

Triborough Bridge and Tunnel Authority

(Component Unit of the Metropolitan
Transportation Authority)

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Required Supplementary Information, and
Independent Auditor's Report

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

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1–2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3–16
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023:	
Statements of Net Position	17–18
Statements of Revenues, Expenses and Changes in Net Position	19–20
Statements of Cash Flows	21–22
Notes to Financial Statements	23–80
REQUIRED SUPPLEMENTARY INFORMATION:	80
Schedule of the Authority's Proportionate Share of Net Pension Liability in the New York City Employees' Retirement System	81
Schedule of the Authority's Contributions to the New York City Employees' Retirement System	82
Schedule of the Authority's Proportionate Share of the Net OPEB Liability in the MTA OPEB Plan	83
Schedule of the Authority's Contributions to the MTA OPEB Plan	84-85

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, 2024 and 2023, 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, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, effective January 1, 2023 the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, *Compensated Absences*, using the retrospective approach. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of the Authority's Proportionate Share of Net Pension Liability in the New York City Employees' Retirement System, Schedule of the Authority's Contributions to the New York City Employees' Retirement System, Schedule of the Authority's Proportionate Share of Net OPEB Liability in the MTA OPEB Plan, and Schedule of the Authority's Contributions to the MTA OPEB Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Deloitte Touche LLP
June 17, 2025

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEARS ENDED DECEMBER 31, 2024 AND 2023

(\$ in thousands, except as noted)

OVERVIEW OF THE FINANCIAL STATEMENTS

Introduction

The following is a narrative overview and analysis of the financial activities of Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels" or "Authority") for the years ended December 31, 2024 and 2023. 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

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

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

Required Supplementary Information

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

FINANCIAL REPORTING ENTITY

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

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

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

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

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

CONDENSED FINANCIAL INFORMATION

The following sections will discuss the significant changes in MTA Bridges and Tunnels' financial position for the years ended December 31, 2024 and 2023. Additionally, an examination of major economic factors and industry trends that have contributed to these changes is provided. It should be noted that for purposes of the MD&A, summaries of the financial statements and the various exhibits presented are in conformity with MTA Bridges and Tunnels' financial statements, which are presented in accordance with accounting principles generally accepted in the United States of America.

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

Capital assets include, but are not limited to: bridges, structures, tunnels, construction of buildings and the acquisition of buses, equipment, passenger cars, locomotives, and right-to-use assets for leases on buildings, office spaces, storage spaces, equipment and vehicles. Intangible right-to-use assets for subscription-based information technology arrangements (SBITAs).

Other assets include, but are not limited to: cash, restricted and unrestricted investments, receivables and prepaid expenses. This also includes the receivable from applicable leases of MTA Bridges and Tunnels garage spaces and bridges and tunnels easement rights to third parties.

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

(In thousands)

Assets and Deferred Outflows of Resources	As of December 31,			Increase/(Decrease)	
	2024	2023	2022	2024-2023	2023-2022
Current Assets	\$ 3,213,958	\$ 3,591,230	\$ 3,266,605	\$ (377,272)	\$ 324,625
Capital Assets—Net	8,311,139	7,966,767	7,794,878	344,372	171,889
Other Assets	11,400,973	10,233,151	7,877,044	1,167,822	2,356,107
Deferred Outflows of Resources	<u>476,661</u>	<u>413,508</u>	<u>463,696</u>	<u>63,153</u>	<u>(50,188)</u>
Total Assets and Deferred Outflows of Resources	<u>\$23,402,731</u>	<u>\$22,204,656</u>	<u>\$19,402,223</u>	<u>\$ 1,198,075</u>	<u>\$2,802,433</u>

Significant Changes in Assets and Deferred Outflows of Resources

December 31, 2024 versus 2023:

Total assets and deferred outflows of resources increased by \$1,198,075 for the year ended December 31, 2024.

Current assets decreased by \$377,272 primarily due to a decrease in the loan receivable from MTA of \$1,299,460, an increase in the allowance of doubtful accounts of \$42,996, a decrease in Due from MTA Bus of \$5,785, a decrease in Due from MTA of \$2,034, a decrease in Due from Transit of \$ 1,925 and a decrease in prepaid expenses of \$464. The decrease was offset by the increase in restricted investments of \$624,976, cash increased by \$190,703, interest receivable also increased by \$44,355, increase in unrestricted investments of \$44,091, accounts receivable of \$33,923, restricted invested funds at MTA of \$31,269, and invested funds at MTA—unrestricted of \$6,012.

Capital assets, net, increased \$344,372 for the year ended December 31, 2024. This was primarily due to increases in primary structures of \$122,482, roadway of \$172,243, PIP of \$117,247, CBDTP cameras of \$141,521, CBDTP structures of \$212,281, MTA 5yr capital program accrual of \$27,743 and buildings of \$14,579, property road and equipment of \$3,347. These increases in assets were offset by accumulated depreciation and amortization of \$233,878 and CBDTP PIP of \$234,035. Refer to Note 6 for further details.

Other assets increased by \$1,167,822 for the year ended December 31, 2024. This was primarily due to an increase in the loan receivable relating to MTA Payroll Mobility Tax (PMT) bonds of \$1,145,734 and MTA premium of \$100,889; offset by a decrease in noncurrent portion of unrestricted investments of \$77,545, lease receivable of \$1,237, and derivative instruments of \$19.

Deferred outflows of resources increased by \$63,153. This was due to decreases in deferred financing costs of \$11,416, change in fair market value of derivative instruments of \$15,779 and decrease in the deferred outflows related to pension of \$9,181 resulting from changes in the proportionate share of the net pension liability of New York City Employees Retirement System ("NYCERS"). These decreases were offset by increases in the deferred outflows of resources related to OPEB of \$99,529.

December 31, 2023 versus 2022:

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

Current assets increased by \$324,625 primarily due to an increase in the loan receivable from MTA of \$1,359,100 and unrestricted investments of \$117,549, accounts receivable of \$115,183, restricted invested funds at MTA of \$59,422; invested funds at MTA – unrestricted of \$16,524; offset by a decrease in restricted investments of \$1,224,034 and an increase in the allowance of doubtful accounts of \$126,961.

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

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

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

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

Current liabilities include: accounts payable, accrued expenses, current portions of long-term debt, pollution remediation liabilities, unredeemed fares and tolls, current portion of long-term lease liabilities and other current liabilities. This also includes the current portion of compensated absences as a result of the implementation of GASB Statement No. 101, *Compensated Absences*.

Non-current liabilities include: long-term debt, claims for injuries to persons, post-employment benefits, long-term lease liabilities and other non-current liabilities. This also includes the long-term portion of compensated absences liability as a result of the implementation of GASB Statement No. 101.

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

Total Liabilities and Deferred Inflows of Resources	As of December 31,			Increase/(Decrease)	
	2024	2023*	2022	2024-2023	2023-2022
Current Liabilities	\$ 2,052,051	\$ 2,908,349	\$ 1,252,423	\$ (856,298)	\$1,655,926
Noncurrent Liabilities	25,703,483	22,947,917	20,687,389	2,755,566	2,260,528
Deferred Inflow of Resources	<u>416,884</u>	<u>320,083</u>	<u>234,942</u>	<u>96,801</u>	<u>85,141</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$28,172,418</u>	<u>\$26,176,349</u>	<u>\$22,174,754</u>	<u>\$ 1,996,069</u>	<u>\$4,001,595</u>

* As discussed in Note 2 to the financial statements, effective January 1, 2023 the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences, using the retrospective approach.

Significant Changes in Liabilities and Deferred Inflows of Resources

December 31, 2024 versus 2023:

Total liabilities and deferred inflows of resources increased by \$1,996,069 for the year ended December 31, 2024.

Current liabilities decreased by \$856,298 for the year ended December 31, 2024. This was primarily due to a decrease in due to long-term debt currently due of \$834,385 for net PMT bonds, CBDTP Ban of \$378,835, Senior and Subordinate bonds of \$84,225, unearned toll revenues decreased by \$44,307, decrease in surplus paid to NYCTA of \$9,738, decrease in surplus paid to MTA of \$8,868, a decrease in due from MTA Bus of \$6,758, accounts payable decreased by \$6,523, payable to MTA decreased by \$5,577, Sales Tax bonds of \$2,015 and a decrease of short-term compensated absences of \$482. These decreases were primarily offset by the following increases: capital accruals of \$31,074, other unearned revenue of \$23,767 due to fund being set aside by MTA to pay future interest payable on selected PMT bonds; interest payable of \$3,637, the current portion of claims payable of \$1,157 and accrued salaries of \$675.

Non-current liabilities increased by \$2,755,566 for the year ended December 31, 2024. This was mainly due to the increase in long-term debt obligations of \$2,782,236 for issuance of net Sales Tax and PMT bonds. Net pension liability increased by \$2,247 and the change in fair value of derivative increased by \$1,409. These increases were offset by the following: a decrease in derivative instruments by \$17,207 for senior and subordinate bond; and decrease of OPEB liability of \$12,760 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71.

Deferred inflows of resources increased by \$96,801. This was mainly attributable to an increase of \$124,975 related to OPEB as a result of change in the discount rate due to increases in the Bond Buyer Index, partially offset by increases in healthcare trend assumptions; offset by a decrease of \$26,970 related to pensions primarily on changes in the projected versus actual plan investment earnings and a decrease of \$1,204 in the amortization of deferred inflows of resources for leases.

December 31, 2023 versus 2022:

Total liabilities and deferred inflows of resources increased by \$4,001,595 for the year ended December 31, 2023.

Current liabilities increased by \$1,655,926 for the year ended December 31, 2023. This was primarily due to an increase in reclassification of long-term debt obligations from noncurrent to current of \$1,310,020; an increase in other unearned revenue of \$190,396 this increase in unearned revenue was due to fund being set aside by MTA to pay future interest payable on selected PMT bonds which \$158,092 is classified as long term unrestricted; unearned toll revenues increased by \$50,125; increase in surplus paid to NYCTA of \$18,560, increase in surplus paid to MTA of \$22,973 and an increase in due from MTA Bus of \$7,075. In addition, accounts payable increased by \$26,365; interest payable increased by \$44,025 and capital accruals increased by \$29,305. These increases were primarily offset by the following decreases: accrued salaries of \$34,020, payable to MTA of \$4,532, compensated absences decreased by \$3,910 and the current portion of claims payable of \$459.

Non-current liabilities increased by \$2,260,528 for the year ended December 31, 2023. This was mainly due to the increase in long-term debt obligations of \$2,289,075 for issuance of net Sales Tax bonds of \$1,239,076 and PMT bonds of \$1,233,269. Compensated absences increased by \$25,687 in accordance with GASB Statement No. 101 (Refer to Footnote 2). These increases were offset by the following: a decrease in senior and subordinate bonds of \$183,271; OPEB liability of \$35,999 primarily due to the change in proportionate share and difference in employer contributions based upon the most current actuarial valuation report in accordance with GASB Statement No. 71; and decrease in net pension liability of \$23,534.

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

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

(In thousands)

Net Position	As of December 31,			Increase/(Decrease)	
	2024	2023*	2022	2024-2023	2023-2022
Net investment in capital assets	\$ 2,205,971	\$ 2,014,666	\$ 2,105,369	\$ 191,305	\$ (90,703)
Restricted	1,901,460	1,245,040	2,409,990	656,420	(1,164,950)
Unrestricted	<u>(8,877,118)</u>	<u>(7,231,399)</u>	<u>(7,287,890)</u>	<u>(1,645,719)</u>	<u>56,491</u>
Total net position	<u><u>\$(4,769,687)</u></u>	<u><u>\$(3,971,693)</u></u>	<u><u>\$(2,772,531)</u></u>	<u><u>\$ (797,994)</u></u>	<u><u>\$(1,199,162)</u></u>

* As discussed in Note 2 to the financial statements, effective January 1, 2023 the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences, using the retrospective approach.

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

and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation, otherwise it is reported as unrestricted. In 2023, the total net position was restated and decreased by \$21,439 due to the implementation of GASB Statement No. 101. Refer to Note 2 for additional information.

Significant Changes in Net Position

December 31, 2024 versus 2023:

In 2024, the total net position decreased by \$797,994. This was due to operating income of \$1,827,004, non-operating income of \$184,063, relief of MTA transfers in of \$146,277 and offset by transfers out to MTA and NYCTA for operating surplus of 1,423,408, Sales Tax bond proceeds transfer of \$1,389,564 and internet and mansion tax transfers of \$142,366.

December 31, 2023 versus 2022:

In 2023, the total net position decreased by \$1,199,162. This was due to operating income of \$1,732,845, non-operating income of \$265,836, relief of MTA transfers in of \$202,935 and offset by transfers out to MTA and NYCTA for operating surplus of \$1,289,102, Sales Tax bond proceeds transfer of \$1,517,688 and internet and mansion tax transfers of \$593,988.

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

	Years Ended December 31,			Increase/(Decrease)	
	2024	2023 *	2022	2024-2023	2023-2022
Operating revenues	\$ 2,598,458	\$ 2,446,842	\$ 2,356,751	\$ 151,616	\$ 90,091
Operating expenses	<u>(771,454)</u>	<u>(693,971)</u>	<u>(670,174)</u>	<u>(77,483)</u>	<u>(23,797)</u>
Operating income	1,827,004	1,752,871	1,686,577	74,133	66,294
Nonoperating revenue, net excluding transfers	<u>184,063</u>	<u>265,836</u>	<u>497,117</u>	<u>(81,773)</u>	<u>(231,281)</u>
Income before transfers	2,011,067	2,018,707	2,183,694	(7,640)	(164,987)
Transfers in—MTA	146,277	202,935	372,656	(56,658)	(169,721)
Transfers out	<u>(2,955,338)</u>	<u>(3,400,778)</u>	<u>(2,691,576)</u>	<u>445,440</u>	<u>(709,202)</u>
Changes in net position	(797,994)	(1,179,136)	(135,226)	381,142	(1,043,910)
Net position - Beginning of the Year (as previously reported)	<u>(3,971,693)</u>	<u>(2,772,531)</u>	<u>(2,637,305)</u>	<u>(1,199,162)</u>	<u>(135,226)</u>
Restatement due to the adoption of GASB No. 101	<u>-</u>	<u>(20,026)</u>	<u>-</u>	<u>20,026</u>	<u>(20,026)</u>
Net position—End of year	<u><u>\$ (4,769,687)</u></u>	<u><u>\$ (3,971,693)</u></u>	<u><u>\$ (2,772,531)</u></u>	<u><u>\$ (797,994)</u></u>	<u><u>\$ (1,199,162)</u></u>

* As discussed in Note 2 to the financial statements, effective January 1, 2023 the MTA adopted Governmental Accounting Standards Board ("GASB") Statement No. 101, Compensated Absences, using the retrospective approach.

Operating Revenues

For the year ended December 31, 2024, the operating revenues increased by \$151,616 as compared to December 31, 2023. Total crossings in 2024 were 337.2 million versus 335.1 million in 2023, an increase of 0.7%. See "Overall Financial Position and Results of Operations and Important Economic Conditions" below.

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

Revenue by Major Source

MTA Bridges and Tunnels tolls accounted for 98.9% and 98.9% of operating revenues in 2024 and 2023, 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 \$2,572,261 and \$2,418,755 for the years ended December 31, 2024 and December 31, 2023, respectively.

Operating Expenses

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2024, as compared to the prior year by \$77,483. This was primarily due to the increases in maintenance and other operating contracts of \$31,288 mainly due to major maintenance and painting projects; depreciation and amortization expense of \$12,806; retirement and other benefits of \$12,407, salaries and wages of \$10,465, credit card fees of \$4,959, other expenses of \$4,560, professional service contracts by \$2,874 and materials and supplies of \$2,049. These increases were offset by a decrease in insurance of \$5,396.

Operating expenses, including depreciation and amortization, increased for the year ended December 31, 2023, as compared to the prior year by \$23,797. This was primarily due to the increases in maintenance and other operating contracts of \$5,033 mainly due to major maintenance and painting projects; depreciation and amortization expense of \$19,855; insurance of \$4,428, and retirement and other benefits of \$4,120, salaries and wages of \$731 and other expenses of \$1,596. These increases were offset by a decrease in OPEB expense of \$5,530 and a decrease in professional service contracts by \$2,861, and credit card fees of \$1,243.

Non-Operating Revenues (Expenses)

Net non-operating revenues decreased by \$81,773 for the year ended December 31, 2024. This was mainly due to decreases in the following: interest expense of \$161,790 for the new PMT interest income on senior bonds, and premium/discount due to reimbursement for interest expense from MTA and mansion tax of \$18,082. This was offset by an increase in interest income on PMT of \$84,828, investment income of \$9,842 and internet revenue of \$3,627.

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

\$167,825; and investment income of \$9,727. This was offset by an increase in interest income on PMT of \$172,949.

OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS AND IMPORTANT ECONOMIC CONDITIONS

Economic Conditions/Results of Operations

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

Preliminary MTA system-wide ridership for fourth quarter 2024 remained below the pre-pandemic level, with paid ridership down 182 million trips (-39.0%) below 2019 fourth quarter ridership. The fourth quarter 2024 rose above paid ridership during the fourth quarter of 2023 by 32 million (7.4%). Paid vehicle traffic at Triborough Bridge and Tunnel Authority ("TBTA") d/b/a MTA Bridges and Tunnels ("B&T") facilities for the fourth quarter of 2024 was above 2019 levels by 2.8 million crossings (3.3%), and B&T traffic in the fourth quarter, compared with the fourth quarter of 2023, was up 257 thousand crossings (0.3%).

MTA Central Business District Tolling Program ("CBDTP") was established by New York State legislation in 2019 to both manage traffic congestion in Manhattan and be implemented in a manner that achieves a minimum \$15 billion of funding for the projects identified in MTA's 2020-2024 Capital Program, and any additional revenues above that amount to be available for any successor program. On June 5, 2024, several weeks before CBDTP's scheduled start, Governor Hochul announced a pause of its implementation. Then on November 14, 2024, Governor Hochul announced a proposal to proceed with CBDTP, but with the toll rates that had been adopted by the TBTA Board in March 2024 phased-in over several years (the "Phase-In Approach"). Under this approach, CBDTP tolls will be implemented in three steps, culminating with the rates set in the March 2024 adopted toll structure. The interim steps will have tolls for each vehicle class and time of day, as well as tunnel crossing credits, proportionally reduced from the corresponding values in the March 2024 adopted toll structure. The proportional reductions will result in values for Phase 1 (2025, 2026, and 2027) equaling 60% of the corresponding values for the March 2024 adopted toll structure. For Phase 2 (2028, 2029, and 2030), the tolls and credits would equal 80% of the March 2024 adopted toll structure values. The March 2024 adopted toll structure values would come into full effect in 2031. On November 18, 2024, the TBTA Board formally adopted the Phase-In Approach. Following the execution of an agreement under the Value Pricing Pilot Program by FHWA and the Project Sponsors, TBTA began collecting CBDTP tolls on January 5, 2025.

Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 86.7 thousand jobs (1.8%). On a quarter-to-quarter basis, New York City employment gained 16.5 thousand jobs (0.3%), the eighteenth consecutive quarterly increase. These increases were preceded by the steep decline of 880.5 thousand jobs (18.8%) during the second quarter of 2020. Seasonally adjusted non-agricultural employment in New York City for the fourth quarter was higher in 2024 than in 2023 by 260.0 thousand jobs (1.85%). On a quarter-to-quarter basis, New York City employment gained 592.3 thousand jobs (4.2%)

National economic growth, as measured by Real Gross Domestic Product ("RGDP"), increased at an annualized rate of 2.3% in the fourth quarter of 2024, according to the most recent estimate released by the Bureau of Economic Analysis; in the third quarter of 2024, the revised RGDP increased 3. [DK1] 1 percent. The increase in real GDP in the fourth quarter primarily reflected increases in consumer spending and government spending that were partly offset by a decrease in investment. Imports, which are a subtraction in the calculation of GDP,

decreased. The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care. Within goods, the leading contributors to the increase were recreational goods and vehicles as well as motor vehicles and parts. The increase in government spending reflected increases in local, state and federal government spending. Real GDP increased 2.8 percent in 2024 (from the 2023 annual level to the 2024 annual level), compared with an increase of 2.9 percent in 2023. The increase in real GDP in 2024 reflected increases in consumer spending, investment, government spending, and exports; conversely, increases in imports had a dampening impact on real GDP.

The New York City metropolitan area's price inflation rate, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U"), was higher than the national average in the fourth quarter of 2024, with the metropolitan area index increasing 3.8% while the national index increased 1.6% when compared with the fourth quarter of 2023. Regional prices for energy products increased 0.6% while national prices for energy products fell 2.9%. In the metropolitan area, the CPI-U exclusive of energy products increased by 4.4%, while nationally, inflation exclusive of energy products increased 3.2%. The New York Harbor spot price for conventional gasoline decreased by 10.6% from an average price of \$2.35 per gallon to an average price of \$2.10 per gallon between the fourth quarters of 2023 and 2024.

In its announcement on January 29, 2025, the Federal Open Market Committee ("FOMC") maintained its target for the Federal Funds rate at the 4.25% to 4.50% range. The Federal Funds rate target had been in the 0.00% to 0.25% range from March 15, 2020 through March 16, 2022, when the FOMC increased the target to the 0.25% to 0.50% range. The target was further increased to the 0.75% to 1.00% range on May 4, 2022, to the 1.50% to 1.75% range on June 15, 2022, to the 2.25% to 2.50% range on July 27, 2022, to the 3.00% to 3.25% range on September 21, 2022, to the 3.75% to 4.00% range on November 2, 2022, to the 4.25% to 4.50% range on December 14, 2022, to the 4.5% to 4.75% range on February 1, 2023, to the 5.00% to 5.25% range on May 3, 2023, to 5.25% to 5.50% range on July 26, 2023, decreased the range to 4.75% to 5% on September 18, 2024, decreased the range to 4.5% to 4.75% range on November 7, 2024, and most recently decreased the range to 4.25% to 4.5% on December 18, 2024. In assessing the appropriate stance of monetary policy, the FOMC will continue to monitor the implications of incoming information for 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 goals. The FOMC assesses a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

MRT collections in the fourth quarter of 2024 were higher than the fourth quarter of 2023 by \$11.9 million (14.5%). Average monthly receipts in the fourth quarter of 2024 were \$31.0 million (-55.2%) lower than the monthly average for 2006, just prior to the steep decline in Mortgage Recording Tax revenues during the Great Recession. MTA's Urban Tax receipts during the fourth quarter of 2024—which are derived from commercial real estate transactions and mortgage recording activity within New York City and can vary significantly from quarter to quarter based on the timing of exceptionally high-priced transactions—were \$24.8million (32.0%) higher than receipts during the fourth quarter of 2023. Average monthly receipts in the third quarter of 2024 were \$42 million (-57.2%) lower than the monthly average for 2007, just prior to the steep decline in Urban Tax revenues during the Great Recession.

Two key economic factors that have statistically significant relationships to changes in traffic volumes are regional non-farm employment and inflation (CPI-U). Based on data from the U.S. Bureau of Labor Statistics, regional employment 2024 and 2023 increased by 1.6% and 2.5%, respectively. Inflation was 3.82% in 2023 and decreased slightly to 3.79% in 2024.

2024 was the highest traffic year for B&T, with 337.2 million paid crossings. This was an increase of 0.6% for the 335.1 million paid crossings in 2023. In addition to the rebounded traffic volumes, the 2024 toll increase resulted in toll revenue for 2024 to total \$2,583.8 million, which was \$165.0 million, or 6.8% higher than 2023.

E-ZPass electronic toll collection system continued to facilitate management of high traffic volumes. E-ZPass market share decreased slightly overall, with a slight decrease in Passenger Vehicles market share and a slight increase in Commercial vehicles market share from 2023 to 2024.

	2024	2023	2022
Total	93.1 %	93.6 %	95.1 %
Average weekday	93.5	93.9	95.6
Passenger vehicles	93.2	93.8	95.4
Commercial vehicles	96.1	95.8	97.1
Average weekend	92.3	92.8	94.2

SIGNIFICANT CAPITAL ASSET ACTIVITY

Capital Program

MTA Bridges and Tunnels' facilities are all in a state of good repair. MTA Bridges and Tunnels' portion of the MTA's Capital Program for 2020-2024 totals \$2,821,227 (this excludes \$503,000 for CBDTP discussed below) for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2024 were \$3,504,296 bringing the total commitment under the five-year plan to \$1,650,546. The MTA conducted two relocations from B&T 2020-24 capital program worth a combined \$1,514,223 to fund the consultant for the MTA's Agency-wide Small Business Mentoring Program.

MTA Bridge and Tunnels' portion of the MTA's Capital Program for 2015-2019 totals \$2,670,149 for normal replacement and system improvement projects. The commitments made during the fourth quarter of 2024 were \$565 leaving the total commitments under the five-year plan at \$2,467,812. All originally planned major projects in the 2015-2019 program have been committed. A \$42M project, funded from unused reserves was added to the program during October 2024 plan amendment to support a major service life extension project at the Verrazzano-Narrows Bridge (VNB). In addition, a \$40 million program reduction was implemented via program amendment in October 2024 as a result of favorable bid savings and unused project contingencies, allowing these budget reserves to be returned to MTA.

MTA Bridges and Tunnels' portion of the Capital Program for 2010-2014 totals \$1,971,892 for normal replacement and system improvement projects (Excluding Sandy Capital Program). There were no commitments made during the fourth quarter of 2024 and the total commitments under the five-year plan currently stand at \$1,939,789. All major projects in this program have now been fully committed. In addition, a \$50 million program reduction was implemented via program amendment in October 2024 as a result of favorable bid savings and unused project contingencies, allowing these budget reserves to be returned to the MTA.

MTA Bridges and Tunnels' portion of the Capital Program for 2005-2009 totals \$1,126,736 for normal replacement and system improvement projects. There were no commitments made during the fourth quarter of 2024. The total commitments under the five-year plan are \$1,114,595 and this program is now fully committed.

Approximately 76% of the projected expenditures in the 2020-2024 Capital Program will be incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. Other major projects in the 2020-2024 Capital Program include the Dyckman Street substation upgrade at the Henry

Hudson Bridge, lighting and power redundancy and resiliency improvements at the Bronx-Whitestone Bridge, tower elevator replacement at the Marine Parkway Bridge, rehabilitation of the substructure of the Cross Bay Bridge, and the rehabilitation/replacement of the facility monitoring and safety systems at the Queens Midtown Tunnel and Hugh Carey Tunnel.

Approximately 63% of the projected expenditures in the 2015-2019 Capital Program have been incurred at three facilities: The Robert F. Kennedy Bridge, the Throgs Neck Bridge, and the Verrazano-Narrows Bridge. All major projects in the 2015-19 program have been completed.

Approximately 64% of the 2010-2014 Capital Program expenditures have been incurred at three facilities: the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, and the Verrazano-Narrows Bridge. All major projects from the 2010-2014 program have been completed.

Approximately 63% of the expenditures in the 2005-2009 Capital Program have been incurred at three facilities: the Verrazano-Narrows Bridge, the Robert F. Kennedy Bridge, and the Bronx-Whitestone Bridge. All major projects from the 2005-2009 program have been completed.

MTA Bridges and Tunnels' portion of the MTA's Capital Program for Sandy Restoration and Resiliency totals \$680,334 of which \$526,911 is for facility restoration and \$153,423 is for facility mitigation projects. A program reduction to remove nearly \$65 million in unused program reserves was conducted at the end of the first quarter of 2023. A further \$20 million in unused program reserves was released to MTA through an amendment in October 2024.

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

On April 11, 2019, as part of the Fiscal Year 2020 New York State Budget, legislation was signed into law authorizing the Triborough Bridge and Tunnel Authority (TBTA) to implement the nation's first-ever Central Business District Tolling Program (CBDTP). The planning, design, construction, operations, and maintenance of the CBDTP has primarily been the responsibility of TBTA though it has also required the involvement of various other regional and federal 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 representing the total capital budget established to support the design, development, and implementation of the CBDTP. Key components include program and construction management; design, construction, and integration of the toll technology system and infrastructure; development of Customer Service Center 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 designed, built, and will operate and maintain the tolling system and related infrastructure. On November 14, 2024, after a brief pause, TBTA began working towards a January 5, 2025, go-live date. Subsequently, work progressed with \$0 in additional commitments made during the fourth quarter of 2024. The total commitments are \$409,692 to date, which is unchanged from the third quarter of 2024 commitment. On January 5, 2025, at just past midnight, the Central Business District Tolling Program began revenue operations.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

MTA Bridges and Tunnels Infrastructure Losses from Sandy

Based on preliminary assessments by MTA Bridges and Tunnels staff and independent engineers, the estimated capital cost of repairs, mostly for damage to the tunnels, was \$778 million. The estimated cost of repairs was revised by (\$157 million) from \$778 million to \$621 million during the 2017 second quarter. All resiliency work committed before 2019 has been completed and contracts are in place to operate and maintain protection features, such as the flood prevention doors at the tunnels. There were four additional Sandy Resiliency Projects that were added to the Sandy Capital Program in 2019. The first was initiated in 2019 (total value of \$35.1M) and two additional projects were initiated in 2021 (total value \$3.3M) and were both completed in May 2023. Finally, one small project (total value approximately \$8.3M) to address additional identified resiliency needs at the Bronx-Whitestone Bridge was awarded in late 2022 and is planned for completion in 2026.

On April 16, 2014, FEMA entered into an agreement with MTA, under the Public Assistance Alternative Procedures Pilot Program, to provide approximately \$329 million in FEMA funding for repairs and \$745 million in FEMA funding for hazard mitigation of the damaged elements of the Hugh L. Carey Tunnel and the Queens Midtown Tunnel. To date, MTA Bridges and Tunnels has received \$368.241 million from FEMA for restoration and hazard mitigation funding at all of its facilities, of which \$338 million was for the two tunnels for which reimbursement is now complete.

MTA has received all its FEMA reimbursements, FEMA has approved grants for operating budget expenses for emergency measures, debris removal, repair, and resiliency for the MTA Bridges and Tunnels' bridge facilities and the MTA has received \$10.444 million to date which is included in the amount described above. Accounting for reimbursement from FEMA and insurance proceeds, the net out-of-pocket cost to the MTA for the entire Superstorm Sandy Program will be less than \$307M.

Ridership and Traffic Update

2024 was the highest traffic year ever for TBTA, 0.6% greater than 2023 traffic crossings, and 3.3% greater than 2022.

Verrazzano-Narrows Bridge (VNB) Rebate Programs

The cost of the 2023-2024 (covering the period April 2023 through March 2024) VNB Rebate Programs totaled \$33 million. The rebates for Staten Island Residents were \$26.1 million and the rebates for the VNB Commercial Rebate Program were \$7.2 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was \$26 million (\$23.2 million Resident Program and \$2.8 million Commercial Program) and the MTA contribution was \$7.0 million (\$3.5 million Resident Program and \$3.5 million Commercial Program).

The projected annualized cost of the 2024-2025 (covering the period April 2024 through March 2025) VNB Rebate Programs is expected to total \$35.9 million. The rebates for Staten Island Residents are estimated to be \$28.3 million and the rebates for the VNB Commercial Rebate Program are estimated to be \$7.5 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution was \$26 million (\$23.0 million Resident Program and \$3.0 million Commercial Program) and the MTA contribution was \$7 million (\$3.5 million Resident Program and \$3.5 million

Commercial Program). An additional \$6.4 million was deposited from the Outer Borough Transportation Account to fund the State Island Resident Program to help offset the August 2023 toll increase.

The projected annualized cost of the 2025-2026 (covering the period April 2025 through March 2026) VNB Rebate Programs is expected to total \$45.5 million. The rebates for Staten Island Residents are estimated to be \$37.5 million and the rebates for the VNB Commercial Rebate Program are estimated to be \$8 million. These programs were funded by the State and MTA, with the State's contribution provided by appropriations to MTA. The State's contribution is projected to be \$26 million (\$22 million Resident Program and \$4 million Commercial Program) and the MTA contribution was \$7 million (\$3.5 million Resident Program and \$3.5 million Commercial Program). Additional funding from the OBTA can be made available depending on need and funding from the State.

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 2025-2026 VNB Rebate Programs, net of offsets, will be insufficient to fund the 2025-2026 VNB 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 2025-2025 VNB Rebate Programs are fully depleted at any time during the 2024-2025 VNB Rebate Programs annual period, the 2025-2026 VNB 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 VNB.

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

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

CONTACTING MTA CONTROLLER'S OFFICE

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

* * * * *

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

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(\$ In thousands)

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash—unrestricted (Note 3)	\$ 200,021	\$ 9,318
Unrestricted investments (Notes 4 and 5)	385,809	341,718
Restricted investments (Notes 4 and 5)	1,402,959	777,983
Invested funds at MTA—unrestricted (Note 5)	399,741	393,729
Invested funds at MTA—restricted (Note 5)	498,664	467,395
Accrued interest receivable	86,348	41,993
Accounts receivable	667,683	633,760
Less allowance for doubtful accounts	(527,708)	(484,712)
Lease receivable as lessor (Note 14)	1,237	1,174
Due from MTA BUS (Note 19)	-	5,785
Due from NYCTA (Note 19)	-	1,925
Due from MTA (Note 19)	183	2,217
Loan receivable from MTA (Note 19)	91,265	1,390,725
Prepaid expenses	7,756	8,220
Total current assets	<u>3,213,958</u>	<u>3,591,230</u>
NON-CURRENT ASSETS:		
Capital assets (Note 6)		
Land and construction work-in-progress	479,464	568,404
Other capital assets (net of accumulated depreciation)	<u>7,831,675</u>	<u>7,398,363</u>
Total capital assets—(net of accumulated depreciation and amortization)	8,311,139	7,966,767
Unrestricted investments (Notes 4 and 5)	80,547	158,092
Lease receivable as lessor (noncurrent) (Note 14)	10,365	11,602
Due From MTA (Note 19)	11,306,826	10,060,203
Derivative instruments assets (Note 13)	<u>3,235</u>	<u>3,254</u>
Total non-current assets	<u>19,712,112</u>	<u>18,199,918</u>
TOTAL ASSETS	<u>22,926,070</u>	<u>21,791,148</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Related to pensions (Note 7)	64,343	73,524
Related to other post-employment benefits (Note 8)	292,757	193,228
Accumulated decreases in fair value of derivative instruments (Note 13)	55,579	71,358
Loss on refunding debt	<u>63,982</u>	<u>75,398</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>476,661</u>	<u>413,508</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 23,402,731</u></u>	<u><u>\$ 22,204,656</u></u>

(Continued)

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

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(\$ in thousands)

	2024	2023
LIABILITIES, DEFERRED OUTFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable and Accrued Expenses	\$ 128,421	\$ 134,944
Accrued expenses:		
Interest	149,556	145,919
Capital Accrual	92,049	60,975
Payable to MTA (Note 19)	33,379	38,956
Payable to NYCTA (Note 19)	58	38
Accrued salaries	2,735	2,060
Current Portion - Compensated Absences	<u>13,886</u>	<u>14,368</u>
Total accrued expenses	291,663	262,316
Long-term debt (Notes 9 to 12)	855,715	1,690,100
Subscription-based IT Arrangements	154	144
Estimated liability from injuries to persons (Note 16)	5,572	4,415
Due to NYCTA—operating surplus (Note 1 and 19)	91,317	101,055
Due to MTA (Note 1 and 19)	117,397	126,265
Due to MTA Bus (Note 19)	317	7,075
Other unearned revenue	266,670	242,903
Unearned tolls revenue (includes \$74,979 and \$105,881 in 2024 and 2023, respectively, due to other toll agencies)	<u>294,825</u>	<u>339,132</u>
Total current liabilities	<u>2,052,051</u>	<u>2,908,349</u>
NON-CURRENT LIABILITIES:		
Estimated liability arising from injuries to persons (Note 16)	56,060	55,741
Net OPEB liability (Note 8)	859,352	872,112
Compensated Absences (Note 20)	24,734	25,687
Long-term debt (Notes 9 to 12)	24,471,890	21,689,654
Net Pension Liability (Note 7)	146,120	143,873
Derivative instrument liabilities (Note 13)	16,805	34,012
Due to MTA—change in fair value of derivative (Note 13 and 18)	42,009	40,600
Lease Payable, as lessee (Note 14)	86,323	85,894
Subscription-based IT arrangements payable (Note 15)	<u>190</u>	<u>344</u>
Total non-current liabilities	<u>25,703,483</u>	<u>22,947,917</u>
TOTAL LIABILITIES	<u>27,755,534</u>	<u>25,856,266</u>
DEFERRED INFLOWS OF RESOURCES:		
Related to pensions (Note 7)	26,113	53,083
Related to OPEB	380,280	255,305
Related to Leases	<u>10,491</u>	<u>11,695</u>
Total Deferred Inflows of Resources	<u>416,884</u>	<u>320,083</u>
NET POSITION:		
Net investment in capital assets	2,205,971	2,014,666
Restricted	1,901,460	1,245,040
Unrestricted	<u>(8,877,118)</u>	<u>(7,231,399)</u>
Total net position	<u>(4,769,687)</u>	<u>(3,971,693)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 23,402,731</u></u>	<u><u>\$ 22,204,656</u></u>

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(\$ In thousands)

	2024	2023
OPERATING REVENUES:		
Bridges and tunnels	\$ 2,572,261	\$ 2,418,755
Building rentals and fees	25,193	24,664
Other income	1,004	3,423
Total operating revenues	<u>2,598,458</u>	<u>2,446,842</u>
OPERATING EXPENSES:		
Salaries and wages	129,694	119,229
Retirement and other employee benefits	68,363	55,956
Post employment benefits other than pensions	49,811	49,208
Electric power	4,504	3,673
Fuel	2,196	2,159
Insurance	12,806	18,202
Maintenance and other operating contracts	181,492	150,204
Professional service contracts	14,749	11,875
Materials and supplies	4,974	2,925
Depreciation and amortization	239,106	226,300
Credit Card Fees	41,789	36,830
Other	21,970	17,410
Total operating expenses	<u>771,454</u>	<u>693,971</u>
Asset impairment and related expenses—(Note 10) net of estimated and probable insurance recoveries		
OPERATING INCOME	<u>1,827,004</u>	<u>1,752,871</u>
NON-OPERATING REVENUES (EXPENSES):		
Build America Bonds subsidy	6,917	7,690
Interest expense	(916,010)	(754,220)
Interest expense—SBITA	(14)	(20)
Interest expense—leases	(7,843)	(7,775)
Interest income on PMT	422,328	337,500
Change in fair value of derivative financial instruments (Note 13)	1,409	829
Change in fair value of derivative due to MTA	(1,409)	(829)
Internet revenue tax	332,514	328,887
Mansion revenue tax	327,171	345,253
Investment Income	13,630	3,788
Other non-operating revenue	5,370	4,733
Total non-operating revenue—net	<u>184,063</u>	<u>265,836</u>
INCOME BEFORE TRANSFERS	<u>2,011,067</u>	<u>2,018,707</u>
TRANSFERS IN—MTA	146,277	202,935

(Continued)

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
AS OF DECEMBER 31, 2024 AND 2023
(\$ In thousands)

	2024	2023
TRANSFERS OUT (Note 1):		
New York City Transit Authority	\$ (679,095)	\$ (604,535)
Metropolitan Transportation Authority	(744,313)	(684,567)
Sales Tax bond proceeds transfers	(1,389,564)	(1,517,688)
Internet and mansion transfers	<u>(142,366)</u>	<u>(593,988)</u>
	<u>(2,955,338)</u>	<u>(3,400,778)</u>
CHANGE IN NET POSITION	(797,994)	(1,179,136)
NET POSITION—Beginning of year	<u>(3,971,693)</u>	<u>(2,772,531)</u>
Restatement of beginning net position due to adoption of GASB No. 101	<u>-</u>	<u>(20,026)</u>
NET POSITION—End of year	<u><u>\$ (4,769,687)</u></u>	<u><u>\$ (3,971,693)</u></u>

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(\$ in thousands)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Tolls collected	\$ 2,548,464	\$ 2,482,787
Building rentals and fees received	24,564	26,218
Payroll and related fringe benefits	(230,352)	(255,762)
Other operating expenses	(344,576)	(184,826)
Net cash provided by operating activities	<u>1,998,100</u>	<u>2,068,417</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfer internet & mansion revenue to MTA	(142,366)	(593,988)
Internet & mansion tax revenue	656,025	673,950
Proceeds from PMT bonds	2,167,031	2,723,900
PMT loan interest paid on debt	(615,617)	(367,270)
PMT loan principal paid on debt	(650,845)	(31,625)
Proceeds from Sales Tax Bonds	1,788,316	1,235,185
Transfers of proceeds of sales tax bond to MTAHQ	(1,389,564)	(1,522,588)
Sales Tax Bonds interest paid on debt	(153,328)	(62,757)
PMT prepaid interest payable on debt		267,716
Subsidies paid to affiliated agencies	(1,453,263)	(1,259,941)
Net cash provided in noncapital financing activities	<u>206,389</u>	<u>1,062,582</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Payment for capital assets	(398,624)	(341,085)
Principal payments on Senior, Subordinate, and BAN	(299,375)	(282,000)
Bond proceeds	967,494	1,337,498
Bond refunded	(439,361)	(1,065,947)
Receipts from leases	1,605	1,863
Payments of leases & SBIT arrangements	(2,504)	(2,204)
Interest payments	(399,597)	(369,513)
Net cash used in capital and related financing activities	<u>(570,362)</u>	<u>(721,388)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross sales of short-term securities	18,797,000	11,688,757
Gross purchases of short-term securities	(18,193,322)	(11,233,969)
PMT bonds interest received on debt	336,697	348,332
PMT bonds principal received on debt	274,144	49,118
Transfer of PMT bond proceeds to MTAHQ	(2,657,943)	(3,261,569)
Net cash used in investing activities	<u>(1,443,424)</u>	<u>(2,409,331)</u>
NET (DECREASE)/INCREASE IN CASH	190,703	280
CASH—Beginning of year	<u>9,318</u>	<u>9,038</u>
CASH—End of year	<u>\$ 200,021</u>	<u>\$ 9,318</u>

(Continued)

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(\$ in thousands)

	2024	2023
RECONCILIATION OF OPERATING INCOME TO NET CASH OPERATING ACTIVITIES:		
Operating income	\$ 1,827,004	\$ 1,752,871
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	239,106	226,300
On-behalf payments related to rent (Note 14)	(7,474)	(7,383)
GASB 68 pension expense adjustment	(11,646)	(17,709)
GASB 75 OPEB expense adjustment	12,686	14,865
Net (increase) decrease in receivables	(20,649)	(566)
Net increase in operating payables	(8,711)	78,726
Net (decrease) in prepaid expenses	(3,432)	(296)
Net (decrease) in accrued salary costs, vacation and insurance	15,523	(28,516)
Net increase in unearned revenue	(44,307)	50,125
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 1,998,100</u>	<u>\$ 2,068,417</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital assets related liabilities	\$ 156,838	\$ 147,120
Contributed capital assets	45,655	489,949
Interest expense for leases	7,857	7,795
Interest income from leases	368	392
TOTAL NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 210,718</u>	<u>\$ 645,256</u>
INTEREST EXPENSE INCLUDES AMORTIZATION OF NET (PREMIUM)	<u>\$ 65,246</u>	<u>\$ 65,153</u>

See notes to financial statements.

(Concluded)

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(Component Unit of the Metropolitan Transportation Authority)

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(\$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 have certain rights typically associated with separate legal status including the ability to issue debt. However, MTA Bridges and Tunnels is included in the MTA’s consolidated financial statements as a blended component unit because of the MTA’s financial accountability and MTA Bridges and Tunnels is under the direction of the MTA Board (a reference to “MTA Board” means the board of MTA and/or the boards of the MTA Bridges and Tunnels and other MTA component units that apply in the specific context, all of which are comprised of the same persons). Under accounting principles generally accepted in the United States of America (“GAAP”), the MTA is required to include MTA Bridges and Tunnels in its consolidated financial statements.

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

All Authority toll facilities operate E-ZPass in conjunction with a regional electronic toll collection system. MTA Bridges and Tunnels’ annual net earnings before depreciation and amortization and other adjustments (“operating transfer”) are transferred to the New York City Transit Authority (“TA”) and the MTA pursuant to provisions of the Act. In addition, MTA Bridges and Tunnels annually transfers its unrestricted investment income to the MTA. The operating transfer and the investment income transfer can be used to fund operating expenses or capital projects. The TA receives \$24,000 plus 50% of MTA Bridges and Tunnels’ remaining annual operating transfer, as adjusted, to reflect certain debt service transactions and the MTA receives the balance of the operating transfer, as adjusted, to reflect certain debt service transactions, plus the annual unrestricted investment income. Transfers are made during the year. The remaining amount due at December 31, 2024 and 2023, of \$208,715 and \$227,320, 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, 2024 and 2023, were as follows:

	2024	2023
Operating transfer	\$ 1,423,408	\$ 1,289,101
Investment income (excludes unrealized gain or loss)	<u>11,250</u>	<u>12,369</u>
	<u>\$ 1,434,658</u>	<u>\$ 1,301,470</u>

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

New Accounting Standards Adopted—The MTA Bridges and Tunnels adopted the following GASB Statements for the year ended December 31, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 (“GASB 100”) was issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

The adoption of GASB 100 is reflected as part of the adoption of GASB Statement No. 101 discussed below.

GASB Statement No. 101, *Compensated Absences* (“GASB 101”) was issued in June 2022. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The MTA Bridges and Tunnels evaluated the requirements under GASB 101, and adopted this Statement for the year ended December 31, 2024, and applied the retroactive effect of this adoption by the recognition and measurement of compensated absences as of January 1, 2023. Net position as of and for the year ended December 31, 2023, was restated and decreased by \$21,439.

The following schedule summarizes the net effect of adopting GASB Statement No. 101 in the Consolidated Statement of Net Position as of December 31, 2023 (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	As Restated
Balance as of			
CURRENT LIABILITIES:			
Accrued Vacation and Sick Pay	18,616	(18,616)	-
Current portion - compensated absences	-	14,368	14,368
Total accrued expenses	266,564	(4,248)	262,316
Total current liabilities	2,912,597	(4,248)	2,908,349
NONCURRENT LIABILITIES:			
Compensated absences	-	25,687	25,687
Total noncurrent liabilities	22,922,230	25,687	22,947,917
Total liabilities	25,834,827	21,439	25,856,266
NET POSITION:			
Net Investment in capital assets	2,014,666	-	2,014,666
Restricted	1,245,040	-	1,245,040
Unrestricted	(7,209,960)	(21,439)	(7,231,399)
Total net position	(3,950,254)	(21,439)	(3,971,693)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	22,204,656	-	22,204,656

In addition, the statement of revenues, expenses and changes in net position for the year ended December 31, 2023 was required to be restated by GASB Statement No. 101 as follows (in thousands):

	As Previously Stated	GASB Statement No. 101 Impact	As Restated
Operating Expenses:			
Salaries and wages	117,949	1,280	119,229
Retirement and other employee benefits	55,832	124	55,956
Other	17,401	9	17,410
Total operating expenses	692,558	1,413	693,971
Income before contributions and transfers	2,020,120	(1,413)	2,018,707
CHANGE IN NET POSITION	(1,177,723)	(1,413)	(1,179,136)
NET POSITION—Beginning of Year (as previously reported)	(2,772,531)	-	(2,772,531)
Restatement due to the adoption of GASB No. 101	-	(20,026)	(20,026)
NET POSITION—End of Year	(3,950,254)	(21,439)	(3,971,693)

The following schedule summarizes the cash flow impact of adopting GASB Statement No. 101 in the Consolidated Statement of Cash Flows (in thousands) for the year ended December 31, 2023:

	As Previously Stated	GASB Statement No. 101 Impact	As Restated
Year-ended December 31, 2023			
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:			
Operating Income	1,754,284	(1,413)	1,752,871
Adjustments to reconcile operating income to net cash used in operating activities:			
Net Increase in accrued salary costs, vacation and insurance	(29,929)	1,413	(28,516)
Net Cash from Operating Activities	2,068,417	-	2,068,417

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
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026
104	<i>Disclosure of Certain Capital Assets</i>	2026

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 interim financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include fair value of investments and derivative instruments, allowances for doubtful accounts, accrued expenses and other liabilities, depreciable lives of capital assets, estimated liability arising from injuries to persons, pension benefits and other postemployment benefits. Actual results could differ significantly from those estimates.

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

MTA Bridges and Tunnels has two toll rebate programs at the VNB: 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 VNB 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 VNB Commercial Rebate Program and Staten Island Resident Rebate Program are funded by the State and the MTA. There is no impact to revenue due to this program.

Non-Operating Revenues—Build America Bonds subsidy—MTA Bridges and Tunnels is receiving cash subsidy payments from the U.S. Treasury equal to 35% of the interest payable on the Series of Bonds issued as “Build America Bonds” and authorized by the Recovery Act. The Internal Revenue Code of 1986 imposes requirements that MTA Bridges and Tunnels must meet and continue to meet after the issuance in order to receive the cash subsidy payments. The interest on these bonds is fully subject to federal income taxation.

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

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

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

In April 2020, the New York State Legislature passed legislation that was signed by the Governor which permitted MTA to use funds in the CBDTP Capital Lockbox in all or any of the fiscal years of the authority beginning in 2020 through 2021 to offset decreases in revenue, including but not limited to, lost taxes, fees, charges, fares and tolls, due in whole or in part, or increases in operating costs due in whole to the state disaster emergency caused by the novel coronavirus, COVID-19. For the years ended December 31, 2024 and 2023 MTA Bridges and Tunnels had internet and mansion tax revenue earned of \$660 million and \$674 million, respectively.

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

Operating and Non-Operating Expenses—Operating and non-operating expenses are recognized in the accounting period in which the liability is incurred. All expenses related to operating the MTA Bridges and Tunnels (e.g., salaries, compensated absences, insurance, depreciation, lease and SBITA amortization,

etc.) are reported as operating expenses. All other expenses (e.g., interest on long-term debt, interest on leases and SBITAs, etc.) are reported as non-operating expenses.

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

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

Investments are recorded on the MTA Bridges and Tunnels statement of net position at fair value, except for repurchase agreements, which are recorded at amortized cost. All investment income, including changes in the fair value of investments, is reported as revenue on the MTA Bridges and Tunnels statement of revenues, expenses, and changes in net position. Fair values have been determined using quoted market values at December 31, 2024 and December 31, 2023.

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

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

Capital Assets—Properties and equipment are carried at cost and are depreciated on a straight-line basis over estimated useful lives. Expenses for maintenance and repairs are charged to operations as incurred. Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA having a minimum useful life of two years and having a cost of more than \$25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available. GASB Statement No. 87 leases are classified as right-to-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received. Accumulated depreciation and amortization are reported as reductions of capital and right-to-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, 25 to 100 years for infrastructure, 10 years for open road tolling systems and equipment, and 25 years for open road tolling infrastructure. Right-of-use assets and

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

Leases—Per GASB Statement No. 87, certain lease agreements are classified as financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Lease receivables and liabilities are measured at the present value of payments expected to be made during the lease term, using an applicable discount rate stated or implicit in the lease and if not available, using incremental borrowing rate at the time of valuation. Lease assets and deferred inflows are amortized on a straight-line basis over the term of the lease.

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

Compensated Absences— Per *GASB Statement No. 101*, MTA Bridges and Tunnels has accrued the value (including certain salary-related payments) of vacation, sick, compensatory time and other leave benefits earned by employees to date for leave that has been used but not yet paid in cash or settled through noncash means (if any). Unexpired benefits that are more than likely to be used or settled at separation of service are recognized in the financial statements according to timing of estimated payment.

Net Position—MTA Bridges and Tunnels follows the “business type” activity requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which requires that resources be classified for accounting and reporting purposes into the following three net position categories:

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

Restricted

Nonexpendable—Net position subject to externally imposed stipulations such that the Authority maintains them permanently. For the years ended December 31, 2024 and 2023, 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, 2024 and 2023, the Authority had expendable restricted net position related to (1) Debt Service of \$288,557 and \$257,450, (2) the Necessary Reconstruction Reserve of \$933,443 and \$773,128 and (3) PMT Bond \$188,007 and \$159,963, (4) Sale Tax Revenue Bond \$491,587 and \$54,501, respectively.

Unrestricted

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

Subsidies—Subsidies provided by MTA Bridges and Tunnels represent its operating transfer and investment income computed on an accrual basis, these transfers are made to NYTCA and MTA. In addition, for the years ended December 31, 2024, and 2023 MTA Bridges and Tunnels transferred out internet and mansion tax to MTA of \$142,366 and \$593,988, respectively.

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

The MTA Bridges and Tunnels recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the MTA Bridges and Tunnels' proportionate share thereof in the case of a cost-sharing multiple-employer plan. The net pension liability is calculated using the qualified pension plan's measurement date. Changes in the net pension liability during the year are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the year incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the year in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the year in which the difference occurred.

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

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

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

3. CASH

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

Cash at December 31, 2024 and 2023 consists of the following (in thousands):

	2024		2023	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Insured deposits	\$ 250	\$ 250	\$ 250	\$ 250
Collateralized deposits	<u>199,771</u>	<u>199,575</u>	<u>9,068</u>	<u>8,882</u>
	<u>\$200,021</u>	<u>\$199,825</u>	<u>\$ 9,318</u>	<u>\$ 9,132</u>

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

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

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

4. INVESTMENTS

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

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

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

MTA Bridges and Tunnels had the following recurring fair value measurements as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	Fair Value Measurements		December 31, 2023	Fair Value Measurements	
		Level 1	Level 2		Level 1	Level 2
Investments by fair value level—						
Debt securities:						
U.S. treasury securities	\$ 1,852,443	\$ 1,563,160	\$ 289,283	\$ 1,249,292	\$ 1,016,867	\$ 232,425
Repurchase agreements	<u>16,872</u>	<u>16,872</u>	<u></u>	<u>28,501</u>	<u>28,501</u>	<u>-</u>
Total debt securities	<u>1,869,315</u>	<u>1,580,032</u>	<u>289,283</u>	<u>1,277,793</u>	<u>1,045,368</u>	<u>232,425</u>
Total investments by fair value level	<u>1,869,315</u>	<u>\$ 1,580,032</u>	<u>\$ 289,283</u>	<u>1,277,793</u>	<u>\$ 1,045,368</u>	<u>\$ 232,425</u>
Total investments	<u>\$ 1,869,315</u>			<u>\$ 1,277,793</u>		

Investments classified as Level 1 and Level 2 of the fair value hierarchy, totaling \$1,869,315 and \$1,277,793 as of December 31, 2024 and 2023, respectively, are valued using quoted prices in active markets. Fair values include accrued interest to the extent that interest is included in the carrying amounts. Accrued interest on investments other than Treasury bills and coupons is included in other receivables on the statements of net position. Repurchase agreements are short-term investments with underlying securities such as U.S. Treasury bills and U.S. Treasury notes.

Investments available to pay operating and maintenance expenses, debt service and operating surplus transfers, at December 31, 2024 and 2023, are as follows (in thousands):

Investments	2024	2023
Current—		
Restricted:		
Bond proceeds fund	\$ 1,074,714	\$ 481,707
Primarily necessary reconstruction fund	39,687	38,672
Debt service fund	285,447	253,910
Cost of issuance fund	<u>3,110</u>	<u>3,694</u>
Total current—restricted	1,402,959	777,983
Total current—unrestricted	<u>385,809</u>	<u>341,718</u>
Total—current	<u>\$ 1,788,768</u>	<u>\$ 1,119,701</u>
Long term—unrestricted—senior PMT bond	<u>\$ 80,547</u>	<u>\$ 158,092</u>
Total long term—unrestricted	<u>80,547</u>	<u>158,092</u>
Total long term	<u>\$ 80,547</u>	<u>\$ 158,092</u>

The unexpended bond proceeds of the General Purpose Revenue Bonds 1980 Resolution, not including proceeds held for the Transportation Project, were restricted for payment of capital improvements of

MTA Bridges and Tunnels' present facilities. The Debt Service Funds are restricted for the payment of debt service as provided by the bond resolutions.

The fair value of the above investments consists of \$385,809 and \$341,718 in 2024 and 2023 in unrestricted investments respectively, and \$1,402,959 and \$777,982 in 2024 and 2023 in restricted investments, respectively. Investments had weighted average monthly yields ranging from 3.886% to 5.166% for the year ended December 31, 2024 and 2.925% to 5.079% for the year ended December 31, 2023. The net unrealized loss and gain on investments was \$(2,011) and \$8,973 for the years ended December 31, 2024 and 2023, 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, 2024		December 31, 2023	
	Fair Value	Duration (in Years)	Fair Value	Duration (in Years)
U.S. Treasuries	\$ 1,852,443	0.36	\$ 1,249,292	0.35
Repurchase agreements	<u>16,872</u>	*	<u>28,501</u>	*
Total fair value	1,869,315		1,277,793	
Modified duration	<u>-</u>	0.36	<u>-</u>	0.35
Total investments	<u>\$ 1,869,315</u>		<u>\$ 1,277,793</u>	

* Duration is less than a month

Credit Risk—At December 31, 2024 and 2023, 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, 2024	Percent of Portfolio	December 31, 2023	Percent of Portfolio
Not Rated	\$ 16,872	1 %	\$ 28,501	2 %
U.S. Government	<u>1,852,443</u>	<u>99</u>	<u>1,249,292</u>	<u>98</u>
Total	<u>1,869,315</u>	<u>100 %</u>	<u>1,277,793</u>	<u>100 %</u>
Total investment	<u>\$ 1,869,315</u>		<u>\$ 1,277,793</u>	

5. MTA INVESTMENT POOL

The MTA, on behalf of MTA Bridges and Tunnels, invests funds which are not immediately required for MTA Bridges and Tunnels' operations in securities permitted by the MTA's All-Agency Investment Guidelines in accordance with the New York State Public Authorities Law, including repurchase agreements collateralized by U.S. Treasury securities, U.S. Treasury notes, and U.S. Treasury zero-coupon bonds. All investments are held by the MTA's agent in custody accounts in the name of the MTA. The

MTA has no financial instruments with significant individual or group concentration of credit risk. MTA Bridges and Tunnels categorizes its fair value measurement within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. MTA Bridges and Tunnels' investment in the MTA Investment Pool is valued based on other observable inputs (Level 2 inputs). The amounts related to investment pool funds for the year ended December 31, 2024 were \$399,741 for short-term unrestricted and \$498,664 for short-term restricted. The amounts related to investment pool funds for the year ended December 31, 2023 were \$393,729 for short-term unrestricted and \$467,395 for short-term restricted.

6. CAPITAL ASSETS

Capital assets and improvements include all land, buildings, equipment, and infrastructure of the MTA Bridges and Tunnels' having a minimum useful life of two years and having a cost of more than \$25 thousand. Capital assets are stated at historical cost, or at estimated historical cost based on appraisals, or on other acceptable methods when historical cost is not available.

GASB 87 Leases, are classified as right-of-use assets and measured at the present value of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. GASB 96 SBITA are classified as intangible right-to-use assets measured at the present value of subscription payments expected to be made during the subscription term, including any payments made before the commencement of the subscription term, and capitalizable implementations costs, less any incentives received.

Accumulated depreciation and amortization are reported as reductions of fixed assets and right-of-use assets. Depreciation is computed using the straight-line method based upon estimated useful lives of 25 to 50 years for buildings, 2 to 40 years for equipment, and 25 to 100 years for infrastructure. Right-of-use lease assets and leasehold improvements are amortized over the term of the lease or the life of the asset whichever is less. Right-to-use SBITA assets are amortized over the subscription term.

The following is a summary of capital assets activity at January 1, 2023, December 31, 2023 and December 31, 2024:

	Balance January 1, 2023	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2023	Additions/ Transfers	Deletions/ Transfers	Balance December 31, 2024
Capital assets not being depreciated:							
Land	\$ 52,940	\$ -	\$ -	\$ 52,940	\$ -	\$ -	\$ 52,940
Construction in progress	484,443	369,800	338,779	515,464	598,345	687,285	426,524
Total capital assets not being depreciated	537,383	369,800	338,779	568,404	598,345	687,285	\$ 479,464
Capital assets being depreciated:							
Leasehold improvement—2 Broadway	45,020	-	-	45,020	-	-	\$ 45,020
Primary structures	4,420,600	227,620	-	4,648,220	122,482	-	\$ 4,770,702
Toll equipment	574	1,065	-	1,639	369	-	\$ 2,008
Buildings	703,922	26,688	-	730,610	14,578	-	\$ 745,188
Roadway	2,809,267	90,545	6,798	2,893,014	179,041	6,798	\$ 3,065,257
Property—road and equipment	881,864	6,721	-	888,585	3,347	-	\$ 891,932
ORT systems and equipment	467,234	831	-	468,065	477	-	\$ 468,542
CBDTP Cameras & Structures	-	-	-	-	353,802	-	\$ 353,802
Other	275,567	12,837	13,171	275,233	4,770	5,152	\$ 274,851
Total capital assets being depreciated	9,604,048	366,307	19,969	9,950,386	678,866	11,950	\$ 10,617,302
Less accumulated depreciation:							
Leasehold improvement—2 Broadway	30,567	319	1,082	29,804	1,829	-	\$ 31,633
Primary structures	783,182	47,254	-	830,436	50,044	-	\$ 880,480
Toll equipment	59	46	-	105	128	-	\$ 233
Buildings	273,385	17,929	-	291,314	18,443	-	\$ 309,757
Roadway	849,342	97,327	551	946,118	102,048	665	\$ 1,047,501
Property—road and equipment	95,568	22,365	-	117,933	22,554	-	\$ 140,487
ORT systems and equipment	113,436	23,272	-	136,708	23,337	-	\$ 160,045
CBDTP Cameras & Structures	-	-	-	-	8,696	-	\$ 8,696
Other	243,894	9,864	13,073	240,685	10,552	5,152	\$ 246,085
Total accumulated depreciation	2,389,433	218,376	14,076	2,593,103	237,631	5,817	\$ 2,824,917
Total capital assets being depreciated— net of accumulated depreciation	7,214,615	147,931	5,263	7,357,283	441,235	6,133	\$ 7,792,385
Capital assets—net	7,751,998	517,731	344,042	7,925,687	1,039,580	693,418	\$ 8,271,849
Right of use assets being amortized							
Leased buildings and structures	45,604	-	-	45,604	-	-	\$ 45,604
Subscription Based -IT Arrangements	663	-	-	663	274	-	\$ 937
Total right of use assets being amortized	46,267	-	-	46,267	274	-	\$ 46,541
Less accumulated depreciation—right of use assets							
Leased buildings and structures	3,316	1,658	-	4,974	1,658	-	\$ 6,632
Subscription Based-IT Arrangements	71	142	-	213	406	-	\$ 619
Total accumulated depreciation	3,387	1,800	-	5,187	2,064	-	\$ 7,251
Right of use assets being amortized—net	42,880	(1,800)	-	41,080	(1,790)	-	\$ 39,290
Total capital assets, including right of use asset—net	\$ 7,794,878	\$ 515,931	\$ 344,042	\$ 7,966,767	\$ 1,037,790	\$ 693,418	\$ 8,311,139

In 2024 and 2023, capital asset additions included \$19,581 and \$21,899, respectively, of costs incurred by engineers working on capital projects.

7. EMPLOYEE BENEFITS

Plan Description

NYCERS—The New York City Employees Retirement System (NYCERS) Plan is a cost-sharing, multiple-employer retirement system for employees of The City of New York (“The City”) and certain other

governmental units whose employees are not otherwise members of The City's four other pension systems. NYCERS administers the New York City Employees Retirement System qualified pension plan. This plan covers employees of MTA New York City Transit and MTA Bridges and Tunnels.

NYCERS was established by an act of the Legislature of the State of New York under Chapter 427 of the Laws of 1920. NYCERS functions in accordance with the governing statutes contained in the New York State Retirement and Social Security Law ("RSSL"), and the Administrative Code of the City of New York ("ACNY"), which are the basis by which benefit terms and employer and member contribution requirements are established and amended. The head of the retirement system is the Board of Trustees. NYCERS is a fiduciary component unit of The City and is in the Pension and Other Employee Benefit Trust Funds section of The City's Annual Comprehensive Financial Report ("ACFR").

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

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

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

Benefits Provided—NYCERS provides three main types of retirement benefits: Service Retirements, Ordinary Disability Retirements (non-job-related disabilities) and Accident Disability Retirements (job-related disabilities) to participants generally based on salary, length of service, and member Tiers.

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

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

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

Tier 4 participants upon satisfying applicable eligibility requirements may be mandated or elected, as applicable, into the Basic 62/5 Retirement Plan, the 57/5 Plan, the 55/25 Plan, the Transit 55/25 Plan, the MTA Triborough Bridge and Tunnel Authority 50/20 Plan, and the Automotive Member 25/50 Plan. These plans provide annual benefits of 40% to 50% of final salary after 20 or 25 years of service, with additional benefits equal to a specified percentage per year of service (currently 1.5% to 2%) of final salary.

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

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

NYCERS also provides automatic Cost-of-Living Adjustments (“COLA”) for certain retirees and beneficiaries, death benefits; and certain retirees also receive supplemental benefits. Subject to certain conditions, members generally become fully vested as to benefits upon the completion of 5 years of service.

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

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

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

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

base membership contribution. Tier 6 members are mandated to contribute between 3.0% and 6.0% of salary, depending on salary level, until they separate from City service or until they retire.

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

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

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

MTA Bridges and Tunnels contributions to NYCERS for the years ended December 31, 2024 and 2023 were \$35,630 and \$28,691, respectively.

Net Pension Liability—MTA Bridges and Tunnels net pension liability for the NYCERS pension plan reported at December 31, 2024 and December 31, 2023 was measured as of June 30, 2024 and June 30, 2023, respectively. The total pension liability at December 31, 2024 and December 31, 2023 for the NYCERS pension plan was determined as of the actuarial valuation dates as of June 30, 2023 and June 30, 2022, respectively, and updated to roll forward the total pension liability to the measurement dates, respectively. The fiduciary net position and additions to and deductions from the fiduciary net position have been determined on the same basis as reported by NYCERS. For this purpose, benefits and refunds are recognized when due and payable in accordance with the terms of the Plan; and investments are reported at fair value.

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

Valuation Date:	NYCERS	
	June 30, 2023	June 30, 2022
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, 2024 and 2023 and is summarized as follows:

Asset Class	NYCERS 2024	
	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public markets:		
U.S. public market equities	23.5 %	6.8 %
Developed public market equities	11.6	7.2
Emerging public market equities	4.9	8.6
Fixed income	31.0	3.3
Private markets (alternative investments):		
Private equity	10.0	11.6
Private real estate	8.0	7.0
Infrastructure —	4.5	6.3
Opportunistic fixed income	6.5	8.5
	<u>100 %</u>	
Assumed inflation—mean		2.5 %
Long term expected rate of return		7.0 %

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

Discount Rate—The discount rate used to measure the total pension liability was 7 % for the NYCERS plan as of June 30, 2024 and 2023. 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, 2024 and 2023, and the proportion percentage of the net pension liability of NYCERS allocated to MTA Bridges and Tunnels:

(\$ in millions)	2024	2023
Bridges and Tunnels proportion of the net pension liability	0.888 %	0.806 %
Bridges and Tunnels proportionate share of the net pension liability	\$ 146.12	\$ 143.88

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, 2024 and 2023, 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, 2024			June 30, 2023		
	1% Decrease (6.00%)	Discount Rate (7.00%) (in millions)	1% Increase (8.00%)	1% Decrease (6.00%)	Discount Rate (7.00%) (in millions)	1% Increase (8.00%)
Bridges and Tunnels proportionate share of the net pension liability	<u>\$ 248.12</u>	<u>\$ 146.12</u>	<u>\$ 59.96</u>	<u>\$ 233.13</u>	<u>\$ 144.88</u>	<u>\$ 68.53</u>

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—For the years ended December 31, 2024 and 2023, MTA Bridges and Tunnels recognized pension expense as follows (in thousands):

Pension Plans	2024	2023
NYCERS	<u>\$ 23,983</u>	<u>\$ 10,982</u>

For the years ended December 31, 2024 and 2023, the MTA Bridges and Tunnels reported deferred outflow of resources and deferred inflow of resources for each pension plan as follows:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	(in millions)	
Differences between expected and actual experience	\$ 20,597	\$ (456)
Changes in assumptions	-	(1,299)
Net difference between projected and actual earnings on pension plan investments	1,906	-
Proportionate share of contributions	3,899	(24,358)
Employer contribution to plan subsequent to the measurement date of net pension liability	37,941	-
Total	<u>\$ 64,343</u>	<u>\$ (26,113)</u>
	Resources	Resources
	(in millions)	
Differences between expected and actual experience	\$ 16,187	\$ (641)
Changes in assumptions	-	(2,925)
Net difference between projected and actual earnings on pension plan investments	17,936	-
Proportionate share of contributions	9,251	(49,517)
Employer contribution to plan subsequent to the measurement date of net pension liability	30,150	-
Total	<u>\$ 73,524</u>	<u>\$ (53,083)</u>

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

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

	(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	5.5	5.5	5.5

For the years ended December 31, 2024 and 2023, \$37,941 and \$30,150, 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 \$37,941 will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2024, will be recognized as pension expense as follows (in millions):

Years Ending December 31	Increase/(Decrease) in Pension Expense
2025	\$ (10,774)
2026	11,519
2027	(2,268)
2028	(313)
2029	<u>2,125</u>
Total	<u>\$ 289</u>

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

Certain MTA Bridges and Tunnels employees are participants in a second deferred compensation plan established in accordance with Internal Revenue Code Section 401(k). Participation in the plan is available to all nonunion and certain other employees. All amounts of compensation deferred under the plan, and all income attributable to such compensation, are solely the property of the participants; accordingly, this plan is not reflected in the accompanying consolidated statements of net position. MTA Bridges and Tunnels did not contribute to the plan in 2024 and 2023.

8. OTHER POSTEMPLOYMENT BENEFITS

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

(1) Plan Description

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

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

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

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

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

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

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

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

- (a) have retired;
- (b) be receiving a pension (except in the case of the 401(k) Plan);
- (c) have at least 10 years of credited service as a member of NYCERS, and
- (d) have attained the minimum age requirement (unless within 5 years of commencing retirement for certain members). A represented retired employee may be eligible only pursuant to the relevant collective bargaining agreement.

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

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

Contributions—MTA Bridges and Tunnels is not required by law or contractual agreement to provide funding for the OPEB Plan, other than the “pay-as-you-go” (“PAYGO”) amounts. PAYGO is the cost of benefits necessary to provide the current benefits to retirees and eligible beneficiaries and dependents. Employees are not required to contribute to the OPEB Plan. The OPEB Plan Board has the authority for establishing and amending the funding policy. For the years ended December 31, 2024 and 2023, MTA Bridges and Tunnels paid \$40,939 and \$37,617, 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, 2023 and 2022, the measurement dates, are 3.26% and 3.72%, 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, 2023 and 2022, the employer made a cash payment for retiree healthcare of \$2,128 and \$1,763, 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.

	2023	2022
Blended and Age-Adjusted Premium	Retirees	Retirees
	(In thousands)	
Total blended premiums	\$ 35,489	\$ 31,135
Employment payment for retiree healthcare	<u>2,128</u>	<u>\$ 1,763</u>
Net payments	<u>\$ 37,617</u>	<u>\$ 32,898</u>

(2) Net OPEB Liability

At December 31, 2024 and 2023, MTA Bridges and Tunnels reported a net OPEB liability of \$859,352 and \$872,112, 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, 2023 and 2022, respectively. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2023 and July 1, 2021 respectively, and rolled forward to December 31, 2023 and 2022, 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, 2024 and 2023, the MTA Bridges and Tunnels proportion was 4.26% and 3.89%, respectively.

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

(3) Actuarial Assumptions

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

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

The total OPEB liability was determined by an actuarial valuation performed as of July 1, 2023 and July 1, 2021 respectively and update procedures were used to roll forward the total OPEB liability to December 31, 2023 and 2022, the measurement dates, respectively. The actuarial valuations were performed using the following actuarial assumptions, applied to all periods included in the measurement, unless specified:

	2024	2023
Valuation date	July 1, 2023	July 1, 2021
Measurement date	December 31, 2023	December 31, 2022
Discount rate	3.26%—net of expenses	3.72%—net of expenses
Inflation	2.31%	2.33%
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%
Investment rate of return	4.25%	3.72%

Salary Increases

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

Years of Employment	2024 Rate of Increase	2023 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 Society of Actuaries (SOR) developed and regularly updates a long-term medical trend model based on detailed research performed by a committee of economists and actuaries, which included a representative from Milliman. Milliman uses this model as the foundation for the trend that is recommends to our clients for postretirement healthcare valuation, with certain adjustments designed to produce trends that are appropriate for employer plans. These adjustments include incorporating assumed administrative cost trend where applicable and removing the impact of age-related morbidity (since age-related morbidity assumptions are applied separately in the valuation when applicable). Trend rates also reflect the expected impact of short-term inflation.

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

Fiscal Year	NYSHIP 2024		MTA Bridges and Tunnels 2024	
	<65	>=65	<65	>=65
2024	7.00 %	6.60 %	7.20 %	6.10 %
2025	6.40	6.40	6.40	6.40
2026	5.80	5.80	5.80	5.80
2027	5.10	5.10	5.10	5.10
2028	4.90	4.90	4.90	4.90
2029	4.70	4.70	4.70	4.70
2030	4.50	4.50	4.50	4.50
2031	4.30	4.30	4.30	4.30
2039	4.10	4.10	4.10	4.10
2049	4.10	4.10	4.10	4.10
2050	4.10	4.10	4.10	4.10
2064	4.20	4.20	4.20	4.20
2066	4.10	4.10	4.10	4.10
2068	4.00	4.00	4.00	4.00
2070	3.90	3.90	3.90	3.90
2073	3.80	3.80	3.80	3.80
2074+	3.70	3.70	3.70	3.70

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

Ultimate rates were determined considering historic and projected rates of real growth, long-term inflation and additional growth attributable to technology, and medical costs as a component of gross domestic product (GDP).

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, 2023 are as follows:

Asset Class	Index	Target Allocation	Long-Term Expected Real Rate of Return
US Short(1-3Yr) Govt/Credit Bonds	Bloomberg US Govt/Credit 1-3 Yr Tr USD	98.50 %	4.39 %
Assumed Inflation - Mean			2.31 %
Assumed Inflation - Standard Deviation			1.44 %
Portfolio Nominal Mean return			4.37 %
Portfolio Standard Deviation			0.49 %
Long term expected rate of return selected by MTA			4.25 %

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, 2023 and 2022, of 3.26% and 3.72%, 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):

December 31, 2023 Measurement Date	1% Decrease (2.26)%	Discount Rate (3.26)%	1% Increase (4.26)%
Proportionate share of the net OPEB liability	<u>\$ 987.19</u>	<u>\$ 862.51</u>	<u>\$ 759.40</u>
December 31, 2022 Measurement Date	1% Decrease (2.72)%	Discount Rate (3.72)%	1% Increase (4.72)%
Proportionate share of the net OPEB liability	<u>\$ 992.33</u>	<u>\$ 872.11</u>	<u>\$ 772.80</u>

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):

December 31, 2023 Measurement Date	1% Decrease	Healthcare Cost Current	1% Increase
		Trend Rate*	
Proportionate share of the net OPEB liability	<u>\$ 738.06</u>	<u>\$ 862.51</u>	<u>\$ 1,018.75</u>

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

* 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, 2024 and 2023, MTA Bridges and Tunnels recognized OPEB expense of \$53,625 and \$52,482, respectively, which represents its proportionate share of the Plan's OPEB expense.

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

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

	December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,065	\$ (113,966)
Changes in assumptions	91,947	(141,958)
Net difference between projected and actual earnings on OPEB plan investments	- 241	- -
Changes in proportion and differences between contributions and proportionate share of contributions	- 147,565	- (124,356)
Employer contributions to the plan subsequent to the measurement of net OPEB liability	- <u>40,939</u>	- <u>-</u>
Total	<u>\$ 292,757</u>	<u>\$ (380,280)</u>

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

At December 31, 2024 and 2023, MTA Bridges and Tunnels reported as deferred outflow of resources related to OPEB of \$292,757 and \$193,227, respectively. This amount includes both MTA Bridges and Tunnels contributions subsequent to the measurement date and an implicit rate subsidy adjustment of \$40,939 that will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2024, will be recognized in OPEB expense as follows (in thousands):

December 31

2025	\$ 26,429
2026	23,729
2027	19,989
2028	17,046
2029	24,353
Thereafter	<u>16,917</u>
	<u>\$ 128,463</u>

9. LONG-TERM DEBT

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

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

The MTA and MTA Bridges and Tunnels entered into a Payroll Mobility Tax Financing Agreement (the "Financing Agreement"), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes ("Mobility Tax Receipts") and certain fees, surcharges and taxes ("Aid Trust Account Receipts," and together with the Mobility Tax Receipts, "PMT Receipts") in order to share the PMT receipts on a parity basis with MTA Bridges and Tunnels. The Financing Agreement ensures that sufficient amounts will be available for MTA to (i) provide MTA Bridges and

Tunnels, or the trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the Triborough Bridge and Tunnel Authority Payroll Mobility Tax Obligation Resolution and certain related resolutions, each adopted on March 17, 2021, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the Metropolitan Transportation Authority PMT Obligation Resolution and certain related resolutions, each adopted on November 18, 2020. The aforementioned resolutions were adopted for the purpose of issuing from time to time one or more series of bonds, notes or other obligations secured by the Financing Agreement and the PMT Receipts.

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

The following represents MTA Bridges and Tunnels' issuance of long-term debt in 2024:

- On January 25, 2024, MTA Bridges and Tunnels issued \$296,340 PMT Bond 2024A, Series 2024A will finance transit and commuter projects and certain financing, legal and miscellaneous expense.
- On February 8, 2024, MTA Bridges and Tunnels issued \$1,650,295 Sales Tax Revenue Bonds, Series 2024A. Series 2024A proceeds will finance approved transit and commuter projects included in the 2020-2024 Capital Program, CBD and certain financing, legal and miscellaneous expenses.
- On March 20, 2024, MTA Bridges and Tunnels issued \$300,000 of PMT Bond Anticipation Notes, Series 2024B. Series 2024B proceeds will finance transit and commuter projects included in the 2020-2024 Capital Program and pay certain financing, legal and miscellaneous expenses.
- On March 27, 2024, with TRB 2024A Proceeds MTAHQ refunded TBTA PMT 2021A-2 \$118,740 of principal.
- On May 20, 2024, MTA Bridges and Tunnels issued \$591,785 of PMT Bond 2024B. Series 2024B proceeds will retire a portion of PMT 2022A BAN and certain MTA Transportation Revenue bonds and pay certain financing, legal and miscellaneous expenses.
- On July 10, 2024, MTA Bridges and Tunnels issued \$770,105 of PMT Bond 2024C. Series 2024C proceeds will retire certain MTA Transportation Revenue bonds, Dedicated Tax Fund bond and pay certain financing, legal and miscellaneous expenses.
- On July 18, 2024, MTA Bridges and Tunnels remarketed 2003B-2 of \$26,850 The irrevocable direct-pay letter of credit issued by TB Bank, N.A.
- On July 23, 2024, with DTF 2024A Proceeds MTAHQ refunded TBTA PMT BAN 2022A \$425,685 of principal.
- On August 21, 2024, MTA Bridges and Tunnels issued \$699,260 General Revenue Bonds Refunding Bonds, Series 2024A to refund certain outstanding bond and finance and capital projects.

- On December 23, 2024, MTA Bridges and Tunnels issued \$186,000 Second Subordinate Revenue Bond Anticipation Notes, Series 2024A. Series 2024A will pay capital cost for CBDTP projects and certain financing, legal and miscellaneous expense.

MTA Bridges and Tunnels' non-current portion of long-term debt as of December 31, 2024 and 2023, is comprised of the following (in thousands):

	2024	2023
Senior Revenue Bonds (Notes 10)	\$ 8,912,261	\$ 9,022,218
PMT Bonds (Note 10)	11,583,864	10,269,642
Subordinate Revenue Bonds (Note 11)	180,014	191,309
CBD BAN (Note 12)	10,363	208,613
Sales Tax Revenue Bond (Note 13)	<u>3,785,388</u>	<u>1,997,872</u>
Total long-term debt—net of premiums and discounts	<u>\$ 24,471,890</u>	<u>\$ 21,689,654</u>

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

TBTA General Revenue	2001C	Barclays Bank	June 26, 2028
TBTA General Revenue	2003B-1	U.S. Bank National Assoc.	January 1, 2028
TBTA General Revenue	2005A	Barclays Bank	July 19, 2028
TBTA General Revenue	2005B-2ab	State Street	January 21, 2026
TBTA General Revenue	2005B-3	Bank of America, N.A.	June 22, 2027
TBTA General Revenue	2005B-4c	U.S. Bank National Assoc.	January 1, 2028
TBTA General Revenue	TBTA 2018E Taxable	Bank of America, N.A.	December 5, 2025

According to the terms of the Credit and Liquidity Agreements, if the remarketing agent fails to remarket any of the bonds listed above that are tendered by the holders, the bank is required (subject to certain conditions) to purchase such unremarketed portion of the bonds. Bonds owned by the bank and not remarketed after a specified amount of time (generally 90 days) are payable to the bank as a term loan over five years in ten equal semiannual principal payments including interest thereon. As of December 31, 2024, 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, 2024 and 2023, 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.

(In thousands)	2024	2023
MTA Bridges and Tunnels:		
General purpose revenue bonds	\$ 81,145	\$ 121,720
Special obligation subordinate bonds	<u>9,520</u>	<u>26,985</u>
Total	<u>\$ 90,665</u>	<u>\$ 148,705</u>

MTA Bridges and Tunnels had no refunding transactions that resulted in any gains/losses against aggregate debt service payments in 2024 and 2023.

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

	December 31, 2022	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2023	(Gain) Loss on Refunding	Current Year Amortization	December 31, 2024
TBTA:							
General revenue bonds	\$137	\$ (47)	\$(13)	\$ 77	\$ -	\$ (12)	\$ 65
Subordinate revenue bonds	<u>20</u>	<u>(21)</u>	<u>(1)</u>	<u>(2)</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
	<u>157</u>	<u>(68)</u>	<u>(14)</u>	<u>75</u>	<u>-</u>	<u>(11)</u>	<u>64</u>
Total	<u>\$157</u>	<u>\$ (68)</u>	<u>\$(14)</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ 64</u>

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

Senior Revenue Bonds at December 31, 2024, consists of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
Series 2001B&C, 4.10%–5.25%	\$ 296,400	\$ 75,560	\$ -	\$ 7,140	\$ 68,420
Series 2002F	246,480	94,365	-	8,915	85,450
Series 2003B	250,000	118,425	-	10,020	108,405
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	555,000	-	30,900	524,100
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	1,400	-	1,400	-
Series 2009B—BAB	200,000	200,000	-	-	200,000
Series 2010A-2—BAB	280,400	253,755	-	253,755	-
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	38,075	-	24,880	13,195
Series 2012B	1,353,055	231,500	-	-	231,500
Series 2013B	257,195	-	-	-	-
Series 2013C	200,000	15,000	-	-	15,000
Series 2014A	250,000	170,060	-	170,060	-
Series 2015A	225,000	179,195	-	3,880	175,315
Series 2015B	65,000	54,660	-	1,530	53,130
Series 2016A	541,240	438,655	-	51,315	387,340
Series 2017A	300,000	286,585	-	46,755	239,830
Series 2017B	902,975	902,975	-	10,940	892,035
Series 2017C	720,990	703,805	-	20,890	682,915
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	18,185	251,905
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	400,000	400,000	-	-	400,000
Series 2023A	828,225	828,225	-	42,030	786,195
Series 2023B	370,030	370,030	-	19,020	351,010
Series 2024A	-	-	699,260	-	699,260
	<u>\$ 12,312,375</u>	8,552,310	699,260	721,615	8,529,955
Add net unamortized bond (discount) and premium		<u>752,493</u>	<u>74,668</u>	<u>78,860</u>	<u>748,301</u>
		<u>\$ 9,304,803</u>	<u>\$ 773,928</u>	<u>\$ 800,475</u>	<u>\$ 9,278,256</u>

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

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
Series 2001B&C, 4.10%–5.25%	\$ 296,400	\$ 82,425	\$ -	\$ 6,865	\$ 75,560
Series 2002F	246,480	102,935	-	8,570	94,365
Series 2003B	250,000	128,055	-	9,630	118,425
Series 2005A	150,000	102,070	-	-	102,070
Series 2005B	800,000	558,300	-	3,300	555,000
Series 2008B	252,230	126,750	-	-	126,750
Series 2009A-1	150,000	62,255	-	60,855	1,400
Series 2009B—BAB	200,000	200,000	-	-	200,000
Series 2010A-2—BAB	280,400	263,020	-	9,265	253,755
Series 2011A	609,430	-	-	-	-
Series 2012A	231,490	151,415	-	113,340	38,075
Series 2012B	1,353,055	662,620	-	431,120	231,500
Series 2013B	257,195	129,495	-	129,495	-
Series 2013C	200,000	133,035	-	118,035	15,000
Series 2014A	250,000	175,655	-	5,595	170,060
Series 2015A	225,000	182,890	-	3,695	179,195
Series 2015B	65,000	56,120	-	1,460	54,660
Series 2016A	541,240	485,300	-	46,645	438,655
Series 2017A	300,000	286,585	-	-	286,585
Series 2017B	902,975	902,975	-	-	902,975
Series 2017C	720,990	720,990	-	17,185	703,805
Series 2018A	351,930	351,930	-	-	351,930
Series 2018B	270,090	270,090	-	-	270,090
Series 2018C	159,280	159,280	-	-	159,280
Series 2018D	125,000	98,985	-	-	98,985
Series 2018E	148,470	148,470	-	-	148,470
Series 2019A	150,000	150,000	-	-	150,000
Series 2019B	102,465	102,465	-	-	102,465
Series 2019C	200,000	200,000	-	-	200,000
Series 2020A	525,000	525,000	-	-	525,000
Series 2021A	400,000	400,000	-	-	400,000
Series 2022A	400,000	400,000	-	-	400,000
Series 2023A	-	-	828,225	-	828,225
Series 2023B	-	-	370,030	-	370,030
	<u>\$ 11,114,120</u>	8,319,110	1,198,255	965,055	8,552,310
Add net unamortized bond (discount) and premium		<u>731,444</u>	<u>140,918</u>	<u>119,869</u>	<u>752,493</u>
		<u>\$ 9,050,554</u>	<u>\$ 1,339,173</u>	<u>\$ 1,084,924</u>	<u>\$ 9,304,803</u>

Debt Service Requirements Senior Revenue:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	\$ 365,995	\$ 387,638	\$ 753,633
2026	398,880	369,776	768,656
2027	410,465	350,243	760,708
2028	435,875	330,545	766,420
2029	401,600	308,689	710,289
2030–2034	1,778,850	1,318,422	3,097,272
2035–2039	1,332,640	989,691	2,322,331
2040–2044	1,189,405	681,313	1,870,718
2045–2049	1,171,375	401,994	1,573,369
2050–2054	862,900	166,873	1,029,773
2055–2059	181,970	16,469	198,439
	<u>\$ 8,529,955</u>	<u>\$ 5,321,653</u>	<u>\$ 13,851,608</u>

PMT Bonds at December 31, 2024, consists of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
PMT 2021A	\$ 1,238,210	\$ 1,238,210	\$ -	\$ 118,740	\$ 1,119,470
PMT 2021B	369,195	369,195	-	-	369,195
PMT 2021C	856,585	821,495	-	1,285	820,210
PMT 2022A	592,680	592,680	-	-	592,680
PMT 2022B	1,000,015	995,120	-	5,135	989,985
PMT 2022C	927,950	927,950	-	-	927,950
PMT 2022D	765,690	765,690	-	-	765,690
PMT 2022E	700,200	700,200	-	-	700,200
PMT 2022A-BAN	951,370	951,370	-	951,370	-
PMT 2022B-BAN	766,540	766,540	-	766,540	-
2023A	764,950	764,950	-	192,080	572,870
2023B	600,000	600,000	-	-	600,000
2023C	1,130,200	1,130,200	-	-	1,130,200
2024A	-	-	296,340	-	296,340
2024B-BAN	-	-	300,000	-	300,000
2024B	-	-	591,785	-	591,785
2024C	-	-	770,105	-	770,105
	<u>\$ 10,663,585</u>	<u>\$ 10,623,600</u>	<u>\$ 1,958,230</u>	<u>\$ 2,035,150</u>	<u>\$ 10,546,680</u>
Add net unamortized bond (discount) and premium		<u>1,036,767</u>	<u>216,677</u>	<u>124,995</u>	<u>1,128,449</u>
		<u>\$ 11,660,367</u>	<u>\$ 2,174,907</u>	<u>\$ 2,160,145</u>	<u>\$ 11,675,129</u>

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

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

Debt Service Requirements PMT:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	\$ 91,265	\$ 497,965	\$ 589,230
2026	347,375	490,037	837,412
2027	811,565	468,898	1,280,463
2028	424,530	452,481	877,011
2029	285,900	440,323	726,223
2030-2034	1,984,425	2,041,728	4,026,153
2035-2039	1,543,270	1,692,943	3,236,213
2040-2044	1,531,390	1,216,242	2,747,632
2045-2049	1,681,545	807,166	2,488,711
2050-2054	1,692,935	335,023	2,027,958
2055 -2059	<u>152,480</u>	<u>44,017</u>	<u>196,497</u>
	<u>\$ 10,546,680</u>	<u>\$ 8,486,823</u>	<u>\$ 19,033,503</u>

Sales Tax Bonds at December 31, 2024, consist of the following (in thousands):

	Original Issuance	December 31, 2023	Issued	Principal Repayments	December 31, 2024
SALES TAX 2022A	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ 700,000
SALES TAX 2023A	1,253,750	1,253,750	-	-	1,253,750
SALES TAX 2024A	<u>-</u>	<u>-</u>	<u>1,650,295</u>	<u>-</u>	<u>1,650,295</u>
	<u>\$ 1,953,750</u>	1,953,750	1,650,295	-	3,604,045
Add net unamortized bond (discount) and premium		<u>44,122</u>	<u>146,489</u>	<u>7,253</u>	<u>183,358</u>
		<u>\$ 1,997,872</u>	<u>\$ 1,796,784</u>	<u>\$ 7,253</u>	<u>\$ 3,787,403</u>

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

	Original Issuance	December 31, 2022	Issued	Principal Repayments	December 31, 2023
SALES TAX 2022A	\$ 700,000	\$ 700,000	\$ -	\$ -	\$ 700,000
SALES TAX 2023A	<u>-</u>	<u>-</u>	<u>1,253,750</u>	<u>-</u>	<u>1,253,750</u>
	<u>\$ 700,000</u>	700,000	1,253,750	-	1,953,750
Add net unamortized bond (discount) and premium		<u>58,795</u>	<u>(11,915)</u>	<u>2,758</u>	<u>44,122</u>
		<u>\$ 758,795</u>	<u>\$ 1,241,835</u>	<u>\$ 2,758</u>	<u>\$ 1,997,872</u>

Debt Service Requirements Sales Tax:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	\$ 2,015	\$ 172,038	\$ 174,053
2026	2,455	171,926	174,381
2027	8,565	171,651	180,216
2028	10,800	171,167	181,967
2029	13,160	170,568	183,728
2030-2034	106,265	839,348	945,613
2035-2039	189,045	802,884	991,929
2040-2044	297,405	742,655	1,040,060
2045-2049	434,725	656,189	1,090,914
2050-2054	606,520	536,769	1,143,289
2055-2059	823,040	373,560	1,196,600
2060-2064	<u>1,110,050</u>	<u>141,198</u>	<u>1,251,248</u>
	<u>3,604,045</u>	<u>4,949,953</u>	<u>8,553,998</u>

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

11. DEBT—SUBORDINATE REVENUE BONDS

Subordinate revenue bonds had no new issuances in 2024 or 2023.

Subordinate Revenue Bonds at December 31, 2024, consist of the following (in thousands):

	Original Issuance	December 31, 2023	Retirements during 2024	December 31, 2024
Series 2002E	\$ 756,095	\$ -	\$ -	\$ -
Series 2013A	761,599	225,270		225,270
Series 2013D	<u>313,975</u>	<u>34,395</u>	<u>(16,790)</u>	<u>17,605</u>
	<u>\$ 1,831,669</u>	259,665	(16,790)	242,875
Add net unamortized bond (discount) and premium		<u>(51,566)</u>	<u>6,310</u>	<u>(45,256)</u>
		<u>\$ 208,099</u>	<u>\$ (10,480)</u>	<u>\$ 197,619</u>

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

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

Debt Service Requirements:

December 31	Principal	Interest (In thousands)	Debt Service
2025	\$ 17,605	\$ 781	\$ 18,386
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	58,760	-	58,760
2030–2034	<u>166,510</u>	<u>-</u>	<u>166,510</u>
	<u>\$ 242,875</u>	<u>\$ 781</u>	<u>\$ 243,656</u>

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

12. BOND ANTICIPATION NOTES

On December 23, 2024, MTA Bridges and Tunnels issued \$186,000 General Revenue Bond Anticipation Notes, Series 2024A. The net proceeds were issued to finance capital costs for the Central Business District Tolling Program.

	Original Issuance	December 31, 2023	Issued	Retirements during 2024	December 31, 2024
Series 2021A	\$ 192,835	\$ 192,835	\$ -	\$ -	\$ 192,835
Series 2024A	<u>-</u>	<u>-</u>	<u>186,000</u>	<u>-</u>	<u>186,000</u>
	<u>\$ 192,835</u>	192,835	186,000	-	378,835
Add net unamortized bond (discount) and premium		<u>15,777</u>	<u>3,251</u>	<u>(8,665)</u>	<u>10,363</u>
		<u>\$ 208,612</u>	<u>\$ 189,251</u>	<u>\$ (8,665)</u>	<u>\$ 389,198</u>

Debt Service Requirements:

Years Ending December 31	Principal	Interest (In thousands)	Aggregate Debt Service
2025	<u>\$ 378,835</u>	<u>\$ 18,374</u>	<u>\$ 397,209</u>
	<u>\$ 378,835</u>	<u>\$ 18,374</u>	<u>\$ 397,209</u>

13. DERIVATIVES

For the year ended December 31, 2024, the MTA Bridges and Tunnels is reporting a gain, derivative instrument liabilities, and deferred outflows from derivative instruments in the amounts of \$1,409, \$16,805 and \$55,579, respectively. The gain of \$1,409 is related to swaps on MTA bonds which is offset by a loss of \$1,409 reflected in other operating income. Also recognized in the same period are derivative instrument assets of \$3,235.

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

GASB Statement No. 53—Accounting and Financial Reporting for Derivative Instruments Summary Information as of December 31, 2024

	Bond Resolution	Series	Type of Derivative	Cash Flow or Fair Value Hedge	Effective Methodology	Trade/ Entered Date	Notional Amount as of 12/31/2024 (In millions)	Fair Values as of 12/31/2024 (In millions)
Investment Swap	MTA Transportation Revenue Bond	2002G-1	Pay-fixed Swap	N/A	N/A	4/1/2016	\$ 28.645	\$ (0.070)
	MTA Transportation Revenue Bond	2022E	Pay-fixed Swap	N/A	N/A	4/1/2016	86.845	(1.691)
Hedging Swaps	MTA Bridges & Tunnels Senior Revenue Bonds	2018E (Citi 2002F)	Pay-fixed Swap	Cash flow	Dollar Offset	7/5/2005	174.700	(2.876)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005A (COPS 2004A)	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	13.260	(0.202)
	MTA Bridges & Tunnels Senior Revenue Bonds	2005B	Pay-fixed Swap	Cash flow	Synthetic Instrument	7/5/2005	524.100	(8.627)
	MTA Bridges & Tunnels Senior Revenue Bonds	2001C	Pay-fixed Swap	Cash flow	Synthetic Instrument	4/1/2016	6.000	(0.104)

The fair value balances and notional amounts of derivative instruments outstanding at December 31, 2024, classified by type, and the changes in fair value of such derivative instruments from the year ended December 31, 2023, are as follows (in thousands):

(In Millions)	Changes In Fair Value Classification	Amount	Fair Value at December 31, 2024 Classification	Amount	Notional Amount
Government Activities					
Cash flow hedges— pay-fixed interest rate swaps	Deferred Inflow of resources	\$ (15.779)		\$ (11.809)	\$ 718.060
Investment swap— pay-fixed interest rate swaps	Investment income	\$ 1.409		(1.761)	\$ 115.490

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

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

14. LEASES

MTA Bridges and Tunnels entered into various lease agreements that convey control of the right to use other entities’ nonfinancial assets. Lease receivables and lease liabilities are measured at the present value of payments expected to be made during the lease term, using MTA Bridges and Tunnels incremental borrowing rate at the time of valuation ranging from 1.19% to 9.11% if an applicable stated or implicit rate is not available.

The lease liability is reduced as payments are made, and an outflow of resources for interest on the liability is recognized. The lease asset is amortized on a straight- line basis over the shorter of the lease term or the useful life of the underlying asset.

Interest revenues are recognized on the lease receivable and an inflow of resources from the deferred inflow of resources are recognized on a straight-line basis over the term of the lease.

As Lessor

MTA Bridges and Tunnels leases garage spaces and bridges and tunnels easement rights to other entities. These leases have terms between 1 year to 39 years, with payments required monthly, quarterly, semi-annually, or annually. As of December 31, 2024, the remaining lease terms are between 1 year to 37 years. In addition, the Authority also receives payments for variable leases and operating expenses associated with spaces that are not included in the measurement of lease receivable.

The total amount of inflows of resources recognized for the year ended December 31, 2024 and 2023 is presented below (in thousands):

Lease revenue	\$ 1,266	\$ 1,716
Interest revenue	368	392
Other variable revenue	-	4

The balance of lease receivable as of December 31, 2024 and 2023 are as follows (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	\$ 12,776	\$ 14,308
Additions/rem measurements	63	(62)
Receipts/interest	<u>(1,236)</u>	<u>(1,470)</u>
Balance—end of year	11,602	12,776
Less current portion	<u>(1,237)</u>	<u>(1,174)</u>
Lease receivable—noncurrent	<u><u>\$ 10,365</u></u>	<u><u>\$ 11,602</u></u>

MTA Bridges and Tunnels did not recognize any revenue associated with residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023, respectively.

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows (in thousands):

December 31	Principal	Interest	Total
2025	\$ 1,237	\$ 340	\$ 1,577
2026	1,335	309	1,644
2027	1,357	276	1,633
2028	1,001	243	1,244
2029	177	231	408
2030 - 2034	1,165	1,062	2,227
2035 - 2039	1,062	866	1,928
2040 - 2044	339	780	1,119
2045 - 2049	604	694	1,297
2050 - 2054	954	550	1,504
2055 - 2059	1,412	332	1,744
2060 - 2064	960	56	1,016
Total	<u><u>\$ 11,602</u></u>	<u><u>\$ 5,738</u></u>	<u><u>\$ 17,340</u></u>

As Lessee

MTA Bridges and Tunnels is a lessee of the 2 Broadway building lease. This lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. As of December 31, 2024, the remaining lease terms is 23 years. MTA Bridges and Tunnels implicit borrowing rate at the time of valuation was 9.11%.

The amount of lease expense recognized for variable payment not included in the measurement of lease liability was \$2.9 million and \$2.9 million for the years ended December 31, 2024 and 2023, respectively. MTA Bridges and Tunnels did not recognize any expense attributable to residual value guarantees and termination penalties for each of the years ended December 31, 2024 and 2023.

A summary of activity in lease liability for the years ended December 31, 2024 and 2023 is presented below (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	\$ 85,894	\$ 84,895
Additions/remeasurements	-	-
Payments/interest	<u>429</u>	<u>999</u>
Balance—end of year	86,323	85,894
Less current portion	<u>-</u>	<u>-</u>
Lease liability—noncurrent	<u><u>\$ 86,323</u></u>	<u><u>\$ 85,894</u></u>

The principal and interest requirements to maturity for the lease receivable subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	Principal	Interest	Total
2025	\$ (470)	\$ 7,883	\$ 7,413
2026	(515)	7,928	7,413
2027	(564)	7,977	7,413
2028	(617)	8,030	7,413
2029	707	8,032	8,739
2030–2034	5,910	38,967	44,877
2035–2039	16,361	34,048	50,410
2040–2044	30,885	23,603	54,488
2045–2049	<u>34,626</u>	<u>5,943</u>	<u>40,569</u>
Total	<u><u>\$ 86,323</u></u>	<u><u>\$ 142,413</u></u>	<u><u>\$ 228,736</u></u>

On July 29, 1998, the MTA, (solely on behalf of MTA Long Island Rail Road and MTA Metro-North Railroad, MTA New York City Transit, and MTA Bridges and Tunnels) entered into a lease and related agreements whereby each agency, as sublessee, will rent, an office building at Two Broadway in lower Manhattan. The triple-net-lease has an initial stated term of approximately 50 years, with the right to extend the lease for two successive 15-year periods at a rental of at least 95% of fair market rent. Remaining payments under the lease approximate \$937 million. Under the subleases, the lease is apportioned as follows: MTA New York City Transit, 68.7%, MTA, 21%; and MTA Bridges and Tunnels, 10.3%. However, the involved agencies have agreed to sub-sublease space from one another as necessary to satisfy actual occupancy needs. The agencies will be responsible for obligations under the lease based on such actual occupancy percentages. Actual occupancy percentages at December 31, 2024 for the MTA New York City Transit, MTA Bridges and Tunnels and MTA (including MTA Bus, MTA Construction and Development, and MTA Business Service Center) were 48.4%, 7.36% and 44.24%, respectively. The Authority's sublease is for a year-to-year term, automatically extended, except upon the giving of a non-extension notice by the Authority.

MTA pays the lease payments on behalf of the Authority and subsequently makes monthly chargebacks in the form of rental payments treated as management fees. During 2024 and 2023, the total of the rental

payments charged to the Authority were \$4.9 million and \$4.9 million, respectively, less than the lease payment made by MTA on behalf of the Authority.

15. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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

The subscription liability was reduced as payments were made, and an outflow of resources for interest on the liability was recognized. The subscription asset is amortized on a straight-line basis over the subscription term.

MTA Bridges and Tunnels subscription-based information technology arrangements include software licenses, cloud data storage, hosting applications, security platforms and others. These subscriptions have terms between 1 years to 7 years, with payments required monthly, quarterly, or annually. As of December 31, 2024, the remaining lease terms are between 2 years to 4 years. The amount of subscription expense recognized for variable payments not included in the measurement of lease liability were \$28 and \$13 for the years ended December 31, 2024 and December 31, 2023, respectively. The Authority recognized \$0 and \$0 expense attributable to termination penalties and impairment for the years ended December 31, 2024 and December 31, 2023, respectively.

A summary of activity in SBITA liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	December 31, 2024	December 31, 2023
Balance—beginning of year	\$ 488	\$ 628
Additions/remeasurements	274	-
Payments/interest	<u>(418)</u>	<u>(140)</u>
Balance—end of year	344	488
Less current portion	<u>(154)</u>	<u>(144)</u>
SBITA liability—noncurrent	<u>\$ 190</u>	<u>\$ 344</u>

The current portion of SBITA liability is reported in Other Accrued expenses.

The principal and interest requirements to maturity for the lease liability subsequent to December 31, 2024, are as follows (in thousands):

Year Ended December 31	Principal	Interest	Total
2025	\$ 154	\$ 8	\$ 162
2026	154	2	156
2027	22	1	23
2028	14	-	14
2029	-	-	-
2030–2034	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 344</u>	<u>\$ 11</u>	<u>\$ 355</u>

16. RISK MANAGEMENT

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

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

A summary of activity in estimated liability arising from injuries to persons, including employees, and damage to third-party property, as of December 31, 2024 and 2023, is as follows (in thousands):

	2024	2023
Balance—beginning of year	\$ 60,156	\$ 56,404
Activity during the year:		
Current year claims and changes in estimates	6,061	6,131
Claims paid	<u>(4,585)</u>	<u>(2,379)</u>
Balance—end of year	61,632	60,156
Less current portion	<u>(5,572)</u>	<u>(4,415)</u>
Long-term liability	<u>\$ 56,060</u>	<u>\$ 55,741</u>

Liability Insurance—First Mutual Transportation Assurance Company (“FMTAC”), an insurance captive subsidiary of MTA, provides a liability insurance program (aka “ELF”) that insures certain claims in excess of the agencies self-insured retention. The maximum amount that the ELF is responsible for arising out of any one occurrence and in the aggregate is the total assets of the ELF program available for claims, but in no event greater than \$50 million for all agencies and an additional \$10 million for NYCT. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the

fiscal viability of the program. On December 31, 2024, the balance of the assets in this program was \$195.04 million.

MTA also maintains an All Agency Excess Liability Insurance Policy (ELP), which is reinsured through FMTAC. The ELP affords the MTA Group coverage limits of \$325 million for a total limit of \$375 million (\$325 million excess of \$50 million).

Property Insurance—Effective May 1, 2024, FMTAC renewed the all-agency property insurance program. For the annual period commencing May 1, 2024, FMTAC directly insures property damage claims of the Related Entities in excess of a \$25 million per occurrence deductible, subject to an annual \$75 million aggregate deductible. The total All Risk program annual limit is \$500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European, and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of \$7.5 million per occurrence. In addition to the noted \$25 million per occurrence self-insured deductible, MTA self-insures above that deductible for \$269.725 million within the overall \$500 million per occurrence property program as follows: \$28.543 million (or 57.09%) of the primary \$50 million layer, plus \$28.543 million (or 57.09%) of the \$50 million excess \$50 million layer, plus \$19.293 million (or 38.59%) of the \$50 million excess \$100 million layer, plus \$11.793 million (or 23.59%) of the \$50 million excess \$150 million layer, plus \$8.643 million (or 17.29%) of the \$50 million excess \$200 million layer, plus \$15.518 million (or 31.04%) of the \$50 million excess \$250 million layer, plus \$26.893 million (or 53.79%) of the \$50 million excess \$300 million layer, plus \$39.000 million (or 78.00%) of the \$50 million excess \$350 million layer, plus \$41.500 million (or 83.00%) of the \$50 million excess \$400 million layer, and \$50.000 million (or 100%) of the \$50 million excess of \$450 million layer.

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

Supplementing the \$500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of \$100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three year period from May 19, 2023 to April 30, 2026. An addition \$25 million of fully collateralized storm surge coverage was added for a period of July 1, 2024 to May 31, 2025. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from the MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values. The policy was not renewed in 2025.

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

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

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of \$215 million. Recovery under the terrorism policy is subject to a deductible of \$25 million per occurrence and \$75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities’ deductible in any one year exceed \$75 million future losses in that policy year are subject to a deductible of \$7.5 million. The terrorism coverages expire at midnight on May 1, 2025. This policy was renewed as of May 1, 2025 for a period of thirty-six months.

During 2024 there were no FMTAC excess loss claim reimbursements to MTA Bridges and Tunnels. At December 31, 2024, MTA Bridges and Tunnels had \$0 million in outstanding claims requiring FMTAC coverage from its Excess Loss Program.”

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

17. COMMITMENTS AND CONTINGENCIES

At December 31, 2024 and 2023, MTA Bridges and Tunnels had unused standby letters of credit, relative to insurance, amounting to \$0 and \$1.81 million, respectively.

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

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

As of December 31, 2024, \$8,258 million has been committed to MTA Bridges and Tunnels Capital Program.

18. SWAP AGREEMENTS

Swap Agreements Relating to Synthetic Fixed Rate Debt—Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future 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, 2024).

MTA Bridges and Tunnels Senior Lien Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2024 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2024 (In millions)	Swap Termination Date	Counterparty
Series 2018E ⁽⁷⁾	\$ 174.700	04/01/16	3.076%	67% of one-month LIBOR ⁽¹⁾	\$ (2.876)	01/01/32	Citibank, N.A.
Series 2005B-2a,b,c, 2005B-3 and 2005B-4a,b,c,d,e ⁽¹⁾	524.100	07/07/05	3.076%	67% of one-month LIBOR ⁽¹⁾	(8.627)	01/01/32	33% each— JPMorgan Chase Bank, NA, BNP Paribas North America, Inc. and UBS AG
Total	\$ 698.800				\$ (11.503)		

MTA Bridges and Tunnels Subordinate Revenue Bonds							
Associated Bond Issue	Notional Amounts as of 12/31/2024 (In millions)	Effective Date	Fixed Rate Paid	Variable Rate Received	Fair Values as of 12/31/2024 (In millions)	Swap Termination Date	Counterparty
Series 2005A	\$ 13.260	04/01/16	3.09%	Lesser of Actual Bond or 67% of one-month LIBOR	\$ (0.202)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Series 2001C ⁽⁶⁾	6.000	04/01/16	3.52%	67% of one-month LIBOR ⁽¹⁾	(0.104)	01/01/30	U.S. Bank N.A., Wells Fargo Bank, N.A.
Total	\$ 19.260				\$ (0.306)		

- (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, 2024:

Counterparty	Ratings of the Counterparty or its Credit Support Provider		
	S&P	Moody's	Fitch
U.S. Bank National Association	A+	Aa3	A+
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	AA-	Aa2	AA
UBS AG	A+	Aa2	A+

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, 2024 (in thousands):

Series	Outstanding Principal	Notional Amount
TBTA 2005B-4 (a,b,c,d,e)	\$ 174,700	\$ 174,700
TBTA 2005B-3	174,700	174,700
TBTA 2005B-2 (a,b,c)	174,700	174,700
TBTA 2005A	102,070	13,260
TBTA 2003B (1,2,3)	108,405	70,775
TBTA 2018E	148,470	103,925
TBTA 2001C	68,420	6,000
2002G-1	28,645	28,645
2022E-2a	99,560	86,845
Total	<u>\$ 1,079,670</u>	<u>\$ 833,550</u>

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

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

Credit Risk—The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties’ credit ratings. Generally, MTA Bridges and Tunnels’ swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain Federal agency securities. MTA Bridges and Tunnels requires its counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ level), with partial posting requirements at higher rating levels (details on collateral posting discussed further under “Collateralization/Contingencies”). As of December 31, 2024, all the valuations were in liability positions to MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

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

Counterparty	Amount (In thousands)	Notional Amount
JPMorgan Chase Bank, NA	\$ 174,700	20.96 %
UBS AG	174,700	20.96
Citibank, N.A.	174,700	20.96
BNP Paribas North America, Inc.	174,700	20.96
U.S. Bank National Association	67,375	8.08
Wells Fargo Bank, N.A.	<u>67,375</u>	<u>8.08</u>
Total	<u>\$ 833,550</u>	<u>100 %</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As of December 31, 2024, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was \$13,407; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

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

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

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

MTA Bridges and Tunnels Subordinate Lien		
Counterparty	MTA Bridges and Tunnels Collateral Thresholds (Based on Lowest Rating)	Counterparty Collateral Thresholds (Based on Lowest Rating)
U.S. Bank National Association; 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		Net Swap Payments	Total
	Principal	Interest (In millions)		
2025	\$ 30.4	\$ 30.3	\$ (6.4)	\$ 54.3
2026	31.5	29.1	(6.3)	54.3
2027	32.9	27.8	(6.5)	54.2
2028	50.0	25.8	(6.4)	69.4
2029	144.5	20.1	(4.9)	159.7
2030–2034	499.7	23.6	(5.2)	518.1
2035–2039	-	2.0	-	2.0

19. RELATED PARTY TRANSACTIONS

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

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

The Metropolitan Transportation Authority ("MTA") and the Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") entered into a PMT Financing Agreement (the "Financing Agreement"), dated as of April 9, 2021, to provide the mechanism by which MTA will deposit, allocate and transfer certain payroll mobility taxes ("Mobility Tax Receipts") and certain fees, surcharges and taxes ("Aid Trust

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

Triborough Bridge and Tunnel Authority issued bonds backed by PMT revenues. The proceeds of these bonds are sent to MTA for the capital needs of New York City Transit and Commuter Rails. The debt service costs associated with these bonds are collected by MTA from New York state and sent to Triborough Bridge and Tunnel Authority, which are then used to pay the bond holders. The total loan receivable for PMT as of December 31, 2024 is \$11,398 million.

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

Due from/to MTA and affiliated agencies consists of the following at December 31, 2024 and 2023 (in thousands):

	2024		2023	
	Receivable	(Payable)	Receivable	(Payable)
Due from (due to) MTA	\$ 183	\$ (150,776)	\$ 2,217	\$ (165,221)
Due from (due to) MTA Bus	-	(317)	5,785	(7,075)
Loan receivable due from	-	-	-	-
(due to) MTA	11,398,091	-	11,450,928	-
Due from (due to) NYCTA		(91,375)	1,925	(101,093)
	<u>\$ 11,398,274</u>	<u>\$ (242,468)</u>	<u>\$ 11,460,855</u>	<u>\$ (273,389)</u>

20. COMPENSATED ABSENCES

MTA Bridges & Tunnels provides employee benefits for vacations, compensatory time, sick, and other leave days. Certain leave that has not been used are recorded as compensated absences liabilities if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for the time off or otherwise paid in cash or settled through noncash means.

Short-term liability is recorded based on average usage or applicable leave expiration, while long-term liability is recorded for leave that accumulates and is carried forward to a future reporting period during which it may be used for time off or otherwise paid or settled at separation of service, or according to timing as provided for in the policy or collective bargaining agreement.

The initial measurement of MTA's compensated absences liability under GASB Statement No. 101 was as of January 1, 2023. The liability including certain salary-related payments were recalculated and adjusted based on the estimated outstanding leave balances as of the years ended December 31, 2024 and 2023.

A Summary of Activity indicated as net increase or decrease in compensated absences liability for the years ended December 31, 2024 and December 31, 2023 is presented below (in thousands):

	2024	2023
Balance—beginning of year	\$ 40,055	\$ 38,304
Net adjustment	<u>(1,435)</u>	<u>1,751</u>
Balance—end of year	38,620	40,055
Less current portion	<u>(13,886)</u>	<u>(14,368)</u>
Compensated absences liability—noncurrent	<u>\$ 24,734</u>	<u>\$ 25,687</u>

21. SUBSEQUENT EVENTS

On January 23, 2025, MTA Bridges and Tunnels issued \$1,600,000 of Triborough Bridge and Tunnel Authority Real Estate Transfer Tax Revenue Bonds, Series 2025A. Proceeds from the transaction were used (i) to finance transit and commuter projects included in MTA's approved capital programs, (ii) provide funds for deposit into the Senior Lien Debt Service Reserve Fund, and (ii) pay certain financing, legal and miscellaneous expenses.

On February 6, 2025, MTA Bridges and Tunnels issued \$500,000 of Triborough Bridge and Tunnel Authority Subordinate Revenue Bond Anticipation Notes Series 2025A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program. (ii) pay capitalized interest on the Series 2025A Notes through and including May 15, 2026, and (iii) to pay certain financing, legal and miscellaneous expenses.

On March 19, 2025, MTA Bridges and Tunnels issued \$400,000 of Payroll Mobility Tax Bond Anticipation Notes, Series 2025A. Proceeds from the transaction were used (i) to finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) pay capitalized interest on the Series 2025A Notes accruing through maturity, and (iii) pay certain financing, legal and miscellaneous expenses.

On April 9, 2025, MTA Bridges and Tunnels issued \$800,000 of Triborough Bridge and Tunnel Authority Payroll Mobility Tax Bond Anticipation Notes, Series 2025B. Proceeds from the transaction were used (i) finance approved transit and commuter projects included in the 2020-2024 Capital Program, (ii) fund

capitalized interest payments due on the Subseries 2025B-1 Notes through maturity, (iii) fund capitalized interest payments due on the Subseries 2025B-2 Note through and including November 15, 2027, (iv) fund certain financing, legal and miscellaneous expenses.

Central Business District Tolling Program

On November 14, 2024, following a pause in implementation of the CBDTP, Governor Hochul announced a proposal to proceed with the CBDTP, but with the toll structure and rates that had been adopted by the MTA Bridges and Tunnels Board on March 27, 2024 being phased-in gradually over several years with proportionally lower toll rates for all vehicle classes in the first six-years of the program. In response, the MTA Bridges and Tunnels Board, at its November 18, 2024 meeting, adopted the phase-in approach to the toll rate schedule that it had approved on March 27, 2024. On November 21, 2024, the Federal Highway Administration (“FHWA”) approved Re-evaluation 2 and conferred tolling authority through an agreement pursuant to its Value Pricing Pilot Program. The CBDTP went into effect and tolling commenced on January 5, 2025.

In a letter dated February 19, 2025, US Secretary of Transportation Duffy notified Governor Hochul that, among other things, he had concluded that CBDTP is not an eligible project under the Value Pricing Pilot Program, and on February 20, 2025, the Executive Director of the FHWA notified MTA Bridges and Tunnels that toll collection must cease effective March 21, 2025. On February 19, 2025, MTA and MTA Bridges and Tunnels filed a complaint in the District Court for the Southern District of New York against Sean Duffy, as Secretary of the United States Department of Transportation, Gloria Shepherd, as Executive Director of the FHWA, the United States Department of Transportation, and the FHWA (“MTA v. Duffy”) seeking a declaratory judgment that Secretary Duffy’s purported termination of the November 21, 2024 Value Pricing Pilot Program agreement is null and void. On March 20, 2025, a day before the original deadline to cease toll collection, the Department of Transportation sent a letter extending that date to April 20, 2025. On April 21, 2025, Secretary Duffy sent a letter to Governor Hochul “directing the New York State Department of Transportation to show cause, no later than May 21, 2025, why FHWA should not take appropriate steps under 23 CFR § 1.36 to remedy New York’s noncompliance with 23 U.S.C. § 301 in connection with the CBDTP.” Secretary Duffy goes on to list the measures FHWA may impose if New York’s “noncompliance continues.” MTA and MTA Bridges and Tunnels have no intention of halting the CBDTP absent a court order, notwithstanding the letter. Accordingly, MTA Bridges and Tunnels plans to keep collecting tolls unless a court orders MTA Bridges and Tunnels to cease collecting tolls.

On May 2, 2025, Triborough Bridge and Tunnel Authority entered into a loan agreement with a custodian on behalf of a lender. Pursuant to the loan agreement, the lender provided a term loan to the Authority in the amount of \$500M. The Authority expects to use the loan proceeds to finance transit and commuter projects in the 2020-2024 Capital Program. The term loan matures on May 1, 2026, however, the term loan is subject to earlier mandatory prepayment pursuant to the terms of the Loan Agreement. Interest on the term loan is payable monthly. The repayment of the principal of and interest on the loan is secured by a lien on Central Business District Tolling Program revenues collected on and after May 1, 2025 net of operating expenses and certain other costs.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION

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

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

	NYCERS									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.888 %	0.806 %	0.924 %	0.933 %	1.212 %	1.222 %	1.155 %	1.308 %	1.266 %	1.205 %
Authority's proportionate share of the net pension liability	\$ 146.12	\$ 143.88	\$ 167.41	\$ 59.82	\$ 255.54	\$ 226.29	\$ 203.71	\$ 271.61	\$ 307.60	\$ 243.90
Authority's actual covered-employee payroll *	\$ 115.32	\$ 120.76	\$ 121.31	\$ 122.89	\$ 126.88	\$ 130.05	\$ 126.57	\$ 130.30	\$ 133.89	\$ 127.48
Authority's proportionate share of the net pension liability as a percentage of the Authority's covered-employee payroll	126.71 %	97.52 %	136.16 %	52.26 %	210.65 %	143.71 %	160.95 %	208.450 %	229.741 %	191.329 %
Plan fiduciary net position as a percentage of the total pension liability	84.25 %	82.22 %	81.27 %	93.14 %	76.93 %	78.83 %	78.83 %	74.80 %	69.57 %	73.12 %

Note: This schedule is intended to show information for ten years.

* The Authority Triborough Bridge and Tunnel Authority actual covered payroll has been restated from 2019 to 2023 to represent the plan fiscal year.

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, 2023 funding valuation.

Changes of Assumptions

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 35,630	\$ 28,691	\$ 31,973	\$ 34,591	\$ 40,790	\$ 48,538	\$ 38,697	\$ 41,272	\$ 44,609	\$ 41,812	\$ 33,023
Contributions in relation to the contractually required contribution	<u>35,630</u>	<u>28,691</u>	<u>31,973</u>	<u>34,591</u>	<u>40,790</u>	<u>48,538</u>	<u>38,697</u>	<u>41,272</u>	<u>44,609</u>	<u>41,812</u>	<u>33,023</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	<u>\$ 152,838</u>	<u>\$ 147,542</u>	<u>\$ 122,952</u>	<u>\$ 119,482</u>	<u>\$ 126,895</u>	<u>\$ 164,110</u>	<u>\$ 133,494</u>	<u>\$ 144,992</u>	<u>\$ 137,900</u>	<u>\$ 150,652</u>	<u>\$ 167,988</u>
Contributions as a percentage of covered-employee payroll	<u>23.31 %</u>	<u>19.45 %</u>	<u>26.00 %</u>	<u>28.95 %</u>	<u>32.14 %</u>	<u>29.58 %</u>	<u>28.99 %</u>	<u>28.47 %</u>	<u>32.35 %</u>	<u>27.75 %</u>	<u>19.66 %</u>

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, 2023 funding valuation.

Changes of Assumptions

There were no changes of benefit assumptions in the June 30, 2023 funding valuation.

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY IN THE MTA OPEB PLAN

AT DECEMBER 31,

(In millions)

Plan Measurement Date (December 31):	2023	2022	2021	2020	2019	2018	2017
MTA Bridges and Tunnels proportion of the net OPEB liability	4.26 %	3.89 %	3.64 %	4.05 %	3.85 %	4.09 %	4.06 %
MTA Bridges and Tunnels proportionate share of the net OPEB liability	\$ 859.352	\$ 872.112	\$ 908.111	\$ 987.443	\$ 813.359	\$ 801.555	\$ 823.748
MTA Bridges and Tunnels covered payroll	\$ 147.542	\$ 122.952	\$ 119.482	\$ 126.895	\$ 164.110	\$ 133.494	\$ 112.716
MTA Bridges and Tunnels proportionate share of the net OPEB liability as a percentage of its covered payroll	582.45 %	709.31 %	760.04 %	778.16 %	495.62 %	600.44 %	730.82 %
Plan fiduciary net position as a percentage of the total OPEB liability	6.36 %	0.05 %	0.00 %	0.00 %	1.93 %	1.76 %	1.79 %

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

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

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

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual employer contribution ⁽¹⁾	\$ 40,939	\$ 37,617	\$ 32,898	\$ 28,855	\$ 29,318	\$ 29,314	\$ 28,291	\$ 26,407
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	\$ 152,838	\$ 147,542	\$ 122,952	\$ 119,482	\$ 126,895	\$ 164,110	\$ 133,494	\$ 112,716
Actual contribution as a percentage of covered payroll	26.79 %	25.50 %	26.76 %	24.15 %	23.10 %	17.86 %	21.19 %	23.43 %

⁽¹⁾ Actual employer contribution includes the implicit rate of subsidy adjustment of \$2,295, \$2,128, \$1,763, \$1,290, \$2,495, \$3,782, \$3,650 and \$3,450, for the years ended December 31, 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 respectively.

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

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2019	July 1, 2019	July 1, 2018	July 1, 2017
Measurement date	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Discount rate	3.26%—net of expenses	3.72%—net of expenses	2.06%—net of expenses	2.12%—net of expenses	2.74%—net of expenses	4.10%—net of expenses	3.44%—net of expenses
Inflation	2.31%	2.33%	2.25%	2.25%	2.50%	2.50%	2.50%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Normal cost increase factor	4.25%	4.25%	4.25%	4.25%	4.50%	4.50%	4.50%
Investment rate of return	3.26%	3.72%	2.06%	2.12%	5.75%	6.50%	6.50%

Changes of Benefit Terms—In the July 1, 2023 actuarial valuation, there were no changes to the benefit terms.

Changes of Assumptions—In the July 1, 2023 actuarial valuation, there was a change in assumptions. The discount rate used to measure liabilities was updated to incorporate GASB Statement No. 75 guidance and changed to reflect the current municipal bond rate.

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