

Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan
Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2023 and 2022,
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, 2023 and 2022, 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, 2023 and 2022, 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. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2022. The adoption of GASB Statement No. 96 resulted in the restatement of the 2022 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 18, 2024

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(\$ in thousands, except as noted)

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, 2023 and 2022. 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, 2023 and 2022. 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, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs) have been included as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* with retroactive effect of this adoption as of January 1, 2022. Refer to 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.

Deferred outflows of resources reflect: deferred outflows from pension, derivatives, losses on refunding and OPEB.

(In thousands)

Assets and Deferred Outflows of Resources	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023-2022	2022-2021 (Restated)*
Current Assets	\$ 3,591,230	\$ 3,266,605	\$ 4,704,026	\$ 324,625	\$ (1,437,421)
Capital Assets—Net	7,966,767	7,794,878	7,631,332	171,889	163,546
Other Assets	10,233,151	7,877,044	25,515	2,356,107	7,851,529
Deferred Outflows of Resources	<u>413,508</u>	<u>463,696</u>	<u>579,546</u>	<u>(50,188)</u>	<u>(115,850)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 22,204,656</u>	<u>\$ 19,402,223</u>	<u>\$ 12,940,419</u>	<u>\$ 2,802,433</u>	<u>\$ 6,461,804</u>

*GASB Statement No. 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021

Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2023 versus 2022:

Total assets and deferred outflows of resources increased by \$2,802,433 for the year ended December 31, 2023.

Current assets increased by \$324,625 primarily due to an increase in the loan receivable from MTA of \$1,359,100 and unrestricted investments of \$117,549, accounts receivable of \$115,183, restricted invested

funds at MTA of \$59,422; invested funds at MTA – unrestricted of \$16,524; offset by a decrease in restricted investments of \$1,224,034 and an increase in the allowance of doubtful accounts of \$126,961.

Capital assets, net, increased \$171,889 for the year ended December 31, 2023. This was primarily due to increases in primary structures of \$227,620, roadway of \$83,747, buildings of \$26,688, property road and equipment of \$6,721, open road tolling systems and equipment of \$1,896 and offset by a decrease in other of \$334. These increases in assets were offset by accumulated depreciation and amortization of \$204,221. Refer to Capital Asset footnote for further details.

Other assets increased by \$2,356,107 for the year ended December 31, 2023. This was primarily due to an increase in the loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of \$2,199,450, and noncurrent portion of unrestricted investments of \$158,092; offset by a decrease in lease receivable of \$1,243, and a decrease in derivative instruments of \$192.

Deferred outflows of resources decreased by \$50,188. This was due to decreases in deferred financing costs of \$81,659 and in the deferred outflows related to pension of \$6,382 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System (“NYCERS”). These decreases were offset by increases in the deferred outflows of resources related to OPEB of \$37,428 and the change in fair market value of derivative instruments of \$425.

December 31, 2022 versus 2021:

Total assets and deferred outflows of resources increased by \$6,461,804 for the year ended December 31, 2022.

Current assets decreased by \$1,437,421 for the year ended December 31, 2022. This was primarily due to a 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.

Capital assets, net, increased \$163,546 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, other of \$6,245, and SBIT assets of \$663. These increases in assets were offset by accumulated depreciation and amortization of \$206,445 and decrease in construction work in progress of \$375,350. Refer to Capital Asset footnote for further details.

Other assets increased by \$7,851,529 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 \$7,851,529.

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.

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 fares and tolls, current portion of long-term lease liabilities and other current liabilities. This also includes the current portion of long-term subscription liability as a result of the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liabilities and other non-current liabilities. This also includes GASB Statement No. 96 long-term subscription liability.

Deferred inflows of resources reflect unamortized gains on debt refunding, deferred inflows related to leases, pension and OPEB.

(In thousands)

Total Liabilities and Deferred Inflows of Resources	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023-2022	2022-2021 (Restated)*
Current Liabilities	\$ 2,912,597	\$ 1,252,423	\$ 1,507,010	\$ 1,660,174	\$ (254,587)
Noncurrent Liabilities	22,922,230	\$ 20,687,389	\$ 13,813,471	2,234,841	\$ 6,873,918
Deferred Inflow of Resources	<u>320,083</u>	<u>\$ 234,942</u>	<u>\$ 257,243</u>	<u>85,141</u>	<u>\$ (22,301)</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 26,154,910</u>	<u>\$ 22,174,754</u>	<u>\$ 15,577,724</u>	<u>\$ 3,980,156</u>	<u>\$ 6,597,030</u>

*GASB Statement No. 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2023 versus 2022:

Total liabilities and deferred inflows of resources increased by \$3,980,156 for the year ended December 31, 2023.

Current liabilities increased by \$1,660,174 for the year ended December 31, 2023. This was primarily due to an increase in reclassification of long-term debt obligations from noncurrent to current of \$1,310,020; an increase in other unearned revenue of \$ 190,396 this increase in unearned revenue was due to fund being set aside by MTA to pay future interest payable on selected PMT bonds which \$158,092 is classified as long term unrestricted; unearned toll revenues increased by \$50,125; increase in surplus paid to NYCTA of \$18,560, increase in surplus paid to MTA of \$22,973 and an increase in due from MTA Bus of \$7,075. In addition, accounts payable increased by \$26,365; interest payable increased by \$44,025 and capital accruals increased by \$29,305. These increases were primarily offset by the following decreases: accrued salaries of \$34,020, payable to MTA of \$4,532 and the current portion of claims payable of \$459.

Non-current liabilities increased by \$2,234,841 for the year ended December 31, 2023. This was mainly due to the increase in long-term debt obligations of \$2,289,075 for issuance of net Sales Tax bonds of \$1,239,076 and PMT bonds of \$1,233,269. These increases were offset by the following: a decrease in senior and subordinate bonds of \$183,271; OPEB liability of \$35,999 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 pension liability of \$23,534.

Deferred inflows of resources increased by \$85,141. This was mainly attributable to an increase of \$88,292 related to OPEB as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions; offset by a decrease of \$1,778 in the amortization of deferred inflows of resources for leases and a decrease of \$1,373 related to pensions primarily on changes in the projected versus actual plan investment earnings.

December 31, 2022 versus 2021:

Total liabilities and deferred inflows of resources increased by \$6,597,030 for the year ended December 31, 2022.

Current liabilities decreased by \$254,587 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. In addition, the current portion of Subscription-based IT Arrangements increased by \$140 due to implementation of GASB Statement No. 96.

Non-current liabilities increased by \$6,873,918 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 Statement No. 71. In addition, the long-term portion of Subscription-based IT Arrangements increased by \$488 due to implementation of GASB Statement No. 96. 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*.

Total Net Position, Distinguishing Among Net Investment in Capital Assets and Unrestricted Amounts

(In thousands)

Net Position	As of December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023-2022	2022-2021 (Restated)*
Net investment in capital assets	\$ 2,014,666	\$ 2,105,369	\$ 2,147,095	\$ (90,703)	\$ (41,726)
Restricted	1,245,040	\$ 2,409,990	\$ 1,606,192	\$ (1,164,950)	\$ 803,798
Unrestricted	<u>(7,209,960)</u>	<u>\$ (7,287,890)</u>	<u>\$ (6,390,592)</u>	<u>\$ 77,930</u>	<u>\$ (897,298)</u>
Total net position	<u>\$ (3,950,254)</u>	<u>\$ (2,772,531)</u>	<u>\$ (2,637,305)</u>	<u>\$ (1,177,723)</u>	<u>\$ (135,226)</u>

*GASB Statement No. 96 restatement is as of 1/1/2022, therefore 2022 balances are not comparative with 2021.

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 and subscription 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 2022, the total net position was restated and decreased by \$36 due to the implementation of GASB Statement No. 96, *Subscription Based IT Arrangements*. Refer to footnote 2 for additional information.

Significant Changes in Net Position

December 31, 2023 versus 2022:

In 2023, the total net position decreased by \$1,177,723. This was due to operating income of \$1,754,284, non-operating income of \$265,836, relief of MTA transfers in of \$202,935 and offset by transfers out to MTA and NYCTA for operating surplus of \$1,289,102, Sales Tax bond proceeds transfer of \$1,517,688 and internet and mansion tax transfers of \$593,988.

December 31, 2022 versus 2021:

In 2022, the total net position decreased by \$135,226. This was due to operating income of \$1,686,577, non-operating income of \$497,117, 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.

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

	Years Ended December 31,			Increase/(Decrease)	
	2023	2022 (Restated)*	2021	2023-2022	2022-2021 (Restated)*
Operating revenues	\$ 2,446,842	\$ 2,356,751	\$ 2,194,414	\$ 90,091	\$ 162,337
Operating expenses	<u>(692,558)</u>	<u>(670,174)</u>	<u>(652,629)</u>	<u>(22,384)</u>	<u>(17,545)</u>
Operating income	1,754,284	\$ 1,686,577	\$ 1,541,785	\$ 67,707	\$ 144,792
Nonoperating revenue, net excluding transfers	<u>265,836</u>	<u>\$ 497,117</u>	<u>\$ 396,864</u>	<u>\$ (231,281)</u>	<u>\$ 100,253</u>
Income before transfers	2,020,120	\$ 2,183,694	\$ 1,938,649	\$ (163,574)	\$ 245,045
Transfers in—MTA	202,935	\$ 372,656	\$ 491	\$ (169,721)	\$ 372,165
Transfers out	<u>(3,400,778)</u>	<u>(2,691,576)</u>	<u>(2,133,131)</u>	<u>(709,202)</u>	<u>(558,445)</u>
Changes in net position	(1,177,723)	\$ (135,226)	\$ (193,991)	\$ (1,042,497)	\$ 58,765
Net position—Beginning of year	<u>(2,772,531)</u>	<u>\$ (2,637,305)</u>	<u>\$ (2,443,314)</u>	<u>\$ (135,226)</u>	<u>\$ (193,991)</u>
Net position—End of year	<u>\$ (3,950,254)</u>	<u>\$ (2,772,531)</u>	<u>\$ (2,637,305)</u>	<u>\$ (1,177,723)</u>	<u>\$ (135,226)</u>

*GASB Statement No. 96 restatement is as of 01/01/2022, therefore 2022 balances are not comparative with 2021.

Operating Revenues

For the year ended December 31, 2023, the operating revenues increased by \$90,091 as compared to December 31, 2022. The year 2023 only reflects 4.9 months of the toll increase effective August 6, 2023 while 2022 reflected a full year effect of the toll increase effective April 11, 2021. Total crossings in 2023 were 335.1 million versus 326.3 million in 2022, an increase of 2.7%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

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.

Revenue by Major Source

MTA Bridges and Tunnels tolls accounted for 98.9% and 98.9% of operating revenues in 2023 and 2022, 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 \$2,418,755 and \$2,332,384 for the years ended December 31, 2023 and December 31, 2022, respectively.

Operating Expenses

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2023, as compared to the prior year by \$22,384. This was primarily due to the increases in maintenance and other operating contracts of \$5,033 mainly due to major maintenance and painting projects; depreciation and amortization expense of \$19,855; insurance of \$4,428, and retirement and other benefits of \$3,996. These increases were offset by a decrease in OPEB expense of \$5,530 and a decrease in professional service contracts by \$2,861, salaries and wages of \$549 and credit card fees of \$1,243.

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2022, as compared to the prior year by \$17,545. 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 \$4,212; 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 \$12,831.

Non-Operating Revenues (Expenses)

Net non-operating revenues decreased by \$231,281 for the year ended December 31, 2023. This was mainly due to decreases in the following: interest expense of \$226,566 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA; mansion tax of \$167,825; and investment income of \$9,727. This was offset by an increase in interest income on PMT of \$172,949.

Net non-operating revenues increased by \$100,253 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. In addition, there was an increase in interest expense for SBITA of \$10 due to the implementation of GASB Statement No. 96.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions/Results of Operations

Metropolitan New York is the most transit-intensive region in the United States, and a financially sound and reliable transportation system is critical to the region's economic well-being. The MTA consists of urban subway and bus systems, suburban rail systems, and bridge and tunnel facilities, all of which are affected by a myriad of economic forces. To achieve maximum efficiency and success in its operations, the MTA must identify economic trends and continually implement strategies to adapt to changing economic conditions.

Preliminary MTA system-wide ridership for fourth quarter 2023 remained below the pre-pandemic level, with paid ridership down 215 million trips (-49.3%) below 2019 fourth quarter ridership. Year-over-year improvements continued, with 2023 exceeding 2022 paid ridership levels by 20.2 million trips (4.9%) during the fourth quarter. Paid vehicle traffic at MTA Bridges and Tunnels facilities for the fourth quarter of 2023 exceeded 2019 levels by 2.6 million crossings (3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2022, was up 2.2 million crossings (2.7%).

MTA Bridges and Tunnels continues the work necessary to complete implementing a fully operational Central Business District Tolling Program (CBDTP), which objective is to reduce congestion in Manhattan's Central Business District (CBD) and generate sufficient net revenue to support \$15 billion for the MTA 2020-2024 Capital Program and subsequent capital programs. The CBDTP, which was authorized by the MTA Reform and Traffic Mobility Act, enacted in April 2019, will impose a toll for vehicles entering or remaining in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and or any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). The CBDTP was subject to an Environmental Assessment (EA) as required under the National Environmental Policy Act for the Federal Highway Administration (FHWA) to understand and disclose the environmental effects of the project. On June 26, 2023, after an official 30-day public availability period for the Final EA and draft Finding of No Significant Impact (FONSI), the FHWA issued a favorable FONSI, based on the final EA including appropriate mitigation measures. Subsequent to the FHWA issuance of the FONSI, B&T issued a notice to proceed to the project contractors, which has up to 310 days from that notice to finish design, development, testing and installation of the tolling system and infrastructure. The infrastructure, which consists of poles and mast arms, and the tolling system equipment mounted on them, can now be seen at various locations around and within the CBD. On November 30, 2023, the Traffic Mobility Review Board (TMRB) issued its statutorily-required detailed report with recommendations regarding the CBD toll structure including potential crossing credits, discounts, and/or exemptions. The report was presented to the Board of the Triborough Bridge and Tunnel Authority (TBTA) for its consideration, and on December 6, 2023, the Board voted to proceed with the adoption process for a toll rate schedule. Under the State Administrative Procedure Act (SAPA), a period of public comment on the draft toll rate schedule opened on December 27, 2023 and closed on March 11, 2024. A series of four public hearings on the topic were held between February 29 and March 4, 2024. On June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2023 than in 2022 by 77.1 thousand jobs (1.6%). On a quarter-to-quarter basis, New York City employment gained 11.4 thousand jobs (0.2%), the fourteenth consecutive quarterly increase. These increases were preceded by the steep decline of 891.4 thousand jobs (19.0%) during the second quarter of 2020.

National economic growth, as measured by Real Gross Domestic Product (“RGDP”), increased at an annualized rate of 3.3% in the fourth quarter of 2023, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2023, the revised RGDP increased 4.9 percent. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles (led by computer software). Within exports, both goods (led by petroleum) and services (led by financial services) increased. The increase in state and local government spending primarily reflected increases in compensation of state and local government employees and investment in structures. The increase in nonresidential fixed investment reflected increases in intellectual property products, structures, and equipment. Within federal government spending, the increase was led by nondefense spending. The increase in inventory investment was led by wholesale trade industries. Within residential fixed investment, the increase reflected an increase in new residential structures that was partly offset by a decrease in brokers’ commissions. Within imports, the increase primarily reflected an increase in services (led by travel).

The New York City metropolitan area’s price inflation rate, as measured by the Consumer Price Index for All Urban Consumers (“CPI-U”), was lower than the national average in the fourth quarter of 2023, with the metropolitan area index increasing 3.1% while the national index increased 3.2% when compared with the fourth quarter of 2022. Regional prices for energy products decreased 4.8%, and national prices of energy products fell 4%. In the metropolitan area, the CPI-U exclusive of energy products increased by 3.7%, while nationally, inflation exclusive of energy products increased 3.8%. The New York Harbor spot price for conventional gasoline decreased by 14.3% from an average price of \$2.74 per gallon to an average price of \$2.35 per gallon between the fourth quarters of 2022 and 2023.

In its announcement on December 13, 2023, the Federal Open Market Committee (“FOMC”) maintained its target for the Federal Funds rate at the 5.25% to 5.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2, 2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, and most recently maintained the range at 5.25% to 5.50% range on December 13, 2023. In support of its actions, FOMC noted the Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective. The influence of the Federal Reserve’s monetary policy on the mortgage market is a matter of interest to the MTA, since variability of mortgage rates can affect real estate transactions and thereby impact receipts from the Mortgage Recording Taxes (“MRT”) and the Urban Taxes, two important sources of MTA revenue. While real estate transaction activity initially was severely impacted by social distancing and the economic disruption caused by the COVID-19 pandemic, demand for suburban residential

real estate, along with mortgage rates that were historically low until recently, significantly strengthened mortgage activity and refinancing of existing mortgages. The FOMC, in an effort to bring post-pandemic inflation under control, gradually increased the Federal Funds target rate starting in March 2022, and as a consequence mortgage origination and refinancing activity began slowing. MRT collections in the fourth quarter of 2023 were lower than the fourth quarter of 2022 by \$29.1 million (-26.4%). Average monthly receipts in the fourth quarter of 2023 were \$33.7 million (-53%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA’s Urban Tax receipts during the fourth quarter of 2023—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were \$77.6 million (-33%) lower than receipts during the fourth quarter of 2022. Average monthly receipts in the fourth quarter of 2023 were \$41.8 million (-56.8%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

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 2023 and 2022 increased by 2.5% and 5.9%, respectively. Inflation was 6.1% in 2022 but decreased to 3.8% in 2023.

2023 was the highest traffic year for B&T, with 335.1 million paid crossings. This was an increase of 1.7% for the 329.4 million paid crossings in 2019. In addition to the fully rebounded traffic volumes, the 2023 toll increase resulted in toll revenue for 2023 to total \$2,418.8 million, which was \$347.4 million, or 16.8% higher than 2019.

E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E-ZPass market share decreased slightly overall, with a slight decrease in Passenger Vehicles market share and a slight decrease in Commercial vehicles market share from 2022 to 2023.

	2023	2022	2021
Total	93.6 %	95.1 %	94.9 %
Average weekday	93.9	95.6	95.3
Passenger vehicles	93.8	95.4	95.2
Commercial vehicles	95.8	97.1	96.7
Average weekend	92.8	94.2	93.9

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

MTA Bridges and Tunnels’ facilities are all in a state of good repair. MTA Bridges and Tunnels’ portion of the MTA’s Capital Program for 2020-2024 totals \$2,823,242 (this excludes \$503,000 for CBDTP discussed below) for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2023 were \$ 828,507 bringing the total commitment under the five-year plan to \$1,580,647.

MTA Bridge and Tunnels’ portion of the MTA’s Capital Program for 2015-2019 totals \$2,710,149 for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2023 were \$659 bringing the total commitment under the five-year plan to \$2,499,126. All planned major projects in the 2015-2019 program have been committed.

MTA Bridges and Tunnels' portion of the Capital Program for 2010-2014 totals \$2,021,982 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter of 2023. The total commitments under the five-year plan are \$1,942,930.

MTA Bridges 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 of 2023. The total commitments under the five-year plan are \$1,114,969.

Approximately 80% of the projected expenditures in the 2020-2024 Capital Program will be incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. Other major projects in the 2020-2024 Capital Program include the Dyckman Street 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 substructure of the Cross Bay Bridge, and the rehabilitation/replacement of the facility monitoring and safety systems at the Queens Midtown Tunnel and Hugh Carey Tunnel.

Approximately 62% 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. All major projects in the 2015-19 program have been completed.

Approximately 63% of the expenditures in the 2010-2014 Capital Program have been incurred at three facilities: the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Verrazano-Narrows Bridge. All major projects from the 2010-2014 program have been completed.

Approximately 74% of the expenditures in the 2005-2009 Capital Program have been incurred at four facilities: the Verrazano-Narrows Bridge, the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Throgs Neck Bridge. All major projects from the 2005-2009 program have been completed.

MTA Bridges and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals \$700,334 of which \$546,912 is for facility restoration and \$153,423 is for facility mitigation projects. A program reduction to remove nearly \$65 million in unused program reserves was conducted at the end of the first quarter. There were no further commitments made during the fourth quarter of 2023. The total commitment under these plans is \$677,844 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 Central Business District Tolling Program (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 Bridges 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. There were no new commitments made during the fourth quarter of 2023. The total commitments under this plan are \$402,499 to date.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

Ridership and Traffic Update

2023 was the highest traffic year ever for TBTA, 2.7% greater than 2022 traffic crossings, and 1.7% greater than 2019, which had been TBTA's previous high traffic year.

Verrazzano-Narrows Bridge Rebate Programs

The cost of the 2022-2023 (covering the period April 2022 through March 2023) Verrazzano-Narrows Bridge Rebate Programs totaled \$32 million. The rebates for Staten Island Residents were \$23.2 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program were \$8.8 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 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).

The cost of the 2023-2024 (covering the period April 2023 through March 2024) Verrazzano-Narrows Bridge Rebate Programs totaled \$33 million. The rebates for Staten Island Residents were \$26.7 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 \$26 million (\$23.2 million Resident Program and \$2.8 million Commercial Program) and the MTA contribution was \$7.0 million (\$3.5 million Resident Program and \$3.5 million Commercial Program).

The projected annualized cost of the 2024-2025 (covering the period April 2024 through March 2025) Verrazzano-Narrows Bridge Rebate Programs is expected to total \$39.4 million. The rebates for Staten Island Residents are estimated to be \$32.2 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be \$7.2 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution is projected to be \$26 million (\$22.3 million Resident Program and \$3.7 million Commercial Program) and the MTA contribution was \$7 million (\$3.5 million Resident Program and \$3.5 million Commercial Program). An additional \$6.4 million has been allocated from the Outer Borough Transportation Account to fund the Staten Island Resident 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 2024-2025 Verrazzano-Narrows Bridge Rebate Programs, net of offsets, will be insufficient to fund the 2024-2025 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 2024-2025 Verrazzano-Narrows Bridge Rebate Programs are fully depleted at any time during the 2023-2024 Verrazzano-Narrows Bridge Rebate Programs annual period, the 2024-2025 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.

TBTA reviewed its staffing requirements needed to oversee Open Road Tolling Operations and reduced positions supporting daily revenue enforcement functions (\$103 million). The impact from identified operating efficiencies initiatives have been incorporated in Agency financial plans. One re-estimate reflects an accounting provision to increase the reserve for B&T uncollected toll revenue by \$55 million. TBTA continues to ramp up its toll collection efforts.

CONTACTING MTA CONTROLLER'S OFFICE

This financial report is designed to provide our customers and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact MTA 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, 2023 AND 2022
(\$ In thousands)

	2023	2022 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash - unrestricted (Note 3)	\$ 9,318	\$ 9,038
Unrestricted investments (Notes 4 and 5)	341,718	224,169
Restricted investments (Notes 4 and 5)	777,983	2,002,017
Invested funds at MTA - unrestricted (Note 5)	393,729	377,205
Invested funds at MTA - restricted (Note 5)	467,395	407,973
Accrued interest receivable	41,993	39,424
Accounts receivable	633,760	518,577
Less allowance for doubtful accounts	(484,712)	(357,751)
Lease receivable as lessor (Note 14)	1,174	1,463
Due from MTA BUS (Note 19)	5,785	-
Due from NYCTA (Note 19)	1,925	825
Due from MTA (Note 19)	2,217	3,299
Loan receivable from MTA (Note 19)	1,390,725	31,625
Prepaid expenses	<u>8,220</u>	<u>8,741</u>
Total current assets	<u>3,591,230</u>	<u>3,266,605</u>
NON-CURRENT ASSETS:		
Capital assets (Note 6)		
Land and construction work-in-progress	568,404	537,383
Other capital assets (net of accumulated depreciation)	<u>7,398,363</u>	<u>7,257,495</u>
Total capital assets - (net of accumulated depreciation and amortization)	<u>7,966,767</u>	<u>7,794,878</u>
Unrestricted investments (Notes 4 and 5)	158,092	-
Lease receivable as lessor (noncurrent) (Note 14)	11,602	12,845
Due From MTA (Note 19)	10,060,203	7,860,753
Derivative instruments assets (Note 13)	<u>3,254</u>	<u>3,446</u>
Total non-current assets	<u>18,199,918</u>	<u>15,671,922</u>
TOTAL ASSETS	<u><u>21,791,148</u></u>	<u><u>18,938,527</u></u>
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	73,524	79,906
Related to other post-employment benefits (Note 8)	193,228	155,800
Accumulated decreases in fair value of derivative instruments (Note 13)	71,358	70,933
Loss on refunding debt	<u>75,398</u>	<u>157,057</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>413,508</u>	<u>463,696</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 22,204,656</u></u>	<u><u>\$ 19,402,223</u></u>

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

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(\$ in thousands)

	2023	2022
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION		(Restated)
CURRENT LIABILITIES :		
Accounts payable and Accrued Expenses	\$ 134,944	\$ 108,579
Accrued expenses:		
Interest	145,919	101,894
Capital Accrual	60,975	31,670
Payable to MTA (Note 19)	38,956	43,488
Payable to NYCTA (Note 19)	38	39
Accrued salaries	2,060	36,080
Accrued vacation and sick pay benefits	18,616	18,278
	<u>266,564</u>	<u>231,449</u>
Total accrued expenses		
Current portion — long-term debt (Notes 9 to 12)	1,690,100	380,080
Current portion - Subscription-based IT Arrangements	144	140
Current portion - estimated liability from injuries to persons (Note 16)	4,415	4,874
Due to NYCTA - operating surplus (Note 1 and 19)	101,055	82,495
Due to MTA (Note 1 and 19)	126,265	103,292
Due to MTA Bus (Note 19)	7,075	-
Other unearned revenue	242,903	52,507
Unearned tolls revenue (includes \$105,881 and \$83,307 in 2023 and 2022, respectively, due to other toll agencies)	339,132	289,007
Total current liabilities	<u>2,912,597</u>	<u>1,252,423</u>
NON-CURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 16)	55,741	51,530
Postemployment benefits other than pensions (Note 8)	872,112	908,111
Long-term debt (Notes 9 to 12)	21,689,654	19,400,579
Net Pension Liability (Note 7)	143,873	167,407
Derivative instrument liabilities (Note 13)	34,012	34,608
Due to MTA - change in fair value of derivative (Note 13 and 18)	40,600	39,771
Lease Payable, as lessee (Note 14)	85,894	84,895
Subscription-based IT arrangements payable (Note 15)	344	488
	<u>22,922,230</u>	<u>20,687,389</u>
Total non-current liabilities		
TOTAL LIABILITIES	<u>25,834,827</u>	<u>21,939,812</u>
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 7)	53,083	54,456
Related to OPEB	255,305	167,013
Related to Leases	11,695	13,473
	<u>320,083</u>	<u>234,942</u>
Total Deferred Inflows of Resources		
NET POSITION:		
Net investment in capital assets	2,014,666	2,105,369
Restricted	1,245,040	2,409,990
Unrestricted	(7,209,960)	(7,287,890)
	<u>(3,950,254)</u>	<u>(2,772,531)</u>
Total net position		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 22,204,656</u>	<u>\$ 19,402,223</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
AS OF DECEMBER 31, 2023 AND 2022
(\$ In thousands)

	2023	2022 (Restated)
OPERATING REVENUES:		
Bridges and tunnels	\$ 2,418,755	\$ 2,332,384
Building rentals and fees	24,664	23,737
Other income	3,423	630
	<u>2,446,842</u>	<u>2,356,751</u>
OPERATING EXPENSES:		
Salaries and wages	117,949	118,498
Retirement and other employee benefits	55,832	51,836
Post employment benefits other than pensions	49,208	54,738
Electric power	3,673	4,645
Fuel	2,159	2,813
Insurance	18,202	13,774
Maintenance and other operating contracts	150,204	145,171
Professional service contracts	11,875	14,736
Materials and supplies	2,925	3,631
Depreciation and amortization	226,300	206,445
Credit Card Fees	36,830	38,073
Other	17,401	15,814
	<u>692,558</u>	<u>670,174</u>
Total operating expenses	<u>692,558</u>	<u>670,174</u>
Asset impairment and related expenses — (Note 10) net of estimated and probable insurance recoveries		
OPERATING INCOME	<u>1,754,284</u>	<u>1,686,577</u>
NON-OPERATING REVENUES (EXPENSES):		
Build America Bonds subsidy	7,690	8,533
Interest expense	(754,220)	(527,654)
Interest expense - SBITA	(20)	(10)
Interest expense - leases	(7,775)	(7,688)
Interest income on PMT	337,500	164,551
Change in fair value of derivative financial instruments (Note 13)	829	13,789
Change in fair value of derivative due to MTA	(829)	(13,789)
Internet revenue tax	328,887	328,059
Mansion revenue tax	345,253	513,078
Investment Income	3,788	13,515
Other non-operating revenue	4,733	4,733
	<u>265,836</u>	<u>497,117</u>
Total non-operating revenue, net	<u>265,836</u>	<u>497,117</u>
INCOME BEFORE TRANSFERS	2,020,120	2,183,694
TRANSFERS IN — MTA	202,935	372,656

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2023 AND 2022
(\$ In thousands)

	2023	2022 (Restated)
TRANSFERS OUT (Note 1):		
New York City Transit Authority	\$ (604,535)	\$ (546,904)
Metropolitan Transportation Authority	(684,567)	(637,807)
Contribution for labor settlements to MTA	-	(7,740)
Sales Tax bond proceeds transfers	(1,517,688)	(457,660)
Internet and mansion transfers	<u>(593,988)</u>	<u>(1,041,465)</u>
	(3,400,778)	(2,691,576)
 CHANGE IN NET POSITION	 (1,177,723)	 (135,226)
 NET POSITION — Beginning of year	 <u>(2,772,531)</u>	 <u>(2,637,305)</u>
 NET POSITION — End of year	 <u>\$ (3,950,254)</u>	 <u>\$ (2,772,531)</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, 2023 AND 2022
(\$ in thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tolls collected	\$ 2,482,787	\$ 2,316,708
Building rentals and fees received	26,218	22,581
Payroll and related fringe benefits	(255,762)	(217,031)
Other operating expenses	<u>(184,826)</u>	<u>(244,485)</u>
Net cash provided by operating activities	<u>2,068,417</u>	<u>1,877,773</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer internet & mansion revenue to MTA	(593,988)	(1,041,465)
Internet & mansion tax revenue	673,950	852,678
Proceeds from PMT bonds	2,723,900	6,222,558
PMT loan interest paid on debt	(367,270)	(167,434)
PMT loan principal paid on debt	(31,625)	(8,360)
Proceeds from Sales Tax Bonds	1,235,185	755,758
Transfers of proceeds of sales tax bond to MTAHQ	(1,522,588)	(457,797)
Sales Tax Bonds interest paid on debt	(62,757)	(10,929)
PMT prepaid interest payable on debt	267,716	-
Subsidies paid to affiliated agencies	<u>(1,259,941)</u>	<u>(1,193,342)</u>
Net cash provided in noncapital financing activities	<u>1,062,582</u>	<u>4,951,667</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for capital assets	(341,085)	(376,917)
Principal payments on Senior, Subordinate, and BAN	(282,000)	(321,695)
Bond proceeds	1,337,498	434,642
Bond refunded	(1,065,947)	-
Receipts from leases	1,863	1,764
Payments of leases & SBIT arrangements	(2,204)	(2,088)
Interest payments	<u>(369,513)</u>	<u>(401,420)</u>
Net cash used in capital and related financing activities	<u>(721,388)</u>	<u>(665,714)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross sales of short-term securities	11,688,757	10,255,499
Gross purchases of short-term securities	(11,233,969)	(10,856,063)
PMT bonds interest received on debt	348,332	235,522
PMT bonds principal received on debt	49,118	35,472
Transfer of PMT bond proceeds to MTAHQ	<u>(3,261,569)</u>	<u>(6,042,382)</u>
Net cash used in investing activities	<u>(2,409,331)</u>	<u>(6,371,952)</u>
NET (DECREASE)/INCREASE IN CASH	280	(208,226)
CASH—Beginning of year	<u>9,038</u>	<u>217,264</u>
CASH—End of year	<u>\$ 9,318</u>	<u>\$ 9,038</u>

(Continued)

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(\$ in thousands)

	2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:		
Operating income	\$ 1,754,284	\$ 1,686,577
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	226,300	206,445
On-behalf payments related to rent (Note 14)	(7,383)	(7,437)
GASB 68 pension expense adjustment	(17,709)	(22,210)
GASB 75 OPEB expense adjustment	14,865	24,982
Net (increase) decrease in receivables	(566)	(28,807)
Net increase in operating payables	78,726	30,175
Net (decrease) in prepaid expenses	(296)	1,627
Net (decrease) in accrued salary costs, vacation and insurance	(29,929)	5,268
Net increase in unearned revenue	50,125	(18,847)
	<u>50,125</u>	<u>(18,847)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,068,417</u>	<u>\$ 1,877,773</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets related liabilities	\$ 147,120	\$ 118,085
Contributed capital assets	489,949	352,499
Interest expense for leases	7,795	7,698
Interest income from leases	392	250
	<u>392</u>	<u>250</u>
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 645,256</u>	<u>\$ 478,532</u>
INTEREST EXPENSE INCLUDES AMORTIZATION OF NET (PREMIUM)	<u>\$ 65,153</u>	<u>\$ (61,299)</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, 2023 AND 2022
(\$in thousands, except as noted)

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, 2023 and 2022, of \$227,320 and \$185,787, 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, 2023 and 2022, were as follows:

	2023	2022
Operating transfer	\$ 1,289,101	\$ 1,184,711
Investment income (excludes unrealized gain or loss)	<u>12,369</u>	<u>\$ 3,718</u>
	<u>\$ 1,301,470</u>	<u>\$ 1,188,429</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, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The MTA Bridges and Tunnels evaluated all the requirements and adopted this Statement for the year ended December 31, 2023, and applied the retroactive effect of this adoption by the recognition and measurement of subscription assets and liabilities as of January 1, 2022. Net position as of and for the year ended December 31, 2022, was restated and decreased by \$36K.

The following schedule summarizes the net effect of adopting GASB Statement No. 96 in the Consolidated Statement of Net Position as of December 31, 2022 (in thousands):

In addition, revenues, expenses and changes in net position for the year ended December 31, 2022 were required to be restated by GASB Statement No. 96 as follows (in thousands):

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Balance as of			
NONCURRENT ASSETS:			
Capital Assets:			
Other capital assets, net of accumulated depreciation	7,256,903	592	7,257,495
Total noncurrent assets	15,671,330	592	15,671,922
Total Assets	18,937,935	592	18,938,527
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	19,401,631	592	19,402,223
CURRENT LIABILITIES:			
Current portion-Subscription-based IT Arrangements	-	140	140
Total current liabilities	1,252,283	140	1,252,423
NONCURRENT LIABILITIES:			
Subscription-based IT arrangements payable	-	488	488
Total noncurrent liabilities	20,686,901	488	20,687,389
Total liabilities	21,939,184	628	21,939,812
NET POSITION:			
Net Investment in capital assets	2,105,405	(36)	2,105,369
Total net position	(2,772,495)	(36)	(2,772,531)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSTION	19,401,631	592	19,402,223

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Operating Expenses:			
Professional service contracts	14,781	(45)	14,736
Depreciation and amortization	206,374	71	206,445
Total operating expenses	670,148	26	670,174
OPERATING Income	1,686,603	(26)	1,686,577
NON-OPERATING REVENUES (EXPENSES):			
Interest expense - SBITA	-	(10)	(10)
Total non-operating revenues, net	497,127	(10)	497,117
Income before contributions and transfers	2,183,730	(36)	2,183,694
CHANGE IN NET POSITION	(135,190)	(36)	(135,226)
NET POSITION-Beginning of Year	(2,637,305)	-	(2,637,305)
NET POSITION-End of Year	(2,772,495)	(36)	(2,772,531)

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 96 in the Consolidated Statement of Cash Flows (in thousands) for certain subscription-based information technology arrangements previously classified as professional service contracts for the year ended December 31, 2022:

	As Previously Stated	GASB Statement No. 96 Impact	Restatement Reported
Year-ended December 31, 2022			
CASH FLOWS FROM OPERATING ACTIVITIES:			
Other operating expenses	(244,530)	45	(244,485)
Net Cash provided by operating activities	1,877,728	45	1,877,773
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments of Leases & SBIT arrangements	(2,043)	(45)	(2,088)
Net cash provided by (used in) capital financing activities	(665,669)	(45)	(665,714)
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income	1,686,603	(26)	1,686,577
Depreciation and amortization	206,374	71	206,445
Net Cash from Operating Activities	1,877,728	45	1,877,773
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital assets related liabilities	117,457	628	118,085
Interest expenses for leases & SBIT arrangements	7,688	10	7,698
Total Noncash Capital and Related Financing Activities	477,894	638	478,532

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

After evaluating the criteria of GASB Statement No. 94, MTA Bridges and Tunnels concluded that 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. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

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
100	<i>Accounting Changes and Error Corrections</i>	2024
101	<i>Compensated Absences</i>	2024
102	<i>Certain Risk Disclosures</i>	2024
103	<i>Financial Reporting Model Improvements</i>	2025

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 PMT senior bonds that were received from MTA. The funding for PMT was received by MTA from PMT 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, 2023 and 2022 MTA Bridges and Tunnels had internet and mansion tax revenue earned of \$674 million and \$841 million respectively.

During 2022, Triborough Bridge and Tunnel 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 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 and SBITA amortization, etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, 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, 2023 and December 31, 2022.

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 Statement No. 87 leases are classified as right-to-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. GASB Statement No. 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received. Accumulated depreciation and amortization are reported as reductions of capital and right-to-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, 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. Right-to-use SBITA assets are amortized over the subscription term.

Leases— Per 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.

Subscription-Based Information Technology Arrangements—As a result of the adoption of GASB Statement No. 96, subscriptions to certain information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) are recognized as an intangible right-to-use subscription asset with a corresponding subscription liability at the commencement of the subscription term. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the rate charged by the vendor, which may be implicit, or MTA’s incremental borrowing rate if the interest rate is not readily determinable. The amortization of the subscription asset and discount on the subscription liability are both recognized as outflow of resources over the subscription term.

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 Statement No. 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, 2023 and 2022, 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, 2023 and 2022, the Authority had expendable restricted net position related to (1) Debt Service of \$257,450 and \$214,333, (2) the Necessary Reconstruction Reserve of \$773,128 and \$724,183 and (3) PMT Bond \$159,963 and \$1,167,356, (4) Sale Tax Revenue Bond \$54,501 and \$304,118, 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 transfers are made to NYTCA and MTA. In addition, for the years ended December 31, 2023, and 2022 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of \$593,988 and \$1,041,465, 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, 2023 and 2022 consists of the following (in thousands):

	<u>2023</u>		<u>2022</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured deposits	\$ 250	\$ 250	\$ 250	\$ 250
Collateralized deposits	<u>9,068</u>	<u>8,882</u>	<u>8,788</u>	<u>8,608</u>
	<u>\$ 9,318</u>	<u>\$ 9,132</u>	<u>\$ 9,038</u>	<u>\$ 8,858</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, 2023 and 2022 (in thousands):

	December 31, 2023	Fair Value Measurements		December 31, 2022	Fair Value Measurements	
		Level 1	Level 2		Level 1	Level 2
Investments by fair value level:						
Debt securities:						
U.S. treasury securities	\$1,249,292	\$1,016,867	\$232,425	\$2,209,627	\$1,407,834	\$801,793
Repurchase agreements	<u>28,501</u>	<u>28,501</u>	<u>-</u>	<u>16,559</u>	<u>16,559</u>	<u>-</u>
Total debt securities	<u>1,277,793</u>	<u>1,045,368</u>	<u>232,425</u>	<u>2,226,186</u>	<u>1,424,393</u>	<u>801,793</u>
Total investments by fair value level	<u>1,277,793</u>	<u>\$1,045,368</u>	<u>\$232,425</u>	<u>2,226,186</u>	<u>\$1,424,393</u>	<u>\$801,793</u>
Total investments	<u>\$1,277,793</u>			<u>\$2,226,186</u>		

Investments classified as Level 1 and Level 2 of the fair value hierarchy, totaling \$1,277,793 and \$2,226,186 as of December 31, 2023 and 2022, 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, 2023 and 2022, are as follows (in thousands):

Investments	2023	2022
CURRENT:		
Restricted:		
Bond Proceeds Fund	\$ 481,707	\$ 1,736,341
Primarily Necessary Reconstruction Fund	38,672	30,824
Debt Service Fund	253,910	229,477
Cost of Issuance Fund	<u>3,694</u>	<u>5,375</u>
Total current—restricted	777,983	2,002,017
Total current—unrestricted	<u>341,718</u>	<u>224,169</u>
TOTAL—CURRENT	<u><u>\$ 1,119,701</u></u>	<u><u>\$ 2,226,186</u></u>
LONG TERM:		
Unrestricted:		
Senior PMT Bond	<u>\$ 158,092</u>	<u>\$ -</u>
Total long term- unrestricted	<u><u>158,092</u></u>	<u><u>-</u></u>
TOTAL LONG TERM	<u><u>\$ 158,092</u></u>	<u><u>\$ -</u></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 \$341,718 and \$224,169 in 2023 and 2022 in unrestricted investments respectively, and \$777,982 and \$2,002,017 in 2023 and 2022 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 2.925% to 5.079% for the year ended December 31, 2023 and 0.089% to 2.941% for the year ended December 31, 2022. The net unrealized gain on investments was \$8,973 and \$9,547 for the years ended December 31, 2023 and 2022, 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, 2023</u>		<u>December 31, 2022</u>	
	<u>Fair Value</u>	<u>Duration (in Years)</u>	<u>Fair Value</u>	<u>Duration (in Years)</u>
U.S. Treasuries	\$ 1,249,292	0.35	\$ 2,209,627	0.01
Repurchase agreements	<u>28,501</u>	*	<u>16,559</u>	*
Total fair value	1,277,793		2,226,186	
Modified duration	<u>-</u>	0.35	<u>-</u>	0.01
Total investments	<u>\$ 1,277,793</u>		<u>\$ 2,226,186</u>	

* Duration is less than a month

Credit Risk—At December 31, 2023 and 2022, 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, 2023	Percent of Portfolio	December 31, 2022	Percent of Portfolio
Not Rated	\$ 28,501	2 %	\$ 16,559	1 %
U.S. Government	<u>1,249,292</u>	<u>98</u>	<u>\$ 2,209,627</u>	<u>99</u>
Total	<u>1,277,793</u>	<u>100 %</u>	<u>\$ 2,226,186</u>	<u>100 %</u>
Total investment	<u>\$ 1,277,793</u>		<u>\$ 2,226,186</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, 2023 were \$393,729 for short-term unrestricted and \$467,395 for short-term restricted. 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.

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.

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. GASB Statement No. 96 subscription-based information technology arrangements are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

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 lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

The following is a summary of capital assets activity at January 1, 2022, December 31, 2022 and December 31, 2023:

	Balance January 1, 2022	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2022	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2023
Capital assets not being depreciated:							
Land	\$ 52,940	\$ -	\$ -	\$ 52,940	\$ -	\$ -	\$ 52,940
Construction in progress	859,793	368,349	743,699	484,443	369,800	338,779	515,464
Total capital assets not being depreciated	912,733	368,349	743,699	537,383	369,800	338,779	568,404
Capital assets being depreciated:							
Leasehold improvement—2 Broadway	45,020	-	-	45,020	-	-	45,020
Primary structures	4,167,690	252,910	-	4,420,600	227,620	-	4,648,220
Toll equipment	574	-	-	574	1,065	-	1,639
Buildings	692,764	11,158	-	703,922	26,688	-	730,610
Roadway	2,375,955	433,312	-	2,809,267	90,545	6,798	2,893,014
Property—road and equipment	842,618	39,246	-	881,864	6,721	-	888,585
ORT systems and equipment	465,427	1,807	-	467,234	831	-	468,065
Other	269,322	6,245	-	275,567	12,837	13,171	275,233
Total capital assets being depreciated	8,859,370	744,678	-	9,604,048	366,307	19,969	9,950,386
Less accumulated depreciation:							
Leasehold improvement—2 Broadway	30,248	319	-	30,567	319	1,082	29,804
Primary structures	740,009	43,173	-	783,182	47,254	-	830,436
Toll equipment	45	14	-	59	46	-	105
Buildings	255,927	17,458	-	273,385	17,929	-	291,314
Roadway	760,394	88,948	-	849,342	97,327	551	946,118
Property—road and equipment	73,831	21,737	-	95,568	22,365	-	117,933
ORT systems and equipment	90,228	23,208	-	113,436	23,272	-	136,708
Other	234,035	9,859	-	243,894	9,864	13,073	240,685
Total accumulated depreciation	2,184,717	204,716	-	2,389,433	218,376	14,706	2,593,103
Total capital assets being depreciated— net of accumulated depreciation	6,674,653	539,962	-	7,214,615	147,931	5,263	7,357,283
Capital assets—net	7,587,386	908,311	743,699	7,751,998	517,731	344,042	7,925,687
Right of use assets being amortized							
Leased buildings and structures	45,604	-	-	45,604	-	-	45,604
Subscription Base-IT Arrangements	237	426	-	663	-	-	663
Total right of use assets being amortized	45,841	426	-	46,267	-	-	46,267
Less accumulated depreciation—right of use assets							
Leased buildings and structures	1,658	1,658	-	3,316	1,658	-	4,974
Subscription Base-IT Arrangements	-	71	-	71	142	-	213
Total accumulated depreciation	1,658	1,729	-	3,387	1,800	-	5,187
Right of use assets being amortized—net	44,183	(1,303)	-	42,880	(1,800)	-	41,080
Total capital assets, including right of use asset—net	\$ 7,631,569	\$ 907,008	\$ 743,699	\$ 7,794,878	\$ 515,931	\$ 344,042	\$ 7,966,767

In 2023 and 2022, capital asset additions included \$21,899 and \$16,147, 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. This plan covers employees of MTA New York City Transit and MTA Bridges and Tunnels.

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 Administrative Code of the City of New York (“ACNY”), 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 is a fiduciary component unit of The City and is in the Pension and Other Employee Benefit Trust Funds section of The City’s Annual Comprehensive Financial Report (“ACFR”).

NYCERS issues a publicly available comprehensive annual financial. 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.

All employees of the Related Group 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 (nonjob- related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers.

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%.

Tier 4 participants upon satisfying applicable eligibility requirements may be mandated or elected, as applicable, into the Basic 62/5 Retirement Plan, the 57/5 Plan, the 55/25 Plan, the Transit 55/25 Plan, the

MTA Triborough Bridge and Tunnel Authority 50/20 Plan, and the Automotive Member 25/50 Plan. These plans provide annual benefits of 40% to 50% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.5% to 2%) of final salary.

Chapter 18 of the Laws of 2012 created Tier 6. These changes increase the retirement age to 63, require member contributions for all years of service, institute progressive member contributions, and lengthen the final average salary period from 3 to 5 years.

Chapter 56 of the Laws of 2024 amended the RSSL and the Administrative Code of New York to reduce the number of years used to calculate the Final Average Salary (FAS), from 5 years to 3 years, for certain Tier 3 and Tier 6 members of NYCERS who joined on or after April 1, 2012.

NYCERS also provides automatic Cost-of-Living Adjustments (“COLA”) for certain retirees and beneficiaries, death benefits; and certain retirees also receive supplemental benefits. Subject to certain conditions, members generally 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 Systems, 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 MTA New York City 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 MTA New York City 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 City service or until they retire.

NYCERS established a “special program” for employees hired on or after July 26, 1976. A plan for employees, who have worked 20 years, and reached age 50, is provided to Bridge and Tunnel Officers, Sergeants and Lieutenants and Maintainers. Also, an age 57 retirement plan is available for all other such MTA Bridges and Tunnels employees. Both these plans required increased employee contributions. Chapter 56 of the Laws of 2022 enacted in April 2022 excludes certain forms of overtime and extracurricular compensation from the salary used to determine Tier 6 Basic Member Contribution rates during the specified period from 2022 to 2024.

Certain retirees also receive supplemental benefits from MTA Bridges and Tunnels. Certain participants are permitted to borrow up to 75% of their own contributions including accumulated interest. These loans are accounted for as reductions in such participants’ contribution accounts. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any outstanding loan balances.

MTA Bridges and Tunnels is required to contribute at an actuarially determined rate. The contribution requirements of plans members, MTA New York City Transit and MTA Bridges and Tunnels are established and amended by law.

MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2023 and 2022 were \$28,691 and \$31,973, respectively.

Net Pension Liability—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2023 and December 31, 2022 was measured as of June 30, 2023 and June 30, 2022, respectively. The total pension liability at December 31, 2023 and December 31, 2022 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2022 and June 30, 2021, 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, 2022	June 30, 2021
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, 2023 and 2022 and is summarized as follows:

Asset Class	NYCERS 2023	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	27.0 %	6.9 %
Developed public market equities	12.0	7.2
Emerging public market equities	5.0	9.1
Fixed income	30.5	2.7
Private markets (alternative investments):		
Private equity	8.0	11.1
Private real estate	7.5	7.1
Infrastructure—	4.0	6.4
Opportunistic fixed income	<u>6.0</u>	8.6
	<u>100 %</u>	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

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>100.0 %</u>	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

Discount Rate—The discount rate used to measure the total pension liability was 7 % for the NYCERS plan as of June 30, 2023 and 2022. 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, 2023 and 2022, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

	2023	2022
	(\$ in millions)	
Bridges and Tunnels proportion of the net pension liability	0.806 %	0.924 %
Bridges and Tunnels proportionate share of the net pension liability	\$ 143.88	\$ 167.40

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, 2023 and 2022, 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:

	<u>June 30, 2023</u>			<u>June 30, 2022</u>		
	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	<u>\$ 233.13</u>	<u>\$ 144.88</u>	<u>\$ 68.53</u>	<u>\$ 266.40</u>	<u>\$ 167.40</u>	<u>\$ 83.79</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2023 and 2022, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

Pension Plans	2023	2022
NYCERS	\$ 10,982	\$ 9,762

For the years ended December 31, 2023 and 2022, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in millions)	
Differences between expected and actual experience	\$ 16,187	\$ 641
Changes in assumptions		2,925
Net difference between projected and actual earnings on pension plan investments	-	-
Proportionate share of contributions	17,936	-
Employer contribution to plan subsequent to the measurement date of net pension liability	9,251	49,517
	<u>30,150</u>	<u>-</u>
Total	<u>\$ 73,524</u>	<u>\$ 53,083</u>

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in millions)	
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>

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	5.55	5.55	5.55

For the years ended December 31, 2023 and 2022, \$30,150 and \$28,517, 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 \$30,150 will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2023, will be recognized as pension expense as follows (in millions):

Years Ending December 31	Increase/(Decrease) in Pension Expense
2024	\$ (4,268)
2025	(11,174)
2026	9,066
2027	(2,641)
2028	<u>(692)</u>
Total	<u>\$ (9,709)</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 2023 and 2022.

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.

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, 2023 and 2022, MTA Bridges and Tunnels paid \$37,617 and \$32,898, 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, 2022 and 2021, the measurement dates, are 3.72% and 2.06%, 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, 2022 and 2021, the employer made a cash payment for retiree healthcare of \$1,763 and \$1,290, 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.

Blended and Age-Adjusted Premium	2022 Retirees	2021 Retirees
	(In thousands)	
Total blended premiums	\$ 31,135	\$ 27,565
Employment payment for retiree healthcare	<u>1,763</u>	<u>\$ 1,290</u>
Net payments	<u>\$ 32,898</u>	<u>\$ 28,855</u>

(2) Net OPEB Liability

At December 31, 2023 and 2022, MTA Bridges and Tunnels reported a net OPEB liability of \$872,112 and \$908,111, 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, 2022 and 2021, 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, 2021 respectively, and rolled forward to December 31, 2022 and 2021, 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, 2023 and 2022, the MTA Bridges and Tunnels proportion was 3.89% and 3.64%, 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 as of July 1, 2021 and July 1, 2021 respectively and update procedures were used to roll forward the total OPEB liability to December 31, 2022 and 2021, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	2023	2022
Valuation date	July 1, 2021	July 1, 2021
Measurement date	December 31, 2022	December 31, 2021
Discount rate	3.72%—net of expenses	2.06%—net of expenses
Inflation	2.33%	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	3.72%	2.06%

Salary Increases

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

Years of Employment	2023 Rate of Increase	2022 Rate of Increase
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 2.33% 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 2022 to reflect the approximately 90% reduction in the contracted Medicare Advantage plan premiums for 2023.

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 2023		MTA Bridges and Tunnels 2023	
	<65	>=65	<65	>=65
2023	6.70 %	5.90 %	7.10 %	4.90 %
2024	7.00	6.70	7.20	6.10
2025	6.40	6.40	6.40	6.40
2026	5.80	5.80	5.80	5.80
2027	5.10	5.10	5.10	5.10
2028	4.90	4.90	4.90	4.90
2029	4.70	4.70	4.70	4.70
2039	4.10	4.10	4.10	4.10
2049	4.10	4.10	4.10	4.10
2059	4.20	4.20	4.20	4.20
2069	3.90	3.90	3.90	3.90
2079	3.70	3.70	3.70	3.70
2089	3.70	3.70	3.70	3.70
2099	3.70	3.70	3.70	3.70
2109	3.70	3.70	3.70	3.70
2119	3.70	3.70	3.70	3.70

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

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, 2022 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Short(1-3Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr Tr USD	100 %	1.31 %
Assumed Inflation - Mean			2.33 %
Assumed Inflation - Standard Deviation			1.41 %
Portfolio Nominal Mean return			3.64 %
Portfolio Standard Deviation			2.05 %
Long term expected rate of return selected by MTA			3.72 %

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, 2022 and 2021, of 3.72% and 2.06%, 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 millions):

Decemeber 31, 2022 Measurement Date	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Proportionate share of the net OPEB liability	\$ 992.33	\$ 872.11	\$ 772.80

December 31, 2021 Measurement Date	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Proportionate share of the net OPEB liability	\$ 1,050.06	\$ 908.11	\$ 792.89

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 millions):

Decemeber 31, 2022 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate*	1% Increase
Proportionate share of the net OPEB liability	\$ 747.80	\$ 872.11	\$ 1,028.65

December 31, 2021 Measurement Date	1% Decrease	Healthcare Cost Current Trend Rate*	1% Increase
Proportionate share of the net OPEB liability	\$ 771.37	\$ 908.11	\$ 1,083.24

* 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, 2023 and 2022, MTA Bridges and Tunnels recognized OPEB expense of \$52,482 and \$57,880, 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):

	<u>December 31, 2023</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,829	\$ 1,319
Changes in assumptions	60,300	160,306
Net difference between projected and actual earnings on OPEB plan investments	736	-
Changes in proportion and differences between contributions and proportionate share of contributions	80,746	93,680
Employer contributions to the plan subsequent to the measurement of net OPEB liability	<u>37,617</u>	<u>-</u>
Total	<u>\$ 193,228</u>	<u>\$ 255,305</u>

	<u>December 31, 2022</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
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>

At December 31, 2023 and 2022, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of \$193,227 and \$155,800, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment

of \$37,617 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, 2023, will be recognized in OPEB expense as follows (in thousands):

Years Ending	
December 31	
2024	\$ 16,716
2025	19,315
2026	16,913
2027	13,543
2028	10,375
Thereafter	<u>22,832</u>
	<u>\$ 99,694</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 PMT 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 2023:

- On January 12, 2023, MTA Bridges and Tunnels issued \$764,950 PMT Senior Lien Refunding Green Bonds, Series 2023A (Climate Bond Certified) (the Series 2023A Bonds) are being issued to (i) refund certain of the Metropolitan Transportation Authority's (MTA) outstanding Transportation Revenue Bonds and Dedicated Tax Fund Bonds, as more fully described herein (collectively, the Refunded Bonds), and (ii) pay certain financing, legal and miscellaneous expenses.
- 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 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 PMT 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.
- On June 22, 2023, MTA Bridges and Tunnels remarked \$260,560 of which 2001C of \$75,560 and 2005B-3 of \$185,000. The irrevocable direct-pay letter of credit issued by State Street Bank and Trust Co, was replaced with an irrevocable direct-pay letter of credit issued by Barclays Bank PLC and Bank of America, N.A.
- On July 6, 2023, MTA Bridges and Tunnels issued \$600,000 PMT Bond 2023B, Series 2023B are being issued to refund certain of the MTA outstanding Transportation Revenue Bonds and finance transit and commuter projects, and pay certain financing, legal and miscellaneous expenses.
- On August 17, 2023 MTA Bridges and Tunnels issued \$370,030 of General Revenue Bonds, Series 2023B. The proceeds will be used to finance bridge and tunnel projects in the capital program and pay financing, legal and miscellaneous expenses.
- On October 19, 2023, MTA Bridges and Tunnels issued \$1,130,200, PMT Senior Lien Bond 2023C, Series 2023C are being issued to refund certain of the MTA outstanding Transportation Revenue Bonds and Dedicated Tax Fund Bonds and pay financing, legal and miscellaneous expenses.
- On December 13, 2023, MTA Bridges and Tunnels remarked 2005B-4a of \$102,500 changed from a Term Rate Mode to a Daily Mode and a irrevocable direct-pay letter of credit was issued by TB Bank, N.A

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2023 and 2022, is comprised of the following (in thousands):

	2023	2022
Senior Revenue Bonds (Notes 10)	\$ 9,022,218	\$ 8,783,214
PMT Bonds (Note 10)	10,269,642	9,036,372
Subordinate Revenue Bonds (Note 11)	191,309	605,040
CBD BAN (Note 12)	208,613	217,157
Sales Tax Revenue Bond (Note 13)	<u>1,997,872</u>	<u>758,796</u>
Total long-term debt—net of premiums and discounts	<u>\$ 21,689,654</u>	<u>\$ 19,400,579</u>

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	Barclays Bank	June 26, 2028
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 17, 2025
TBTA General Revenue	2005A	Barclays Bank	July 19, 2028
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	Bank of America, N.A.	June 22, 2027
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, 2023, 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, 2023 and 2022, 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.

	2023	2022
	(In thousands)	
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	\$ 121,720	\$ 160,365
Special Obligation Subordinate Bonds	<u>26,985</u>	<u>43,640</u>
Total	<u>\$ 148,705</u>	<u>\$ 204,005</u>

MTA Bridges and Tunnels had no refunding transactions that resulted in any gains/losses against aggregate debt service payments in 2023 and 2022.

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

	December 31, 2021	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2022	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2023
TBTA:							
General Revenue Bonds	\$ 154	\$ -	\$ (17)	\$ 137	\$ (47)	\$ (13)	\$ 77
Subordinate Revenue Bonds	<u>22</u>	<u>-</u>	<u>(2)</u>	<u>20</u>	<u>(21)</u>	<u>(1)</u>	<u>(2)</u>
	<u>176</u>	<u>-</u>	<u>(19)</u>	<u>157</u>	<u>(68)</u>	<u>(14)</u>	<u>75</u>
Total	<u>\$ 176</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ 157</u>	<u>\$ (68)</u>	<u>\$ (14)</u>	<u>\$ 75</u>

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

Senior Revenue Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
Series 2001B&C, 4.10%–5.25%	\$ 296,400	\$ 82,425	\$ -	\$ 6,865	\$ 75,560
Series 2002F	246,480	102,935	-	8,570	94,365
Series 2003B	250,000	128,055	-	9,630	118,425
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	558,300	-	3,300	555,000
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	62,255	-	60,855	1,400
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-2 - BAB	280,400	263,020	-	9,265	253,755
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	151,415	-	113,340	38,075
Series 2012B	1,353,055	662,620	-	431,120	231,500
Series 2013B	257,195	129,495	-	129,495	-
Series 2013C	200,000	133,035	-	118,035	15,000
Series 2014A	250,000	175,655	-	5,595	170,060
Series 2015A	225,000	182,890	-	3,695	179,195
Series 2015B	65,000	56,120	-	1,460	54,660
Series 2016A	541,240	485,300	-	46,645	438,655
Series 2017A	300,000	286,585	-	-	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	17,185	703,805
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	-	-	400,000
Series 2023A	-	-	828,225	-	828,225
Series 2023B	-	-	370,030	-	370,030
	<u>\$ 11,114,120</u>	<u>8,319,110</u>	<u>1,198,255</u>	<u>965,055</u>	<u>8,552,310</u>
Add net unamortized bond (discount) and premium		<u>731,444</u>	<u>140,918</u>	<u>119,869</u>	<u>752,493</u>
		<u>\$ 9,050,554</u>	<u>\$ 1,339,173</u>	<u>\$ 1,084,924</u>	<u>\$ 9,304,803</u>

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>

Debt Service Requirements Senior Revenue:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	\$ 282,585	\$ 388,706	\$ 671,291
2025	367,560	376,244	743,804
2026	400,355	358,298	758,653
2027	419,220	338,668	757,888
2028	444,905	318,492	763,397
2029–2033	1,964,200	1,322,688	3,286,888
2034–2038	1,354,775	991,137	2,345,912
2039–2043	1,054,395	675,352	1,729,747
2044–2048	1,217,860	416,299	1,634,159
2049–2053	731,430	178,553	909,983
2054–2058	315,025	31,814	346,839
	<u>\$8,552,310</u>	<u>\$5,396,251</u>	<u>\$ 13,948,561</u>

PMT Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
PMT 2021A	\$1,238,210	\$1,238,210	\$ -	\$ -	\$ 1,238,210
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	848,225	-	26,730	821,495
PMT 2022A	592,680	592,680	-	-	592,680
PMT 2022B	1,000,015	1,000,015	-	4,895	995,120
PMT 2022C	927,950	927,950	-	-	927,950
PMT 2022D	765,690	765,690	-	-	765,690
PMT 2022E	700,200	700,200	-	-	700,200
PMT 2022A-BAN	951,370	951,370	-	-	951,370
PMT 2022B-BAN	766,540	766,540	-	-	766,540
PMT 2023A	-	-	764,950	-	764,950
PMT 2023B	-	-	600,000	-	600,000
PMT 20233	-	-	1,130,200	-	1,130,200
	<u>\$8,168,435</u>	<u>8,160,075</u>	<u>2,495,150</u>	<u>31,625</u>	<u>10,623,600</u>
Add net unamortized bond (discount) and premium		<u>907,923</u>	<u>237,080</u>	<u>108,236</u>	<u>1,036,767</u>
		<u>\$9,067,998</u>	<u>\$2,732,230</u>	<u>\$139,861</u>	<u>\$11,660,367</u>

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

	Original Issuance	December 31, 2021	Issued	Principal Repayments	December 31, 2022
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 unamortized 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>

Debt Service Requirements PMT:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2024	\$ 1,390,725	\$ 494,386	\$ 1,885,111
2025	91,265	402,382	493,647
2026	347,375	394,453	741,828
2027	511,565	383,315	894,880
2028	424,530	371,897	796,427
2029–2033	1,797,760	1,692,755	3,490,515
2034–2038	950,720	1,482,967	2,433,687
2039–2043	1,496,580	1,120,480	2,617,060
2044–2048	1,462,825	726,049	2,188,874
2049–2053	1,775,535	301,320	2,076,855
2054–2058	<u>374,720</u>	<u>65,861</u>	<u>440,581</u>
	<u>\$ 10,623,600</u>	<u>\$ 7,435,865</u>	<u>\$ 18,059,465</u>

Sales Tax Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
SALES TAX 2022A	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ 700,000
SALES TAX 2023A	-	-	<u>1,253,750</u>	-	<u>1,253,750</u>
	<u>\$ 700,000</u>	700,000	1,253,750		1,953,750
Add net unamortized bond (discount) and premium		<u>58,795</u>	<u>(11,915)</u>	<u>2,758</u>	<u>44,122</u>
		<u>\$ 758,795</u>	<u>\$ 1,241,835</u>	<u>\$ 2,758</u>	<u>\$ 1,997,872</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>	-	700,000	-	700,000
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
2024	\$ -	\$ 90,718	\$ 90,718
2025	2,015	90,668	92,683
2026	2,455	90,556	93,011
2027	2,925	90,422	93,347
2028	3,420	90,263	93,683
2029-2033	55,945	445,155	501,100
2034-2038	101,415	425,130	526,545
2039-2043	142,280	393,834	536,114
2044-2048	295,900	346,547	642,447
2049-2053	348,170	270,675	618,845
2054-2058	587,920	163,680	751,600
2059-2063	<u>411,305</u>	<u>48,095</u>	<u>459,400</u>
	<u>\$ 1,953,750</u>	<u>\$ 2,545,743</u>	<u>\$ 4,499,493</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 2023 or 2022.

Subordinate Revenue Bonds at December 31, 2023, consist of the following (in thousands):

	Original Issuance	December 31, 2022	Retirements during 2023	December 31, 2023
Series 2002E	\$ 756,095	\$ -	\$ -	\$ -
Series 2013A	761,599	659,905	(434,635)	225,270
Series 2013D	<u>313,975</u>	<u>59,290</u>	<u>(24,895)</u>	<u>34,395</u>
	<u>\$ 1,831,669</u>	719,195	(459,530)	259,665
Add net unamortized bond (discount) and premium		<u>(33,040)</u>	<u>(18,526)</u>	<u>(51,566)</u>
		<u>\$ 686,155</u>	<u>\$ (478,056)</u>	<u>\$ 208,099</u>

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>

Debt Service Requirements:

Years Ending December 31	Principal	Interest	Aggregate Debt Service
	(In thousands)		
2024	\$ 16,790	\$ 1,500	\$ 18,290
2025	17,605	781	18,386
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	<u>225,270</u>	<u>-</u>	<u>225,270</u>
	<u>\$ 259,665</u>	<u>\$ 2,281</u>	<u>\$ 261,946</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, 2022	Issued	Principal Repayments and Retirements During 2023	December 31, 2023
Series 2021A	\$ 192,835	\$ -	\$ -	\$ 192,835
Add net unamortized bond premium	<u>24,322</u>	<u>-</u>	<u>(8,545)</u>	<u>15,777</u>
	<u>\$ 217,157</u>	<u>\$</u>	<u>\$(8,545)</u>	<u>\$ 208,612</u>

Debt Service Requirements:

Years Ending December 31	Principal	Interest	Aggregate Debt Service
	(In thousands)		
2024	\$ -	\$ 9,642	\$ 9,642
2025	192,835	9,642	202,477
2026	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 192,835</u>	<u>\$ 19,284</u>	<u>\$ 212,119</u>

13. GASB STATEMENT NO. 53—DERIVATIVE INSTRUMENTS

For the year ended December 31, 2023, the MTA Bridges and Tunnels is reporting a gain, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of \$829, \$34,012 and \$71,358, respectively. The gain of \$829 is related to swaps on MTA bonds which is offset by a loss of \$829 reflected in other operating income. Also recognized in the same period are derivative instrument assets of \$3,254.

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.

**GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments
Summary Information as of December 31, 2023**

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2023 (In millions)	Fair Values as of 12/31/2023 (In millions)
Investment Swap	MTA Transportation Revenue Bond	2002G-1	Pay-fixed Swap	N/A	N/A	4/1/2016	\$ 46,805	\$ (0.164)
	MTA Transportation Revenue Bond	2022E	Pay-fixed Swap	N/A	N/A	4/1/2016	88,330	(3.029)
Hedging Swaps	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed Swap	Cash flow	Dollar Offset	7/5/2005	185,000	(6.753)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	15,515	(0.367)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed Swap	Cash flow	Synthetic Instrument	7/5/2005	555,000	(20.259)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	7,000	(0.185)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2023, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2022, are as follows (in thousands):

(In Millions)	Changes In Fair Value Classification	Amount	Fair Value at December 31, 2023 Classification	Amount	Notional Amount
Government Activities					
Cash flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	\$ 0.425		\$(27,590)	\$762,515
Investment swap— pay-fixed interest rate swaps	Investment income	\$ 0.829		(3.170)	\$135,135

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 1.19% to 9.11% if an applicable stated or implicit rate is not available.

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.

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 41.6 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2023, the remaining lease terms are between 1 year to 38.6 years. 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, 2023 and 2022 is presented below (in thousands):

	2023	2022
Lease revenue	\$ 1,716	\$ 1,909
Interest revenue	392	250
Other variable revenue	4	14

The balance of lease receivable as of December 31, 2023 and 2022 are as follows (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	\$ 14,308	\$ 15,795
Additions/remeasurements	(62)	28
Receipts/Interest	<u>(1,470)</u>	<u>(1,515)</u>
Balance - end of year	12,776	14,308
Less current portion	<u>(1,174)</u>	<u>(1,463)</u>
Lease receivable—noncurrent	<u>\$ 11,602</u>	<u>\$ 12,845</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, 2023 and 2022, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2024	\$ 1,174	\$ 368	\$ 1,542
2025	1,237	340	1,577
2026	1,335	309	1,644
2027	1,357	276	1,633
2028-2032	1,817	1,132	2,949
2033-2037	1,487	944	2,431
2038-2042	276	802	1,078
2043-2047	488	734	1,222
2048-2052	802	616	1,418
2053-2057	1,214	429	1,643
2058-2062	<u>1,589</u>	<u>156</u>	<u>1,745</u>
Total	<u>\$ 12,776</u>	<u>\$6,106</u>	<u>\$ 18,882</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. As of December 31, 2023, the remaining lease terms is 25 years. MTA Bridges and Tunnels implicit borrowing rate at the time of valuation was 9.11%.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was \$2.9 million and \$2.7 million for the years ended December 31, 2023 and 2022, 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, 2023 and 2022.

A summary of activity in lease liability for the years ended December 31, 2023 and 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	\$ 84,895	\$ 83,983
Additions/remeasurements	-	-
Payments/Interest	<u>999</u>	<u>912</u>
Balance - end of year	85,894	84,895
Less current portion	-	-
Lease liability—noncurrent	<u>\$ 85,894</u>	<u>\$ 84,895</u>

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2023, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
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	(617)	8,030	7,413
2029–2033	4,271	39,423	43,694
2034–2038	14,177	35,429	49,606
2039–2043	27,379	26,242	53,621
2044–2048	<u>42,662</u>	<u>9,500</u>	<u>52,162</u>
Total	<u>\$85,894</u>	<u>\$ 150,255</u>	<u>\$ 236,149</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 \$968 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-sublease 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, 2023 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 44.2%, 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 2023 and 2022, the total of the rental payments charged to the Authority were \$4.9 million and \$4.7 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

MTA Bridges and Tunnels entered into various subscription-based information technology arrangements (SBITAs) that convey control of the right to use another party's information technology software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. A right-to-use intangible subscription asset is set up with a corresponding subscription liability measured at the present value of payments during the subscription term, using the Authority's incremental borrowing rate at the time of valuation ranging from 2.46% to 4.66% if an applicable stated or implicit rate is not available.

The initial measurement of the Authority's subscription asset and lease liability was as of January 1, 2022. The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

MTA Bridges and Tunnels subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 4 years to 7 years, with payments required monthly, quarterly, or annually. As of December 31, 2023, the remaining lease terms are between 3 years to 5 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were \$13 and \$12 for the years ended December 31, 2023 and December 31, 2022, respectively. The Authority recognized \$0 and \$0 expense attributable to termination penalties and impairment for the years ended December 31, 2023 and December 31, 2022, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2023 and December 31, 2022 is presented below (in thousands):

	December 31, 2023	December 31, 2022
Balance - beginning of year	\$ 628	\$ 237
Additions/remeasurements	-	427
Payments/Interest	<u>(140)</u>	<u>(36)</u>
Balance - end of year	488	628
Less current portion	<u>(144)</u>	<u>(140)</u>
SBITA Liability—noncurrent	<u>\$ 344</u>	<u>\$ 488</u>

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2023, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2024	\$ 144	\$ 14	\$ 158
2025	154	8	162
2026	154	2	156
2027	22	1	23
2028	14	-	14
2029–2033	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 488</u>	<u>\$ 25</u>	<u>\$ 513</u>

16. 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, 2023 and 2022, is as follows (in thousands):

	2023	2022
Balance—beginning of year	\$ 56,404	\$ 55,890
Activity during the year:		
Current year claims and changes in estimates	6,131	7,036
Claims paid	<u>(2,379)</u>	<u>(6,522)</u>
Balance—end of year	60,156	56,404
Less current portion	<u>(4,415)</u>	<u>(4,874)</u>
Long-term liability	<u>\$ 55,741</u>	<u>\$ 51,530</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, 2023, the balance of the assets in this program was \$189.2 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, 2023, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2023, 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 \$147.08 million within the overall \$500 million per occurrence property program as follows: \$20.277 million (or 40.55%) of the primary \$50 million layer, plus \$23.777 million (or 47.55%) of the \$50 million excess \$50 million layer, plus \$14.792 million (or 29.58%) of the \$50 million excess \$100 million layer, plus \$8.827 million (or 17.65%) of the \$50 million excess \$150 million layer, plus \$4.484 million (or 8.96%) of the \$50 million excess \$200 million layer, plus \$12.548 million (or 25.09%) of the \$50 million excess \$250 million layer, plus \$13.547 million (or 27.09%) of the \$50 million excess \$300 million layer, plus \$14.997 million (or 29.99%) of the \$50 million excess \$350 million layer, plus \$18.664 million (or 37.32%) of the \$50 million excess \$400 million layer, and \$15.164 million (or 30.32%) 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 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 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 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.

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, 2025.

During 2023 there were FMTAC excess loss claim reimbursements of \$3.4 million to MTA Bridges and Tunnels. FMTAC has 0 open claims for MTA Bridges and Tunnels at December, 2023. At December 31, 2023, FMTAC had \$1.217 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 Operating Company.

17. COMMITMENTS AND CONTINGENCIES

At December 31, 2023 and 2022, 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, 2023, \$8,218 million has been committed to MTA Bridges and Tunnels Capital Program.

18. 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, 2023).

MTA Bridges and Tunnels Senior Lien Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2023 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2023 (In millions)	Swap Termination Date	Counterparty
Series 2018E ⁽⁷⁾	\$ 185.000	04/01/16	3.076%	67% of one-month LIBOR ⁽¹⁾	\$ (6.760)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e ⁽¹⁾	555.000	07/07/05	3.076%	67% of one-month LIBOR ⁽¹⁾	(20.280)	01/01/32	33% each— JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	\$ 740.000				\$ (27.040)		

MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2023 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2023 (In millions)	Swap Termination Date	Counterparty
Series 2005A	\$ 15.515	04/01/16	3.09%	Lesser of Actual Bond or 67% of one-month LIBOR	\$ (0.364)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C ⁽⁶⁾	7.000	04/01/16	3.52%	67% of one-month LIBOR ⁽¹⁾	(0.184)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	\$ 22.515				\$ (0.548)		

- (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, 2023:

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, 2023 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	\$ 185,000	\$ 185,000
TBTA 2005B-3	185,000	185,000
TBTA 2005B-2 (a,b,c)	185,000	185,000
TBTA 2005A	102,070	15,515
TBTA 2003B (1,2,3)	118,425	59,815
TBTA 2018E	148,470	125,185
TBTA 2001C	75,560	7,000
2002G-1	46,805	46,805
2022E-2a	<u>99,560</u>	<u>88,330</u>
Total	<u>\$ 1,145,890</u>	<u>\$ 897,650</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, 2023, 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.

Counterparty	Amount (In thousands)	Notional Amount
JPMorgan Chase Bank, NA	\$ 185,000	20.61 %
UBS AG	185,000	20.61
Citibank, N.A.	185,000	20.61
BNP Paribas North America, Inc.	185,000	20.61
U.S. Bank National Association	78,825	8.78
Wells Fargo Bank, N.A.	<u>78,825</u>	<u>8.78</u>
 Total	 <u>\$ 897,650</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.

MTA Bridges and Tunnels Senior Lien		
Counterparty Name	MTA Bridges and Tunnels	Counterparty
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.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty Name	MTA Bridges and Tunnels	Counterparty
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, 2023, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was \$30,758; 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.

MTA Bridges and Tunnels Senior Lien		
Counterparty	MTA Bridges and Tunnels Collateral Thresholds (Based on Highest Rating)	Counterparty Collateral Thresholds (Based on Highest Rating)
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;	Baa3/BBB- & below: Zero	Aa3/AA-: \$15 million
Wells Fargo Bank, N.A.	<i>(Note: only applicable as cure for Termination Event)</i>	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		
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)	54.2
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029–2033	644.2	43.2	(10.1)	677.3
2034–2038	-	2.5	-	2.5

19. 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 PMT 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 PMT 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, 2023 is \$11,451 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, 2023 and 2022 (in thousands):

	2023		2022	
	Receivable	(Payable)	Receivable	(Payable)
Due from (due to) MTA	\$ 2,217	\$ (165,221)	\$ 3,299	\$ (186,551)
Due from (due to) MTA Bus Loan receivable due from (due to) MTA	5,785	(7,075)	-	-
	11,450,928	-	7,892,378	-
Due from (due to) NYCTA	<u>1,925</u>	<u>(101,093)</u>	<u>825</u>	<u>(82,534)</u>
	<u>\$ 11,460,855</u>	<u>\$ (273,389)</u>	<u>\$ 7,896,502</u>	<u>\$ (269,085)</u>

20. SUBSEQUENT EVENTS

On January 25, 2024, MTA Bridges and Tunnels issued \$296,340 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance transit and commuter projects included in MTA's approved capital programs, and (ii) pay certain financing, legal and miscellaneous expenses.

On February 8, 2024, MTA Bridges and Tunnels issued \$1,650,295 of Triborough Bridge and Tunnel Authority Sales Tax Revenue Bonds, Series 2024A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) to finance a portion of the capital costs of the Central Business District Tolling Program, and (iii) to pay certain financing, legal and miscellaneous expenses.

On March 20, 2024, MTA Bridges and Tunnels issued \$300,000 of Payroll Mobility Tax Bond Anticipation Notes, Series 2024B. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) pay capitalized interest on the Series 2024B Notes accruing through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

On March 27, 2024, the MTA Board approved the Central Business District (CBD) tolling rates recommended by the Traffic Mobility Review Board (TMRB). The CBD is defined as Manhattan south of and inclusive of 60th Street, but excluding the FDR Drive, the West Side Highway, and any surface roadway portion of the Hugh L. Carey Tunnel connecting to West Street. Starting end of June 2024, the MTA will implement the Central Business District Tolling Program (CBDTP), which is the nation's first congestion pricing program. Vehicles entering the CBD will be charged a toll. The CBDTP still faces challenges from lawsuits of which the outcome cannot be predicted. On June 5, 2024, Governor Kathy Hochul announced her intention to indefinitely pause the implementation of the congestion pricing program. The outcome of an indefinite pause cannot be predicted at this time.

On May 20, 2024, MTA Bridges and Tunnels issued \$591,785 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Green Bonds, Series 2024B. Proceeds from the transaction were used (i) to retire a portion of the TBTA PMT 2022A BANs, (ii) to refund certain outstanding MTA Transportation Revenue Bonds, and (ii) to pay certain financing, legal and miscellaneous expenses.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION
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								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.806 %	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	\$143.88	\$167.41	\$ 59.82	\$255.54	\$226.29	\$203.71	\$ 271.61	\$ 307.60	\$ 243.90
Authority's actual covered-employee payroll	\$147.54	\$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	97.52 %	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	82.22 %	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. 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.

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-Employ 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, 2022 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2022 funding valuation.

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 28,691	\$ 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>28,691</u>	<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>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$147,542</u>	<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>19.45 %</u>	<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, 2022 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2022 funding valuation.

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

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

Plan Measurement Date (December 31):	2022	2021	2020	2019	2018	2017
MTA Bridges and Tunnels proportion of the net OPEB liability	3.89 %	3.64 %	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate share of the net OPEB liability	\$ 872.112	\$ 908.111	\$ 987.443	\$ 813.359	\$ 801.555	\$ 823.748
MTA Bridges and Tunnels covered payroll	\$ 122.952	\$ 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	709.31 %	760.04 %	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	0.05 %	0.00 %	0.00 %	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
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS TO THE MTA OPEB PLAN
FOR THE YEARS ENDED DECEMBER 31:
(In thousands)

	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution ⁽¹⁾	\$ 37,617	\$ 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	N/A
Covered payroll	\$ 147,542	\$ 122,952	\$ 119,482	\$ 126,895	\$ 164,110	\$ 133,494	\$ 112,716
Actual contribution as a percentage of covered payroll	25.50%	26.76 %	24.15 %	23.10 %	17.86 %	21.19 %	23.43 %

⁽¹⁾ Actual employer contribution includes the implicit rate of subsidy adjustment of \$2,128, \$1,763, \$1,290, \$2,495, \$3,782, \$3,650 and \$3,450, for the years ended December 31, 2023, 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, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2017
Measurement date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	3.72%—net of expenses	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	2.33%	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	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	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	3.72%	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 Statement No. 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.