coverage or family coverage. In December 2019, the President signed into law the “Further Consolidated Appropriations Act, 2020” (the “Act”), which included the permanent repeal of the “Cadillac” tax, effective January 1, 2020. The impact of the elimination of the “Cadillac” tax on the Triborough Bridge and Tunnel Authority’s OPEB liability is approximately \$12.6 million and was reflected in the valuation dated July 1, 2019 and in the reporting year-ended December 31, 2020.

*Healthcare Cost Trend Rates*—The following lists illustrative rates for the NYSHIP trend assumptions for MTA Bridges and Tunnels (all amounts are in percentages).

Fiscal Year	NYSHIP 2022		MTA Bridges and Tunnels 2022	
	< 65	>=65	< 65	>=65
2022	5.30 %	4.60 %	5.20 %	3.60 %
2023	5.10	4.60	5.00	3.90
2024	4.80	4.60	4.80	4.30
2025	4.60	4.60	4.60	4.60
2026	4.50	4.50	4.50	4.50
2027	4.40	4.40	4.40	4.40
2028	4.30	4.30	4.30	4.30
2029	4.20	4.20	4.20	4.20
2039	3.90	3.90	3.90	3.90
2049	3.90	3.90	3.90	3.90
2059	3.80	3.80	3.80	3.80
2069	3.80	3.80	3.80	3.80
2079	3.50	3.50	3.50	3.50
2089	3.30	3.30	3.30	3.30
2099	3.30	3.30	3.30	3.30
2109	3.30	3.30	3.30	3.30

  

Fiscal Year	NYSHIP 2021		MTA Bridges and Tunnels 2021	
	< 65	>=65	< 65	>=65
2021	6.20 %	5.70 %	5.80 %	4.00 %
2022	5.70	5.40	5.50	4.60
2023	5.10	5.10	5.10	5.10
2024	5.00	5.00	5.00	5.00
2025	4.90	4.90	4.90	4.90
2026	4.80	4.80	4.80	4.80
2027	4.70	4.70	4.70	4.70
2028	4.60	4.60	4.60	4.60
2029	4.50	4.50	4.50	4.50
2039	4.60	4.60	4.60	4.60
2049	4.80	4.80	4.80	4.70
2059	4.50	4.50	4.50	4.50
2069	4.20	4.20	4.20	4.20
2079	3.80	3.80	3.80	3.80
2089	3.80	3.80	3.80	3.80
2099	3.80	3.80	3.80	3.80

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rate, which is 3.7% for medical and pharmacy costs.

**Mortality**—Preretirement and postretirement health annuitant rates are projected on a generational basis using Scale AA. As a generational table, it reflects mortality improvements both before and after the measurement date. The postretirement mortality assumption is based on an experience analysis covering the period from January 1, 2011 to December 31, 2015 for the MTA-sponsored pension plans.

*Preretirement*—RP-2000 Employee Mortality Table for Males and Females with blue-collar adjustments.

*Postretirement Healthy Lives*—95% of the rates from the RP-2000 Healthy Annuitant mortality table for males with blue collar adjustments and 116% of the rates from the RP-2000 Healthy Annuitant mortality table for females.

*Postretirement Disabled Lives*—RP-2014 Disabled Annuitant mortality table for males and females.

**Expected Rate of Return on Investments**—The best-estimate range for the long-term expected rate of return was determined using by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumption as of December 31, 2021 are as follows:

<b>Asset Class</b>	<b>Index</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
US cash	BAML 3-Mon Tbill	100.00 %	(0.26)%
Assumed Inflation - Mean			2.30 %
Assumed Inflation - Standard Deviation			1.23 %
Portfoli Nominal Mean return			2.03 %
Portfolio Standard Deviation			1.11 %
<b>Long term expected rate of return selected by MTA</b>			<b>2.06 %</b>

*Discount Rate*—The plan’s fiduciary net position was not 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 OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan’s fiduciary net position is not projected to be sufficient. Therefore, the discount rate is set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index as of December 31, 2021 and 2020, of 2.06% and 2.12%, respectively.

*Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the actual discount rate used for the measurement (in thousands):

	<b>1% Decrease (1.06%)</b>	<b>Discount Rate (2.06%)</b>	<b>1% Increase (3.06%)</b>
<b>2022</b>			
Proportionate share of the net OPEB liability	\$ 1,050.06	\$ 908.11	\$ 792.89
	<b>1% Decrease (1.12%)</b>	<b>Discount Rate (2.12%)</b>	<b>1% Increase (3.12%)</b>
<b>2021</b>			
Proportionate share of the net OPEB liability	\$ 1,136.66	\$ 987.44	\$ 865.39

*Sensitivity of the MTA Bridges and Tunnels Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates*—The following presents the MTA Bridges and Tunnels proportionate share of the net OPEB liability, as well as what the MTA Bridges and Tunnels proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates used for the measurement (in thousands):

<b>2022</b>	<b>1% Decrease</b>	<b>Trend Rate *</b>	<b>1% Increase</b>
Proportionate share of the net OPEB liability	\$ 771.37	\$ 908.11	\$ 1,083.24

  

<b>2021</b>	<b>1% Decrease</b>	<b>Cost Current Trend Rate *</b>	<b>1% Increase</b>
Proportionate share of the net OPEB liability	\$ 833.16	\$ 987.44	\$ 1,185.08

\* For further details, refer to the Health Care Cost Trend Rates tables in the Actuarial Assumptions section of this Note Disclosure.

***(4) OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the years ended December 31, 2022 and 2021, MTA Bridges and Tunnels recognized OPEB expense of \$57,880 and \$76,558, respectively, which represents its proportionate share of the Plan's OPEB expense.

The annual differences between the projected and actual earnings on investments are amortized over a 5-year closed period beginning the year in which the difference occurs. The annual differences between expected and actual experience, changes in assumptions and the changes in proportion and differences between employer contributions and proportionate share of contributions are amortized over a 7.6-year close period, beginning the year in which the deferred amount occurs.

MTA Bridges and Tunnels reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows (In thousands):

	<b>December 31, 2022</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 15,072	\$ (1,527)
Changes in assumptions	71,038	(53,443)
Net difference between projected and actual earnings on OPEB plan investments	1,714	-
Changes in proportion and differences between contributions and proportionate share of contributions	35,078	(112,043)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	<u>32,898</u>	<u>-</u>
Total	<u>\$ 155,800</u>	<u>\$ (167,013)</u>
	<b>December 31, 2021</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 7,804	\$ (2,023)
Changes in assumptions	95,198	(43,299)
Net difference between projected and actual earnings on OPEB plan investments	2,449	-
Changes in proportion and differences between contributions and proportionate share of contributions	41,330	(37,214)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	<u>28,855</u>	<u>-</u>
Total	<u>\$ 175,636</u>	<u>\$ (82,536)</u>

At December 31, 2022 and 2021, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of \$155,800 and \$175,636, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment of \$32,898 that will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2022, will be recognized in OPEB expense as follows (in thousands):

**Years Ending  
December 31**

2023	\$ (6,939)
2024	(7,252)
2025	(9,685)
2026	(7,480)
2027	(4,354)
Thereafter	<u>(8,401)</u>
	<u>\$ (44,111)</u>

**9. LONG-TERM DEBT**

MTA Bridges and Tunnels issues long-term bonds to fund its own capital projects, as well as the Transportation Projects for NYCTA and Commuter rails, through the following four credits:

- General Revenue Bonds,
- Payroll Mobility Tax Bonds,
- Sales Tax Bonds and
- Subordinate Revenue Bonds.

The MTA and MTA Bridges and Tunnels entered into a Payroll Mobility Tax Financing Agreement (the “Financing Agreement”), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes (“Mobility Tax Receipts”) and certain fees, surcharges and taxes (“Aid Trust Account Receipts,” and together with the Mobility Tax Receipts, “PMT Receipts”) in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

During 2022, the Authority issued bonds to help finance approved transit and commuter projects included in the MTA 2020-2024 Capital Program, to finance a portion of the capital costs of the Central Business District Tolling Program and to pay certain financing, legal and miscellaneous expenses associated with the bond issuance. These bonds were issued by the Authority under the Triborough Bridge and Tunnel Authority Special Obligation Resolution Authorizing Sales Tax Revenue Obligations. The bonds are MTA Bridges and Tunnels’ special, not general, obligations, payable solely from monies

in the Obligations Trust Estate pledged by the TBTA Sales Tax Resolution derived primarily from the sales tax receipts that flow into the Central Business District Tolling Capital Lockbox Fund.

The following represents MTA Bridges and Tunnels' issuance of long-term debt in 2022:

- On January 22, 2022, MTA Bridges and Tunnels remarketed General Revenue Variable Rate 2003B-1 of \$96,335 from irrevocable direct-pay letter of credit issued by Bank of America, N.A., was replaced by irrevocable direct-pay letter of credit with U.S. Bank National Association.
- On February 10, 2022, MTA Bridges and Tunnels issued \$592,680 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2022A. The Series 2022A Bonds were issued to (i) retire MTA outstanding Dedicated Tax Fund Bond Anticipation Notes 2019a (DTF 2019A BAN), and pay certain financing, legal, and miscellaneous expenses.
- On April 5, 2022, MTA Bridges and Tunnels has a forward delivery (August 12, 2022 delivery) refunding of \$1,000,015 of Triborough Bridge and Tunnel authority Payroll Mobility Tax Senior Lien Bonds, Series 2022B. The series 2022B Bonds were issued to retire MTA outstanding bonds; 2002D-1 and 2012C, D, F, H and pay certain financing, legal and miscellaneous expenses. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On May 5, 2022, MTA Bridges and Tunnels issued \$927,950 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2022C. The Series 2021C Bonds were issued to (i) retire MTA outstanding Transportation Revenue Bond Anticipation Notes 2019B, and pay certain financing, legal, and miscellaneous expenses.
- On July 20, 2022, MTA Bridges and Tunnels issued \$700,000 Sales Tax Revenue Bond, Series 2022A are being issued to (i) finance approved transit and commuter projects included in the MTA 2020-2024 capital program, and (ii) pay certain financing, legal and miscellaneous expense. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On August 18, 2022, MTA Bridges and Tunnels issued \$400,000 General Revenue Bonds, Series 2022A to finance bridge and tunnel projects.
- On September 1, 2022, MTA Bridges and Tunnels issued \$951,370, Payroll Mobility Tax Senior Lien BAN 2022A to refund MTA Bond 2012B, C, E, F and 2012H. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On September 15, 2022, MTA Bridges and Tunnels issued \$748,682, Payroll Mobility Tax Senior Lien Bond 2022D, this bond has an additional \$17M on subseries 2022D-1b due to capital appreciation. This bond refunded MTA Bond 2018A-2, 2014D-2 and 2011B. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On November 1, 2022, MTA Bridges and Tunnels issued \$700,200, Payroll Mobility Tax Senior Lien Bond 2022E to retire MTA Bond 2019F, and refund MTA Bonds 2018A-2 and 2014D-2 and 2011B. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On December 8, 2022, MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bond remarketed 2018E of \$148,470 from irrevocable direct-pay letter of credit issued by Bank of America, N.A., was replaced by irrevocable direct-pay letter of credit with USB AG.

- On December 15, 2022, MTA Bridges and Tunnels issued \$766,540, Payroll Mobility Tax Senior Lien BAN 2022B to retire MTA Bond 2020A-1. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2022 and 2021, is comprised of the following (in thousands):

	<b>2022</b>	<b>2021</b>
Senior Revenue Bonds (Notes 10)	\$ 8,783,214	\$ 8,681,913
PMT Bonds (Note 10)	9,036,372	2,863,787
Subordinate Revenue Bonds (Note 11)	605,040	688,320
CBD BAN (Note 12)	217,157	225,658
Sales Tax Revenue Bond (Note 13)	<u>758,796</u>	<u>-</u>
<b>Total long-term debt—net of premiums and discounts</b>	<b><u>\$ 19,400,579</u></b>	<b><u>\$ 12,459,678</u></b>

MTA Bridges and Tunnels has entered into several Letter of Credit Agreements and Standby Bond Purchase Agreements (together, "Credit and Liquidity Agreements") as listed on the table below.

TBTA General Revenue	2001C	State Street	June 26, 2023
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 17, 2025
TBTA General Revenue	2005A	Barcleys Bank	January 24, 2024
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	State Street	June 26, 2023
TBTA General Revenue	2005B-4c	U.S. Bank National Assoc.	May 23, 2025
TBTA General Revenue	TBTA 2018E Taxable	Bank of America, N.A.	December 5, 2025

According to the terms of the Credit and Liquidity Agreements, if the remarketing agent fails to remarket any of the bonds listed above that are tendered by the holders, the bank is required (subject to certain conditions) to purchase such unremarketed portion of the bonds. Bonds owned by the bank and not remarketed after a specified amount of time (generally 90 days) are payable to the bank as a term loan over five years in ten equal semiannual principal payments including interest thereon. As of December 31, 2022, there were no term loans outstanding.

**Bond Refundings**—From time to time, MTA Bridges and Tunnels issue refunding bonds to achieve debt service savings or other benefits. The proceeds of refunding bonds are generally used to purchase U.S. Treasury obligations that are placed in irrevocable trusts. The principal and interest within the trusts will be used to repay the refunded debt. The trust account assets and the refunded debt are excluded from the statement of net position.



At December 31, 2022 and 2021, the following amounts of MTA Bridges and Tunnels bonds, which have been refunded, remain valid debt instruments and are secured solely by and payable solely from their respective irrevocable trusts.

	<b>2022</b>	<b>2021</b>
	<b>(In thousands)</b>	
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	\$ 160,365	\$ 457,995
Special Obligation Subordinate Bonds	<u>43,640</u>	<u>59,520</u>
 Total	 <u>\$ 204,005</u>	 <u>\$ 517,515</u>

MTA Bridges and Tunnels had no refunding transactions that resulted in any gains/losses against aggregate debt service payments in 2022 and 2021.

Unamortized losses related to bond refundings were as follows (in millions):

	December 31, 2020	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2021	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2022
TBTA:							
General Revenue Bonds	\$ 175	\$ -	\$ (21)	\$ 154	\$ -	\$(17)	\$137
Subordinate Revenue Bonds	<u>25</u>	<u>-</u>	<u>(3)</u>	<u>22</u>	<u>-</u>	<u>(2)</u>	<u>20</u>
	<u>200</u>	<u>-</u>	<u>(24)</u>	<u>176</u>	<u>-</u>	<u>(19)</u>	<u>157</u>
 Total	 <u>\$ 200</u>	 <u>\$ -</u>	 <u>\$ (24)</u>	 <u>\$ 176</u>	 <u>\$ -</u>	 <u>\$(19)</u>	 <u>\$157</u>

## 10. DEBT—SENIOR REVENUE/PMT BONDS/SALE TAX BONDS

Senior Revenue Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Issued	Principal Repayments	December 31, 2022
Series 2001B&C, 4.10%–5.25%	\$ 296,400	\$ 89,025	\$ -	\$ 6,600	\$ 82,425
Series 2002F	246,480	111,175	-	8,240	102,935
Series 2003B	250,000	137,320	-	9,265	128,055
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	561,600	-	3,300	558,300
Series 2008B	252,230	156,125	-	29,375	126,750
Series 2009A-1	150,000	62,700	-	445	62,255
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-2 - BAB	280,400	271,890	-	8,870	263,020
Series 2011A	609,430	25,425	-	25,425	-
Series 2012A	231,490	156,835	-	5,420	151,415
Series 2012B	1,353,055	763,190	-	100,570	662,620
Series 2013B	257,195	142,540	-	13,045	129,495
Series 2013C	200,000	137,540	-	4,505	133,035
Series 2014A	250,000	180,985	-	5,330	175,655
Series 2015A	225,000	186,410	-	3,520	182,890
Series 2015B	65,000	57,545	-	1,425	56,120
Series 2016A	541,240	491,820	-	6,520	485,300
Series 2017A	300,000	300,000	-	13,415	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	-	720,990
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	-	-	400,000	-	400,000
	<u>\$ 10,714,120</u>	<u>8,164,380</u>	<u>400,000</u>	<u>245,270</u>	<u>8,319,110</u>
Add net unamortized bond (discount) and premium		<u>762,803</u>	<u>37,764</u>	<u>69,123</u>	<u>731,444</u>
		<u>\$ 8,927,183</u>	<u>\$ 437,764</u>	<u>\$ 314,393</u>	<u>\$ 9,050,554</u>

Senior Revenue Bonds at December 31, 2021, consist of the following (in thousands):

	Original Issuance	December 31, 2020	Issued	Principal Repayments	December 31, 2021
Series 2001B&C, 4.10%–5.25%	\$ 296,400	\$ 95,370	\$ -	\$ 6,345	\$ 89,025
Series 2002F	246,480	144,835	111,175	144,835	111,175
Series 2003B	250,000	146,225	-	8,905	137,320
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	564,900	-	3,300	561,600
Series 2008B	252,230	166,770	53,005	63,650	156,125
Series 2009A-1	150,000	62,700	-	-	62,700
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-2 - BAB	280,400	280,400	-	8,510	271,890
Series 2011A	609,430	49,680	-	24,255	25,425
Series 2012A	231,490	162,045	-	5,210	156,835
Series 2012B	1,353,055	879,105	-	115,915	763,190
Series 2013B	257,195	180,550	-	38,010	142,540
Series 2013C	200,000	141,830	-	4,290	137,540
Series 2014A	250,000	186,110	-	5,125	180,985
Series 2015A	225,000	189,760	-	3,350	186,410
Series 2015B	65,000	58,905	-	1,360	57,545
Series 2016A	541,240	498,030	-	6,210	491,820
Series 2017A	300,000	300,000	-	-	300,000
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	-	720,990
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	-	-	400,000	-	400,000
	<u>\$ 10,314,120</u>	8,039,470	564,180	439,270	8,164,380
Add net unamortized bond (discount) and premium		<u>704,046</u>	<u>90,587</u>	<u>31,830</u>	<u>762,803</u>
		<u>\$ 8,743,516</u>	<u>\$ 654,767</u>	<u>\$ 471,100</u>	<u>\$ 8,927,183</u>

**Debt Service Requirements Senior Revenue:**

<b>Years Ending December 31</b>	<b>Principal</b>	<b>Interest (In thousands)</b>	<b>Aggregate Debt Service</b>
2023	\$ 267,340	\$ 376,183	\$ 643,523
2024	301,330	362,572	663,902
2025	312,360	349,167	661,527
2026	342,235	334,176	676,411
2027	357,910	317,448	675,358
2028–2032	2,138,960	1,315,272	3,454,232
2033–2037	1,236,940	977,702	2,214,642
2038–2042	1,130,755	671,997	1,802,752
2043–2047	1,066,825	425,382	1,492,207
2048–2052	722,510	194,248	916,758
2053-2057	441,945	53,095	495,040
	<u>\$ 8,319,110</u>	<u>\$ 5,377,242</u>	<u>\$ 13,696,352</u>

PMT Bonds at December 31, 2022, consist of the following (in thousands):

	<b>Original Issuance</b>	<b>December 31, 2021</b>	<b>Issued</b>	<b>Principal Repayments</b>	<b>December 31, 2022</b>
PMT 2021A	\$ 1,238,210	1,238,210	\$ -	\$ -	1,238,210
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	856,585	-	8,360	848,225
PMT 2022A	-	-	592,680	-	592,680
PMT 2022B	-	-	1,000,015	-	1,000,015
PMT 2022C	-	-	927,950	-	927,950
PMT 2022D	-	-	765,690	-	765,690
PMT 2022E	-	-	700,200	-	700,200
PMT 2022A-BAN	-	-	951,370	-	951,370
PMT 2022B-BAN	-	-	766,540	-	766,540
	<u>\$ 2,463,990</u>	2,463,990	5,704,445	8,360	8,160,075
Add net unmortized bond (discount) and premium		<u>408,157</u>	<u>575,972</u>	<u>76,206</u>	<u>907,923</u>
		<u>\$ 2,872,147</u>	<u>\$ 6,280,417</u>	<u>\$ 84,566</u>	<u>\$ 9,067,998</u>

PMT Bonds at December 31, 2021, consist of the following (in thousands):

	Original Issuance	December 31, 2020	Issued	Principal Repayments	December 31, 2021
PMT 2021A	-	-	1,238,210	\$ -	1,238,210
PMT 2021B	-	-	369,195	-	369,195
PMT 2021C	-	-	856,585	-	856,585
	<u>\$ -</u>	<u>-</u>	<u>2,463,990</u>	<u>-</u>	<u>2,463,990</u>
Add net unamortized bond (discount) and premium		<u>-</u>	<u>408,157</u>	<u>-</u>	<u>408,157</u>
		<u>\$ -</u>	<u>\$ 2,872,147</u>	<u>\$ -</u>	<u>\$ 2,872,147</u>

**Debt Service Requirements PMT:**

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2023	\$ 31,625	\$ 373,285	\$ 404,910
2024	1,724,330	365,768	2,090,098
2025	21,365	287,770	309,135
2026	273,595	283,085	556,680
2027	434,095	275,635	709,730
2028–2032	1,088,460	1,251,061	2,339,521
2033–2037	368,940	1,142,652	1,511,592
2038–2042	794,690	986,176	1,780,866
2043–2047	1,318,970	702,708	2,021,678
2048–2052	1,842,045	326,652	2,168,697
2053-2057	261,960	59,395	321,355
	<u>\$ 8,160,075</u>	<u>\$ 6,054,187</u>	<u>\$ 14,214,262</u>

Sales Tax Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Issued	Principal Repayments	December 31, 2022
SALES TAX 2022A	\$ -	-	\$ 700,000	\$ -	700,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Add net unamortized bond (discount) and premium		<u>-</u>	<u>59,757</u>	<u>962</u>	<u>58,795</u>
		<u>\$ -</u>	<u>\$ 759,757</u>	<u>\$ 962</u>	<u>\$ 758,795</u>

## Debt Service Requirements Sales Tax:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2023	\$ -	\$ 34,212	\$ 34,212
2024	-	34,212	34,212
2025	2,015	34,162	36,177
2026	2,455	34,050	36,505
2027	2,925	33,915	36,840
2028–2032	22,635	166,666	189,301
2033–2037	39,005	159,049	198,054
2038–2042	60,415	146,737	207,152
2043–2047	64,745	132,269	197,014
2048–2052	162,435	104,028	266,463
2053–2057	220,470	58,779	279,249
2058–2062	<u>122,900</u>	<u>16,936</u>	<u>139,836</u>
	<u>\$ 700,000</u>	<u>\$ 955,015</u>	<u>\$ 1,655,015</u>

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

### 11. DEBT—SUBORDINATE REVENUE BONDS

Subordinate revenue bonds had no new issuances in 2022 or 2021.

Subordinate Revenue Bonds at December 31, 2022, consist of the following (in thousands):

	Original Issuance	December 31, 2021	Retirements during 2022	December 31, 2022
Series 2002E	\$ 756,095	\$ -	\$ -	\$ -
Series 2013A	761,599	712,255	(52,350)	659,905
Series 2013D	<u>313,975</u>	<u>83,265</u>	<u>(23,975)</u>	<u>59,290</u>
	<u>\$1,831,669</u>	795,520	(76,325)	719,195
Add net unamortized bond (discount) and premium		<u>(30,875)</u>	<u>(2,165)</u>	<u>(33,040)</u>
		<u>\$ 764,645</u>	<u>\$ (78,490)</u>	<u>\$ 686,155</u>

Subordinate Revenue Bonds at December 31, 2021, consist of the following (in thousands):

	<b>Original Issuance</b>	<b>December 31, 2020</b>	<b>Retirements during 2021</b>	<b>December 31, 2021</b>
Series 2002E	\$ 756,095	\$ 36,080	\$ (36,080)	\$ -
Series 2013A	761,599	720,645	(8,390)	712,255
Series 2013D	<u>313,975</u>	<u>110,645</u>	<u>(27,380)</u>	<u>83,265</u>
	<u>\$1,831,669</u>	867,370	(71,850)	795,520
Add net unamortized bond (discount) and premium		<u>(28,217)</u>	<u>(2,658)</u>	<u>(30,875)</u>
		<u>\$839,153</u>	<u>\$ (74,508)</u>	<u>\$764,645</u>

**Debt Service Requirements:**

<b>Years Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Aggregate Debt Service</b>
	<b>(In thousands)</b>		
2023	\$ 81,115	\$ 23,330	\$ 104,445
2024	74,060	19,596	93,656
2025	78,070	16,014	94,084
2026	63,460	12,210	75,670
2027	66,915	9,037	75,952
2028–2032	<u>355,575</u>	<u>11,371</u>	<u>366,946</u>
	<u>\$719,195</u>	<u>\$91,558</u>	<u>\$810,753</u>

The above interest amounts include both fixed and variable rate calculations. The interest rate assumptions for variable rate bonds are as follows: variable rate bonds at an assumed rate of 4%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4% plus the current fixed spread to maturity for the portion that is not swapped.

## 12. BOND ANTICIPATION NOTES

On June 10, 2021, MTA Bridges and Tunnels issued \$192,835 General Revenue Bond Anticipation Notes, Series 2021A. The net proceeds were issued to finance capital costs for the Central Business District Tolling Program.

(In thousands)	December 31, 2021	Issued	Principal Repayments and Retirements During 2022	December 31, 2022
Series 2021A	\$ 192,835	\$ -	\$ -	\$ 192,835
Add net unamortized bond premium	<u>32,823</u>	<u>-</u>	<u>(8,501)</u>	<u>24,322</u>
	<u>\$ 225,658</u>	<u>\$ -</u>	<u>\$ (8,501)</u>	<u>\$ 217,157</u>

### Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2023	\$ -	\$ 9,642	\$ 9,642
2024	-	9,642	9,642
2025	<u>192,835</u>	<u>9,642</u>	<u>202,477</u>
	<u>\$ 192,835</u>	<u>\$ 28,926</u>	<u>\$ 221,761</u>

## 13. GASB 53—DERIVATIVE INSTRUMENTS

For the year ended December 31, 2022, the MTA Bridges and Tunnels is reporting gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of \$13,789, \$34,608 and \$70,933, respectively. The gain of \$13,789 is related to swaps on MTA bonds which is offset by a loss of \$13,789 reflected in other operating income. Also recognized in the same period are derivative instrument assets of \$3,446.

For the year ended December 31, 2021, the MTA Bridges and Tunnels is reporting gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of \$8,965, \$147,415 and \$169,931, respectively. The gain of \$8,965 is related to swaps on MTA bonds which is offset by a loss of \$8,965 reflected in other operating income. Also recognized in the same period are derivative instrument assets of \$3,467.



**GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments  
Summary Information as of December 31, 2022**

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2022 (In millions)	Fair Values as of 12/31/2022 (In millions)
<b>Investment Swap</b>	MTA Transportation Revenue Bond	2002G-1	Pay-Fixed Swap	N/A	N/A	4/1/2016	\$ 64.270	\$ (0.448)
	MTA Transportation Revenue Bond	2022E	Pay-Fixed Swap	N/A	N/A	4/1/2016	89.765	(3.551)
<b>Hedging Swaps</b>	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed swap	Cash flow	Dollard Offset	7/5/2005	186.100	(6.851)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed swap	Cash flow	Synthetic Instrument	4/1/2016	17.690	(0.459)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed swap	Cash flow	Synthetic Instrument	7/5/2005	558.300	(20.552)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed swap	Cash flow	Synthetic Instrument	4/1/2016	8.000	(0.226)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2022, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2021, are as follows (in thousands):

(In Millions)	Changes In Fair Value		Fair Value at December 31, 2022		Notional Amount
	Classification	Amount	Classification	Amount	
<b>Government Activities</b>					
Cash Flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	\$(98.998)		\$ (28.088)	\$ 770.090
Investment swap— pay-fixed interest rate swaps	Investment income	13.789		(3.999)	154.035

The summary above reflects a total number of six (6) swaps and hedging relationships that were reviewed for GASB Statement No. 53 Hedge Accounting treatment. Of that total, four (4) were deemed effective using Synthetic Instrument Method.

For the four (4) hedging relationships, the Synthetic Instrument Method was utilized to determine effectiveness. Under the Synthetic Instrument Method, if the rate determined by dividing the historical Swap and Bond payments (Fixed Swap payments + Floating Bond payments—Floating Swap payments) by the hedge notional amount produces an “Actual Synthetic Rate” that is within 90% to 111% of the corresponding fixed swap rates then the hedging derivative instrument is deemed to be effective.

#### 14. LEASES

MTA Bridges and Tunnels entered into various lease agreements that convey control of the right to use other entities’ nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA Bridges and Tunnels

incremental borrowing rate at the time of valuation ranging from 0.72% to 5.64% if an applicable stated or implicit rate is not available.

The initial measurement of MTA Bridges and Tunnels leased assets and lease liabilities for those agreements was as of January 1, 2021. The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is recognized. The lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

For lessor leases, a lease receivable and deferred inflow of resources were measured as of January 1, 2021. Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

#### As Lessor

MTA Bridges and Tunnels leases garage spaces and bridges and tunnels easement rights to other entities. These leases have terms between 1 year to 39 years, with payments required monthly, quarterly, semi-annually, or annually. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the year ended December 31, 2022 and 2021 is presented below (in thousands):

	<b>2022</b>	<b>2021</b>
Lease revenue	\$ 1,909	\$ 1,688
Interest revenue	250	418
Other variable revenue	14	17

The balance of lease receivable as of December 31, 2022 and December 31, 2021 are as follows (in thousands):

	<b>2022</b>	<b>2021</b>
Lease receivable - current	\$ 1,463	\$ 1,514
Lease receivable - noncurrent	12,845	14,308
Total lease receivables	<u>\$ 14,308</u>	<u>\$ 15,822</u>

MTA Bridges and Tunnels did not recognize any revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2022 and 2021, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2022, are as follows (in thousands):

<b>Years Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 1,463	\$ 399	\$ 1,862
2024	1,247	369	1,616
2025	1,237	340	1,577
2026	1,334	308	1,642
2027	1,356	275	1,631
2028–2032	1,815	1,131	2,946
2033–2037	1,487	944	2,431
2038 - 2042	276	802	1,078
2043 - 2047	489	734	1,223
2048 - 2052	802	616	1,418
2053 - 2057	1,214	429	1,643
2058 - 2062	<u>1,588</u>	<u>156</u>	<u>1,744</u>
Total	<u>\$ 14,308</u>	<u>\$ 6,503</u>	<u>\$ 20,811</u>

#### **As Lessee**

MTA Bridges and Tunnels is a lessee of the 2 Broadway building lease. This lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. MTA Bridges and Tunnels implicit borrowing rate at the time of valuation 9.11%.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was \$2.7 million and \$2.5 million for the years ended December 31, 2022 and 2021, respectively. MTA Bridges and Tunnels did not recognize any expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2022 and 2021.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2022, are as follows (in thousands):

<b>Years Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	(999)	7,775	\$ 6,776
2024	(429)	7,843	7,414
2025	(470)	7,883	7,413
2026	(515)	7,928	7,413
2027	(564)	7,977	7,413
2028–2032	2,638	39,731	42,369
2033–2037	11,821	36,603	48,424
2038 - 2042	24,239	28,578	52,817
2043 - 2047	43,529	13,561	57,090
2048 - 2052	<u>5,645</u>	<u>151</u>	<u>5,796</u>
Total	<u>\$ 84,895</u>	<u>\$158,030</u>	<u>\$242,925</u>

On July 29, 1998, the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate \$996 million. Under the subleases, the lease is apportioned as follows: MTA New York City Transit, 68.7%, MTA, 21%; and MTA Bridges and Tunnels, 10.3%. However, the involved agencies have agreed to sub-lease space from one another as necessary to satisfy actual occupancy needs. The agencies will be responsible for obligations under the lease based on such actual occupancy percentages. Actual occupancy percentages at December 31, 2022 for the MTA New York City Transit, MTA Bridges and Tunnels and MTA (including MTA Bus, MTA Construction and Development, and MTA Business Service Center) were 48.7%, 7.4% and 43.9%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2022 and 2021, the total of the rental payments charged to the Authority was \$4.7 million and \$4.5 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

## 15. RISK MANAGEMENT

MTA Bridges and Tunnels is exposed to various risks of loss related to torts; theft of, damage to, and destruction of its assets; injuries to persons, including employees; and natural disasters.

MTA Bridges and Tunnels is self-insured up to \$3.2 million per occurrence for liability arising from injuries to persons, excluding employees. MTA Bridges and Tunnels is self-insured for work related injuries to

employees and for damage to third party property. MTA Bridges and Tunnels provides reserves to cover the self-insured portion of these claims, including a reserve for claims incurred but not reported. The annual cost arising from injuries to employees and damage to third-party property is included in “Retirement & other employee benefits” and “Insurance” in the accompanying statements of revenues, expenses, and changes in net position.

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, as of December 31, 2022 and 2021, is as follows (in thousands):

	<b>2022</b>	<b>2021</b>
Balance—beginning of year	\$ 55,890	\$ 55,908
Activity during the year:		
Current year claims and changes in estimates	7,036	5,582
Claims paid	<u>(6,522)</u>	<u>(5,600)</u>
Balance—end of year	56,404	55,890
Less current portion	<u>(4,874)</u>	<u>(6,741)</u>
Long-term liability	<u>\$ 51,530</u>	<u>\$ 49,149</u>

**Liability Insurance**— The First Mutual Transportation Assurance Company (“FMTAC”), an insurance captive subsidiary of MTA, operates a liability insurance program (“ELF”) that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. For claims arising from incidents that occurred on or after November 1, 2006, but before November 1, 2009, the self-insured retention limits are: \$8 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road, and MTA Metro-North Railroad; \$2.3 million for MTA Long Island Bus and MTA Staten Island Railway; and \$1.6 million for MTAHQ and MTA Bridges and Tunnels. For claims arising from incidents that occurred on or after November 1, 2009, but before November 1, 2012, the self-insured retention limits are: \$9 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; \$2.6 million for MTA Long Island Bus and MTA Staten Island Railway; and \$1.9 million for MTAHQ and MTA Bridges and Tunnels. Effective November 1, 2012 the self-insured retention limits for ELF were increased to the following amounts: \$10 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; \$3 million for MTA Staten Island Railway; and \$2.6 million for MTAHQ and MTA Bridges and Tunnels. Effective October 31, 2015 the self-insured retention limits for ELF were increased to the following amounts: \$11 million for MTA New York City Transit, MaBSTOA, MTA Bus, MTA Long Island Rail Road and MTA Metro-North Railroad; \$3.2 million for MTA Staten Island Railway; MTAHQ and MTA Bridges and Tunnels. The maximum amount of claims arising out of any one occurrence is the total assets of the program available for claims, but in no event greater than \$50 million. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF program for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying the other MTA Group entities above their specifically assigned self-insured retention with a limit of \$50 million per occurrence with a \$50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. On December 31, 2022, the balance of the assets in this program was \$174.04 million.

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords the MTA Group additional coverage limits of \$357.5 million for a total limit of \$407.5 million (\$357.5 million excess of \$50 million). In certain circumstances, when the assets in the program described in the preceding paragraph are exhausted due to payment of claims, the All-Agency Excess Liability Insurance will assume the coverage position of \$50 million.

**Property Insurance**— Effective May 1, 2022, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2022, FMTAC directly insures property damage claims of the Related Entities\* in excess of a \$25 million per occurrence deductible, subject to an annual \$75 million aggregate deductible. The total All Risk program annual limit is \$500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of \$7.5 million per occurrence. In addition to the noted \$25 million per occurrence self-insured deductible, MTA self-insures above that deductible for \$85.731 million within the overall \$500 million per occurrence property program as follows: \$13.296 million (or 26.59%) of the primary \$50 million layer, plus \$17.127 million (or 34.25%) of the \$50 million excess \$50 million layer, plus \$8.08 million (or 16.16%) of the \$50 million excess \$100 million layer, plus \$2.845 million (or 5.69%) of the \$50 million excess \$150 million layer, plus \$1.398 million (or 2.79%) of the \$50 million excess \$200 million layer, plus \$10.559 million (or 21.11%) of the \$50 million excess \$250 million layer, plus \$9.182 million (or 18.36%) of the \$50 million excess \$300 million layer, plus \$6.247 million (or 12.49%) of the \$50 million excess \$350 million layer, plus \$8.747 million (or 17.49%) of the \$50 million excess \$400 million layer, and \$8.247 million (or 16.49%) of the \$50 million excess \$450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the \$500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of \$100 million of fully collateralized earthquake coverage for an event of a certain index value and for storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 12, 2020 to April 30, 2023. The expanded protection is reinsured by MetroCat Re Ltd. 2020-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2020-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values, and also for an earthquake event of a certain index value.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of \$200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any “certified” act of terrorism up to a maximum recovery of \$215 million for any one occurrence and in the annual aggregate (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the “certified” acts of terrorism insurance or (3) 100% of any “certified” terrorism loss which exceeds \$5 million and less than the \$200 million TRIPRA trigger up to a maximum recovery of \$200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of \$215 million. Recovery under the terrorism policy is subject to a deductible of \$25 million per occurrence and \$75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities’ deductible in any one year exceed \$75 million future losses in that policy year are subject to a deductible of \$7.5 million. The terrorism coverages expire at midnight on May 1, 2023.

During 2022 there were FMTAC excess loss claim reimbursements of \$0 to MTA Bridges and Tunnels. FMTAC has 1 claims for MTA Bridges and Tunnels at December, 2022. At December 31, 2022, FMTAC had \$1.113 million of assets to insure current and future claims.

\*Related entities are Triborough Bridge and Tunnel Authority, Metro-North Commuter Railroad Company, The Long Island Rail Road Company, New York City Transit Authority, Staten Island Rapid Transit Operating Authority, MTA Bus Company, MTA Construction & Development Company and MTA Grand Central Madison Concourse Operating Company.

## **16. COMMITMENTS AND CONTINGENCIES**

At December 31, 2022 and 2021, MTA Bridges and Tunnels had unused standby letters of credit, relative to insurance, amounting to \$1.81 million and \$1.81 million, respectively.

MTA Bridges and Tunnels is involved in various litigations and claims involving personal liability claims and certain other matters. Although the ultimate outcome of these claims and suits cannot be predicted at this time, management does not believe that the ultimate outcome of these matters will have a material effect on the financial position, results of operations and cash flows of MTA Bridges and Tunnels.

Under the terms of federal grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. While questioned costs may occur, ultimate repayments required of the MTA or the Authority have been infrequent in prior years.

As of December 31, 2022, \$7,264 million has been committed to MTA Bridges and Tunnels Capital Program.

## **17. SWAP AGREEMENTS**

**Swap Agreements Relating to Synthetic Fixed Rate Debt**—Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future.

e net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

**Swap Agreements Relating to Synthetic Fixed Rate Debt**

**Board-Adopted Guidelines**—The MTA adopted guidelines governing the use of swap contracts. The guidelines were amended and approved by the Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives instruments that may be outstanding and specific requirements that must be satisfied for a Related Entity to enter into a swap contract, such as suggested swap terms and objectives, retention of a swap advisor, credit ratings of the counterparties, collateralization requirements and reporting requirements.

**Objectives of Synthetic Fixed Rate Debt**—To achieve cash flow savings through a synthetic fixed rate, MTA Bridges and Tunnels has entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what MTA Bridges and Tunnels would have paid to issue fixed-rate debt, and in some cases where Federal tax law prohibits an advance refunding to synthetically refund debt on a forward basis.

**Terms and Fair Value**—The terms, fair values and counterparties of the outstanding swaps of MTA Bridges and Tunnels are reflected in the following tables (as of December 31, 2022).

MTA Bridges and Tunnels Senior Lien Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2022 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2022 (In millions)	Swap Termination Date	Counterparty
Series 2018E <sup>(7)</sup>	\$ 186.100	04/01/16	3.076 %	67% of one-month LIBOR <sup>(1)</sup>	\$ (6.851)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e <sup>(1)</sup>	<u>558.300</u>	07/07/05	3.076	67% of one-month LIBOR <sup>(1)</sup>	<u>(20.552)</u>	01/01/32	33% each— JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	<u>\$ 744.400</u>				<u>\$ (27.403)</u>		



MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2022 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2022 (In millions)	Swap Termination Date	Counterparty
Series 2005A	\$ 17.690	04/01/16	3.09 %	Lesser of Actual Bond or 67% of one-month LIBOR	\$ (0.459)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C <sup>(6)</sup>	<u>8.000</u>	04/01/16	3.52	67% of one-month LIBOR <sup>(1)</sup>	<u>(0.226)</u>	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	<u>\$ 25.690</u>				<u>\$ (0.685)</u>		

- (1) On February 19, 2009, MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2005B-1 were refunded. Notional amounts from the Series 2005B-1 swap were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2002F, MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B-1,2,3 and from November 1, 2027 through November 1, 2030, to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-2,3.
- (2) In accordance with a swaption entered on August 12, 1998, the Counterparty paid to MTA Bridges and Tunnels a premium of \$22,740,000.
- (3) On September 30, 2014, the TBTA Subordinate Revenue Variable Rate Refunding Bonds, Series 2000AB, together with the TBTA Subordinate Revenue Variable Rate Refunding Bonds Series 2000CD, were redesignated as the Series 2000ABCD Bonds and converted from a Weekly Mode to a Term Mode. The swap now hedges the portion of the Series 2000ABCD bonds that originally related to the Series 2000AB bonds.
- (4) On December 18, 2012, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.
- (5) On November 19, 2013, MTA Variable Rate Certificates of Participation, Series 2004A associated with the swap in connection with Series 2004A Bonds, were redeemed. Notional amounts from the Series 2004A swap were reassigned to MTA Transportation Revenue Variable Rate Bonds, Series 2011B; and MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A-1.
- (6) In accordance with a swaption entered on August 12, 1998, TBTA received an upfront option premium of \$22.740, which is being amortized over the life of the swap agreement. Between November 22, 2016 and December 5, 2016, the Variable Rate Certificates of Participation, Series 2004A were redeemed. Corresponding notional amounts from the Series 2004A COPs were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C. Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and TBTA is responsible for 10.3% of the transaction.
- (7) On October 27, 2021 the TBTA 2002F VRDB bond were remarketed to a Fixed Rate Mode. Since the bonds were fixed out, the hedging relationship with the TBTA Citi swap was terminated, and a new hedging relationship was established with the TBTA 2018E taxable VRDB bonds.

LIBOR: London Interbank Offered Rate  
SIFMA: Securities Industry and Financial Markets Association Index  
TRB: Transportation Revenue Bonds

**Counterparty Ratings**—The current ratings of the counterparties are as follows as of December 31, 2022:

Counterparty	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
U.S. Bank National Association	AA-	A1	AA-
Wells Fargo Bank, N.A.	A+	Aa2	AA-
BNP Paribas North America, Inc.	A+	Aa3	AA-
Citibank, N.A.	A+	Aa3	A+
JPMorgan Chase Bank, NA	A+	Aa2	AA
UBS AG	A+	Aa3	AA-

**Swap Notional Summary**—The following table sets forth the notional amount of Synthetic Fixed Rate debt and the outstanding principal amount of the underlying floating rate series as of December 31, 2022 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	\$ 186,100	\$ 186,100
TBTA 2005B-3	186,100	186,100
TBTA 2005B-2 (a,b,c)	186,100	186,100
TBTA 2005A	102,070	17,690
TBTA 2003B (1,2,3)	128,055	50,895
TBTA 2018E	148,470	135,205
TBTA 2001C	82,425	8,000
2002G-1	64,270	64,270
2022E-2a	<u>99,560</u>	<u>89,765</u>
Total	<u>\$ 1,183,150</u>	<u>\$ 924,125</u>

Except as discussed below under the heading “Rollover Risk,” the swap agreements contain scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the principal amount of the associated bonds.

**Risks Associated with the Swap Agreements**—From MTA’s and MTA Bridges and Tunnels’ perspective, the following risks are generally associated with swap agreements:

**Credit Risk**—The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties’ credit ratings. Generally, MTA Bridges and Tunnels’ swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA Bridges and Tunnels requires its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ level), with partial posting requirements at higher rating levels (details on collateral posting discussed further under “Collateralization/Contingencies”). As of December 31, 2022, all the valuations were in liability positions to MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

The notional amount totals below include all swaps. The counterparties have the ratings set forth above.

<b>Counterparty</b>	<b>Amount (In thousands)</b>	<b>Notional Amount</b>
JPMorgan Chase Bank, NA	\$ 186,100	20.14 %
UBS AG	186,100	20.14
Citibank, N.A.	186,100	20.14
BNP Paribas North America, Inc.	186,100	20.14
U.S. Bank National Association	89,863	9.72
Wells Fargo Bank, N.A.	<u>89,862</u>	<u>9.72</u>
 Total	 <u>\$ 924,125</u>	 <u>100 %</u>

**Basis Risk**—The risk that the variable rate of interest paid by the counterparty under the swap and the variable interest rate paid by MTA Bridges and Tunnels on the associated bonds may not be the same. If the counterparty’s rate under the swap is lower than the bond interest rate, then the counterparty’s payment under the swap agreement does not fully reimburse MTA Bridges and Tunnels for its interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty’s rate on the swap, there is a net benefit to MTA Bridges and Tunnels.

**Termination Risk**—The risk that a swap agreement will be terminated and MTA Bridges and Tunnels will be required to make a swap termination payment to the counterparty and, in the case of a swap agreement which was entered into for the purpose of creating a synthetic fixed rate for an advance refunding transaction may also be required to take action to protect the tax-exempt status of the related refunding bonds.

The ISDA Master Agreement sets forth certain termination events applicable to all swaps entered by the parties to that ISDA Master Agreement. MTA Bridges and Tunnels have entered separate ISDA Master Agreements with each counterparty that govern the terms of each swap with that counterparty, subject to individual terms negotiated in a confirmation. MTA Bridges and Tunnels is subject to termination risk if its credit ratings fall below certain specified thresholds or if MTA Bridges and Tunnels commits a specified event of default or other specified event of termination. If, at the time of termination, a swap was in a liability position to MTA Bridges and Tunnels, a termination payment would be owed by MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

The ISDA Master Agreements entered with the following counterparties provide that the payments under one transaction will be netted against other transactions entered under the same ISDA Master Agreement:

- JPMorgan Chase Bank, NA with respect to the MTA Transportation Revenue Variable Rate Refunding Bonds, Series 2002D-2 and Series 2012G.

Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions’ fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

**Collateralization**—Generally, the Credit Support Annex attached to the ISDA Master Agreement requires that if the outstanding ratings of MTA, MTA Bridges and Tunnels, MTA New York City Transit, or the counterparty falls to a certain level, the party whose rating falls is required to post collateral with a third-party custodian to secure its termination payments above certain threshold valuation amounts. Collateral must be cash or U.S. government or certain Federal agency securities.

The following tables set forth the ratings criteria and threshold amounts relating to the posting of collateral set forth for MTA, MTA Bridges and Tunnels, MTA New York City Transit, and the counterparty for each swap agreement. In most cases, the counterparty does not have a Fitch rating on its long-term unsecured debt, so that criteria would not be applicable in determining if the counterparty is required to post collateral.

The following tables set forth the Additional Termination Events for MTA Bridges and Tunnels and its counterparties.

<b>MTA Bridges and Tunnels Senior Lien</b>		
<b>Counterparty Name</b>	<b>MTA Bridges and Tunnels</b>	<b>Counterparty</b>
BNP Paribas North America, Inc.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Below Baa2 (Moody's) or BBB (S&P) *	Below Baa1 (Moody's) or BBB+ (S&P) *

\* Note: Equivalent Fitch rating is replacement for Moody's or S&P.

<b>MTA Bridges and Tunnels Subordinate Lien</b>		
<b>Counterparty Name</b>	<b>MTA Bridges and Tunnels</b>	<b>Counterparty</b>
U.S. Bank National Association; Wells Fargo Bank, N.A.	Below Baa2 (Moody's) or BBB (S&P) *	Below Baa2 (Moody's) or BBB (S&P) **

\* Note: Equivalent Fitch rating is replacement for Moody's or S&P. If not below Investment Grade, MTA Bridges and Tunnels may cure such Termination Event by posting collateral at a Zero threshold.

\*\* Note: Equivalent Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered under the same ISDA Master Agreement. Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the amounts so that a single sum will be owed by, or owed to, the non-defaulting party.

**Rollover Risk**—MTA and MTA Bridges and Tunnels are exposed to rollover risk on swaps that mature or may be terminated prior to the maturity of the associated debt. When these swaps terminate, MTA or MTA Bridges and Tunnels may not realize the synthetic fixed rate offered by the swaps on the underlying debt issues. The following debt is exposed to rollover risk:

MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2018E (swap with Citibank, N.A.)	November 15, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue variable Rate Bonds, Bond series 2022E (swaps with U.S. Bank / Wells Fargo)	November 1, 2041	January 1, 2030

**Collateralization/Contingencies**—Under the majority of the swap agreements, MTA Bridges and Tunnels is required to post collateral in the event its credit rating falls below certain specified levels. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain Federal agency securities, based on the valuations of the swap agreements in liability positions and net of the effect of applicable netting arrangements. If MTA Bridges and Tunnels does not post collateral, the swaps may be terminated by the counterparties.

As of December 31, 2022, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was \$31,162; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

The following tables set forth the ratings criteria and threshold amounts applicable to MTA Bridges and Tunnels and its counterparties.

<b>MTA Bridges and Tunnels Senior Lien</b>		
<b>Counterparty</b>	<b>MTA Bridges and Tunnels Collateral Thresholds (Based on Highest Rating)</b>	<b>Counterparty Collateral Thresholds (Based on Highest Rating)</b>
BNP Paribas North America, Inc.;	Baa1/BBB+: \$30 million	A3/A-: \$10 million
Citibank, N.A.;	Baa2/BBB: \$15 million	Baa1/BBB+ & below: Zero
JPMorgan Chase Bank, NA;	Baa3/BBB- & below: Zero	

*Note: MTA Bridges and Tunnels thresholds based on Moody's, S&P, and Fitch ratings. Counterparty thresholds based on Moody's and S&P ratings; Fitch rating is replacement for Moody's or S&P.*

### MTA Bridges and Tunnels Subordinate Lien

Counterparty	MTA Bridges and Tunnels Collateral Thresholds (Based on Lowest Rating)	Counterparty Collateral Thresholds (Based on Lowest Rating)
U.S. Bank National Association; Wells Fargo Bank, N.A.	Baa3/BBB- & below: Zero <i>(Note: only applicable as cure for Termination Event)</i>	Aa3/AA-: \$15 million A1/A+ to A3/A-: \$5 million Baa1/BBB+ & below: Zero

*Note: Thresholds based on Moody's and S&P ratings. Fitch rating is replacement for Moody's or S&P.*

**Swap Payments and Associated Debt**—The following tables contain the aggregate amount of estimated variable-rate bond debt service and net swap payments during certain years that such swaps were entered into in order to: protect against the potential of rising interest rates; achieve a lower net cost of borrowing; reduce exposure to changing interest rates on a related bond issue; or, in some cases where Federal tax law prohibits an advance refunding, achieve debt service savings through a synthetic fixed rate. As rates vary, variable-rate bond interest payments and net swap payments will vary. Using the following assumptions, debt service requirements of MTA's and MTA Bridges and Tunnel's outstanding variable-rate debt and net swap payments are estimated to be as follows:

- It is assumed that the variable-rate bonds would bear interest at a rate of 4.0% per annum.
- The net swap payments were calculated using the actual fixed interest rate on the swap agreements.

#### MTA Bridges and Tunnels

Years Ending December 31	Variable-Rate Bonds		Net Swap Payments	Total
	Principal	Interest (In millions)		
2023	\$ 28.6	\$ 33.8	\$ (6.8)	\$ 55.6
2024	57.2	31.5	(6.4)	82.3
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.3)	54.3
2027	32.9	27.8	(6.5)	54.2
2028–2032	681.8	68.5	(16.5)	733.8
2033–2037	12.4	2.5		14.9
2038–2042	-	1.0	-	1.0

## 18. RELATED PARTY TRANSACTIONS

MTA Bridges and Tunnels and other affiliated MTA agencies receive support from MTA in the form of budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services, some of which are charged back.

The resulting receivables and payables from the above transactions are recorded in the statement of net position.

The Metropolitan Transportation Authority (“MTA”) and the Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) entered into a Payroll Mobility Tax Financing Agreement (the “Financing Agreement”), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate

and transfer certain payroll mobility taxes (“Mobility Tax Receipts”) and certain fees, surcharges and taxes (“Aid Trust Account Receipts,” and together with the Mobility Tax Receipts, “PMT Receipts”) in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

Triborough Bridge and Tunnel Authority issued bonds backed by payroll mobility tax revenues. The proceeds of these bonds are sent to MTA for the capital needs of New York City Transit and Commuter Rails. The debt service costs associated with these bonds are collected by MTA from New York state and sent to Triborough Bridge and Tunnel Authority, which are then used to pay the bond holders. The total loan receivable for PMT as of December 31, 2022 is \$7,892 million.

In July 2022, the Authority issued its inaugural series of Sales Tax Revenues Bonds under the Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox- City Sales Tax) (“Sales Tax Revenue Bond Resolution”). The Sales Tax Revenue Bonds, 2022A obligations were issued to (1) finance approved transit and commuter projects included in the 2020-2024 MTA capital program and (2) to pay certain financing, legal and miscellaneous expenses. The projects funded under the 2022A issuance were not for the benefit of the Authority. The Authority transferred a portion of the proceeds of the 2022A issuance to the MTA and recorded this transaction as a transfer to the MTA in the Authority’s Statement of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2022. The Authority is responsible for the payment of all debt service related to the 2022A issuance from the receipts of internet taxes revenues received as part of the City Sales Tax.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2022 and 2021 (in thousands):

	2022		2021	
	Receivable	(Payable)	Receivable	(Payable)
Due from (due to) MTA	\$ 4,124	\$(186,551)	\$ 10,225	\$(508,824)
Loan receivable due from (due to) MTA	7,892,378	-	2,088,314	-
Due from (due to) affiliated agencies	825	(82,534)	-	(86,213)
	<u>\$7,897,327</u>	<u>\$(269,085)</u>	<u>\$2,098,539</u>	<u>\$(595,037)</u>

#### 19. NOVEL CORNAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the

United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo (“New York State on PAUSE”), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development has been the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. Traffic crossings at MTA Bridges and Tunnels facilities are nearly at pre-pandemic levels.

***Coronavirus Aid, Relief and Economic Security Act (“CARES Act”)***—The CARES Act is a \$2.2 trillion economic stimulus bill passed by Congress and signed into law by the President on March 27, 2020 in response to the economic fallout of the COVID-19 pandemic in the United States. The CARES Act through the Federal Transit Administration’s (“FTA”) formula funding provisions are providing approximately \$4 billion to MTA. Funding will be provided at a 100% Federal share, with no local match required, and is available to support operating, capital and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders. On May 8, 2020, the FTA approved MTA’s initial grant application of \$3.9 billion. On June 25, 2020, FTA approved an amendment to the initial CARES Act grant adding approximately \$98 million in additional formula grant allocations to MTA for a CARES Act grant total of \$4.010 billion. As of December 31, 2020, a total of \$4.010 billion has been released to MTA for operating assistance that occurred from January 20, 2020 through July 31, 2020. The MTA has received all CARES Act funding as provided in the first congressional relief package.

***Federal Reserve Bank of New York’s Municipal Liquidity Facility LLC (“MLF”)***— Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to \$500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA directly placed with the MLF \$450.72 million Transportation Revenue BANs, Series 2020B, which were issued to retire existing Transportation Revenue BANs maturing on September 1, 2020. The MTA subsequently retired the MLF \$450.72 million Transportation Revenue BANs, Series 2020B, with an issuance of Dedicated Tax Funds bonds on March 1, 2022. MTA issued into the MLF a second time by directly placing \$2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. The \$2.907 billion MLF loan matures in December, 2023. In December 2022, the MTA Board authorized the MTA to place MTA funds and unspent proceeds in an Interim Redemption Subaccount, for the purpose of redeeming the BANs at or before maturity. Subsequently, MTA transferred \$2.907 billion into the Interim Redemption Subaccount pursuant to such Board approval.



**Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (“CRRSAA”)**—On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriation Act of 2021 (“CRRSAA”) which includes \$900 billion in supplemental appropriations for COVID-19, \$14 billion of which will be allocated to support the transit industry during the COVID-19 public health emergency was signed into law. The supplemental finding will be provided a 100 percent federal share, with no local match required. CRRSAA through FTA’s formula funding provisions has provided \$4.1 billion to MTA. This federal relief offsets operating deficits in 2021. The funds were received in late December 2021 of \$0.6 billion and January 2022 of \$3.5 billion.

**Federal Emergency Management Agency (“FEMA”) Reimbursement**—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated \$783.4 million of direct COVID-19-related expenses incurred from the start of the pandemic through July 1, 2022, was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing Covid-19 related expense reimbursement from FEMA.

## **20. SUBSEQUENT EVENTS**

On January 12, 2023, MTA Bridges and Tunnels issued \$764,950 Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Refunding Green Bonds, Series 2023A (“the Series 2023A Bonds”). Proceeds from the transaction will be used (i) to refund certain MTA Transportation Revenue Bonds and MTA Dedicated Tax Fund Bonds and (ii) to pay certain financing, legal, and miscellaneous expenses associated with the Series 2023A Bonds.

On February 14, 2023, MTA Bridges and Tunnels issued \$828,225 Triborough Bridge and Tunnel Authority General Revenue Refunding Bonds, Series 2023A (“the Series 2023A Bonds”). Proceeds from the transaction will be used (i) to refund certain outstanding bonds of MTA Bridges and Tunnels and (ii) pay certain financing, legal, and miscellaneous expenses.

On March 14, 2023, MTA Bridges and Tunnels issued \$1,253,750 Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2023A (“the Series 2023A Bonds”). Proceeds from the transaction will be used (i) to finance approved transit and commuter project included in the 2020-2024 Capital Program and (ii) finance a portion of the capital costs of the Central Business District Tolling and (iii) pay certain financing, legal and miscellaneous expenses.

On March 16, 2023, MTA purchased \$1,032,146 for three portfolios of State and Local Governments Securities (SLGS) sufficient to pre-pay all or a portion of interest due on certain MTA Dedicated Tax Bond Funds, MTA Transportation Revenue Bonds, and TBTA Payroll Mobility Tax Senior Lien Bonds through November 15, 2026. The funds were deposited in three escrow accounts. The establishment of the Escrow Fund is not intended to constitute an economic or legal defeasance of the Bonds and the MTA and TBTA retains the ability, in its sole discretion, to withdraw in whole or in part the amounts deposited in the Escrow Fund at any time should such amounts be needed for any other authorized purpose.

The breakdown of the portfolios were allocated as follows: Dedicated Tax Bond funds, Series 2010A-2, together with the Series 2009C Bonds, \$181,749; MTA Transportation Revenue Bonds, Series 2020E Bonds, together with the Series 2006B, the Series 2010A, Series 2010B-1, Series 2010C-1, Series 2010E and the Series 2020D Bonds, \$582,681; TBTA Payroll Mobility Tax Senior Lien Bonds Subseries 2022D-2 Bonds and, together with the Series 2022C and the Series 2022D-1a Bonds, \$267,716.

**Increase 2023 Fare and Toll Revenue Targets** - MTA is proposing a 2023 fare and toll increase yielding approximately 5.5% in additional fare and toll revenue. This action is estimated to generate a total of \$128.28 million.

**Congestion Price**- The Biden administration Friday granted long-awaited federal approval to New York's Metropolitan Transportation Authority's first-in-the-nation congestion pricing plan. The Federal Highway Administration approved the MTA's environmental assessment for the Central Business District Tolling Program, commonly known as congestion pricing, and released a draft "finding of no significant impact" that will be up for public review for 30 days, after which the FHWA will make its final determination.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION**  
**LIABILITY IN THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**  
**AT JUNE 30,**  
**(In millions)**

	NYCERS							
	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.924 %	0.933 %	1.212 %	1.222 %	1.155 %	1.308 %	1.266 %	1.205 %
Authority's proportionate share of the net pension liability	\$ 167.41	\$ 59.82	\$ 255.54	\$ 226.29	\$ 203.71	\$ 271.61	\$ 307.60	\$ 243.90
Authority's actual covered-employee payroll	\$ 122.95	\$ 114.46	\$ 121.31	\$ 157.46	\$ 126.57	\$ 130.30	\$ 133.89	\$ 127.48
Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	136.16 %	52.26 %	210.65 %	143.71 %	160.95 %	208.450 %	229.741 %	191.329 %
Plan fiduciary net position as a percentage of the total pension liability	81.27 %	93.14 %	76.93 %	78.83 %	78.83 %	74.80 %	69.57 %	73.12 %

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE NEW YORK CITY EMPLOYEES' RETIREMENT SYSTEM**  
**FOR THE YEARS ENDED DECEMBER 31,**  
**(In thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 31,973	\$ 34,591	\$ 40,790	\$ 48,538	\$ 38,697	\$ 41,272	\$ 44,609	\$ 41,812	\$ 33,023	\$ 33,461
Contributions in relation to the contractually required contribution	<u>31,973</u>	<u>34,591</u>	<u>40,790</u>	<u>48,538</u>	<u>38,697</u>	<u>41,272</u>	<u>44,609</u>	<u>41,812</u>	<u>33,023</u>	<u>33,461</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$122,952</u>	<u>\$119,482</u>	<u>\$126,895</u>	<u>\$164,110</u>	<u>\$133,494</u>	<u>\$144,992</u>	<u>\$137,900</u>	<u>\$150,652</u>	<u>\$167,988</u>	<u>\$132,095</u>
Contributions as a percentage of covered-employee payroll	<u>26.00 %</u>	<u>28.95 %</u>	<u>32.14 %</u>	<u>29.58 %</u>	<u>28.99 %</u>	<u>28.47 %</u>	<u>32.35 %</u>	<u>27.75 %</u>	<u>19.66 %</u>	<u>25.33 %</u>

**Notes to Authority's Contributions to NYCERS:**

Significant methods and assumptions used in calculating the actuarially determined contributions of an employer's proportionate share in a Cost Sharing, Multiple-Employer pension plan, the NYCERS Plan, should be presented as notes to the schedule. Factors that significantly affect trends in the amounts reported are changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. Following is a summary of such factors:

***Changes of Benefit Terms***

There were no changes of benefit terms in the June 30, 2021 funding valuation.

***Changes of Assumptions***

There were no changes of benefit assumptions in the June 30, 2021 funding valuation.

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE**  
**MTA OPEB PLAN**  
**AT DECEMBER 31,**  
**(In millions)**

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<b>Plan Measurement Date (December 31):</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
MTA Bridges and Tunnels proportion of the net OPEB liability	3.64 %	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate share of the net OPEB liability	\$ 908.111	\$ 987.443	\$ 813.359	\$ 801.555	\$ 823.748
MTA Bridges and Tunnels covered payroll	\$ 119.482	\$ 126.895	\$ 164.110	\$ 133.494	\$ 112.716
MTA Bridges and Tunnels proportionate share of the net OPEB liability as a percentage of its covered payroll	760.04 %	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	0 %	0 %	1.93 %	1.76 %	1.79 %

**Note:** This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**  
**(Component Unit of the Metropolitan Transportation Authority)**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE MTA OPEB PLAN**  
**FOR THE YEARS ENDED DECEMBER 31:**  
**(In thousands)**

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution <sup>(1)</sup>	\$ 32,898	\$ 28,855	\$ 29,318	\$ 29,314	\$ 28,291	\$ 26,407
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$122,952	\$119,482	\$126,895	\$164,110	\$ 133,494	\$ 112,716
Actual contribution as a percentage of covered payroll	26.76 %	24.15 %	23.10 %	17.86 %	21.19 %	23.43 %

<sup>(1)</sup> Actual employer contribution includes the implicit rate of subsidy adjustment of \$1,763, \$1,290, \$2,495, \$3,782, 3,650 and \$3,450, for the years ended December 31, 2022, 2021, 2020, 2019, 2018 and 2017 respectively.

**Notes to Schedule of the MTA Bridges and Tunnels Contribution to the OPEB Plan:**

**Methods and Assumptions Used to Determine Contribution Rates:**

Valuation date	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2017
Measurement date	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	2.06%—net of expenses	2.12%—net of expenses	2.74%—net of expenses	4.10%—net of expenses	3.44%—net of expenses
Inflation	2.25%	2.25%	2.50%	2.50%	2.50%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	2.06%	2.12%	5.75%	6.50%	6.50%

**Changes of Benefit Terms**—In the July 1, 2021 actuarial valuation, there were no changes to the benefit terms.

**Changes of Assumptions**—In the July 1, 2021 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

**Note:** This schedule is intended to show information for ten years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.