Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan Transportation Authority)

Financial Statements as of and for the Years Ended December 31, 2021 and 2020, Required Supplementary Information, and Independent Auditor's Report

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

TABLE OF CONTENTS

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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, 2021 and 2020, 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, 2021 and 2020, 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.

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

May 27, 2022

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, 2021 and 2020. 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 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, 2021 and 2020. 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.

(In thousands)

Assets and Deferred Outflows of Resources	**As of December 31, 2021**	**2020**	**2019**	**Increase/(Decrease) 2021–2020**	**2020–2019**
Capital Assets—Net	$ 7,607,152	$7,250,134	$6,660,639	$ 357,018	$ 589,495
Other Assets	4,713,719	1,847,806	1,444,762	2,865,913	403,044
Deferred Outflows of Resources	579,546	565,003	527,388	14,543	37,615
Total Assets and Deferred Outflows of Resources	$ 12,900,417	$9,662,943	$8,632,789	$ 3,237,474	$1,030,154

Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2021 versus 2020:

Total assets and deferred outflows of resources increased by $3,237,474 for the year ended December 31, 2021.

Capital assets, net, increased $357,018 for the year ended December 31, 2021. This increase was primarily due to construction work in progress of $186,661 offset by a write-off of costs related to a study that has no future benefit of $8,854, primary structures of $194,667, property road and equipment of $102,508, roadway of $43,063, open road tolling systems and equipment of $8,469, buildings of $8,218 and other of $5,733. These increases in assets were offset by accumulated depreciation of $192,301. See Capital Asset footnote for further details.

Other assets increased by $2,865,913 for the year ended December 31, 2021. The increase was primarily due to a new loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of $2,088,314, higher restricted short-term investments of $867,269, of which $803,104 is due to restricted PMT proceeds, higher unrestricted short-term investments of $129,343 and higher accounts receivable of $116,509. This increase was offset by lower cash of $290,007, which was mainly due to internet and mansion tax cash transferred out in the current year.

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

December 31, 2020 versus 2019:

Total assets and deferred outflows of resources increased by $1,030,154 for the year ended December 31, 2020.

Capital assets, net increased $589,495 for the year ended December 31, 2020. This increase was primarily due to additions to construction work in progress of $168,859, property road and equipment of $181,942, roadway of $173,153, primary structures of $165,618, open road tolling systems and equipment of $41,030, other of $24,764, buildings of $13,704 and toll equipment of $50. These increases in assets were offset by accumulated depreciation of $179,625. See Capital Asset footnote for further details.

Other assets increased by $403,044 for the year ended December 31, 2020. The increase was primarily due to higher cash of $357,922, mainly due to the internet tax revenue receipts of $253,779 and the mansion tax revenue receipts of $102,905. There were also higher unrestricted invested funds at MTA of $67,736, higher restricted short-term investments of $13,881 and higher accounts receivable of $76,061, mainly from Tolls-By-Mail and E-ZPass violation receivables. These increases were offset by lower unrestricted investments of $11,312 and higher allowance for doubtful accounts of $85,079, mainly attributable to higher toll receivables and toll violations in addition to the percentage used in determining the allowance for doubtful accounts.

There was an increase in deferred outflows of resources of $37,615. This was due to an increase in the deferred outflows related to pension of $10,013 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System. There was also an increase in deferred outflows related to other post-employment benefits of $10,544 mainly due to higher expense and actual experience of $8,274 and an increase in the change in fair market value of derivative instruments of $37,874. These increases were offset by a decrease in the unamortized loss on debt refunding of $20,816.

(in thousands)

Total Liabilities and Deferred Inflows of Resources	**As of December 31, 2021**	**2020**	**2019**	**Increase/(Decrease) 2021–2020**	**2020–2019**
Current Liabilities	$ 1,507,010	$ 1,318,083	$ 1,301,315	$ 188,927	$ 16,768
Noncurrent Liabilities	13,789,192	10,668,094	10,338,112	3,121,098	329,982
Deferred Inflow of Resources	241,861	120,080	109,410	121,781	10,670
Total Liabilities and Deferred Inflows of Resources	$15,538,063	$12,106,257	$11,748,837	$ 3,431,806	$357,420

Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2021 versus 2020:

Total liabilities and deferred inflows of resources increased by $3,431,806 for the year ended December 31, 2021.

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

Non-current liabilities increased by $3,121,098 for the year ended December 31, 2021. The increase was mainly due to higher long-term debt obligations of $3,189,274 of which $2,863,787 relate to the issuance of new PMT bonds and $325,487 relates to senior and subordinate bonds. There was also an increase in postemployment benefits other than pensions of $174,084 attributable to the portion of overall liability increasing from 3.85% to 4.05%. The change in portion is based on actual contributions from the participating employers. These increases were offset by lower net pension liability of $195,722, which was due to higher investment income and lower net derivative liabilities of $45,466.

There was a net increase in deferred inflows of resources of $121,781. This amount was mainly due to higher investment income on pensions of $134,372, slightly offset by lower related to OPEB of $12,591.

December 31, 2020 versus 2019:

Total liabilities and deferred inflows of resources increased by $357,420 for the year ended December 31, 2020.

Current liabilities increased by $16,768 for the year ended December 31, 2020. There was an increase in accounts payable and accrued other expenses of $31,410 mainly due to higher contractor's retainage of $15,430 and accrued expenses payable of $7,573. There was also an increase in accrued salaries of $5,944. These increases were partially offset by decreases in unearned tolls revenue of $18,260, which were attributable to decreases in traffic as a result of the COVID-19 pandemic and less replenishment to customer E-ZPass accounts.

Non-current liabilities increased by $329,982 for the year ended December 31, 2020. There was an increase in long-term debt of $249,598, net derivative instrument liabilities of $37,842 and other long-term liabilities of $2,617. See derivative instrument footnotes and debt footnotes for further details. There was also an increase in net pension liability of $29,258 and in post-employment benefits other than pensions of $11,804. These increases were slightly offset by a decrease in estimated liability arising from injuries to persons of $2,034.

There was a net increase in deferred inflows of resources relating to pensions and OPEB of $10,670. This was due to an increase related to OPEB of $30,708 offset by a decrease in the proportionate share of projected and actual earnings on pension plan investments of $20,038.

(In thousands)

	As of December 31,			Increase/(Decrease)	
Net Position	**2021**	**2020**	**2019**	**2021–2020**	**2020–2019**
Net investment in capital assets	$ 2,147,194	$ 2,295,343	$ 2,097,086	$ (148,149)	$198,257
Restricted	1,606,192	747,646	890,638	858,546	(142,992)
Unrestricted	(6,391,032)	(5,486,303)	(6,103,772)	(904,729)	617,469
Total net position	$(2,637,646)	$(2,443,314)	$(3,116,048)	$ (194,332)	$672,734

The negative net position has resulted from assets transferred to MTA and NYCTA on prior years' debt financing incurred on their behalf.

Significant Changes in Net Position

December 31, 2021 versus 2020:

In 2021 the total net position decreased by $194,332. This was due to operating income of $1,542,747 plus net non-operating income of $395,561 less net transfers out of $1,036,544 for operating surplus and $1,096,096 for internet and mansion transfers.

December 31, 2020 versus 2019:

In 2020 the total net position increased by $672,734. This was due to operating income of $1,024,399 plus non-operating revenue of $117,746, less net transfers out of $469,411 (principally operating surplus).

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

	Years Ended December 31,			Increase/(Decrease)	
	2021	2020	2019	2021–2020	2020–2019
Operating revenues	$ 2,194,391	$ 1,660,735	$ 2,094,850	$ 533,656	$ (434,115)
Operating expenses	(651,644)	(636,336)	(701,286)	(15,308)	64,950
Operating income	1,542,747	1,024,399	1,393,564	518,348	(369,165)
Nonoperating revenue, net excluding transfers	395,561	117,746	(141,634)	277,815	259,380
Income before transfers	1,938,308	1,142,145	1,251,930	796,163	(109,785)
Transfers in—MTA	491	3,344	12,301	(2,853)	(8,957)
Transfers out	(2,133,131)	(472,755)	(779,075)	(1,660,376)	306,320
Changes in net position	(194,332)	672,734	485,156	(867,066)	187,578
Net position—Beginning of year	(2,443,314)	(3,116,048)	(3,601,204)	672,734	485,156
Net position—End of year	$ (2,637,646)	$ (2,443,314)	$ (3,116,048)	$ (194,332)	$ 672,734

Operating Revenues

For the year ended December 31, 2021, the operating revenues increased by $533,656 as compared to December 31, 2020. The current year included a toll increase effective April 11, 2021. Total crossings in 2021 were 307.3 million versus 253.2 million crossings in 2020, an increase of 21.4%. See “Overall Financial Position and Results of Operations and Important Economic Conditions” below.

For the year ended December 31, 2020, the operating revenues decreased by $434,115 as compared to December 31, 2019. Traffic in 2020 was dramatically impacted by COVID-19 as MTA Bridges and Tunnels crossings decreased from a record 329.4 million in 2019 to 253.2 million crossings in 2020, a decrease of 23.1%. 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 98.7% of operating revenues in 2021 and 2020, 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 $2,169,877 and $1,639,753 for the years ended December 31, 2021 and December 31, 2020, respectively.

Operating Expenses

Operating expenses, including depreciation, increased for the year ended December 31, 2021, as compared to the prior year by $15,308. The increase was primarily due to higher depreciation expense of $21,292, higher post-employment benefits other than pensions of $16,441, and higher professional services of $10,590 due to higher legal expenses resulting from an increase in reserves for new pending litigation settlements. There was also an increase in credit card fees of $5,388 and higher insurance expense of $3,910. These increases were offset by lower retirement and other employee benefits of $30,243 and lower maintenance and other operating contracts of $11,839, mainly from major maintenance and painting projects.

Operating expenses, including depreciation, decreased for the year ended December 31, 2020, as compared to the prior year by $64,950. The decrease was primarily due to lower maintenance and other operating contracts of $18,029, lower salaries and wages of $16,749, lower credit card fees of $10,193, lower retirement and other employee benefits of $9,136, lower insurance expense of $9,003, lower professional services of $6,510, and lower post-employment benefits other than pensions of $6,361. These decreases were offset by higher depreciation expense of $13,154.

Non-operating Revenues (Expenses)

Net non-operating revenue increased by $277,815 for the year ended December 31, 2021. This increase was mainly due to higher internet tax and mansion tax of $84,507 and $214,713, respectively, for CBDTP, and higher interest income of $37,295 for the new PMT interest income on senior bonds and premium/discount due to reimbursement for interest expense from MTA. This increase was offset by higher interest expense of $56,881, mostly related to senior bonds, including the new PMT interest expense and premium/discount.

Net non-operating revenue increased by $259,380 for the year ended December 31, 2020. This increase was mainly due to an internet and mansion tax for the Central Business District tolling of $280,939, partially offset by lower interest expense of $16,515, which was a result of discontinuation of capitalized interest upon the adoption of GASB Statement No. 89.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions/Results of Operations

Two key economic factors that have statistically significant relationships to changes in traffic volumes are regional non-farm employment and inflation (CPI-U). Based on data from the U.S. Bureau of Labor Statistics, regional employment declined on average by 10.4% in 2020, while 2021 increased by 2.7%. Inflation was 1.7% in 2020, however, we had a sharp increase to 3.3% in 2021.

As we distanced ourselves from the Covid-19 pandemic its impact on the volume of MTA Bridges and Tunnels crossings in 2021 began to ease. Following a year of a record 329.4 million crossings in 2019, the volume of Bridges and Tunnels traffic plummeted by 23.1% in 2020 to 253.2 million crossings. However, in 2021 our total crossings were 307.3 million, an increase of 54.1 million crossings, or, 21.4% from 2020. Toll revenue for the year totaled a record $2,169.9 million, aided by the traffic recovery from 2020, as well as the toll increase implemented in April 2021.

In the fourth quarter 2021, crossings were up 13.0 million (19.2%) compared with the fourth quarter of 2020. The 2019 New York State Budget approved congestion pricing in Manhattan south of 60th Street, which will likely impact ridership and vehicle crossings once implemented. While originally scheduled to go into effect in 2021, the MTA only received approval on March 30, 2021, after significant delays, by the Federal Highway Administration to proceed with the Environmental Assessment which will allow for the final design and construction of the tolling infrastructure to proceed.

Traffic in 2020 was dramatically impacted by COVID-19 as B&T crossings decreased from a record 329.4 million in 2019 to 253.2 million crossings in 2020, a decrease of 23.1%. At the beginning of the pandemic there was an immediate decline of traffic, with B&T crossings seeing April traffic 65% below 2019 levels. Traffic began to rebound in May and this recovery lasted through October. An increase in COVID cases, coupled with winter weather, helped depress traffic in November and December; however, traffic levels remained above the revised forecasts in the July Financial Plan. Toll revenue for the year totaled $1.639 billion, which was $431.7 million, or 20.8% lower than 2019.

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

The E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E-ZPass market share remained consistent overall, with a slight increase in Passenger Vehicles market share and a slight decrease in Commercial vehicles market share from 2020 to 2021.

	2021	**2020**	**2019**
Total	94.9 %	95.2 %	95.1 %
Average weekday	95.3	95.6	95.7
Passenger vehicles	95.2	95.5	95.6
Commercial vehicles	96.7	97.1	96.6
Average weekend	93.9	94.1	93.8

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

MTA Bridge and Tunnels' facilities are all in a state of good repair. MTA Bridge and Tunnels' portion of the MTA's Capital Program for 2020-2024 totals $2,823,652 (*this excludes $503,000 for Central Business District Tolling Program ("CBDTP") discussed below*) for normal replacement and system improvement projects. The commitments made during the fourth quarter 2021 were $114,931 bringing the total commitment under the five-year plan to $277,129.

MTA Bridge and Tunnels' portion of the MTA's Capital Program for 2015-2019 totals $2,935,089 for normal replacement and system improvement projects. The commitments made during the fourth quarter 2021 were $22,686 bringing the total commitment under the five-year plan to $2,522,540. All planned major projects in the 2015-2019 program have been committed as of December 31, 2021. The differential between the total program value and the committed value reflects a combination of good bid savings and project contingency, which are held in reserve for potential re-programming for additional future work.

MTA Bridge and Tunnels' portion of the Capital Program for 2010-2014 totals $2,021,982 for normal replacement and system improvement projects. The commitments made during the fourth quarter 2021 were $6,997 bringing the total commitment under the five-year plan to $1,957,374.

MTA Bridge and Tunnels' portion of the Capital Program for 2005-2009 totals $1,126,736 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter 2021. The total commitment under the five-year plan is $1,117,160.

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

Approximately 59% of the projected expenditures in the 2015-2019 Capital Program will be incurred at three facilities over the life of the program: The Robert F. Kennedy Bridge, the Throgs Neck Bridge and the Verrazzano-Narrows Bridge. Other major projects in the 2015-2019 Capital Program include the skewback retrofit and the reconstruction of the upper and lower-level toll plaza decks and southbound approach roadway (Phase B) at the Henry Hudson Bridge, the rehabilitation of the Queens Midtown Tunnel controls and communication systems, rehabilitation of the Hugh L. Carey Tunnel ventilation systems, and scour protection, repair and replacement of the pier fender systems at the Cross Bay Bridge.

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

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

MTA Bridge and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals $764,980 of which $595,959 is for facility restoration and $169,021 is for facility mitigation projects. The total commitment made during the fourth quarter 2021 was $2,062. The total commitment under these plans is $689,083 to date.

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

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

MTA Bridge and Tunnels' Central Business District Tolling Program (CBDTP) totals $503,000, which represents the total capital budget established to support the entire CBDTP. Key components include program and construction management; design, construction, and integration of the toll technology system and infrastructure; development of Customer Service Centre Software and build-out: the Environmental Assessment; and outreach and education. A contract with TransCore was executed on October 31, 2019, one month ahead of schedule. TransCore will design, build, operate, and maintain the tolling system. There were no commitments made during the fourth quarter 2021. The total commitment under this plan is $344,208 to date.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

On March 12, 2020, the World Health Organization declared the current novel coronavirus ("COVID-19") outbreak to be a pandemic in the face of the global spread of the virus. By order of Governor Cuomo ("New York State on PAUSE"), effective March 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures.

The initial impact of social distancing and Governor Cuomo's PAUSE Executive Order resulted in a severe decline in MTA Bridge and Tunnel crossing traffic and toll revenues. The steep fall in vehicle volume reflects the initial impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic. MTA Bridge and Tunnel reports that system traffic level declined an estimated 65% from April 3, 2020 to May 2, 2020 versus the same period in 2020. Additionally, traffic levels for the period from May 3, 2020 to May 17, 2020 were down 53% year over year, indicating a modest improvement. Traffic rebounded from May through October but remained below 2019 levels.

- ***Ridership and Traffic Update.*** Daily ridership on MTA facilities continues to be well-below 2019 levels. While ridership has been steadily increasing, March 31, 2022, ridership compared to the pre-pandemic equivalent day in 2019 is down 44 percent on the subways, 44 percent for bus (combined NYCT bus and MTA Bus Company), 46 percent on MTA Metro-North Railroad, and 43 percent on the MTA Long Island Rail Road. Traffic crossings at MTA Bridges and Tunnels facilities are nearly at pre-pandemic levels with toll revenues comprising approximately 11 percent of our operating budget net of bridge and tunnel operations and associated debt service.

Capital Work Accelerations during summer of 2021

There were no accelerated capital projects during 2021. Many capital projects were accelerated in 2020 where possible to complete traffic impacting work while traffic volumes were lower than normal, per New York State Executive Order 202.6, under which construction of roads, bridges, and transit facilities is deemed an essential construction activity for continuation during the current COVID-19 restrictions. This resulted in several projects being completed well ahead of schedule in 2020.

Verrazzano-Narrows Bridge Rebate Programs

The cost of the 2020-2021 (covering the period April 2020 through March 2021) Verrazzano-Narrows Bridge Rebate Programs totaled $21.2 million. The rebates for Staten Island Residents were $14.9 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 initial contribution was $15.3 million ($12.5 million Resident Program and $2.8 million Commercial Program) and the MTA contribution was $7 million ($3.5 million Resident Program and $3.5 million Commercial Program).

The projected annualized cost of the 2021-2022 (covering the period April 2021 through March 2022) Verrazzano-Narrows Bridge Rebate Programs is expected to total $29.3 million. The rebates for Staten Island Residents are estimated to be $22.2 million and the rebates for the Verrazzano-Narrows Bridge Commercial Rebate Program are estimated to be $7.1 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to the MTA. The State's contribution was $24 million ($21.2 million Resident Program and $2.8 million Commercial Program) and the MTA contribution was $7 million ($3.5 million Resident Program and $3.5 million Commercial Program).

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 2021-2022 Verrazzano-Narrows Bridge Rebate Programs, net of offsets, will be insufficient to fund the 2021-2022 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 2021-2022 Verrazzano-Narrows Bridge Rebate Programs are fully depleted at any time during the 2021-2022 Verrazzano-Narrows Bridge Rebate Programs annual period, the 2021-2022 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.

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

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

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020
($ in thousands)

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash—unrestricted (Note 3)	$ 217,264	$ 507,271
Unrestricted investments (Note 4)	234,636	105,293
Restricted investments (Note 4)	1,203,090	335,821
Invested funds at MTA—unrestricted (Note 5)	372,582	369,405
Invested funds at MTA—restricted (Note 5)	403,101	411,825
Accrued interest receivable	305	271
Accounts receivable	481,932	365,423
Less allowance for doubtful accounts	(308,109)	(268,166)
Due from MTA (Note 18)	2,485	2,370
Loan receivable from MTA (Note 18)	2,088,314	-
Prepaid expenses	6,912	7,066
Total current assets	4,702,512	1,836,579
NON-CURRENT ASSETS:		
Capital assets (Note 6):		
Land and construction work-in-progress	912,733	726,072
Other capital assets (net of accumulated depreciation)	6,694,419	6,524,062
Due from MTA (Note 18)	7,740	7,740
Derivative instrument assets (Note 13)	3,467	3,487
Total non-current assets	7,618,359	7,261,361
TOTAL ASSETS	12,320,871	9,097,940
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	58,432	74,322
Related to other post-employment benefits (Note 8)	175,636	75,494
Accumulated decreases in fair value of derivative instruments (Note 13)	169,931	215,376
Loss on debt refunding	175,547	199,811
Total deferred outflows of resources	579,546	565,003
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$12,900,417	$9,662,943

(Continued)

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

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020
($ in thousands)

	2021	2020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 174,975	$ 195,340
Accrued expenses:		
Interest	61,687	46,403
Payable to MTA (Note 18)	378,317	395,690
Payable to NYCTA—operating expense (Note 18)	37	44
Accrued salaries	29,978	20,665
Accrued vacation and sick pay benefits	19,624	20,807
Total accrued expenses	489,643	483,609
Current portion—long-term debt (Notes 9 to 12)	329,955	312,265
Current portion—estimated liability from injuries to persons (Note 15)	6,741	7,325
Due to NYCTA—operating surplus (Note 1 and 18)	86,176	31,093
Due to MTA—operating surplus (Note 1 and 18)	104,525	51,213
Other unearned revenue	7,141	-
Unearned tolls revenue (includes $95,693 and $42,602 in 2021 and 2020, respectively, due to other toll agencies)	307,854	237,238
Total current liabilities	1,507,010	1,318,083
NON-CURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 15)	49,149	48,583
Post employment benefits other than pensions (Note 8)	987,443	813,359
Long-term debt (Notes 9 to 12)	12,459,678	9,270,404
Net pension liability (Note 7)	59,821	255,543
Other long-term liabilities	-	2,617
Derivative instrument liabilities (Note 13)	147,415	201,846
Due to MTA—change in fair value of derivative (Note 13 and 18)	25,982	17,017
Obligations under capital leases (Note 14)	59,704	58,725
Total non-current liabilities	13,789,192	10,668,094
TOTAL LIABILITIES	15,296,202	11,986,177
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 7)	159,325	24,953
Related to other post-employment benefits (Note 8)	82,536	95,127
TOTAL DEFERRED INFLOWS OF RESOURCES	241,861	120,080
NET POSITION:		
Net investment in capital assets	2,147,194	2,295,343
Restricted	1,606,192	747,646
Unrestricted	(6,391,032)	(5,486,303)
Total net position	(2,637,646)	(2,443,314)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 12,900,417	$ 9,662,943

See notes to financial statements. (Concluded)

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
($ in thousands)

	2021	2020
OPERATING REVENUES:		
Bridges and tunnels	$ 2,169,877	$ 1,639,753
Building rentals and fees	22,928	19,908
Other income	1,586	1,074
Total operating revenues	2,194,391	1,660,735
OPERATING EXPENSES:		
Salaries and wages	111,545	117,466
Retirement and other employee benefits	46,720	76,963
Post employment benefits other than pensions	76,558	60,117
Electric power	3,977	3,888
Fuel	1,765	1,725
Insurance	11,007	7,097
Maintenance and other operating contracts	120,520	132,359
Professional service contracts	27,567	16,977
Materials and supplies	3,300	2,182
Depreciation	201,356	180,064
Credit card fees	32,834	27,446
Other	14,495	10,052
Total operating expenses	651,644	636,336
OPERATING INCOME	1,542,747	1,024,399
NON-OPERATING REVENUES (EXPENSES):		
Build America Bonds subsidy	8,536	8,599
Interest expense	(386,441)	(329,560)
Interest expense—capital lease obligation	(5,350)	(5,268)
Interest income on PMT	37,295	-
Change in fair value of derivative financial instruments (Note 13)	8,965	(3,250)
Change in fair value of derivative—due to MTA	(8,965)	3,250
Internet revenue tax	344,916	260,409
Mansion revenue tax	394,291	179,578
Investment income	94	763
Other non-operating revenue	2,220	3,225
Total non-operating revenue, net	395,561	117,746
INCOME BEFORE TRANSFERS	1,938,308	1,142,145
TRANSFERS IN—MTA	491	3,344

(Continued)

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

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
($ in thousands)

	2021	2020
TRANSFERS OUT (Note 1):		
New York City Transit Authority	$ (463,827)	$ (180,671)
Metropolitan Transportation Authority	(573,208)	(292,084)
Internet and mansion transfers	(1,096,096)	-
	(2,133,131)	(472,755)
CHANGE IN NET POSITION	(194,332)	672,734
NET POSITION—Beginning of year	(2,443,314)	(3,116,048)
NET POSITION—End of year	$(2,637,646)	$(2,443,314)

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, 2021 AND 2020
($ in thousands)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tolls collected	$ 2,183,752	$ 1,630,836
Building rentals and fees received	24,526	20,556
Payroll and related fringe benefits	(211,276)	(224,179)
Other operating expenses	(213,728)	(182,803)
Net cash provided by operating activities	1,783,274	1,244,410
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES—		
Transfer internet & mansion revenue to MTA	(1,096,096)	-
Internet & mansion tax revenue	719,411	-
Proceeds from PMT bonds	2,865,821	-
PMT bonds interest paid on debt	(31,209)	-
Subsidies paid to affiliated agencies	(928,734)	(498,983)
Net cash provided/(used) in noncapital financing activities	1,529,193	(498,983)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for capital assets	(578,619)	(702,179)
Internet and mansion tax	-	439,987
Principal payments on Senior, Subordinate, COPS, and BAN	(312,265)	(310,380)
Bond proceeds	717,086	749,774
Bonds refunded	-	(125,917)
Interest payments	(386,559)	(382,059)
Net cash used in capital and related financing activities	(560,357)	(330,774)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross sales of short-term securities	6,908,174	5,167,325
Gross purchases of short-term securities	(7,918,555)	(5,224,056)
PMT bonds interest received on debt	45,910	-
PMT bonds principal received on debt	4,611	-
Transfer of PMT bond proceeds to MTAHQ	(2,082,257)	-
Net cash used in investing activities	(3,042,117)	(56,731)
NET (DECREASE)/INCREASE IN CASH	(290,007)	357,922
CASH—Beginning of year	507,271	149,349
CASH—End of year	$ 217,264	$ 507,271

(Continued)

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
($ in thousands)

	2021	2020
RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:		
Operating income	$ 1,542,747	$ 1,024,399
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation	201,356	180,064
On-behalf payments related to rent (Note 16)	(2,219)	(2,169)
GASB 68 pension expense adjustment	(45,917)	(5,245)
GASB 75 OPEB expense adjustment	61,350	31,969
Net (increase) decrease in receivables	(56,930)	12,278
Net increase in operating payables	3,548	14,010
Net increase in prepaid expenses	609	3,720
Net increase in accrued salary costs, vacation and insurance	8,113	3,645
Net increase (decrease) in unearned revenue	70,617	(18,261)
NET CASH FROM OPERATING ACTIVITIES	$ 1,783,274	$ 1,244,410
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital asset related liabilities	$ 61,498	$ 89,868
Interest expense includes amortization of net (premium)	$ (74,877)	$ (70,883)

See notes to financial statements.

(Concluded)

($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 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, 2021 and 2020, of $190,701 and $82,306, 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, 2021 and 2020, were as follows:

	2021	2020
Operating transfer	$1,037,035	$ 472,755
Investment income (excludes unrealized gain or loss)	94	763
	$1,037,129	$ 473,518

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, 2021:

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for fiscal years ending after December 15, 2021, with early application encouraged. 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.

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
87	*Leases*	2022
91	*Conduit Debt Obligations 2021*	2022
92	*Omnibus 2020*	2022
93	*Replacement of Interbank Offered Rates*	2022
94	*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*	2023
96	*Subscription-based information technology arrangements*	2023

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. As of October 1, 2017, all facilities were part of the open road tolling system. 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.

During 2021, Triborough Bridge and Tunnel Authority (“MTA Bridges and Tunnels”) had interest income on the Payroll Mobility Tax senior bonds that were received from MTA. The funding for PMT was received by MTA from Payroll Mobility Tax receipts. This income transferred to MTA Bridges and Tunnels from MTA to covered interest payment on the PMT senior bonds.

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

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

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

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, etc.) are reported as operating expenses. All other expenses (e.g. interest on long-term debt, 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, 2021 and December 31, 2020.

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. Capital leases are classified as capital assets in amounts equal to the lesser of the fair market value or the present value of net minimum lease payments at the inception of the lease. Accumulated depreciation and amortization are reported as reductions of fixed assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, 25 to 100 years for infrastructure, 10 years for open road tolling systems and equipment, and 25 years for open road tolling infrastructure. Capital lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less.

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

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

Net investment in Capital Assets

Capital assets, net of accumulated depreciation 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, 2021 and 2020, 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, 2021 and 2020, the Authority had expendable restricted net position related to (1) Debt Service of $176,772 and $126,676, (2) the Necessary Reconstruction Reserve of $647,316 and $620,970 and (3) Payroll Mobility Tax $782,104 and $0, respectively.

Unrestricted

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

Subsidies—Subsidies provided by MTA Bridges and Tunnels represent its operating transfer and investment income computed on an accrual basis. In 2021 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of $1,096,096.

Pension Plans—The Authority adopted the standards of 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 adopted the standards of 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. Unrestricted cash represents Mansion tax of $129,622 and Internet Tax of $74,059 for a total of $203,681.

Cash at December 31, 2021 and 2020 consists of the following:

	2021		2020	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	$ 250	$ 250	$ 250	$ 250
Collateralized deposits	217,014	216,796	507,021	506,829
	$ 217,264	$ 217,046	$ 507,271	$ 507,079

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, 2021 and 2020 (in thousands):

	December 31, 2021	Fair Value Measurements Level 1	Fair Value Measurements Level 2	December 31, 2020	Fair Value Measurements Level 1	Fair Value Measurements Level 2
Investments by fair value level:						
Debt securities:						
U.S. treasury securities	$ 1,427,700	$ 1,427,700	$ -	$390,711	$390,711	$ -
Commercial paper	-	-		44,669	-	44,669
Repurchase agreements	10,026	10,026	-	5,734	5,734	-
Total debt securities	1,437,726	1,437,726	-	441,114	396,445	44,669
Total investments by fair value level	1,437,726	$ 1,437,726	$ -	441,114	$396,445	$44,669
Total investments	$ 1,437,726			$441,114		

Investments classified as Level 1 of the fair value hierarchy, totaling $1,437,726 and $396,445 as of December 31, 2021 and 2020, 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 statement of net position.

Commercial paper totaling $0 and $44,669, as of December 31, 2021 and 2020, respectively, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by a third-party pricing service. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices and indices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from a third-party pricing service.

Investments available to pay operating and maintenance expenses, debt service and operating surplus transfers, at December 31, 2021 and 2020, are as follows (in thousands):

Investments	**2021**	**2020**
CURRENT:		
Restricted:		
Bond Proceeds Fund	$ 996,475	$ 179,315
Primarily Necessary Reconstruction Fund	30,310	29,830
Debt Service Fund	173,217	126,021
Cost of Issuance Fund	3,088	655
Total current—restricted	1,203,090	335,821
Total current—unrestricted	234,636	105,293
TOTAL—CURRENT	$ 1,437,726	$ 441,114

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 $234,636 and $105,293 in 2021 and 2020 in unrestricted investments respectively, and $1,203,090 and $335,821 in 2021 and 2020 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 0.063% to 0.151%, for the year ended December 31, 2021 and 0.078% to 1.534%, for the year ended December 31, 2020. The net unrealized gain on investments was $73 and $6 for the years ended December 31, 2021 and 2020, 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).

	December 31, 2021		December 31, 2020	
	Fair Value	Duration (In years)	Fair Value	Duration (In years)
U.S. Treasuries	$ 1,427,700	0.01	$ 390,711	0.10
Repurchase agreements	10,026	*	5,734	*
Commercial paper	-	*	44,669	*
Total fair value	1,437,726		441,114	
Modified duration	-	0.01	-	0.10
Total investments	$ 1,437,726		$ 441,114	

* Duration is less than a month

Credit Risk—At December 31, 2021 and 2020, 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, 2021	Percent of Portfolio	December 31, 2020	Percent of Portfolio
A-1	$ -	0 %	$ 44,669	10 %
Not Rated	10,026	1	5,734	1
U.S. Government	1,427,700	99	390,711	89
Total	1,437,726	100 %	441,114	100 %
Total investment	$ 1,437,726		$ 441,114	

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, 2021 were $372,582 for short-term unrestricted and $403,101 for short-term restricted. The amounts related to investment pool funds for the year ended December 31, 2020 were $369,405 for short-term unrestricted and $411,825 for short-term restricted.

6. CAPITAL ADDITIONS AND DELETIONS

Capital assets at December 31, 2021 and 2020 consisted of the following additions/reclassification and deletions/reclassifications (in thousands):

	Balance December 31, 2019	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2020	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2021
Capital assets not being depreciated:							
Land	$ 52,940	$ -	$ -	$ 52,940	$ -	$ -	$ 52,940
Construction in progress	504,273	768,927	600,068	673,132	563,792	377,131	859,793
Total capital assets not being depreciated	557,213	768,927	600,068	726,072	563,792	377,131	912,733
Capital assets being depreciated:							
Building—2 Broadway	81,972	-	-	81,972	-	-	81,972
Primary structures	3,807,405	165,618	-	3,973,023	194,667	-	4,167,690
Toll equipment	524	50	-	574	-	-	574
Buildings	670,842	13,704	-	684,546	8,218	-	692,764
Roadway	2,159,739	173,153	-	2,332,892	43,063	-	2,375,955
Property—Road and equipment	558,168	181,942	-	740,110	102,508	-	842,618
ORT systems and equipment	415,928	41,030	-	456,958	8,469	-	465,427
Other	238,825	24,764	-	263,589	5,733	-	269,322
Total capital assets being depreciated	7,933,403	600,261	-	8,533,664	362,658	-	8,896,322
Less accumulated depreciation:							
Building—2 Broadway	45,233	1,101	-	46,334	1,100	-	47,434
Primary structures	661,530	38,335	-	699,865	40,144	-	740,009
Toll equipment	18	13	-	31	14	-	45
Buildings	221,703	16,993	-	238,696	17,231	-	255,927
Roadway	602,567	76,948	-	679,515	80,879	-	760,394
Property—Road and equipment	37,447	16,401	-	53,848	19,983	-	73,831
ORT systems and equipment	45,816	21,541	-	67,357	22,871	-	90,228
Other	215,663	8,293	-	223,956	10,079	-	234,035
Total accumulated depreciation	1,829,977	179,625	-	2,009,602	192,301	-	2,201,903
Total capital assets being depreciated—Net of accumulated depreciation	6,103,426	420,636	-	6,524,062	170,357	-	6,694,419
Capital assets—Net	$6,660,639	$1,189,563	$600,068	$7,250,134	$ 734,149	$377,131	$7,607,152

In 2021 and 2020, capital asset additions included $21,640 and $20,725, respectively, of costs incurred by engineers working on capital projects. Upon the adoption of GASB Statement No. 89, there was no capitalized interest in 2021 and 2020.

7. EMPLOYEE BENEFITS

Plan Description

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

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

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

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

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

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

The Service Retirement benefits provided to Tier 1 participants fall into four categories according to the level of benefits provided and the years of service required. Three of the four categories provide annual benefits of 50% to 55% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.2% to 1.7%) of final salary. The fourth category has no minimum service requirement and instead provides an annual benefit for each year of service equal to a specified percentage (currently 0.7% to 1.53%) of final salary.

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

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

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

NYCERS provides automatic Cost-of-Living Adjustments (COLA), death benefits, accident, disability retirement benefits, and other supplemental pension benefits to certain retirees and beneficiaries. Members become fully vested as to benefits upon the completion of 5 or 10 years of service.

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

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

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

In general, Tier 1 and Tier 2 member contribution rates are dependent upon the employee's age at membership and retirement plan election. In general, Tier 3 and Tier 4 members make basic contributions of 3.0% of salary, regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members, except for certain Transit Authority employees enrolled in the Transit 20-Year Plan, are not required to make basic contributions after the 10th anniversary of their membership date or completion of ten years of credited service, whichever is earlier. In addition, members who meet certain eligibility requirements will receive one month's additional service credit for each completed year of service up to a maximum of two additional years of service credit. Effective December 2000, certain Transit Authority Tier 3 and Tier 4 members make basic member contributions of 2.0% of salary, in accordance with Chapter 10 of the Laws of 2000. Certain Tier 2, Tier 3 and Tier 4 members who are participants in special retirement plans are required to make additional member contributions of 1.85%, in addition to their base membership contribution. Tier 6 members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from service or retire.

MTA Bridges and Tunnels is required to contribute at an actuarially determined rate. MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2021 and December 31, 2020 were \$34,591 and \$40,790, respectively.

Net Pension Liability—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2021 and December 31, 2020 was measured as of June 30, 2021 and June 30, 2020, respectively. The total pension liability at December 31, 2021 and December 31, 2020 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2020 and June 30, 2019, 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:

	NYCERS	
Valuation Date:	**June 30, 2020**	**June 30, 2019**
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, 2021 and 2020 and is summarized as follows:

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

	NYCERS 2020	
Asset Class	**Target Asset Allocation**	**Long-Term Expected Real Rate of Return**
Public markets:		
U.S. public market equities	27.00 %	7.60 %
Developed public market equities	12.00	7.70
Emerging public market equities	5.00	10.60
Fixed income	30.50	3.10
Private markets (alternative investments):		
Private Equity	8.00	11.20
Private real estate	7.50	7.00
Infrastructure—	4.00	6.80
Opportunistic fixed income	6.00	6.50
	100 %	
Assumed inflation—mean		2.50 %
Long term expected rate of return		7.00 %

Discount Rate—The discount rate used to measure the total pension liability was 7.0% for the NYCERS plan as of June 30, 2021 and June 30, 2020. 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, 2021 and 2020, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

	2021	2020
	($ in millions)	
Bridges and Tunnels proportion of the net pension liability	0.933 %	1.212 %
Bridges and Tunnels proportionate share of the net pension liability	$ 59.82	$ 255.54

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, 2021 and 2020, relative to the contributions of all employers in the plan.

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

	June 30, 2021			June 30, 2020		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
		(In millions)			(In millions)	
Bridges and Tunnels proportionate share of the net pension liability	$ 156.97	$ 59.82	$ (22.60)	$ 382.04	$ 255.54	$ 148.79

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2021 and 2020, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

NYCERS	$ (11,273)	$ 35,492

For the years ended December 31, 2021 and 2020, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	2021	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
	(In millions)	
Differences between expected and actual experience	$ 15,356	$ 6,920
Changes in assumptions	55	7,422
Net difference between projected and actual earnings on pension plan investments	-	87,789
Proportionate share of contributions	7,593	57,194
Employer contribution to plan subsequent to the measurement date of net pension liability	35,428	-
Total	$ 58,432	$ 159,325

	2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
	(In millions)	
Differences between expected and actual experience	$ 25,740	$ 11,527
Changes in assumptions	108	7,569
Net difference between projected and actual earnings on pension plan investments	12,137	-
Proportionate share of contributions	-	5,857
Employer contribution to plan subsequent to the measurement date of net pension liability	36,337	-
Total	$ 74,322	$ 24,953

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.

	Recognition Period (in Years)		
Pension Plan	**Difference between Expected and Actual Experience**	**Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contribution**	**Changes in Actuarial Assumptions**
NYCERS	6.04	6.04	6.04

For the years ended December 31, 2021 and 2020, $35,428 and $36,337, 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 $35,428 will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2021, will be recognized as pension expense as follows (in millions):

Years Ending December 31	**Increase/(Decrease) in Pension Expense**
2022	$ (34,182)
2023	(33,288)
2024	(25,502)
2025	(33,178)
2026	(9,776)
Thereafter	(395)
Total	$ (136,321)

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 2021 and 2020.

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 year-ended December 31, 2021 and 2020, MTA Bridges and Tunnels paid $28,855 and $29,318, 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, 2020 and December 31, 2019, the measurement dates, are 2.12% and 2.74%, 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, 2020 and 2019, the employer made a cash payment for retiree healthcare of $2,495 and $3,782, 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	**2020 Retirees**	**2019 Retirees**
	(In thousands)	
Total blended premiums	$ 26,823	$ 25,532
Employment payment for retiree healthcare	2,495	3,782
Net payments	$ 29,318	$ 29,314

(2) Net OPEB Liability

At December 31, 2021 and 2020, MTA Bridges and Tunnels reported a net OPEB liability of $987,443 and $813,359, 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, 2020 and 2019, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2019, and rolled forward to December 31, 2020 and 2019, 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, 2021 and 2020, the MTA Bridges and Tunnels proportion was 4.05% and 3.85%, 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 are fair value based on quoted market prices or net asset value.

(*3) Actuarial Assumptions*

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

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

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

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

Salary Increases

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

Years of Employment	2021 Rate of Increase	2020 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 2019 utilizing the baseline assumptions included in the model, except inflation of 2.25% for medical and pharmacy benefits. Additional adjustments apply based on percentage of costs associated with administrative expenses, aging factors, healthcare reform provision including changes due to H.R. 1865 (December 2019), separately for NYSHIP. Long-term assumptions for dental and vision benefits increase are 3.5% plus Medicare Part B reimbursements 4.5%, but not more than projected medical and pharmacy trends.

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

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

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

	NYSHIP 2021		MTA Bridges and Tunnels 2020	
Fiscal Year	**< 65**	**>=65**	**< 65**	**>=65**
2020	6.80 %	5.90 %	6.20 %	3.70 %
2021	6.20	5.70	5.80	4.00
2022	5.70	5.40	5.50	4.60
2023	5.10	5.10	5.10	5.10
2024	5.00	5.00	5.00	5.00
2025	4.90	4.90	4.90	4.90
2026	4.80	4.80	4.80	4.80
2027	4.70	4.70	4.70	4.70
2028	4.60	4.60	4.60	4.60
2029	4.50	4.50	4.50	4.50
2039	4.60	4.60	4.60	4.60
2049	4.80	4.80	4.80	4.70
2059	4.50	4.50	4.50	4.50
2069	4.20	4.20	4.20	4.20
2079	3.80	3.80	3.80	3.80
2089	3.80	3.80	3.80	3.80
2099	3.80	3.80	3.80	3.80

For purposes of applying the Entry Age Normal Cost method, the healthcare trend prior to the valuation date are based on the ultimate rate, which is 3.8% 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, 2020 are as follow.

Asset Class	**Index**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
US cash	BAML 3-Mon Tbill	100.00 %	(0.54)%
Assumed Inflation - Mean			2.25 %
Assumed Inflation - Standard Deviation			1.65 %
Portfoli Nominal Mean return			1.73 %
Portfolio Standard Deviation			1.20 %
Long term expected rate of return selected by MTA			2.12 %

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, 2020 and 2019, of 2.12% and 2.74%, 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):

2021	**1% Decrease (1.12%)**	**Discount Rate (2.12%)**	**1% Increase (3.12%)**
Proportionate share of the net OPEB liability	$1,136.66	$ 987.44	$ 865.39

2020	**1% Decrease (1.74%)**	**Discount Rate (2.74%)**	**1% Increase (3.74%)**
Proportionate share of the net OPEB liability	$ 933.44	$ 813.40	$ 714.65

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):

2021	**1% Decrease**	**Healthcare Cost Current Trend Rate** *	**1% Increase**
Proportionate share of the net OPEB liability	$ 833.16	$ 987.44	$1,185.08

2020	**1% Decrease**	**Healthcare Cost Current Trend Rate** *	**1% Increase**
Proportionate share of the net OPEB liability	$ 694.59	$ 813.40	$ 963.75

* 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, 2021 and 2020, MTA Bridges and Tunnels recognized OPEB expense of $76,558 and $60,117, 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 an 8.1-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):

	December 31, 2021	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 7,804	$ (2,023)
Changes in assumptions	95,198	(43,299)
Net difference between projected and actual earnings on OPEB plan investments	2,449	
Changes in proportion and differences between contributions and proportionate share of contributions	41,330	(37,214)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	28,855	-
Total	$ 175,636	$ (82,536)

	December 31, 2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 8,680	$ (545)
Changes in assumptions	31,384	(50,597)
Net difference between projected and actual earnings on OPEB plan investments	-	(671)
Changes in proportion and differences between contributions and proportionate share of contributions	6,112	(43,314)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	29,318	-
Total	$ 75,494	$ (95,127)

At December 31, 2021 and 2020, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of $175,636, and $75,494, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment of $28,855 that will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2021, will be recognized in OPEB expense as follows (in thousands):

Years Ending December 31	
2022	$ 8,065
2023	8,278
2024	7,930
2025	5,679
2026	7,300
Thereafter	26,993
	$ 64,245

9. LONG-TERM DEBT

MTA Bridges and Tunnels issues long-term bonds to fund its own capital projects, as well as the Transportation Project, through the following three credits:

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

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

The following represents MTA Bridges and Tunnels' issuance of long-term debt in 2021:

- On January 21, 2021, MTA Bridges and Tunnels remarketed 2005B-2 of $187,200 from a daily mode to a weekly mode. The irrevocable direct-pay letter of credit issued by Citibank, N.A was replaced by irrevocable direct-pay letter of credit with State Street Bank and Trust Company.
- On February 01, 2021, MTA Bridges and Tunnels remarked 2005B-4A of $104,700 from term rate mode bearing interest at a variable interest rate equal to the adjusted LIBOR rate to the term rate mode bearing at a variable rate based on the SOFR index.
- On March 31, 2021, MTA Bridges and Tunnels issued $400,000 General Revenue Bonds, Series 2021A to finance bridge and tunnel projects.
- On May 5, 2021, MTA Bridges and Tunnels issued $1,238,210 PMT BOND 2021A to retire MTA Bond 2018B-2 and 2015X. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On June 10, 2021, MTA Bridges and Tunnels issued $192,835 Second Subordinate BAN, Series 2021A to finance CBDTP project.
- On August 31, 2021, MTA Bridges and Tunnels issued $369,195 PMT BOND 2021B to retire MTA BAN 2018C-2. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On September 30, 2021, MTA Bridges and Tunnels issued $856,585, PMT BOND to retire MTA Bond 2011C-D, 2015D-1 and 2016B, plus finance MTA projects. This bond is not for the benefit of MTA Bridges and Tunnels capital projects.
- On October 27, 2021, MTA Bridges and Tunnels remarked 2002F of $111,175 from variable interest rate to fixed rate mode.
- On October 27, 2021, MTA Bridges and Tunnels remarked 2008B-2 of $53,005 from variable interest rate to fixed rate mode .

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2021 and 2020, is comprised of the following (in thousands):

	2021	2020
Senior Revenue Bonds (Notes 10)	$ 8,681,913	$ 8,503,101
PMT Bonds (Note 10)	$ 2,863,787	-
Subordinate Revenue Bonds (Note 11)	688,320	767,303
CBD BAN (Note 12)	225,658	-
Total long-term debt—net of premiums and discounts	$ 12,459,678	$ 9,270,404

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.

Resolution	Series	Provider	Exp. Date
TBTA General Revenue	2001C	State Street	June 26, 2023
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 17, 2025
TBTA General Revenue	2005A	Barcleys Bank	January 24, 2024
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	State Street	June 26, 2023
TBTA General Revenue	2005B-4c	U.S. Bank National Assoc.	May 26, 2022
TBTA General Revenue	TBTA 2018E Taxable	Bank of America, N.A.	December 12, 2022

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, 2021, 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, 2021 and 2020, 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.

	2021	2020
	(In millions)	
MTA Bridges and Tunnels:		
General Purpose Revenue Bonds	$458	$539
Special Obligation Subordinate Bonds	59	74
Total	$517	$613

MTA Bridges and Tunnels had no refunding transactions that resulted in any increased against aggregate debt service payments in 2021 and 2020.

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

	December 31, 2019	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2020	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2021
TBTA:							
General Revenue Bonds	$ 192	$ -	$ (17)	$ 175	$ -	$ (21)	$ 154
Subordinate Revenue Bond	29	-	(4)	25	-	(3)	22
	221	-	(21)	200	-	(24)	176
Total	$ 221	$ -	$ (21)	$ 200	$ -	$ (24)	$ 176

10. DEBT—SENIOR REVENUE/PMT BONDS

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

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

Senior Revenue Bonds at December 31, 2020, consist of the following (in thousands):

	Original Issuance	December 31, 2019	Issued	Principal Repayments	December 31, 2020
Series 2001B&C, 4.10%–5.25%	$ 296,400	$ 101,475	$ -	$ 6,105	$ 95,370
Series 2002F	246,480	154,095	-	9,260	144,835
Series 2003B	250,000	162,490	-	16,265	146,225
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	567,900	-	3,000	564,900
Series 2008B	252,230	166,770	-	-	166,770
Series 2009A-1	150,000	65,050	-	2,350	62,700
Series 2009B - BAB	200,000	200,000	-	-	200,000
Series 2010A-1	66,560	8,105	-	8,105	-
Series 2010A-2 - BAB	280,400	280,400	-	-	280,400
Series 2011A	609,430	72,810	-	23,130	49,680
Series 2012A	231,490	167,055	-	5,010	162,045
Series 2012B	1,353,055	989,810	-	110,705	879,105
Series 2013B	257,195	216,830	-	36,280	180,550
Series 2013C	200,000	145,955	-	4,125	141,830
Series 2014A	250,000	191,085	-	4,975	186,110
Series 2015A	225,000	192,950	-	3,190	189,760
Series 2015B	65,000	60,240	-	1,335	58,905
Series 2016A	541,240	505,575	-	7,545	498,030
Series 2017A	300,000	300,000	-	-	300,000
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	-	720,990
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	125,000	98,985	125,000	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
	$ 9,855,680	7,781,865	623,985	366,380	8,039,470
Add net unamortized bond (discount) and premium		642,755	129,151	67,860	704,046
		$ 8,424,620	$ 753,136	$ 434,240	$ 8,743,516

Debt Service Requirements Senior Revenue:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2022	$ 245,270	$ 367,779	$ 613,049
2023	267,340	356,614	623,954
2024	301,330	343,003	644,333
2025	312,360	329,598	641,958
2026	342,235	314,607	656,842
2027–2031	1,997,125	1,308,374	3,305,499
2032–2036	1,458,185	934,882	2,393,067
2037–2041	1,165,710	634,540	1,800,250
2042–2046	961,270	394,695	1,355,965
2047–2051	721,680	172,925	894,605
2052-2056	391,875	45,635	437,510
	$ 8,164,380	$ 5,202,652	$ 13,367,032

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

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

Debt Service Requirements PMT:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2022	$ 8,360	$ 95,671	$ 104,031
2023	26,730	94,794	121,524
2024	1,285	94,094	95,379
2025	15,965	93,663	109,628
2026	11,530	92,975	104,505
2027–2031	30,375	458,346	488,721
2032–2036	254,725	439,791	694,516
2037–2041	341,685	393,964	735,649
2042–2046	604,040	315,935	919,975
2047–2051	1,027,545	151,340	1,178,885
2052-2056	141,750	16,776	158,526
	$ 2,463,990	$ 2,247,349	$ 4,711,339

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

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

Subordinate Revenue Bonds at December 31, 2020, consist of the following (in thousands):

	Original Issuance	December 31, 2019	Addition/ Retirements during 2020	December 31, 2020
Series 2002E	$ 756,095	$ 70,585	$ (34,505)	$ 36,080
Series 2013A	761,599	728,415	(7,770)	720,645
Series 2013D	313,975	137,370	(26,725)	110,645
	$ 1,831,669	936,370	(69,000)	867,370
Add net unamortized bond (discount) and premium		(25,194)	(3,023)	(28,217)
		$ 911,176	$ (72,023)	$ 839,153

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2022	$ 76,325	$ 26,823	$ 103,148
2023	81,115	23,330	104,445
2024	74,060	19,596	93,656
2025	78,070	16,014	94,084
2026	63,460	12,210	75,670
2027–2031	360,475	19,940	380,415
2032–2036	62,015	468	62,483
	$ 795,520	$ 118,381	$ 913,901

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, 2020	Issued	Principal Repayments & Retirements During 2021	December 31, 2021
Series 2021A	$ -	$ 192,835	$ -	$ 192,835
Add net unamortized bond premium	-	37,553	4,730	32,823
	$ -	$ 230,388	$ 4,730	$ 225,658

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2022	$ -	$ 9,642	$ 9,642
2023	-	9,642	9,642
2024	-	9,642	9,642
2025	192,835	9,642	202,477
	$ 192,835	$ 38,568	$ 231,403

13. GASB 53—DERIVATIVE INSTRUMENTS

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

For the year ended December 31, 2020, the MTA Bridges and Tunnels is reporting loss, derivative instrument liabilities and deferred outflows from derivative instruments in the amounts of $3,250, $201,846 and $215,376, respectively. The loss of $3,250 is related to swaps on MTA bonds which is offset by a gain of $3,250 reflected in other operating income. Also recognized in the same period are derivative instrument assets of $3,487.

GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments
Summary Information as of December 31, 2021

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2021 (In millions)	Fair Values as of 12/31/2021 (In millions)
Investment Swap	MTA Transportation Revenue Bond	2002G-1	Pay-Fixed Swap	N/A	N/A	4/21/2016	$ 81.065	$ (4.482)
	MTA Transportation Revenue Bond	2011B	Pay-Fixed Swap	N/A	N/A	4/21/2016	91.135	(13.305)
Hedging Swaps	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed swap	Cash flow	Dollard Offset	6/2/2005	187.200	(30.789)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed swap	Cash flow	Synthetic Instrument	4/21/2016	19.775	(2.043)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed swap	Cash flow	Synthetic Instrument	6/2/2005	561.600	(92.368)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed swap	Cash flow	Synthetic Instrument	4/21/2016	9.000	(0.963)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2021, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2020, are as follows (in millions):

(In Millions)	Changes In Fair Value		Fair Value at December 31, 2021		Notional Amount
	Classification	Amount	Classification	Amount	
Government Activities					
Cash Flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	$(45.445)		$(126.163)	$ 777.575
Investment swap— pay-fixed interest rate swaps	Investment income	8.965		(17.787)	172.200

The summary above reflects a total number of four (4) 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. LEASE TRANSACTION

2 Broadway—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 sub lessee, will rent, an office building at 2 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 $1.2 billion. 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, 2021, for the MTA New York City Transit, MTA Bridges and Tunnels and MTA (including MTA Bus, MTA Capital Construction Company and MTA Business Service Center) were 49.8%, 7.4% and 42.8%, respectively. MTA Bridges and Tunnels' sublease is for a year-to-year term, automatically extended, except upon the giving of a nonextension notice by MTA.

The lease is comprised of both operating and capital elements, with the portion of the lease attributable to the land recorded as an operating lease, and the portion of the lease attributable to the building recorded as a capital lease. MTA Bridges and Tunnels has recorded capital lease assets using the net present value, and using a borrowing rate of 9.11%, and has reflected a capital lease obligation as of December 31, 2021 and 2020, of $59,704 and $58,725, respectively.

MTA pays the lease payments on behalf of MTA Bridges and Tunnels and subsequently makes monthly chargebacks in the form of rental payments. During 2021, the total of the rental payments charged to MTA Bridges and Tunnels was $2,219 less than the lease payment made by MTA on behalf of MTA Bridges and Tunnels.

Total net obligations under all capital leases as of December 31, 2021 and 2020, are as follows (in thousands):

	2021	**2020**
Beginning of the year	$ 58,725	$ 57,828
Additions	979	897
End of year	$ 59,704	$ 58,725

The adjusted capital lease for the building is being amortized over the remaining life of the lease. The cost of the building and related accumulated amortization at December 31, 2021 and 2020, is as follows (in thousands):

	2021	**2020**
Capital lease—building	$ 81,865	$ 81,865
Less accumulated amortization	(47,434)	(46,333)
Capital lease—building—net	$ 34,431	$ 35,532

Net minimum capital and operating lease payments are as follows (in thousands):

Years Ending December 31	Capital Aggregate Lease Payments	Operating Aggregate Lease Payments
2022	$ 4,371	$ 2,405
2023	4,371	2,405
2024	5,008	2,405
2025	5,008	2,405
2026	5,008	2,405
2027–2031	29,018	12,026
2032–2036	35,216	12,026
2037–2041	39,990	12,026
2042–2046	44,197	12,026
2047–2049	13,779	3,608
Minimum future lease payments	185,966	63,737
Amount representing interest	(126,262)	-
Present value of capital lease obligations	$ 59,704	$ 63,737

Total accumulated depreciation under capital leases was approximately $47,434 and $46,333 in 2021 and 2020, respectively.

Rental amount incurred during 2021 and 2020 were $186 and $235, respectively.

15. RISK MANAGEMENT

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

MTA Bridges and Tunnels is self-insured up to $3.2 million per occurrence for liability arising from injuries to persons, excluding employees. MTA Bridges and Tunnels is self-insured for work related injuries to employees and for damage to third party property. MTA Bridges and Tunnels provides reserves to cover the self-insured portion of these claims, including a reserve for claims incurred but not reported. The annual cost arising from injuries to employees and damage to third-party property is included in “Retirement & other employee benefits” and “Insurance” in the accompanying statements of revenues, expenses and changes in net position.

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, as of December 31, 2021 and 2020, is as follows (in thousands):

	2021	2020
Balance—beginning of year	$ 55,908	$ 58,555
Activity during the year:		
Current year claims and changes in estimates	5,582	3,173
Claims paid	(5,600)	(5,820)
Balance—end of year	55,890	55,908
Less current portion	(6,741)	(7,325)
Long-term liability	$ 49,149	$ 48,583

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, 2021, the balance of the assets in this program was $192.7 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, 2021, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2021, 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. The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

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

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

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

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

16. COMMITMENTS AND CONTINGENCIES

At December 31, 2021 and 2020, MTA Bridges and Tunnels had unused standby letters of credit, relative to insurance, amounting to $1.81 million and $2.71 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, 2021, $6,907 million has been committed to MTA Bridges and Tunnels Capital Program.

17. SWAP AGREEMENTS

Swap Agreements Relating to Synthetic Fixed Rate Debt—Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future 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, 2021).

MTA Bridges and Tunnels Senior Lien Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2021 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2021 (In millions)	Swap Termination Date	Counterparty
Series 2018E [7]	$ 187.200	07/07/05	3.076 %	67% of one-month LIBOR [1]	$ (30.789)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e [1]	561.600	07/07/05	3.076	67% of one-month LIBOR [1]	(92.368)	01/01/32	33% each— JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	$ 748.800				$ (123.157)		

MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2021 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2021 (In millions)	Swap Termination Date	Counterparty
Series 2005A	$ 19.775	04/01/16	3.09 %	Lesser of Actual Bond or 67% of one-month LIBOR	$ (2.043)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C [6]	9.000	04/01/16	3.52	67% of one-month LIBOR [1]	(0.963)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	$ 28.775				$ (3.006)		

(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, 2021:

	Ratings of the Counterparty or its Credit Support Provider		
Counterparty	**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, 2021 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	$ 187,200	$ 187,200
TBTA 2005B-3	187,200	187,200
TBTA 2005B-2 (a,b,c)	187,200	187,200
TBTA 2005A	102,070	19,775
TBTA 2003B (1,2,3)	137,320	51,995
TBTA 2018E	148,470	135,205
TBTA 2001C	89,025	9,000
2002G-1	81,065	81,065
2011B	99,560	91,135
Total	$ 1,219,110	$ 949,775

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, 2021, 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	Notional Amount (In thousands)	% of Total Notional Amount
JPMorgan Chase Bank, NA	$ 187,200	19.70 %
UBS AG	187,200	19.70
Citibank, N.A.	187,200	19.70
BNP Paribas North America, Inc.	187,200	19.70
U.S. Bank National Association	100,487	10.58
Wells Fargo Bank, N.A.	100,488	10.62
Total	$ 949,775	100.00 %

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:

Associated Bond Issue	**Bond Maturity Date**	**Swap Termination Date**
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, 2035	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)

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, 2021, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was $143,949; 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.; Citibank, N.A.; JPMorgan Chase Bank, NA;	Baa1/BBB+: $30 million Baa2/BBB: $15 million Baa3/BBB- & below: Zero	A3/A-: $10 million Baa1/BBB+ & below: Zero

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

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

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

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

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

MTA Bridges and Tunnels

Years Ending December 31	Variable-Rate Bonds Principal	Variable-Rate Bonds Interest	Net Swap Payments	Total
		(In millions)		
2022	$ 27.6	$ 34.9	$ (6.8)	$ 55.7
2023	28.6	33.8	(6.8)	55.6
2024	57.2	31.5	(6.4)	82.3
2025	30.4	30.3	(6.4)	54.3
2026	31.5	29.1	(6.4)	54.2
2027–2031	543.0	95.3	(22.8)	615.5
2032–2036	184.1	3.0	(0.1)	187.0
2037–2041	-	1.0	-	1.0

18. RELATED PARTY TRANSACTIONS

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

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

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

During 2021, Triborough Bridge and Tunnel Authority issued bonds backed by payroll mobility tax revenues. The proceeds of these bonds are sent to MTA for the capital needs of New York City Transit and Commuter Rails. The debt service costs associated with these bonds are collected by MTA from New York state and sent to Triborough Bridge and Tunnel Authority, which are then used to pay the bond holders. The total loan receivable for PMT as of December 31, 2021 is $2.09 billion.

Due from/to MTA and affiliated agencies consists of the following at December 31, 2021 and 2020 (in thousands):

	2021		2020	
	Receivable	(Payable)	Receivable	(Payable)
Due from (due to) MTA	$ 10,225	$ (508,824)	$ 10,110	$ (446,903)
Loan receivable due from (due to) MTA	2,088,314	-	-	(17,017)
Due from (due to) affiliated agencies	-	(86,213)	-	(31,137)
	$2,098,539	$ (595,037)	$ 10,110	$ (495,057)

19. NOVEL CORNAVIRUS (COVID-19)

On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, was first detected in China, and has since spread globally, including to the United States and to New York State. On March 7, 2020, Governor Cuomo declared a Disaster Emergency in the State of New York. On March 13, 2020, President Trump declared a national state of emergency as a result of the COVID-19 pandemic. By order of Governor Cuomo ("New York State on PAUSE"), effective March 22, 2020, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. The PAUSE order was lifted on May 15, 2020 for five New York regions that met the requirements to start opening. However, a new order was signed by Governor Cuomo on May 15, 2020 extending the PAUSE to June 13, 2020 for New York City, Long Island, and the Hudson Valley. The impact of social distancing and subsequent State governmental orders limiting non-essential activities caused by the COVID-19 pandemic resulted in a sharp decline in the utilization of MTA services, dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues. A significant development has been the impact of COVID-19 vaccinations on the MTA region. Capacity restrictions on restaurants, bars, event venues and businesses put in place due to COVID-19 were mostly removed on May 19, 2021, and all remaining restrictions were eliminated on June 15, 2021 after the State reached its goal of 70% of adults receiving at least a first dose of the vaccine. Traffic crossings at MTA Bridges and Tunnels facilities are nearly at pre-pandemic levels.

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

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF")—Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA directly placed with the MLF $450.72 million Transportation Revenue BANs, Series 2020B, which were issued to retire existing Transportation Revenue BANs maturing on September 1, 2020. MTA issued into the MLF a second time by directly placing $2.907 billion Payroll Mobility Tax BANs issued for working capital on December 17, 2020. The MTA expects to issue long-term bonds in 2023 to repay the MLF loan.

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

Federal Emergency Management Agency ("FEMA") Reimbursement—The MTA is eligible for FEMA payments which are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. An estimated $651.7 million of direct COVID-19-related expenses incurred from the start of the pandemic through December 31, 2021, was submitted by MTA to the New York State Department of Budget (DOB), which is the agency managing Covid-19 related expense reimbursement from FEMA.

Commercial Bank Lines of Credit—As part of the MTA's liquidity resources, the MTA has three available commercial lines of credit totaling $2.150 billion, two of which are taxable revolving credit agreements and one of which is a taxable term credit agreement. The agreements were entered into pursuant to the Transportation Revenue Anticipation Note Resolution, amended and restated through May 20, 2020. Draws under the credit agreements will be evidenced by revenue anticipation notes.

- On August 24, 2017, MTA entered into a taxable revolving credit agreement with JPMorgan Chase Bank, National Association that is active through August 24, 2022, and is for a total available credit of $800 million.
- On August 24, 2019, MTA entered into a taxable revolving credit agreement with Bank of America, National Association that is active through August 24, 2022, and was amended on April 6, 2020, increasing the line of credit to $400 million.
- On May 22, 2020, MTA entered into a taxable credit agreement with JPMorgan Chase Bank, National Association, as administrative agent, and Industrial and Commercial Bank of China Limited, New York Branch, and Bank of China, New York Branch, collectively as lenders, for a line of credit of $950 million with a commitment termination date of May 22, 2022.

To provide liquidity, MTA drew on its commercial bank lines of credit in 2020 in the amount of $476 million; the lines of credit are expected to be repaid in 2022.

20. SUBSEQUENT EVENTS

On January 19, 2022, MTA effectuated a mandatory tender and remarketed $96,335 of Triborough Bridge and Tunnel Authority General Revenue Variable Rate Bonds, Subseries 2003B-1 because the irrevocable direct-pay Letter of Credit ("LOC") issued by Bank of America, N.A. was expiring by its terms. The LOC associated with Subseries 2003B-1 was replaced with an irrevocable direct-pay LOC issued by U.S. Bank National Association.

On February 10, 2022, MTA issued $592,680 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2022A.The Series 2022A Bonds were issued to (i) retire MTA outstanding Dedicated Tax Fund Bond Anticipation Notes 2019a (DTF 2019A BAND), and pay certain financing, legal, and miscellaneous expenses.

On April 5, 2022, MTA has a forward delivery (anticipated August 2022 delivery) refunding of 1.000 billion of Triborough Bridge and Tunnel authority Payroll Mobility Tax Senior Lien Bonds, Series 2022B. The series 2022B Bonds were issued to retire MTA outstanding bonds; 2002D-1 and 2012C,D,F,H and pay certain financing, legal and miscellaneous expenses.

On May 5, 2022, MTA issued $927,950 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Senior Lien Bonds, Series 2022C.The Series 2021C Bonds were issued to (i) retire MTA outstanding Transportation Revenue Bond Anticipation Notes 2019B, and pay certain financing, legal, and miscellaneous expenses.

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REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 34,591	$ 40,790	$ 48,538	$ 38,697	$ 41,272	$ 44,609	$ 41,812	$ 33,023	$ 33,461	$ 36,183
Contributions in relation to the contractually required contribution	34,591	40,790	48,538	38,697	41,272	44,609	41,812	33,023	33,461	36,183
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$119,482	$126,895	$164,110	$133,494	$144,992	$137,900	$150,652	$167,988	$132,095	$128,184
Contributions as a percentage of covered-employee payroll	28.95 %	32.14 %	29.58 %	28.99 %	28.47 %	32.35 %	27.75 %	19.66 %	25.33 %	28.23 %

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, 2020 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2020 fund valuation.

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

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

Plan Measurement Date (December 31):	**2020**	**2019**	**2018**	**2017**
MTA Bridges and Tunnels proportion of the net OPEB liability	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate share of the net OPEB liability	$ 987.443	$ 813.359	$ 801.555	$ 823.748
MTA Bridges and Tunnels covered payroll	$ 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	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	0 %	1.93 %	1.76 %	1.79 %

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

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

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

	2021	2020	2019	2018
Actuarially determined contribution	N/A	N/A	N/A	N/A
Actual employer contribution [1]	$ 28,855	$ 29,318	$ 29,314	$ 28,291
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
Covered payroll	$119,482	$126,895	$164,110	$133,494
Actual contribution as a percentage of covered payroll	24.15 %	23.10 %	17.86 %	21.19 %

[1] Actual employer contribution includes the implicit rate of subsidy adjustment of $1,290, $2,495, $3,782, and $3,650 for the years ended December 31, 2021, 2020, 2019, and 2018, 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, 2019	July 1, 2019	July 1, 2018
Measurement date	December 31, 2020	December 31, 2019	December 31, 2018
Discount rate	2.12%—net of expenses	2.74%—net of expenses	4.10%—net of expenses
Inflation	2.25%	2.50%	2.50%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.50%	4.50%
Investment rate of return	2.12%	5.75%	6.50%

Changes of Benefit Terms—In the July 1, 2019 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions—In the July 1, 2019actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB 75 guidance and changed to reflect the current municipal bond rate.

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