

MTA ANNUAL DISCLOSURE STATEMENT SUPPLEMENT
July 3, 2024

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Supplement (the “Supplement”), dated July 3, 2024 supplements the information contained in the Annual Disclosure Statement (the “ADS”) of MTA, dated April 29, 2024. MTA expects to file this Supplement with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access (“EMMA”) system and may incorporate such information herein by specific cross-reference. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this Supplement is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA’s financial condition are complex. This Supplement contains forecasts, projections, and estimates that are based on expectations and assumptions, that existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “calculate,” “budget,” “project,” “forecast,” “anticipate” or other similar words. The forward-looking statements contained herein are based on MTA’s expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections, calculations and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; litigation; actions by the federal government to reduce or disallow expected aid, including federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to MTA; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of MTA. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. Such forward-looking statements speak only as of the date of this Supplement.

Audited Financials

On June 25, 2024, MTA posted the audited Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022, for each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority (collectively, the 2023 Audited Financial Statements).

All references in the ADS to the “unaudited Consolidated Financial Statements for the years ended December 31, 2023 and 2022” of each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority are hereby deemed to refer to the “audited Consolidated Financial Statements for the years ended December 31, 2023 and 2022”, all references in the ADS to the “unaudited Consolidated Financial Statements for the year ended December 31, 2023” of each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority are hereby deemed to refer to the “audited Consolidated Financial Statements for the year ended December 31, 2023”, and references to 2023 “unaudited consolidated financial statements” or “unaudited financial statements” shall now be deemed to refer to the “audited consolidated financial statements” or “audited financial statements”, respectively, with respect to each such entity. The 2023 Audited Financial Statements are hereby incorporated into the ADS by specific cross-reference.

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The first paragraph under the heading “PART 3. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – Capital Finding Program Sources (Mansion Tax and City and State Sales Taxes)”, appearing on page 48 is deleted and replaced with the following:

The State Fiscal Year 2019-2020 Enacted Budget established new dedicated revenue streams for MTA that included new Real Property Transfer Tax Surcharges (sometimes collectively referred to as the “Mansion Tax”), effective July 1, 2019. The legislation imposed an additional real estate transfer tax in the City on each non-residential real property conveyance of at least \$2 million and each residential real property conveyance of at least \$3 million, in each case at a rate of \$1.25 for each \$500 of consideration or fraction thereof. It also imposed an additional real estate transfer tax in the City on each residential real property conveyance of at least \$2 million using a graduated tax rate schedule starting at 0.25 percent for residential property conveyances of at least \$2 million but less than \$3 million and topping out at 2.9 percent on residential property conveyances \$25 million and above. As described below, all revenues from these taxes are directed to the MTA’s Central Business District tolling capital lockbox.

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The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – TRANSPORTATION REVENUE BONDS – Gross Lien on TRB Pledged Revenues”, titled TRB Table 2a, appearing on page 86 is deleted and replaced with the following:

TRB Table 2a is based on the historical audited financial statements of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA, on a cash basis. The audited financial statements for MTA and MTA New York City Transit for 2022 and 2023 covered by TRB Table 2a are included herein by specific cross-reference and should be read in connection with this information. The information in TRB Table 2a may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and the notes thereto.

TRB Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis (\$ in million)⁽¹⁾

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Revenues from Systems Operations</u>					
Fares from Transit System	\$ 4,592	\$ 1,939	\$2,332	\$2,944	\$3,341
Fares from Commuter System	1,526	517	557	902	1,124
Fares from MTA Bus	245	100	144	185	183
Other Income ⁽²⁾	<u>278</u>	<u>207</u>	<u>197</u>	<u>215</u>	<u>...270</u>
Subtotal – Operating Revenues	\$6,641	\$2,763	\$3,230	\$4,245	\$4,917
<u>Non-Operating Revenues⁽³⁾</u>					
Revenues from MTA Bridges and Tunnels Surplus	\$788	\$495	\$928	\$1,193	\$1,256
State and Local General Operating Subsidies ⁽⁴⁾	\$340	\$365	\$408	\$370	\$381
NYC Transportation Assistance Fund - General Transportation Account ⁽⁵⁾	\$0	\$2	\$2	\$4	\$10
Special Tax-Supported Operating Subsidies					
DTF Excess ⁽⁶⁾	268	180	198	174	374
MMTOA Receipts	1,824	1,564	2,247	2,601	2,839
Urban Tax	668	377	429	729	382
MRT-2 Distribution ⁽⁷⁾	12	12	12	12	12
Payroll Mobility Tax and Aid Trust Account Receipts ⁽⁸⁾	1,871	1,810	1,931	1,859	2,125
Payroll Mobility Revenue Offset Funds ⁽⁹⁾	<u>244</u>	<u>195</u>	<u>293</u>	<u>244</u>	<u>244</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,888	\$4,139	\$5,111	\$5,620	\$5,976
Station Maintenance and Service Reimbursements	647	637	795	797	930
City Subsidy for MTA Bus	669	355	456	522	525
Income from Investments ⁽¹⁰⁾	50	22	4	17	22
Subtotal – Non-Operating Revenues	\$7,382	\$6,015	\$7,704	\$8,523	\$9,099
Total Transportation Resolution Pledged Revenues	\$14,023	\$8,778	\$10,934	\$12,768	\$14,016
Debt Service⁽¹¹⁾	\$1,751	\$1,989	\$1,852	\$1,780	\$1,553
Debt Service Coverage from Pledged Revenues	8.0x	4.4x	5.9x	7.2x	9.0x

(1) Totals may not add due to rounding

(2) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. MTA Bus other incomes is also included.

(3) The Transportation Resolution permits MTA to issue RANs that are secured by TRB Operating Subsidies prior to the payment of debt service on the Transportation Revenue Bonds. See discussion under “Revenue Anticipation Notes Authorized by the Resolution” later in this “TRANSPORTATION REVENUE BONDS” section.

(4) For State and Local General Operating Subsidies, the favorable year-over-year change in 2020 primarily reflected a catch-up of a 2019 shortfall in Local 18-b payments, partially offset by an unfavorable State 18-b payment in 2020, due to a timing delay as a result of the COVID-19 pandemic. The 2021 favorable year-over-year change primarily reflected the reversal of the unfavorable 2020 delayed State 18-b payment that was received in 2021.

(5) The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning in 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street (the Congestion Zone Surcharge). Revenues from this surcharge are deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan Account, an Outer Borough Transportation Account, and the General Transportation Account. The surcharge on for-hire vehicles in excess of

the amounts statutorily required to be deposited into the Subway Action Plan Account and the Outer Borough Transportation Account are deposited into the General Transportation Account. The General Transportation Account is also the repository for fines and penalties from the Automated Camera Enforcement (ACE), pursuant to Chapter 59 of the Laws of 2018, which has been receiving such funds since the City began enforcement in 2020. Funds in the General Transportation Account are TRB Operating Subsidies and pledged to the bondholders of Transportation Revenue Bonds.

- (6) Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTF Receipts described under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS".
- (7) MRT-2 funds are Non-Pledged Operating Subsidies; however, pursuant to MTA Board authorization in December 2007, a portion of such funds are allocated for the MTA Bus portion of debt service on the Transportation Revenue Bonds.
- (8) Calculated by subtracting the debt service payments on Payroll Mobility Tax Resolution Obligations from the combined Payroll Mobility Tax Receipts and ATA Receipts, which are pledged revenues for the Payroll Mobility Tax Resolution Obligations described under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS".
- (9) In prior Annual Disclosure Statements, PMT Revenue Offset Receipts were included in the PMT Receipts. Beginning with the 2021 Annual Disclosure Statement, PMT Revenue Offset Receipts are presented separately because such revenues do not constitute pledged revenues under the PMT Resolutions.
- (10) Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.
- (11) Debt service was reduced by approximately \$54 million in 2019 and 2020, \$49 million in 2021 \$48 million in 2022 and \$46 million in 2023 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. Debt service includes payments of interest on bond anticipation notes, including, \$188.6 million in 2019, \$344.5 million in 2020, \$216.4 million in 2021, \$133.8 million in 2022, and \$8 million in 2023. Additionally, total debt service on Transportation Revenue Bonds has decreased since 2020 primarily due to payment of debt at maturity as well as cross-credit refundings reducing outstanding Transportation Revenue Bond debt.

The following should be noted in **TRB Table 2a**:

- Pledged Revenues from System Operations (including Other Income): Revenues constituting TRB Pledged Revenues fell significantly between 2019 and 2020 due primarily to decreased ridership during the pandemic. Ridership and revenues have continued to recover from their low in 2020; as of 2023, pledged revenues from system operations had reached 74% of pre-pandemic 2019 levels. Pledged operating revenues, excluding other income, in 2023 were approximately \$617 million, or 15.3% higher compared to 2022.
- Total Transportation Resolution Pledged Revenues in 2023 are returning closer to the 2019 level, lower by only approximately \$7 million and were \$1.2 billion, or 9.8% higher than 2022 total pledged revenues.
- Federal COVID-19 relief receipts are not included in "Other Income" in **TRB Table 2a**, but are included in Other Revenue under **TRB Table 2b** for 2020 through 2022 because they do not constitute TRB Pledged Revenues under the Transportation Resolution. Additionally, while Internet Sales Tax and Mansion Tax receipts were made available as a resource for operating expenses for two years during the COVID-19 pandemic, they do not constitute TRB Pledged Revenues under the Transportation Resolution and are not included in the table above.
- MTA Bridges and Tunnels Surplus: Revenues from the MTA Bridges and Tunnels Surplus have risen from \$788 million in 2019 to approximately \$1.3 billion in 2023; the increase is attributable to recovering traffic volumes as well as a toll rate increase in April 2021 and August 2023.
- Urban Tax collection reflects the activity level and value of certain commercial mortgage recordings and real estate transactions in the City, including other factors such as unusually high-valued transactions. In 2020, Urban Tax revenues declined significantly from the prior year due to the lower value of commercial real estate transactions and mortgages during the COVID-19 pandemic. In 2021 and 2022, Urban Tax receipts increased, reflecting increased activity in the commercial real estate market in the City, and in 2023 Urban Tax receipts decreased.
- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MCTD. Mortgage recording taxes are used to provide funds for MTA's Transit and Commuter Systems after the payment of MTA Headquarters' expenses and MTA Bus debt service. The allocation of MRT-2 Tax receipts as TRB Pledged Revenue is made before the funds are used for MTA Headquarters expenses.
- Since 2019, City Subsidy for MTA Bus has increased or decreased primarily due to timing of payments. Since the COVID-19 pandemic, available federal relief funds specifically attributed to the loss of revenue and increase in expenses at MTA Bus have been used to cover deficits that would otherwise be billed to the City for MTA Bus service.

The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – TRANSPORTATION REVENUE BONDS – Gross Lien on TRB Pledged Revenues”, titled TRB Table 2b, appearing on page 89 is deleted and replaced with the following:

TRB Table 2b is the MTA Consolidated Statement of Operations by Category. It sets forth, by major category, for the five years ended December 31, 2023, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. The information in the table has been prepared by MTA management based on MTA financial plans. The amounts indicated in the “Actual” columns reflect actual information based on the historical audited financial statements of MTA and its subsidiaries. The information in TRB Table 2b may not be indicative of future results of operations and financial condition.

TRB Table 2b
MTA Consolidated Statement of Operations by Category
(\$ in millions)

	Non-Reimbursable	Actual <u>2019</u>	Actual <u>2020</u>	Actual <u>2021</u>	Actual <u>2022</u>	Actual <u>2023</u>
<u>Operating Revenue</u>						
Farebox Revenue		\$6,351	\$2,625	\$3,048	\$4,024	\$4,658
Toll Revenue		2,071	1,640	2,170	2,332	2,419
Other Revenue		706	4,571	4,706	7,657	881
Capital and Other Reimbursements		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue		\$9,128	\$8,836	\$9,924	\$14,014	\$7,958
<u>Operating Expense</u>						
Labor Expenses:						
Payroll		\$5,311	\$5,308	\$5,215	\$5,414	\$5,820
Overtime		974	910	965	1,127	1,152
Health & Welfare		1,339	1,298	1,405	1,423	1,581
OPEB Current Payment		666	633	722	752	827
Pensions		1,493	1,510	1,411	1,339	1,363
Other-Fringe Benefits		848	789	817	1,010	1,059
Reimbursable Overhead		<u>(470)</u>	<u>(380)</u>	<u>(372)</u>	<u>(400)</u>	<u>(474)</u>
Subtotal Labor Expenses		\$10,161	\$10,068	\$10,163	\$10,666	\$11,328
Non-Labor Expenses:						
Electric Power		\$444	\$385	\$430	\$556	\$510
Fuel		174	103	163	283	226
Insurance		2	(5)	26	9	32
Claims		495	237	426	376	394
Paratransit Service Contracts		477	326	346	412	517
Maintenance and Other Operating Contracts		731	773	765	806	908
Professional Service Contracts		442	446	499	545	631
Materials & Supplies		647	543	486	561	641
Other Business Expenses		<u>231</u>	<u>152</u>	<u>200</u>	<u>246</u>	<u>314</u>
Subtotal Non-Labor Expenses		\$3,642	\$2,960	\$3,341	\$3,804	\$4,174
Other Expense Adjustments:						
Other		\$149	\$80	\$21	\$100	(\$16)
General Reserve		<u>0</u>	<u>335</u>	<u>(335)</u>	<u>0</u>	<u>185</u>
Subtotal Other Expense Adjustments		\$149	\$414	\$317	\$100	\$169
Total Operating Expense before Non-Cash Liability Adj.		\$13,952	\$13,443	\$13,187	\$14,570	\$15,671
Depreciation		\$2,870	\$3,010	\$3,159	\$3,286	\$3,549
OPEB Liability Adjustment		0	0	0	0	0
GASB 68 Pension Expense Adjustment		13	(77)	(917)	(393)	170
GASB 75 OPEB Expense Adjustment		895	978	1,075	1,084	591
GASB 87 Lease Adjustment		0	0	0	21	20
GASB 96 SBITA Adjustment		0	0	0	0	(2)
Environmental Remediation		42	123	37	26	51
Total Operating Expense after Non-Cash Liability Adj.		\$17,771	\$17,477	\$18,594	\$16,541	\$20,049
Conversion to Cash Basis: Non-Cash Liability Adjs.		(\$3,801)	(\$4,034)	(\$3,354)	(\$4,034)	(\$4,378)
Debt Service		2,630	2,703	2,787	2,703	2,631
Total Operating Expense with Debt Service		\$16,582	\$16,146	\$15,974	\$17,691	\$18,302
Dedicated Taxes and State/Local Subsidies		\$7,376	\$6,678	\$7,679	\$8,556	\$8,869

Net Surplus/(Deficit) After Subsidies and Debt Service	(\$79)	(\$632)	\$1,628	\$4,879	(\$1,475)
Conversion to Cash Basis: GASB Account	0	0	0	0	0
Conversion to Cash Basis: All Other	192	646	(961)	(6,045)	1,475
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$113	\$13	\$668	(\$1,166)	\$0
ADJUSTMENTS	0	0	0	0	0
PRIOR-YEAR CARRYOVER	372	485	499	1,166	0
NET CASH BALANCE	\$485	\$499	\$1,166	\$0	\$0

The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – MTA BRIDGES AND TUNNELS GENERAL REVENUE BONDS – MTA Bridges and Tunnels General Revenue Bond Anticipation Notes”, titled MTA Bridges and Tunnels Senior Lien Table 2, appearing on page 98 is deleted and replaced with the following:

MTA Bridges and Tunnels Senior Lien Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for the years 2022 and 2023 covered by MTA Bridges and Tunnels Senior Lien Table 2 are included herein by specific cross-reference and should be read in connection with this information. The information in MTA Bridges and Tunnels Senior Lien Table 2 may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Senior Lien Table 2
Historical Revenues, Operating Expenses and Senior Lien Debt Service
(\$ in thousands) ⁽¹⁾

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$463,134	\$355,004	\$466,908	\$503,541	\$525,748
Verrazzano-Narrows Bridge	453,343	386,978	515,132	544,527	570,710
Bronx Whitestone Bridge	352,093	282,204	379,286	401,877	399,506
Throgs Neck Bridge	356,078	293,274	348,927	368,082	394,314
Henry Hudson Bridge	88,568	59,958	91,874	97,581	100,899
Marine Parkway Gil Hodges Memorial Bridge	18,507	16,560	20,381	21,208	21,196
Cross Bay Veterans’ Memorial Bridge	19,543	17,741	21,392	21,626	21,286
Queens Midtown Tunnel	198,866	134,251	192,306	221,532	226,903
Hugh L. Carey Tunnel	121,279	93,783	133,671	152,410	158,193
Total Bridge and Tunnel Revenues:	<u>\$2,071,411</u>	<u>\$1,639,753</u>	<u>\$2,169,877</u>	<u>\$2,332,384</u>	<u>\$2,418,755</u>
Investment Income and Other ⁽²⁾	<u>31,921</u>	<u>22,716</u>	<u>24,726</u>	<u>31,251</u>	<u>53,993</u>
Total Revenues	<u>\$2,103,332</u>	<u>\$1,662,469</u>	<u>\$2,194,603</u>	<u>\$2,363,636</u>	<u>\$2,472,748</u>
Operating Expenses ⁽³⁾					
Personnel Costs ⁽⁴⁾	\$286,792	\$254,547	\$234,823	\$225,071	\$222,989
Maintenance and Other Operating Expenses	<u>257,028</u>	<u>212,188</u>	<u>227,203</u>	<u>247,772</u>	<u>254,612</u>
Total Operating Expenses	<u>\$543,820</u>	<u>\$466,735</u>	<u>\$462,026</u>	<u>\$472,843</u>	<u>\$477,601</u>
Net Revenues Available for Debt Service	\$1,559,512	\$1,195,734	\$1,732,577	\$1,890,793	\$1,995,147
MTA Bridges and Tunnels Senior Lien Debt Service⁽⁵⁾	\$558,253	\$564,261	\$586,373	\$581,186	\$605,574
Senior Lien Coverage	2.79x	2.12x	2.95x	3.25x	3.29x

(1) Numbers may not add due to rounding.

(2) Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2019 through 2023, respectively (in thousands); \$4,793, \$970, \$116, \$3,167 and \$13,537. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels audited financial statements for the years 2019 through 2023.

(3) Excludes depreciation, includes GASB 75 OPEB Expense Adjustment, GASB 68 Pension Expense Adjustment, GASB 87 Lease Adjustment and beginning as of 2022, GASB 96 SBITA adjustments.

(4) Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.

(5) Net of Build America Bond interest subsidies of \$8.4 million in 2019, \$8.6 million in 2020 and \$8.5 million in each of 2021 and 2022 and \$7.6 million in 2023.

The following should be noted in **MTA Bridges and Tunnels Senior Lien Table 2**:

- Bridge and Tunnel Revenues – In 2020, traffic and revenues were negatively affected during the height of the COVID-19 pandemic. In 2021, paid vehicle crossings rebounded to 307.3 million, an increase of 21.4% from 2020. There were 326.3 million paid vehicle crossings in 2022, an increase of 6.2% compared to 2021. A toll increase was implemented in April 2021. In 2023, traffic volumes increased by 2.7% over 2022, to a record high of 335.1 million vehicles, which also is 1.7% higher than the previous record high of 329.3 million vehicles in 2019. Toll revenue increased by 3.6% from \$2.332 billion in 2022 to \$2.418 billion in 2023. A toll increase was implemented in August 2023.
- Operating Expenses - Personnel Costs – The decrease in 2020 was primarily due to a decrease in salaries and benefits and other post-employment benefits. The decreases in 2021 and 2022 were primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount. The decrease in 2023 was primarily due to lower health and welfare costs for retirees, and higher reimbursable overhead credits, as well as vacancies.
- Operating Expenses - Maintenance and Other Operating Expenses – The decrease in 2020 was primarily due to lower major maintenance and bridge painting costs, lower legal expenses, and lower credit card fees. The increase in 2021 was due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs. The increase in 2022 was primarily due to higher major maintenance and bridge painting costs, credit card fees and insurance. The increase in 2023 was mainly due to the timing of insurance costs as well as higher maintenance and operating contract expenses.

The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS – Sources of Payment”, titled **MTA Bridges and Tunnels Senior Lien Table 2**, appearing on page 104 is deleted and replaced with the following:

MTA Bridges and Tunnels Subordinate Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for 2022 and 2023 covered by **MTA Bridges and Tunnels Subordinate Table 2** are included herein by specific cross-reference and should be read in connection with this information. This information in **MTA Bridges and Tunnels Subordinate Table 2** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Subordinate Table 2
Historical Revenues, Operating Expenses and Senior and Subordinate Debt Service
(in thousands)⁽¹⁾

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$ 463,134	\$ 355,004	\$ 466,908	\$ 503,541	\$ 525,748
Verrazzano-Narrows Bridge	453,434	386,978	515,132	544,527	570,710
Bronx-Whitestone Bridge	352,093	282,204	379,286	401,877	399,506
Throgs Neck Bridge	356,078	293,274	348,927	368,082	394,314
Henry Hudson Bridge	88,568	59,958	91,874	97,581	100,899
Marine Parkway Gil Hodges Memorial Bridge	18,507	16,560	20,381	21,208	21,196
Cross Bay Veterans' Memorial Bridge	19,543	17,741	21,392	21,626	21,286
Queens Midtown Tunnel	198,866	134,251	192,306	221,532	226,903
Hugh L. Carey Tunnel	<u>121,279</u>	<u>93,783</u>	<u>133,671</u>	<u>152,410</u>	<u>158,193</u>
Total Bridge and Tunnel Revenues:	\$ 2,071,411	\$ 1,639,753	\$ 2,169,877	\$ 2,332,384	\$ 2,418,755
Investment Income and Other ⁽²⁾	<u>31,921</u>	<u>22,716</u>	<u>24,726</u>	<u>31,251</u>	<u>53,993</u>
Total Revenues	<u>\$ 2,103,332</u>	<u>\$ 1,662,469</u>	<u>\$ 2,194,603</u>	<u>\$ 2,363,636</u>	<u>\$ 2,472,748</u>
Operating Expenses ⁽³⁾					
Personnel Costs ⁽⁴⁾	\$ 286,792	\$ 254,547	\$ 234,823	\$ 225,071	\$ 222,989
Maintenance and Other Operating Expenses	<u>257,028</u>	<u>212,188</u>	<u>227,203</u>	<u>247,771</u>	<u>254,612</u>
Total Operating Expenses	<u>\$ 543,820</u>	<u>\$ 466,735</u>	<u>\$ 462,026</u>	<u>\$ 472,842</u>	<u>\$ 477,601</u>
Net Revenues Available for Debt Service	\$ 1,559,512	\$ 1,195,734	\$ 1,732,577	\$ 1,890,793	\$ 1,995,147
MTA Bridges and Tunnels Senior Lien Debt Service⁽⁵⁾	\$ 558,253	\$ 564,261	\$ 586,373	\$ 581,186	\$ 605,574
Subordinate Bond Fund Investment Earnings	\$ 938	\$ 165	\$ 14	\$ 615	\$ 2,007

Net Revenues Available for Subordinate Debt Service	\$ 1,002,197	\$ 631,638	\$ 1,146,204	\$ 1,310,222	\$ 1,391,580
Debt Service on Subordinate Revenue Bonds	\$ 102,721	\$ 102,234	\$ 102,115	\$ 103,300	\$ 80,949
Total Debt Service (Senior and Subordinate)	\$ 660,974	\$ 666,495	\$ 688,488	\$ 684,486	\$ 686,524
Combined Debt Service Coverage Ratio	2.36x	1.79x	2.52x	2.76x	2.91x

⁽¹⁾ Numbers may not add due to rounding.

⁽²⁾ Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2018 through 2022, respectively (in thousands); \$4,793, \$970, \$116, \$3,167, and \$13,537. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels audited financial statements for the years 2019 through 2023.

⁽³⁾ Excludes depreciation, includes GASB 75 OPEB Expense Adjustment, GASB 68 Pension Expense Adjustment, GASB 87 Lease Adjustment and beginning as of 2022, GASB 96 SBITA adjustments.

⁽⁴⁾ Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.

⁽⁵⁾ Net of Build America Bond interest subsidies of \$8.5 million in 2018, \$8.4 million in 2019, \$8.6 million in 2020, \$8.5 million in 2021 and 2022, and \$7.6 million in 2023.

The following should be noted in **MTA Bridges and Tunnels Subordinate Table 2:**

- **Bridge and Tunnel Revenues** – In 2020, traffic and revenues were negatively affected during the height of the COVID-19 pandemic. In 2021, paid vehicle crossings rebounded to 307.3 million, an increase of 21.4% from 2020. There were 326.3 million paid vehicle crossings in 2022, an increase of 6.2% compared to 2021. A toll increase was implemented in April 2021. In 2023, traffic volumes increased by 2.7% over 2022, to a record high of 335.1 million vehicles, which also is 1.7% higher than the previous record high of 329.3 million vehicles in 2019. Toll revenue increased by 3.6% from \$2.332 billion in 2022 to \$2.418 billion in 2023. A toll increase was implemented in August 2023.
- **Operating Expenses - Personnel Costs** – The decrease in 2020 was primarily due to a decrease in salaries and benefits and other post-employment benefits. The decreases in 2021 and 2022 were primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount. The decrease in 2023 was primarily due to lower health and welfare costs for retirees, and higher reimbursable overhead credits, as well as vacancies.
- **Operating Expenses - Maintenance and Other Operating Expenses** – The decrease in 2020 was primarily due to lower major maintenance and bridge painting costs, lower legal expenses, and lower credit card fees. The increase in 2021 was due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs. The increase in 2022 was primarily due to higher major maintenance and bridge painting costs, credit card fees and insurance. The increase in 2023 was mainly due to the timing of insurance costs as well as higher maintenance and operating contract expenses.

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The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – Sources of Payment-Revenues from Dedicated Taxes”, titled DTF Table 2, appearing on page 116 is deleted and replaced with the following:

Five-Year Summary of MTTF Receipts and MMTOA Receipts. DTF Table 2 sets forth a five-year summary (based on the State’s fiscal year ending March 31) of the following:

- actual collections by the State of receipts for each of the sources of revenues that, subject to appropriation and allocation among MTA and other non-MTA transportation agencies, could become receipts of MTA’s Dedicated Tax Fund;
- amount of MTTF Receipts and MMTOA Receipts; and
- debt service coverage ratio based upon MTTF Receipts, and MTTF Receipts plus MMTOA Receipts.

The information in the following DTF Table 2 relating to MTTF Receipts and MMTOA Receipts was provided by the New York State Division of the Budget and the remaining information was provided by MTA.

DTF Table 2
Summary of MTTF Receipts and MMTOA Receipts⁽¹⁾
State Fiscal Year ending March 31 (\$ millions)

<u>Dedicated Taxes (\$ millions)</u>	<u>Actual 2021</u>	<u>Actual 2022</u>	<u>Actual 2023</u>	<u>Actual 2024</u>	<u>Projection⁽¹⁰⁾ 2025</u>
MTTF⁽²⁾					
PBT	\$ 281.6	\$ 306.9	\$ 325.5	\$ 329.3	\$ 313.6
Motor Fuel Tax	83.4	97.0	34.9 ⁽⁸⁾	95.2	94.2
Motor Vehicle Fees ⁽³⁾	119.1	128.9	121.9	124.5	128.8
Total Available	<u>\$ 484.1</u>	<u>\$ 532.8</u>	<u>\$ 482.3</u>	<u>\$ 549.0</u>	<u>\$ 536.6</u>
MMTOA⁽²⁾					
PBT	\$ 60.4	\$ 66.0	\$ 69.3	\$ 70.4	\$ 66.9
District Sales Tax	873.0	1,089.0	1,217.0 ⁽⁸⁾	1,279.0	1,303.0
Franchise Taxes ⁽⁴⁾	27.5	25.3	27.3	42.7	29.7
Franchise Surcharges	1,379.1	1,733.6	2,143.1	2,103.3	2,270.0
Total Available	<u>\$ 2,340.0</u>	<u>\$ 2,913.9</u>	<u>\$ 3,456.7</u>	<u>\$ 3,495.4</u>	<u>\$ 3,669.6</u>
Disbursements					
MTTF⁽³⁾⁽⁵⁾	\$ 527.9	\$ 624.3	\$ 575.2	\$ 611.3	\$ 593.2
MMTOA⁽⁶⁾	1,895.2	1,922.8	2,607.0	2,838.5	3,000.1
Total Disbursed	<u>\$ 2,423.1</u>	<u>\$ 2,547.1</u>	<u>\$ 3,182.2</u>	<u>\$ 3,449.8</u>	<u>\$ 3,593.3</u>
Debt Service⁽⁷⁾	\$ 385.8	\$ 394.8	\$ 385.2 ⁽⁹⁾	\$ 280.6 ⁽⁹⁾	\$ 272.4
Debt Service Coverage Ratio – MTTF Receipts Only	1.37x	1.58x	1.49x	2.18x	2.18x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	6.28x	6.45x	8.26x	12.29x	13.19x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ As used in this Table, MTTF Receipts and MMTOA Receipts have the meaning given such terms in the DTF Resolution.

⁽³⁾ Pursuant to legislation enacted in 2014, beginning with State Fiscal Year 2014-2015 and each year thereafter, a portion of the Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the Dedicated Mass Transportation Trust Fund and \$57.6 million of such amount flows to MTA’s Dedicated Tax Fund as MTTF Receipts; the remainder flows to other transportation systems.

⁽⁴⁾ Beginning with State Fiscal Year 2012-2013, the distribution to the MMTOA Account was changed from 80% to 54% of the taxes collected from Franchise Taxes. The remaining 26% is distributed to the Public Transportation Systems Operating Assistance Account.

⁽⁵⁾ Represents the amount in the MTTF that was, subject to appropriation, paid to MTA by deposit into MTA’s Dedicated Tax Fund, thereby becoming MTTF Receipts. The amount of MTTF Receipts in any State fiscal year may be greater than the amount collected for deposit into the MTTF due to, among other things, investment earnings or surplus amounts retained in the MTTF that were not paid out in prior years.

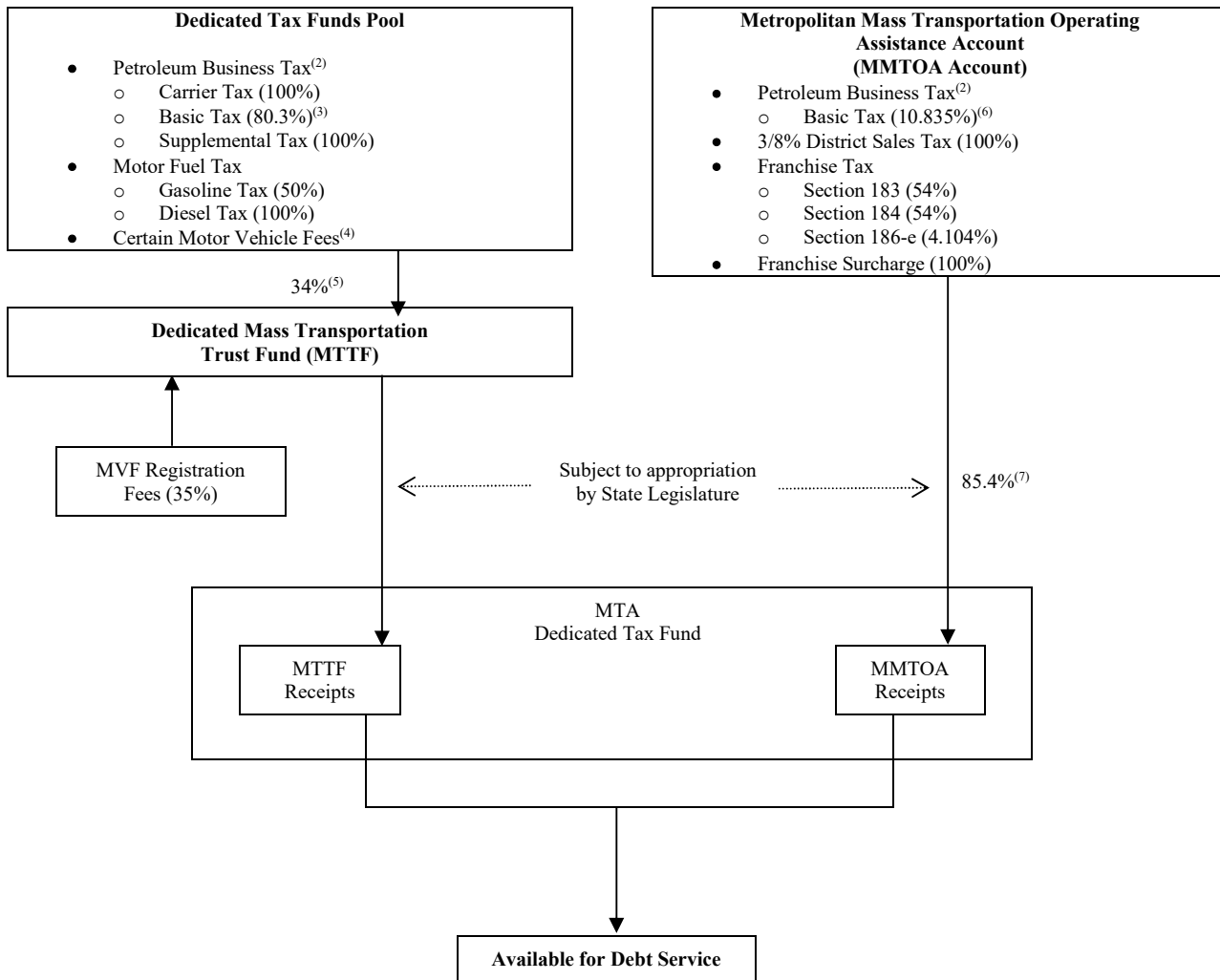
⁽⁶⁾ Represents the amount in the MMTOA Account that was, subject to appropriation, paid to MTA by deposit into MTA’s Dedicated Tax Fund, thereby becoming MMTOA Receipts. The difference between Total Available MMTOA Taxes and MMTOA Receipts generally represents the amount appropriated for operating expenses of the various non-MTA systems in the MTA Commuter Transportation District, as well as the amounts appropriated to MTA and other transportation agencies, primarily in accordance with the Section 18-b Program as described under the caption “PART 2. PUBLIC DEBT SECURITIES – REVENUES OF THE RELATED ENTITIES – State and Local General Operating Subsidies”.

- (7) Net of Build America Bond interest subsidies in each calendar year. Amounts may vary, but generally range between approximately \$24.0 to \$26.0 million. Actuals are budgeted actuals calculated for the State fiscal year. Projections for State Fiscal Year 2025 are based on projections in the 2024 February Financial Plan.
- (8) The State Fiscal Year 2022-2023 Enacted Budget suspended the State and MCTD sales taxes imposed on gasoline and diesel motor fuel, as well as the motor fuel tax, from June 1, 2022, through December 31, 2022. Additionally, a “hold harmless” General Fund transfer provision was included to transfer the projected revenue amounts that would have been distributed to the MTTF component of the Motor Fuel Tax (\$58.2 million) and the MMTOA component of the District Sales Tax (\$15.0 million) as though the suspension of such taxes was not in effect. The referenced actuals in the table above do not reflect the noted “hold harmless” General Fund transfer amounts.
- (9) Budgeted actual debt service for State Fiscal Year 2023 excludes a December 1, 2022 redemption of certain DTF Bonds that was paid with available moneys. Budgeted actual debt service in State Fiscal Year 2024 and projected debt service for State Fiscal Year 2025 reflect reductions in debt service due to refundings of certain DTF Bonds in 2023. State Fiscal Years 2023, 2024 and 2025 reflect the impact of interest pre-payment escrows established in March 2023.
- (10) The State Fiscal Year 2024-2025 projections are based on the State Fiscal Year 2024-2025 Enacted Budget.

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The flow chart under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – Flow of Funds”, titled MTA DEDICATED TAX FUND REVENUES, appearing on page 118 is deleted and replaced with the following:

**MTA DEDICATED TAX FUND REVENUES
(Through March 31, 2025)⁽¹⁾**



Notes

- (1) Parenthetical amounts and percentages, as well as flow of fund percentages, indicate the amount or percent of that tax or fund to be deposited for the year ending March 31, 2025 in the respective fund or account. The allocations shown may be changed at any time by the State Legislature.
- (2) Effective December 1, 2017, all receipts from aviation fuel are directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. However, beginning in Fiscal Year 2018-2019 the enacted statutory “hold-harmless” provision directs transfers from the State General Fund to MTTF and MMTOA. In 2023-2024, these transfers totaled \$6.1 million of which \$3.4 million flowed to MTA’s Dedicated Tax Fund as MTTF Receipts and \$1.3 million flowed to MMTOA for downstate transit systems including MTA.
- (3) In addition, the first \$7.5 million of the Basic Tax is appropriated to the Dedicated Tax Funds Pool prior to any percentage split of the Dedicated Tax Funds Pool.
- (4) Beginning with the State Fiscal Year 2014-2015, and each year thereafter, a portion of the State Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the MTTF; \$57.6 million of such amount flows to MTA’s Dedicated Tax Fund as MTTF Receipts as defined in the DTF Resolution.
- (5) Percentage of Dedicated Tax Funds Pool.
- (6) The remaining 8.865% share of the Basic Tax is deposited in an account for certain upstate transportation entities.
- (7) Percentage based upon Enacted Budget appropriations for State Fiscal Year 2024-2025, including Section 18-b assistance.

The table under the caption “PART 5. EMPLOYMENT, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS” appearing on page 188 of the ADS is deleted and replaced with the following:

<u>Insurance Program</u>	<u>Expiration Date</u>
Property Insurance	May 1, 2025
Commuter Stations and Force Liability	December 15, 2024
FMTAC Excess Loss Fund	October 31, 2024
Commercial Excess Liability Policy	October 31, 2024
All Agency Protective Liability	June 1, 2025
Paratransit and Non-Revenue Vehicle Policies	March 1, 2025
Premises Liability	December 7, 2024
Builder’s Risk	Various
Owner Controlled Insurance Programs	Various

The information under the caption “PART 5. EMPLOYMENT, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS” appearing on pages 189-190 of the ADS is deleted and replaced with the following:

Property Insurance Program

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.

Effective May 1, 2024, FMTAC renewed the all-agency property insurance programs. For the annual period commencing May 1, 2024, 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 \$269.726 million within the overall \$500 million per occurrence property program as follows: \$28.543 million (or 57.09%) of the primary \$50 million layer, plus \$28.543 million (or 57.09%) of the \$50 million excess \$50 million layer, plus \$19.292 million (or 38.59%) of the \$50 million excess \$100 million layer, plus \$11.793 million (or 23.59%) of the \$50 million excess \$150 million layer, plus \$8.643 million (or 17.29%) of the \$50 million excess \$200 million layer, plus \$15.518 million (or 31.04%) of the \$50 million excess \$250 million layer, plus \$26.893 million (or 53.79%) of the \$50 million excess \$300 million layer, plus \$39 million (or 78%) of the \$50 million excess \$350 million layer, plus \$41.5 million (or 83%) of the \$50 million excess \$400 million layer, and \$50 million (or 100%) of the \$50 million excess \$450 million layer.

Supplementing the \$500 million per occurrence noted above, FMTAC’s property insurance includes 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 MTA and formed to provide FMTAC with capital markets based property reinsurance.

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. 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, which would cover the remaining 20% of the Related Entities’ losses arising from an act of terrorism. 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 on May 1, 2025.

Commuter Stations and Force Liability

- **Commuter Station Liability Insurance.** FMTAC directly insures MTA Long Island Rail Road and MTA Metro-North Railroad under the stations policy, which covers third party liability, bodily injury and property damage and personal injury at commuter rail passenger stations, including moving train hazards while confined to the station area, and includes elevators, escalators, platforms, appurtenances, land, approaches and parking lots, if they are owned by the Related Entities. These policies insure up to the Self-Insured Retention set forth in the table included under the caption “FMTAC Excess Loss Fund” below per occurrence with no aggregate stop loss protection.
- **Commuter Force Account Insurance.** FMTAC directly insures MTA Long Island Rail Road and MTA Metro-North Railroad under the force account policy, which covers third party liability, physical damage and medical payments on commuter rail force account work (i.e., employees of the commuter railroads in the course of doing work for the benefit of the Related Entities) reimbursed by others. These policies insure up to the Self-Insured Retention set forth in the table included under the caption “FMTAC Excess Loss Fund” below per occurrence with no aggregate stop loss protection.
- The cost of the stations insurance is factored into the level of station maintenance payments required to be paid by the City and the counties in the MTA Commuter Transportation District. See “PART 2. FINANCIAL – INFORMATION REVENUES OF THE RELATED ENTITIES – Financial Assistance and Service Reimbursements from Local Municipalities – *Commuter System Station Maintenance Payments*”.

On December 15, 2015, FMTAC increased the primary coverage on the Station Liability and Force Account liability policies from \$10 million to \$11 million for MTA Metro-North Railroad and MTA Long Island Rail Road.