NEW YORK STATE OF OPPORTUNITY | Thruway Authority

(A Component Unit of the State of New York)

Financial Statements

December 31, 2023 and 2022

New York State Thruway Authority

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C O N T E N T S

Independent Auditor's Report

Members of the Board
New York State Thruway Authority
Albany, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New York State Thruway Authority (the Authority), a component unit of the State of New York, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2023 and 2022, and the changes in its 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) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 disclosed in Note 1u to the financial statements, in 2023, the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements.* 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 management's discussion and analysis, the schedule of other postemployment benefits liability, the schedule of proportionate share of the net pension liability/asset and the schedule of pension contributions 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated April 9, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Latham, New York
April 9, 2024

The following discussion and analysis of the New York State Thruway Authority's (Authority) financial performance provides an overview of the Authority's activities for the years ended December 31, 2023 and 2022. Please read it in conjunction with the Authority's financial statements that follow this section. This discussion and analysis are intended to serve as an introduction to the Authority's financial statements which are comprised of the basic financial statements and the notes to the financial statements.

2023 Financial Highlights

- Total operating revenue was $910.3 million, an increase of $10.4 million, or 1.2% compared to 2022. Tolls and related revenues for the year was $887.1 million, an increase of $6.4 million, or 0.7% compared to 2022.
- Total operating expenses, excluding depreciation and amortization, were $448.8 million, a decrease of $99.6 million, or 18.2% compared to 2022.
- Net position as of December 31, 2023 was $415.4 million, a decrease of $40.3 million, or 8.8% compared to December 31, 2022.
- Total capital assets (net of depreciation) as of December 31, 2023 were $7.6 billion, an increase of $64.0 million, or 0.9% compared to December 31, 2022.
- During the year ended December 31, 2023, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements.* Additional information is presented in Notes 1u and 12.

2022 Financial Highlights

- Total operating revenue was $899.9 million, an increase of $72.7 million, or 8.8% compared to 2021. Tolls and related revenues for the year was $880.7 million, an increase of $76.3 million, or 9.5% compared to 2021.
- Total operating expenses, excluding depreciation and amortization, were $548.5 million, an increase of $38.1 million, or 7.5% compared to 2021.
- Net position as of December 31, 2022 was $455.7 million, a decrease of $188.1 million, or 29.2% compared to December 31, 2021.
- Total capital assets (net of depreciation) as of December 31, 2022 were $7.50 billion, a decrease of $38.5 million, or 0.5% compared to December 31, 2021.
- During the year ended December 31, 2022, the Authority implemented GASB Statement No. 87, *Leases* and GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The Authority is required to restate its net position balance to the earliest year of implementation. Accordingly, the Authority restated January 1, 2021 net position to comply with the new standards. Additional information is presented in Notes 1t and 11.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis, the basic financial statements, and the notes to the financial statements.

The financial statements provide summary information about the Authority's overall financial condition, including the Authority's net position and related changes. The notes provide explanation and additional disclosures about the financial statements.

Overview of the Financial Statements - Continued

The Authority is considered a special-purpose government engaged in business-type activities and follows financial reporting for enterprise funds. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

Financial Analysis of the Authority

Net Position

The Authority's net position at December 31, 2023 was approximately $415.4 million, an 8.8% decrease compared to December 31, 2022 (see Table A-1). In 2023, total assets decreased 1.3% to $9.09 billion, and total liabilities decreased 5.3% to $8.21 billion. The Authority's net position at December 31, 2022 was approximately $455.7 million, a 29.2% decrease compared to December 31, 2021. In 2022, total assets decreased 0.8% to $9.21 billion and total liabilities decreased 1.0% to $8.67 billion.

Table A-1
Net Position
December 31, 2023, 2022, and 2021
(In millions of dollars)

	2023	2022	2021	Percentage Change 2023-2022
Unrestricted current assets	$ 659.9	$ 632.8	$ 608.7	4.3
Unrestricted non-current assets	113.0	155.5	48.1	(27.3)
Restricted assets	756.9	922.7	1,087.0	(18.0)
Capital assets	7,560.5	7,496.3	7,534.9	0.9
Total assets	9,090.3	9,207.3	9,278.7	(1.3)
Deferred outflows of resources	182.1	287.8	393.8	(36.7)
Current liabilities	692.2	663.0	675.6	4.4
Noncurrent liabilities	7,514.6	8,007.5	8,079.1	(6.2)
Total liabilities	8,206.8	8,670.5	8,754.7	(5.3)
Deferred inflows of resources	650.2	368.9	274.0	76.3
Total net position	$ 415.4	$ 455.7	$ 643.8	(8.8)

Unrestricted non-current assets decreased $42.5 million, or 27.3% compared to 2022. This decrease is primarily due to a change in the valuation of the Authority's pension obligations. Additional information regarding the Authority's retirement benefits is presented in Note 8.

Financial Analysis of the Authority - Continued

Net Position - Continued

Restricted assets decreased $165.8 million, or 18.0% compared to 2022. This decrease is primarily due to the use of General Revenue Bonds, Series O proceeds and restricted revenues to pay capital project costs and certain debt service payments, as well as the use of Junior Indebtedness Obligations, Series 2019B proceeds to fund certain debt service payments. Additional information regarding restricted assets, General Revenue Bonds, Series O and Junior Indebtedness Obligations, Series 2019B is presented in Notes 4 and 5, respectively.

Deferred outflows of resources decreased $105.7 million, or 36.7% and deferred inflows of resources increased $281.3 million, or 76.3%. The respective decrease and increase are primarily due to a change in the Authority's liability for other postemployment benefit obligations. Additional information regarding postemployment benefits other than pensions is presented in Note 10.

Noncurrent liabilities decreased $492.9 million, or 6.2% compared to 2022. This decrease is primarily due to the Authority reducing its overall long-term debt obligations in 2023. Additional information regarding long-term debt is presented in Note 5.

Changes in Net Position

Net position decreased by $40.3 million in 2023 (see Table A-2). The Authority's total operating revenues for 2023 were $910.3 million, an increase of $10.4 million, or 1.2% compared to 2022. Total operating expenses for 2023 were $811.2 million, a decrease of $79.3 million, or 8.9% compared to 2022. Net position decreased by $188.1 million in 2022. The Authority's total operating revenues for 2022 were $899.9 million, an increase of $72.7 million, or 8.8% compared to 2021. Total operating expenses for 2022 were $890.5 million, a decrease of $31.3 million, or 3.4% compared to 2021.

Table A-2
Changes in Net Position
Years ended December 31, 2023, 2022, and 2021
(In millions of dollars)

	2023	2022	2021	Percentage Change 2023-2022
OPERATING REVENUE				
Tolls and related revenues	$ 887.1	$ 880.7	$ 804.4	0.7
Lease revenues	15.2	11.7	6.6	29.9
Other	8.0	7.5	16.2	6.7
Total operating revenue	910.3	899.9	827.2	1.2
OPERATING EXPENSES				
Salaries	134.2	117.5	116.7	14.2
Postemployment obligations	27.8	156.1	144.1	(82.2)
Employee benefits	72.8	41.3	48.2	76.3
State Police - Troop T services	62.8	62.4	61.2	0.6
Professional and other services	86.6	93.1	80.8	(7.0)
Supplies, materials and rentals	19.6	26.9	21.1	(27.1)
Maintenance and repairs	29.9	39.8	26.9	(24.9)
Utilities	7.0	7.0	5.9	-
Insurance and claims	6.3	5.1	4.1	23.5
Equipment	1.8	(0.8)	1.4	325.0
Depreciation and amortization	362.4	342.1	411.4	5.9
Total operating expenses	811.2	890.5	921.8	(8.9)
Operating income (loss)	99.1	9.4	(94.6)	954.3

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Table A-2

Changes in Net Position
Years ended December 31, 2023, 2022, and 2021
(In millions of dollars) – Continued

	2023	2022	2021	Percentage Change 2023-2022
NON-OPERATING REVENUES AND EXPENSES				
Investment income	$ 63.9	$ 20.5	$ 2.4	211.7
Interest expense	(202.6)	(210.7)	(204.9)	(3.8)
Debt issuance expense	(0.1)	-	(2.3)	(100.0)
Federal, state and other aid	1.5	0.4	3.5	275.0
Loss on disposal of assets	(2.6)	(8.0)	(0.3)	(67.5)
Net non-operating items	(139.9)	(197.8)	(201.6)	(29.3)
Loss before capital contributions	(40.8)	(188.4)	(296.2)	(78.3)
Capital contributions	0.5	0.3	1.1	66.7
CHANGE IN NET POSITION	**(40.3)**	**(188.1)**	**(295.1)**	**(78.6)**
NET POSITION, ***beginning of year***	455.7	643.8	940.1	(29.2)
Restatement of net position, GASB 87 and 94			(1.2)	
NET POSITION, ***beginning of year*****, restated**			938.9	
NET POSITION, ***end of year***	**$ 415.4**	**$ 455.7**	**$ 643.8**	**$ (8.8)**

Tolls and related revenues increased $6.4 million, or 0.7% compared to 2022. Passenger traffic increased 4.3% in 2023, resulting in a $20.0 million increase in passenger revenue. Commercial traffic decreased 1.0% in 2023, resulting in a $15.0 million decrease in commercial revenue. Fees associated with the collection of toll revenue increased 2.4% in 2023, resulting in a $1.4 million increase in toll fee related revenues.

Lease revenues increased $3.5 million, or 29.9% compared to 2022. The increase in lease revenues is primarily due to the reopening of nine service areas in 2023, as well as 2023 being the first full year of revenue from the eleven fiber optic lease agreements executed in the 2022.

Salary expenses increased $16.7 million, or 14.2%. This increase is primarily due to the execution of new collective bargaining agreements and other salary actions taken to retain employees.

Postemployment benefit obligations expenses decreased $128.3 million, or 82.2% compared to 2022. The decrease is primarily due to the increase in the discount rate to calculate these obligations. Postemployment benefit obligations consist primarily of health insurance benefits provided to retirees. Additional information regarding postemployment benefits other than pensions is presented in Note 10.

Employee benefit costs increased $31.5 million, or 76.3% compared to 2022. This increase is primarily due to higher costs related to the Authority's participation in the ERS. Additional information regarding the Authority's participation in ERS is presented in Note 8.

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Professional and other services decreased $6.5 million, or 7.0% compared to 2022. This decrease is primarily due to marketing fees associated with the leasing of the Authority's fiber optic system.

Supplies, materials, and rental costs decreased $7.3 million, or 27.1% compared to 2022. This decrease is primarily due to the mild winter weather in 2023.

Maintenance and repair costs decreased $9.9 million, or 24.9% compared to 2022. This decrease is primarily due a revised estimate of costs the Authority is obligated to pay for soil and asbestos remediation related to the reconstruction of service area restaurants. Additional information regarding the Authority's service area project can be found on page 12.

Investment income increased $43.4 million, or 211.7% compared to 2022. This increase is primarily due to a combination of higher interest rates and increased cash invested in 2023 compared to 2022.

Interest expense decreased $8.1 million, or 3.8% compared to 2022. No new debt was issued by the Authority in 2023; therefore, the decrease is due to principal payments on the outstanding General Revenue Senior Bonds and General Revenue Junior Indebtedness Obligations.

Federal, state, and other aid increased $1.1 million, or 275.0% compared to 2022. The increase is primarily due to federal funding received in 2023 for highway maintenance work.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2023, the Authority had invested approximately $14.0 billion in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.6 billion (see Table A-3) representing a net increase (including additions, disposals, and depreciation) of approximately $64.2 million or 0.9% compared to December 31, 2022.

As of December 31, 2022, the Authority had invested approximately $13.6 billion in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.5 billion (see Table A-3) representing a net decrease (including additions, disposals, and depreciation) of approximately $38.5 million or 0.5% compared to December 31, 2021.

Capital Assets and Debt Administration - Continued

Capital Assets - Continued

Table A-3

Capital Assets
December 31, 2023, 2022, and 2021
(In millions of dollars)

	2023	2022	2021	Percentage Change 2023-2022
Land and land improvements	$ 822.4	$ 819.3	$ 819.1	0.4
Construction in progress	196.3	265.5	187.9	(26.1)
Thruway System	12,715.2	12,265.5	12,062.2	3.7
Leased assets	8.7	6.3	6.8	38.1
Subscription based information technology arrangements	4.6	-	-	100.0
Equipment	284.7	282.7	269.2	0.7
Less accumulated depreciation	(6,471.4)	(6,143.0)	(5,810.3)	5.3
Total net capital assets	$ 7,560.5	$ 7,496.3	$ 7,534.9	0.9

In 2023, construction work in progress decreased $69.2 million, or 26.1%. This decrease is primarily due to the completion of a number of highway resurfacing projects and portions of an ongoing project to rehabilitate the Castleton on the Hudson Bridge.

Net additions to the Thruway System during 2023 were $449.7 million, or 3.7%. This increase was primarily due to the completion of nine newly reconstructed service area restaurants, completed work as part of ongoing project to rehabilitate the Castleton on the Hudson Bridge, and work to rehabilitate and resurface portions of Interstate 90 in the Syracuse area.

In 2022, construction work in progress increased $77.6 million, or 41.3%. This increase is primarily due to an ongoing project to rehabilitate the Castleton on the Hudson Bridge, as well as numerous active projects system wide to replace or resurface sections of the highway.

Net additions to the Thruway System during 2022 were $203.3 million, or 1.7%. This increase was primarily due to the completion of work to rehabilitate and resurface portions of Interstate 95 from New York City to the Connecticut state line, and from Westfield to the Pennsylvania state line. Numerous other highway resurfacing projects were also completed. In addition, three newly reconstructed service area restaurant buildings were re-opened in 2022.

Debt Administration

Bond and note sales must be approved by the Authority's Board, members of which are appointed by the Governor with the advice and consent of the New York State Senate. These sales must comply with rules and regulations of the United States Treasury Department and the United States Securities and Exchange Commission. Authority bond and note sales may be negotiated or sold competitively. The terms and conditions of Authority negotiated bond and note sales must also be approved by the New York State Office of the State Comptroller.

Capital Assets and Debt Administration - Continued

Debt Administration - Continued

General revenue bonds are issued pursuant to the Authority's General Revenue Bond Resolution, adopted August 3, 1992, as amended on January 5, 2007. General revenue bonds may be issued for the purposes described in the General Revenue Bond Resolution, as amended, including funding the Authority's Multi-Year Capital Plan. Junior indebtedness obligations are issued pursuant to the Authority's Resolution Authorizing General Revenue Junior Indebtedness Obligations, adopted November 7, 2013, as amended August 6, 2014. Junior indebtedness obligations are subordinate to the senior general revenue bonds and are special obligations of the Authority secured by a pledge of certain funds and accounts established in the Junior Indebtedness Fund. Proceeds from junior indebtedness obligations issued were used solely to fund New NY Bridge project costs incurred through project completion.

At December 31, 2023, the Authority had approximately $6.79 billion in general revenues bonds and junior indebtedness obligations outstanding, a decrease of $158.8, or 2.4% from December 31, 2022. The Authority had no short-term debt outstanding as of December 31, 2023.

At December 31, 2022, the Authority had approximately $6.64 billion in general revenue bonds and junior indebtedness obligations outstanding, a decrease of $147.7 million, or 2.2% from December 31, 2021. The Authority had no short-term debt outstanding as of December 31, 2022.

Long-term debt includes general revenue bonds and junior indebtedness obligations of varying rates and maturities issued primarily to fund a portion of the Authority's Multi-Year Capital Plan and New NY Bridge Project costs for construction of the Governor Mario M. Cuomo Bridge. At December 31, 2023, the Authority had approximately $6.48 billion in general revenue bonds and junior indebtedness obligations outstanding, a decrease of $158.8 million or approximately 2.4% compared to the amount of general revenue bonds and junior indebtedness obligations outstanding as of December 31, 2022 (see Table A-4).

Short-term debt includes subordinated indebtedness of varying rates and maturities up to two years from the date of agreement and were entered into to provide liquidity to the Authority during the COVID-19 pandemic. At December 31, 2023, the Authority had no outstanding short-term debt obligations or unused commitments.

In October 2020, the Authority executed a Noteholder's Agreement providing liquidity funding through a drawdown process to issue and sell short-term notes up to a total combined commitment not to exceed $100 million. No notes were sold, and the agreement was terminated in October 2022.

Of the $3.70 billion in general revenue bonds outstanding, approximately $25.07 million are insured by Assured Guaranty Municipal (formerly Financial Security Assurance Inc.) and are rated A1 by Moody's and AA by Standard and Poor's (S&P). The Authority's remaining general revenue bonds are rated A1 by Moody's and A+ by S&P. Of the $2.78 billion in junior indebtedness obligations outstanding, approximately $362.22 million are insured by Assured Guaranty Municipal Corp and are rated A2 by Moody's and AA by S&P. The remaining junior indebtedness obligations are rated A2 by Moody's and A by S&P.

Capital Assets and Debt Administration - Continued

Debt Administration - Continued

Table A-4

Outstanding Debt
Years ended December 31, 2023 and 2022
(In millions of dollars)

	Year Ended December 31, 2023			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,844.5	$ -	$ (144.8)	$ 3,699.7
Junior indebtedness obligations and notes	2,797.3	-	(14.0)	2,783.3
	$ 6,641.8	$ -	$ (158.8)	$ 6,483.0

	Year Ended December 31, 2022			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,978.2	$ -	$ (133.7)	$ 3,844.5
Junior indebtedness obligations and notes	2,811.3	-	(14.0)	2,797.3
	$ 6,789.5	$ -	$ (147.7)	$ 6,641.8

More detailed information regarding the Authority's debt is presented in Notes 5 and 6.

Other Significant Matters

Service Area Project

In 2021, the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Empire's initial investment to rebuild and renovate the service areas is estimated to be $300 million. Additionally, over the life of the agreement Empire will invest another $99 million into future renovations and improvements.

The construction work is occurring in two phases. Phase 1 began in July 2021 when Empire assumed control of 16 service areas previously operated by HMSHost Corporation and Delaware North Corporation. Phase 2 began in January 2023 when Empire assumed control of the remaining 11 service areas that were operated by McDonald's Corporation through December 2022. As of December 31, 2023, the Authority has opened 12 of the newly reconstructed service area restaurant buildings.

Other Significant Matters - Continued

Service Area Project - Continued

Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs. These costs primarily consist of soil remediation and asbestos mitigation associated with the demolition of the existing service area restaurants. Additional information regarding environmental remediation liabilities is presented in Note 13f.

Commencing with the reopening of each new restaurant building, the agreement requires Empire to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. In addition, the agreement has ancillary rent provisions tied to the operation of commercial vehicle fueling stations at five of the service areas and advertising opportunities at all service areas. Sales generated by Empire during the operation of a restaurant prior to reconstruction (interim operations) are not subject to rent provisions. Over the life of the agreement, base rent calculated as a percentage of sales is forecasted to be $85 million, of which $51 million is guaranteed.

The Authority's agreement with Empire is subject to the provisions of GASB 94. Additional information regarding GASB 94 and the agreement with Empire is presented in Notes 1t and 11.

Fiber Optic System

The Authority owns a fiber optic system consisting of 550 miles of duct and fiber optic cable located primarily within the right-of-way of the Thruway System. During 2021 and 2022, the Authority entered into twelve agreements with various parties for the irrevocable right to use the system for terms ranging from 3 to 23 years. These agreements generally require users to make a one-time lump sum payment upon execution followed by annual recurring payments that escalate based on the lesser of the year over year change in the consumer price index or 3%. Total income over the life of the agreements is estimated to be $161.3 million. For the year ended December 31, 2023 the Authority recognized total revenue from these agreements of $10.8 million, consisting of $8.2 million of lease revenue and $2.6 million of interest income. For the year ended December 31, 2022 the Authority recognized total revenue from these agreements of $6.4 million, consisting of $4.9 million of lease revenue and $1.5 million of interest income.

Additional information regarding the Authority's leasing activity is presented in Notes 1t and 11.

Prior to executing long-term use agreements, the Authority allowed use of its fiber optic system through the issuance of short-term use permits cancellable by either party with thirty days' notice. For the year ending December 31, 2023 there was no short-term permit revenues related to the use of the fiber optic system. For the year ended December 31, 2022, short-term permits for the use of the fiber optic system generated revenue of $3.9 million. Short-term permit revenues are included in other revenues on the Statement of Revenues, Expenses and Changes in Net Position.

Governor Mario M. Cuomo Bridge and Tappan Zee Constructors, LLC

In 2013, the Authority entered into a design-build agreement with Tappan Zee Constructors, LLC to construct the Governor Mario M. Cuomo Bridge (then known as the New NY Bridge) to replace the existing Tappan Zee Bridge. The Governor Mario M. Cuomo Bridge, a twin-span structure crossing the Hudson River between Rockland and Westchester Counties was fully in service as of 2018. As part of the project a shared use path on the bridge and new maintenance and state police buildings adjacent the bridge were completed in 2020. Since 2013, the Authority has invested $3.75 billion in the project. Additional investments in the project include capitalized interest costs of $168.4 million, as well as planning costs of $152.8 million incurred prior to 2013.

Other Significant Matters - Continued

Governor Mario M. Cuomo Bridge and Tappan Zee Constructors, LLC - Continued

Tappan Zee Constructors, LLC has submitted requests for payment to the Authority claiming they are owed, as of December 31, 2023, $944.5 million, plus interest, in excess of their approved contract value and anticipated change orders. Their claims relate to issues of time, extra work, and oversight of the project. The Authority disputes these claims.

Additional information regarding Tappan Zee Constructors, LLC's claims is presented in Note 13a.

Additional information regarding the Governor Mario M. Cuomo Bridge is available at www.newnybridge.com.

General Revenue Bonds, Series P

During February 2024, the Authority issued $1.02 billion of General Revenue Bonds - Series P (Series P Bonds) to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series P Bonds; (4) refund the outstanding General Revenue Bonds - Series J; (5) fund a tender offer to purchase certain outstanding General Revenue Bonds – Series M (Federally Taxable); and (6) pay bond issuance costs.

The refunding and tender offer achieved net present value savings of $83 million.

In conjunction with the issuance of General Revenue Bonds – Series P, the Authority received a ratings upgrade from S&P from A to A+ on the General Revenue Bonds and from A- to A on the General Revenue Junior Indebtedness Obligations. Moody's also improved the Authority's rating outlook for the General Revenue Bonds from A1 stable to A1 positive and for the General Revenue Junior Indebtedness Obligations from A2 stable to A2 positive.

Contacting the New York State Thruway Authority's Financial Management

This financial report is designed to provide our bondholders, customers, and other interested parties with a general overview of the Authority's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional information, please contact:

New York State Thruway Authority
Department of Finance and Accounts
P.O. Box 189, Albany
New York 12201-0189
www.thruway.ny.gov

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Net Position
(in thousands of dollars)

	December 31, 2023	December 31, 2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	$ 482,178	$ 464,693
Investments	7,401	29,024
Receivables, net	138,137	109,462
Material and other supplies	27,135	25,346
Prepaid items	5,084	4,209
Restricted assets	301,151	286,615
Total current assets	961,086	919,349
NON-CURRENT ASSETS		
Unrestricted assets	112,975	155,533
Restricted assets	455,757	636,061
Capital assets, not being depreciated	1,018,754	1,084,868
Capital assets, net of accumulated depreciation	6,541,766	6,411,470
Total non-current assets	8,129,252	8,287,932
Total assets	9,090,338	9,207,281
DEFERRED OUTFLOWS OF RESOURCES	182,078	287,786
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	284,250	242,922
Unearned revenue	117,223	133,100
Accrued interest payable	125,362	128,155
Bonds payable, due within one year	165,388	158,812
Total current liabilities	692,223	662,989
NON-CURRENT LIABILITIES		
Bonds payable	6,317,620	6,483,008
Other long-term liabilities	1,196,969	1,524,441
Total non-current liabilities	7,514,589	8,007,449
Total liabilities	8,206,812	8,670,438
DEFERRED INFLOWS OF RESOURCES	650,200	368,899
NET POSITION		
Net investment in capital assets	1,248,940	1,235,738
Restricted for		
Debt service	138,477	105,212
Capital	138,042	230,466
Unrestricted (deficit)	(1,110,055)	(1,115,686)
Total net position	**$ 415,404**	**$ 455,730**

See Accompanying Notes to Financial Statements

New York State Thruway Authority

(A Component Unit of the State of New York)

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

	Years Ended December 31,	
	2023	**2022**
OPERATING REVENUES		
Tolls and related revenues	$ 887,061	$ 880,717
Lease revenues	15,190	11,670
Other	7,983	7,552
Total operating revenues	910,234	899,939
OPERATING EXPENSES		
Salaries	134,172	117,504
Postemployment obligations	27,832	156,103
Employee benefits	72,759	41,268
State Police - Troop T services	62,772	62,414
Professional and other services	86,563	93,128
Supplies, materials and rentals	19,581	26,881
Maintenance and repairs	29,924	39,794
Utilities	7,003	6,965
Insurance and claims	6,312	5,178
Equipment and Other	1,808	(772)
Depreciation and amortization	362,411	342,079
Total operating expenses	811,137	890,542
Operating income	**99,097**	**9,397**
NON-OPERATING REVENUES AND EXPENSES		
Investment income	63,944	20,535
Interest expense	(202,571)	(210,700)
Debt issuance cost	(90)	(2)
Federal, state and other aid	1,514	430
Other	(2,676)	(8,060)
Net non-operating items	(139,879)	(197,797)
Loss before capital contributions	**(40,782)**	**(188,400)**
CAPITAL CONTRIBUTIONS	456	382
CHANGE IN NET POSITION	**(40,326)**	**(188,018)**
NET POSITION, ***beginning of year***	455,730	643,748
NET POSITION, ***end of year***	**$ 415,404**	**$ 455,730**

See Accompanying Notes to Financial Statements

New York State Thruway Authority
(A Component Unit of the State of New York)

Statements of Cash Flows
(in thousands of dollars)

	Years Ended December 31, 2023	2022
CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from collection of tolls and related revenues	$ 869,538	$ 878,629
Cash received from leasing activities	8,757	53,837
Other operating cash receipts	6,329	5,157
Personal service payments	(128,319)	(116,098)
Employee benefits payments	(94,829)	(91,747)
E-ZPass and Tolls by Mail account management payments	(69,730)	(86,002)
Payments to New York State for Troop T services	(62,181)	(63,799)
Cash payments to vendors and contractors	(81,145)	(84,938)
	448,420	**495,039**
CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		
Federal, state and other aid	**465**	**7,529**
CASH FLOWS PROVIDED (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Federal, state and other capital contributions	413	565
Acquisition/construction of capital assets	(317,790)	(300,038)
Principal paid on debt	(114,360)	(105,345)
Interest and issuance costs paid on debt	(253,607)	(253,997)
Proceeds from sale of capital assets	2,873	6,699
	(682,471)	**(652,116)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of investments	(1,086,448)	(1,456,978)
Proceeds from sales and maturities of investments	1,124,287	1,558,285
Interest and dividends on investments	64,353	21,327
	102,192	**122,634**
Net decrease in cash and cash equivalents	**(131,394)**	**(26,914)**
CASH AND CASH EQUIVALENTS, *beginning of year*	1,060,564	1,087,478
CASH AND CASH EQUIVALENTS, *end of year*	**$ 929,170**	**$ 1,060,564**

See Accompanying Notes to Financial Statements

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Cash Flows - Continued
(in thousands of dollars)

	Years Ended December 31, 2023	2022
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$ 99,097	$ 9,397
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	362,411	342,079
Net changes in assets, liabilities, deferred outflows of resources and deferred inflows of resources		
Receivables	(22,033)	(67,129)
Material and other supplies	(1,789)	(2,945)
Other assets	35,894	(37,124)
Accounts payables and accrued expenses	(289,405)	69,110
Deferred outflows of resources	104,475	104,806
Deferred inflows of resources	175,646	77,368
Unearned revenue	(15,876)	(523)
	$ 448,420	**$ 495,039**
RECONCILIATION TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	$ 482,178	$ 464,693
Restricted cash and cash equivalents	446,992	595,871
	$ 929,170	**$ 1,060,564**

See Accompanying Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. An overview of the more significant accounting policies is described below:

a. Financial Reporting Entity

The New York State Thruway Authority (Authority) is a Public Benefit Corporation created by the New York State Legislature in 1950 to build, operate, and maintain the Thruway System. The Board of the Authority consists of seven members, appointed by the Governor, with the consent of the New York State Senate.

The Authority is responsible for a 570-mile system of highways crossing New York State, the longest toll highway system in the United States. The Authority's 426-mile Thruway mainline connects New York City and Buffalo, the State's two largest cities. Other Thruway sections provide for connections with Connecticut, Massachusetts, Pennsylvania, New Jersey, and to highways that lead to the Midwest and Canada. In accordance with legislation passed by the State Legislature, the Cross-Westchester Expressway (CWE) was added to the Thruway in 1991, and the Authority is prohibited from imposing any tolls or other charges for the use of the CWE. The Authority also owns a fiber optic network that resides within and/or on the Authority's right-of-way.

The Authority is a legally and fiscally separate and distinct organization solely responsible for its finances, and the credit of the State of New York is not pledged to the operation of the Authority. The Authority is empowered to issue revenue bonds backed solely from Authority revenues.

The State may, from time to time, also authorize the Authority by statute to undertake additional financing activities to finance primarily non-Authority transportation projects in the State. The Authority is responsible for administering these special bond programs as discussed in Note 7.

b. Basis of Accounting

The Authority's activities are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenue recorded when earned and expenses recorded at the time liabilities are incurred.

The principal revenue of the Authority is toll revenue received from customers. The Authority also recognizes as operating revenue toll related fees, special hauling fees charged to overweight or oversize vehicles, and certain revenue collected from the lease of property. Operating expenses include all costs required to operate, maintain, and administer the Thruway. All revenue and expenses not meeting this definition are reported as non-operating items.

The Authority's bond resolution requires that certain funds and accounts be established and maintained. The Authority consolidates these funds and accounts for the purpose of providing its basic financial statements in accordance with U.S. GAAP.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with original maturities of three months or less when purchased. All cash deposits and repurchase agreements are fully collateralized or covered by federal deposit insurance.

Investments include financial instruments with original maturities of more than three months and are recorded at amortized cost, which approximates fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments with original maturities of more than three months are not included in cash and cash equivalents in the statements of cash flows.

d. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows, deferred inflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Receivables

Receivables consist primarily of amounts attributable to leases, cashless tolling, and Federal and State governments under various grant programs. Receivables attributable to commercial transportation companies with post-paid accounts are guaranteed by surety bonds and/or cash deposits. Receivables are reported net of an allowance for uncollectible amounts. The allowance for doubtful receivables amounted to $58,660,000 and $48,883,000 at December 31, 2023 and 2022, respectively.

f. Materials and Other Supplies

Materials and other supplies are principally valued at weighted average cost. The cost of such items is recognized as an expense when used.

g. Unearned Revenue

Unearned revenue consists of prepaid deposits made by private and commercial customers into E-ZPass accounts held by the Authority, annual permit revenues collected in advance and amounts collected from users of the Authority's fiber optic system that apply to future periods. E-ZPass customer accounts with negative balances (amounts due to the Authority) are reported as an offset to unearned revenue. At December 31, 2023 and 2022, E-ZPass accounts with negative balances, net of allowances for doubtful accounts, amount to $1,875,000 and $1,414,000, respectively.

h. Restricted Assets

Certain proceeds of Thruway revenue bonds and notes, as well as certain Thruway revenues, are restricted by applicable bond covenants for construction or set aside as reserves to ensure repayment of the Authority's bonds. Certain other assets are accumulated and restricted in accordance with the bond resolutions for the purpose of paying interest and principal that are due on a semi-annual and annual basis, respectively, and for the purpose of maintaining reserve funds at required levels.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Toll Revenues

Toll revenues are stated net of volume and other discounts of $31,555,000 and $32,127,000 for the years ended December 31, 2023 and 2022, respectively.

j. Pensions

The Authority is a participating employer in the New York State and Local Retirement System (ERS). Employees in permanent positions are required to enroll in ERS, and employees in part-time or seasonal positions have the option of enrolling in ERS. ERS is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Authority's financial position and results of operations due to its participation in ERS is more fully disclosed in Note 8.

k. Other Postemployment Benefits

The Authority recognizes in its financial statements the financial impact of other postemployment benefits, principally employer funded retiree health care costs. The impact on the Authority's financial position and results of operations is more fully disclosed in Note 10.

l. Compensated Absences

Permanent employees of the Authority accrue vacation leave as part of their benefit package. Unused vacation days up to a maximum of 30 days are considered vested and paid upon retirement or termination. The liability for vested vacation leave approximates $9,979,000 and $9,084,000 at December 31, 2023 and 2022, respectively, and is recorded as a long-term liability.

Permanent employees of the Authority also accrue sick leave as part of their benefit package. Upon retirement, unused sick days up to a maximum of 200 days are converted to a monthly credit that is used to offset the employee's share of postemployment benefit costs. The Authority's liability for postemployment benefits is discussed further in Note 10.

m. Bond and Note Premiums

Bond and note premiums are presented as components of bonds payable. The premiums are amortized over the life of the bonds and notes on a basis that approximates the effective interest method. Net amortization related to bond and note premiums were approximately $44,452,000 and $42,360,000 for 2023 and 2022, respectively, and are included as an offset to interest expense.

n. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows include amounts related to pensions (Note 8), other postemployment benefit obligations (Note 10), losses related to bond refunding's (Note 5) and obligations associated with the retirement of certain assets (Note 12f).

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

n. Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

The following schedule summarizes the Authority's deferred outflows of resources as of December 31, 2023 and 2022 (in thousands):

	2023	2022
Net pension asset/liability	$ 72,794	$ 84,290
Postemployment benefit obligation	102,284	195,263
Loss on bond refundings	5,000	5,833
Asset retirement obligations	2,000	2,400
Totals	$ 182,078	$ 287,786

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows include amounts related to pensions (Note 8), other postemployment benefit obligations (Note 10), gains related to bond refunding's (Note 5) and leases (Note 11).

The following schedule summarizes the Authority's deferred inflows of resources as of December 31, 2023 and 2022 (in thousands):

	2023	2022
Net pension asset/liability	$ 7,751	$ 129,615
Postemployment benefit obligation	341,758	29,484
Gain on bond refundings	14,596	19,419
Leases	286,095	190,381
Totals	$ 650,200	$ 368,899

o. Net Position

Net position is classified as follows:

- Net Investment In Capital Assets consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances attributable to the acquisition of capital assets.

- Restricted Net Position has externally placed constraints on use.

- Unrestricted Net Position consists of assets, liabilities, deferred outflows, and deferred inflows that do not meet the definition of "net investment in capital assets" or "restricted net position."

p. Capital Contributions

Capital contributions consist primarily of funds provided by the State of New York.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

q. Arbitrage

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and an arbitrage rebate liability on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative relatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's policy is to annually record a liability representing the estimated amount owed. The Authority actively manages its invested bond proceeds to minimize any arbitrage liability. The Authority had no cumulative arbitrage rebate liability for the years ended December 31, 2023 and 2022.

r. Income Taxes

The Authority is a public benefit corporation of the State of New York. As such, income earned in the exercise of its essential government functions is exempt from state and federal income taxes.

s. Non-Exchange Transactions

The Authority's non-exchange transactions include fees charged to customers as violation fees, late fees, and administrative fees. The distinguishing characteristic of these non-exchange fees is they are assessed against customers who have failed to pay their toll and/or follow the terms of their E-ZPass account agreement or regulations governing the Tolls by Mail program. The Authority's policy for recognizing revenue associated with non-exchange fees is to record the revenue at the time the fee is collected.

Tolls and related revenues include fees of $61,603,000 and $60,319,000 for the years ended December 31, 2023 and 2022, respectively.

Other non-exchange transactions of the Authority include federal and state grants.

t. Leases and Public-Private Partnerships

The Authority is a lessor for various noncancellable leases related to fiber optic systems, the operation of fueling stations and public-private partnerships to operate the Thruway's Service Areas. For leases with a maximum possible term of twelve months or less, the Authority recognizes revenue based on the provisions of the agreement. For leases with a term of greater than twelve months, the Authority recognizes a lease receivable at the present value of lease payments expected to be received during the lease term and a deferred inflow of resources at the amount of the initial measurement of the lease receivable, adjusted for any lease payments received prior to the commencement of the lease term.

The Authority is a lessee for various noncancellable leases. For leases with a maximum possible term of twelve months or less, the Authority recognizes an expense based on the provisions of the agreement. For leases with a term greater than twelve months, the Authority recognizes a lease liability and an intangible right-to-use asset at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service.

The Authority discounts leases using the Authority's approximated cost of borrowing. Leases with an effective date on or before March 31, 2022 are discounted using an interest rate of 2.78% and leases with an effective date after March 31, 2022 are discounted using an interest rate of 4.50%.

Additional information regarding leases and public-private partnership is presented in Note 11.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

u. Subscription-Based Information Technology Arrangements

The Authority's financial statements as of and for the year ended December 31, 2023 include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96).

The primary objective of GASB 96 is to establish a definition of subscription-based technology arrangements (SBITA) and to enhance consistency of information about the Authority's technology arrangements. GASB 96 establishes a uniform model for the accounting of SBITAs based on the principle that they are intangible assets with a corresponding liability for the subscription period.

Under GASB 96, the Authority is required to recognize a subscription-based liability and a subscription-based asset for agreements that have a maximum possible term, including options, of greater than twelve months. For agreements with a maximum possible term of twelve months or less, the Authority recognizes an expense based on the provisions of the agreement.

Additional information regarding subscription-based information technology arrangements is presented in Note 12.

v. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through April 9, 2024, the date the financial statements were available to be issued.

Note 2 - Cash and Investments

The Authority's cash and investments as of December 31, 2023 and 2022, were as follows (in thousands):

	Carrying Value	
	2023	2022
Unrestricted		
Cash		
Demand deposits	$ 105,177	$ 158,582
Cash equivalents		
U.S. government agency notes	63,843	-
U.S. treasury securities	210,012	134,595
Commercial paper	103,146	171,516
Total unrestricted cash equivalents	377,001	306,111
Total unrestricted cash and cash equivalents	$ 482,178	$ 464,693

Note 2 - Cash and Investments - Continued

	Carrying Value	
	2023	2022
Restricted		
Cash		
Demand deposits	$ 40,113	$ 273,928
Other deposits	1,887	2,003
Total restricted cash	42,000	275,931
Cash equivalents		
U.S. government agency notes	19,828	-
U.S. treasury securities	311,552	121,622
Commercial paper	73,612	198,318
Total restricted cash equivalents	404,992	319,940
Total restricted cash and cash equivalents	$ 446,992	$ 595,871
Investments		
Unrestricted		
Commercial paper	$ 6,868	$ 8,515
U.S. treasury securities	-	19,939
Time deposits	533	570
Total unrestricted investments	$ 7,401	$ 29,024
Restricted		
Commercial paper	$ -	$ 23,136
U.S. treasury securities	306,780	300,159
Total restricted investments	$ 306,780	$ 323,295

At December 31, 2023 and 2022, the fair value of the Authority's cash and investments approximated the carrying value (amortized cost).

The Authority requires collateral, in the form of federal government obligations or agency instruments guaranteed by the federal government, for all investments in repurchase agreements. The Authority also requires delivery to its trustee/custodian of all securities purchased and collateral for repurchase agreements, regardless of the seller institution. All Authority investment securities are classified as securities acquired by a financial institution for the Authority and held by the Authority's trustee/custodian in the Authority's name. Bank balances, which are comprised of demand and other deposits, are fully insured, or collateralized as of December 31, 2023 and 2022. Amounts are collateralized with securities transferred to and held by the Authority's trustee/custodian in the Authority's name.

The Authority manages its investments pursuant to the respective bond resolutions, Public Authorities Law, and the Authority's Investment Policy approved annually by the Authority's Board. Permitted investments are defined as obligations in which the State Comptroller may invest pursuant to Section 98(a) of the State Finance Law, including obligations of the United States and its Federal agencies, collateralized time deposits, commercial paper, bankers' acceptances, and repurchase agreements.

Note 2 - Cash and Investments - Continued

The Authority's investment policy has established criteria that mitigate certain credit risks and interest rate risks. The policy has established investment concentration limits for each of the Authority's investment portfolios. The policy also requires that deposits and investments be held by a third-party custodian who may not otherwise be counter-party to the transactions, and that securities are held in the name of the Authority.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy to address this risk requires the custodian or depository bank to provide collateral in an amount equal to or greater than the amount on deposit, with a third-party custodian in the Authority's name.

Interest rate risk is also addressed in the Authority's policy which requires the purchase of securities with the intention of holding them to maturity and does not limit the term of any investment. It is the Authority's practice to invest funds to the date of the anticipated need of the funds. The Authority has no investments at December 31, 2023 with a remaining maturity of more than one year.

As of December 31, 2023, the Authority had the following concentrations of cash equivalents and investments:

	Credit Exposure Security	% of Total (Rating)
Certificate of Deposit		0.04%
Commercial Paper		
Koch Industries, Inc	A-1+/P-1/na	5.48%
MetLife Short Term Funding	A-1+/P-1/F1+	1.27%
Microsoft Corporation	A-1+/P-1/WD	9.96%
U.S. Government Securities		
Treasury Bills	A-1+/WR/F1+	75.64%
Federal Home Loan Bank	A-1+/P-1/na	7.61%

Note 3 - Capital Assets

The Authority's capital assets principally include the Thruway System, equipment, leased assets and SBITAs. The Thruway System includes infrastructure assets consisting of bridges, highways, buildings, toll equipment, intelligent transportation systems and a fiber optic system. Equipment includes vehicles, machinery,software systems, and E-ZPass tags. Leased assets consist of office space and communication tower leases, as well as SBITAs.

Note 3 - Capital Assets - Continued

All capital assets are stated at cost. Capital assets are defined as assets with initial, individual costs exceeding capitalization thresholds of $5,000 to $100,000. Depreciation and amortization is computed on the straight-line method over the following estimated useful lives:

Category	Useful Life	Capitalization Threshold
Bridges	45-100 years	$ 50,000
Bridge improvements	15 years	50,000
Highways	30 years	50,000
Highway improvements	8-10 years	50,000
Buildings	30 years	50,000
Toll collection system	15-45 years	50,000
Fiber optic system	17 years	50,000
Equipment	2-12 years	5,000 – 50,000
Bridges	45-100 years	50,000
SBITA	1-5 years	100,000

The following schedules summarize the capital assets of the Authority and related changes for the years ended December 31, 2023 and 2022 (in thousands):

	December 31, 2022	Additions	Reductions	December 31, 2023
Capital assets, not being depreciated				
Land and land improvements	$ 819,357	$ 3,540	$ (481)	$ 822,416
Construction in progress	265,511	410,667	(479,840)	196,338
Total capital assets, not being depreciated	1,084,868	414,207	(480,321)	1,018,754
Capital assets, being depreciated				
Thruway System	12,265,504	466,251	(16,605)	12,715,150
Equipment	282,730	23,614	(21,617)	284,727
Leased assets	6,272	7,178	(155)	13,295
Total capital assets, being depreciated	12,554,506	497,043	(38,377)	13,013,172
Less accumulated depreciation and amortization for				
Thruway System	(5,976,143)	(337,101)	12,938	(6,300,306)
Equipment	(165,412)	(22,002)	20,216	(167,198)
Leased assets	(1,481)	(2,576)	155	(3,902)
Total accumulated depreciation	(6,143,036)	(361,679)	33,309	(6,471,406)
Net value of capital assets, being depreciated	6,411,470	135,364	(5,068)	6,541,766
Capital assets, net	$ 7,496,338	$ 549,571	$ (485,389)	$ 7,560,520

Note 3 - Capital Assets - Continued

	December 31, 2021	Additions	Reductions	December 31, 2022
Capital assets, not being depreciated				
Land and land improvements	$ 819,121	$ 469	$ (233)	$ 819,357
Construction in progress	187,864	303,469	(225,822)	265,511
Total capital assets, not being depreciated	1,006,985	303,938	(226,055)	1,084,868
Capital assets, being depreciated				
Thruway System	12,062,237	212,745	(9,478)	12,265,504
Equipment	269,174	21,328	(7,772)	282,730
Leased assets	6,797	-	(525)	6,272
Total capital assets, being depreciated	12,338,208	234,073	(17,775)	12,554,506
Less accumulated depreciation and amortization for				
Thruway System	(5,659,323)	(318,014)	1,194	(5,976,143)
Equipment	(150,211)	(22,119)	6,918	(165,412)
Leased assets	(800)	(1,206)	525	(1,481)
Total accumulated depreciation	(5,810,334)	(341,339)	8,637	(6,143,036)
Net value of capital assets, being depreciated	6,527,874	(107,266)	(9,138)	6,411,470
Capital assets, net	$ 7,534,859	$ 196,672	$ (235,193)	$ 7,496,338

Depreciation and amortization expense related to capital assets was $361,679,000 and $341,339,000 for the years ended December 31, 2023 and 2022, respectively. The Authority periodically reviews and, when deemed necessary, adjusts the estimated useful lives of its capital assets.

The Authority monitors events and circumstances that cause significant and unexpected declines to the useful life of capital assets. When required, a loss is recognized to reduce the carrying value of an impaired capital asset. Impairment loss is reflected as a component of depreciation expense.

Note 4 - Restricted Assets

Restricted assets are established pursuant to bond resolutions and other agreements and are classified as current or non-current based upon the underlying restrictions. Restricted assets are comprised of the following as of December 31, 2023 and 2022 (in thousands):

	2023	2022
Restricted current		
Cash and cash equivalents	$ 301,151	$ 272,481
Investments	-	14,025
Interest receivable	-	109
Total	301,151	286,615

Note 4 - Restricted Assets - Continued

	2023	2022
Restricted non-current		
Cash and cash equivalents	145,841	323,390
Investments	306,780	309,270
Receivables	876	833
Prepaid items	2,260	2,568
Total	455,757	636,061
Total restricted assets	$ 756,908	$ 922,676

Senior Debt Service Fund: Established to receive funds from Authority revenues to make periodic payments of interest and principal. Amounts held in this restricted fund at December 31, 2023 and 2022 were $202,231,000 and $187,585,000, respectively.

Senior Debt Service Reserve Fund: Established to retain funds equal to the maximum amount of aggregate debt service for any twelve-month period on all outstanding General Revenue Bonds secured by the Senior Debt Service Reserve Fund. Amounts held in this restricted fund at December 31, 2023 and 2022 were $229,480,000 and $216,392,000, respectively.

Construction Fund: Established to hold moneys paid into it from the sale of bonds and notes to pay for costs of the “Facilities” and “Other Authority Projects” as defined in the bond resolutions. Amounts remaining upon completion or abandonment of such projects is required to be transferred to other funds in accordance with the terms outlined in the bond resolutions. Amounts held in this restricted fund at December 31, 2023 and 2022 were $31,321,000 and $159,920,000, respectively.

Reserve Maintenance Fund: Established to hold funds required to be deposited each year into the Reserve Maintenance Fund. Funds held in the Reserve Maintenance Fund can be disbursed for specific costs relating to the “Facilities,” as defined in the bond resolution and certain highway and railroad grade crossings. Amounts held in this restricted fund at December 31, 2023 and 2022 were $157,282,000 and $227,767,000, respectively.

Junior Indebtedness Fund: Established to hold moneys received from the sale of Junior Indebtedness Obligations and Authority revenues received for debt service purposes. Amounts in the Junior Indebtedness Fund are used to: 1) fund the Facilities Capital Improvement Fund for a portion of the cost of the Authority’s New NY Bridge Project as defined in the Junior Indebtedness Bond Resolution; 2) fund certain debt service payments on the Series 2016A and Series 2019B Junior Indebtedness Obligations; and 3) satisfy the Junior Indebtedness Debt Service Reserve requirements on the Series 2016A and Series 2019B Junior Indebtedness Obligations. Amounts held in this restricted fund at December 31, 2023 and 2022 were $118,109,000 and $118,033,000, respectively.

Facilities Capital Improvement Fund: Established to hold funds determined to be necessary or appropriate by the Authority Board to fund project costs of facilities or to set up reserves to fund such costs. The Authority has elected to use this fund to hold certain revenues, debt proceeds, and other monies dedicated to the Governor Mario M. Cuomo Bridge. Amounts held in this restricted fund at December 31, 2023 and 2022, were $16,597,000 and $10,976,000, respectively.

Note 4 - Restricted Assets - Continued

Commercial Charge Surety Account: Established to receive cash surety deposits from Commercial Charge Account customers which are to be used only if the customer does not meet their obligations under the Commercial Charge Account Credit Agreement. Amounts held in the account at December 31, 2023 and 2022 were $1,888,000 and $2,003,000, respectively.

Note 5 - Long-Term Liabilities

The Authority's bond indebtedness and other long-term liabilities at December 31, 2023 and 2022, are comprised of the following obligations (in thousands):

	Date of Issuance	December 31, 2022 Balance	Additions	Reductions	December 31, 2023 Balance	Due Within One Year
General revenue bonds						
2014 Series J	2/14	$ 576,995	$ -	$ (16,940)	$ 560,055	$ 42,090
2014 Series K	12/14	658,770	-	(29,395)	629,375	30,860
2018 Series L	3/18	459,205	-	(57,245)	401,960	35,675
2019 Series M	10/19	857,625	-	-	857,625	17,920
2020 Series N	3/20	450,000	-	-	450,000	-
2021 Series O	10/21	549,480	-	(9,390)	540,090	-
Unamortized bond premiums		292,451	-	(31,829)	260,622	25,713
General revenue bonds and unamortized premiums		3,844,526	-	(144,799)	3,699,727	152,258
Junior indebtedness obligations and notes						
Series 2016 A	5/16	849,500	-	(250)	849,250	250
Series 2019 B	10/19	1,691,575	-	(1,140)	1,690,435	1,200
Unamortized bond premiums		256,219	-	(12,623)	243,596	11,680
Junior indebtedness obligations and unamortized premiums		2,797,294	-	(14,013)	2,783,281	13,130
Total bonds and unamortized premiums		$ 6,641,820	$ -	$ (158,812)	$ 6,483,008	$ 165,388
Other long-term liabilities						
Postemployment benefit obligation		$ 1,497,951	$ 78,257	$ (494,415)	$ 1,081,793	$ -
Net pension liability		-	88,630	-	88,630	-
Compensated absences		9,084	895	-	9,979	-
Lease liability		5,043	2,397	(1,133)	6,307	886
Subscription based information technology arrangements		-	4,781	(1,844)	2,937	1,997
Environmental remediation		21,164	-	(9,492)	11,672	5,466
Asset retirement obligations		4,230	-	(230)	4,000	-
Total other long-term liabilities		$ 1,537,472	$ 174,960	$ (507,114)	$ 1,205,318	$ 8,349

Note 5 - Long-Term Liabilities - Continued

	Date of Issuance	December 31, 2021 Balance	Additions	Reductions	December 31, 2022 Balance	Due Within One Year
General revenue bonds						
2012 Series I	7/12	$ 26,810	$ -	$ (26,810)	$ -	$ -
2014 Series J	2/14	593,140	-	(16,145)	576,995	16,940
2014 Series K	12/14	686,810	-	(28,040)	658,770	29,395
2018 Series L	3/18	492,215	-	(33,010)	459,205	57,245
2019 Series M	10/19	857,625	-	-	857,625	-
2020 Series N	3/20	450,000	-	-	450,000	-
2021 Series O	10/21	549,480	-	-	549,480	9,390
Unamortized bond premiums		322,183	-	(29,732)	292,451	31,829
General revenue bonds and unamortized premiums		3,978,263	-	(133,737)	3,844,526	144,799
Junior indebtedness obligations and notes						
Series 2016 A	5/16	849,750	-	(250)	849,500	250
Series 2019 B	10/19	1,692,665	-	(1,090)	1,691,575	1,140
Unamortized bond premiums		268,847	-	(12,628)	256,219	12,623
Junior indebtedness obligations and unamortized premiums		2,811,262	-	(13,968)	2,797,294	14,013
Total bonds and unamortized premiums		$ 6,789,525	$ -	$ (147,705)	$ 6,641,820	$ 158,812
Other long-term liabilities						
Postemployment benefit obligation		$ 1,418,155	$ 116,075	$ (36,279)	$ 1,497,951	$ -
Net pension liability		467	-	(467)	-	-
Compensated absences		9,662	-	(578)	9,084	-
Lease liability		6,080	-	(1,037)	5,043	921
Environmental remediation		8,685	12,479	-	21,164	11,880
Asset retirement obligations		4,230	-	-	4,230	230
Total other long-term liabilities		$ 1,447,279	$ 128,554	$ (38,361)	$ 1,537,472	$ 13,031

No other long-term liabilities were due within one year at December 31, 2023.

The debt service requirements for the Authority's senior bonds as of December 31, 2023 are as follows (in thousands):

Due	Principal	Interest	Total
2024	$ 126,545	$ 140,567	$ 267,112
2025	137,085	134,626	271,711
2026	152,000	128,144	280,144
2027	159,600	121,113	280,713
2028	168,420	113,697	282,117
2029-2033	870,005	454,566	1,324,571
2034-2038	767,120	276,495	1,043,615
2039-2043	593,445	141,378	734,823
2044-2048	304,370	53,758	358,128
2049-2051	160,515	6,445	166,960
Unamortized premiums	260,622	-	260,622
	$ 3,699,727	$ 1,570,789	$ 5,270,516

Note 5 - Long-Term Liabilities - Continued

The debt service requirements for the Authority's junior indebtedness obligations as of December 31, 2023 are as follows (in thousands):

Due	Principal	Interest	Total
2024	$ 1,450	$ 107,239	$ 108,689
2025	3,260	107,122	110,382
2026	5,325	106,908	112,233
2027	7,390	106,590	113,980
2028	9,460	106,169	115,629
2029-2033	155,990	506,086	662,076
2034-2038	293,525	465,304	758,829
2039-2043	548,875	371,690	920,565
2044-2048	636,715	252,044	888,759
2049-2053	707,690	110,933	818,623
2054-2056	170,005	12,542	182,547
Unamortized premiums	243,596	-	243,596
	$ 2,783,281	$ 2,252,627	$ 5,035,908

General Revenue Bonds - Series I (Series I Bonds): During July 2012, the Authority issued $1,122,560,000 in Series I Bonds which provided funds to: (1) retire $868,045,000 in General Revenue Bond Anticipation Notes - Series 2011A; (2) fund a portion of the Authority's Multi-Year Capital Plan; (3) make a deposit to the Senior Debt Service Reserve Fund; and (4) pay bond issuance costs.

The Series I Bonds were partially refunded by the General Revenue Bonds Series M in 2019 and Series O in 2022, and the remaining balance was paid off in 2022.

General Revenue Bonds - Series J (Series J Bonds): During February 2014, the Authority issued $677,460,000 in Series J Bonds which provided funds to: (1) fund a portion of the Authority's Multi-Year Capital Plan; (2) provide funds to refund a portion of the Authority's General Revenue Bonds, Series F and General Revenue Bonds, Series G (for a net present value savings of $19,184,000); (3) make a deposit to the Senior Debt Service Reserve Fund; and (4) pay bond issuance costs.

The Series J Bonds are comprised of both Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.25% to 5.00%	2024 - 2036	$ 409,535
Term Bonds	5.00%	2041	87,235
Term Bonds	4.625%	2044	63,285
			$ 560,055

Note 5 - Long-Term Liabilities - Continued

Principal payments under the Series J Serial Bonds began in 2015. The Series J Term Bonds require sinking fund installments in 2037 through 2044, in amounts ranging from $15,790,000 to $22,055,000 annually. The Series J Bonds maturing on or after January 1, 2025, are callable at the option of the Authority, in whole or in part, beginning January 1, 2024, at par plus accrued interest.

The Series J bonds were fully defeased in February 2024 using the proceeds of General Revenue Bonds – Series P. Additional information is presented in Note 14.

General Revenue Bonds - Series K (Series K Bonds): During December 2014, the Authority issued $743,865,000 in Series K Bonds which provided funds to: (1) refund a portion of the Authority's General Revenue Bonds, Series F, Series G and Series I (for a net present value savings of $101,044,000); and (2) pay bond issuance costs.

The Series K Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.25% to 5.00%	2024 - 2032	$ 629,375

Principal payments under the Series K Serial Bonds began in 2019. The Series K Bonds maturing on or after January 1, 2026, are callable at the option of the Authority, in whole or in part, beginning January 1, 2025, at par plus accrued interest.

General Revenue Refunding Bonds - Series L (Series L Bonds): During March 2018, the Authority issued $596,220,000 of Series L Bonds to: (1) refund the Authority's outstanding General Revenue Bonds, Series H (for a net present value savings of $83,145,000) and (2) pay bond issuance costs.

The Series L Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2024 - 2037	$ 401,960

Principal payments under the Series L Bonds began in 2019. Series L Bonds maturing on or after January 1, 2029, are callable at the option of the Authority, in whole or in part, beginning January 1, 2028, at par plus accrued interest.

General Revenue Bonds - Series M – Federally Taxable (Series M Bonds): During October 2019, the Authority issued $857,625,000 of Series M Bonds to: (1) provide funds to refund certain amounts of the Authority's outstanding Series I Bonds (for a net present value savings of $92,477,000); and (2) pay bond issuance costs.

Note 5 - Long-Term Liabilities - Continued

The Series M Bonds are comprised of Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	2.12% to 2.55%	2024 - 2028	$ 133,500
Term Bonds	2.90%	2035	380,030
Term Bonds	3.50%	2042	344,095
			$ 857,625

Principal payments under the Series M Bonds begin in 2024. Series M Term Bonds require sinking fund installments in 2031 through 2042, in amounts ranging from $42,800,000 to $102,235,000 annually. Series M Bonds maturing on or prior to January 1, 2035 are callable at the option of the Authority, in whole or in part, subject to make whole redemption provisions. Series M Bonds maturing on January 1, 2042, are: (i) callable at the option of the Authority, in whole or in part, prior to January 1, 2030, subject to make whole redemption provisions; and (ii) callable at the option of the Authority, in whole or in part, on or after January 1, 2030 at par plus accrued interest.

The Series M bonds were partially defeased through a tender offer in February 2024 using the proceeds of the General Revenue Bonds – Series P. Additional information is presented in Note 15.

General Revenue Refunding Bonds - Series N (Series N Bonds): During March 2020, the Authority issued $450,000,000 of Series N Bonds to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series N Bonds; and (4) pay bond issuance costs.

The Series N Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2033 - 2050	$ 450,000

Principal payments under the Series N Bonds begin in 2033. Series N Bonds maturing on or after January 1, 2033, are callable at the option of the Authority, in whole or in part, beginning January 1, 2030, at par plus accrued interest.

General Revenue Refunding Bonds - Series O (Series O Bonds): During October 2021, the Authority issued $549,480,000 of Series O Bonds to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series O Bonds; (4) refund certain amounts of the Authority's outstanding Series I Bonds (for a net present value savings of $20,386,000); and (5) pay bond issuance costs.

Note 5 - Long-Term Liabilities - Continued

The Series O Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2033 - 2051	$ 540,090

Principal payments under the Series O Bonds began in 2023. Series O Bonds maturing on or after January 1, 2033, are callable at the option of the Authority, in whole or in part, beginning July 1, 2031, at par plus accrued interest.

General Revenue Senior Bonds - Revenue Pledge and Security: The General Revenue Bonds (Series J through O) are all direct obligations of the Authority, secured by a pledge of tolls and other revenue as established under the Bond Resolution. In accordance with the Bond Resolution, a Senior Debt Service Reserve Fund was established to be funded with cash and/or surety in an amount equal to the maximum aggregate debt service for any 12-month period. At both December 31, 2023 and 2022, the Senior Debt Service Reserve Fund, which may be used should amounts in the Senior Debt Service Fund be insufficient to pay debt service payments, was fully funded.

General Revenue Junior Indebtedness Obligations (JIO) - Series 2016A (Series 2016A JIO's): During May 2016, the Authority issued $850,000,000 of Series 2016A Junior Indebtedness Obligations to: (1) fund a portion of the cost of the Authority's New NY Bridge Project; (2) pay capitalized interest on the Series 2016A JIO's; (3) make a deposit to the Series 2016A Subaccount of the Junior Indebtedness Debt Service Reserve Account; and (4) pay the costs of issuance.

The Series 2016A JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	4.00% to 5.00%	2024 - 2038	$ 189,915
Term Bonds	5.00%	2041	71,830
Term Bonds	5.00%	2046	145,745
Term Bonds	4.00% to 5.00%	2051	184,960
Term Bonds	4.00% to 5.25%	2056	256,800
			$ 849,250

Series 2016A JIO Term Bonds require sinking fund installments in 2041 through 2056, in amounts ranging from $10,000,000 to $39,345,000 annually. Series 2016A JIO's maturing on or after January 1, 2027, are callable at the option of the Authority, in whole or in part, beginning January 1, 2026, at par plus accrued interest.

Note 5 - Long-Term Liabilities - Continued

General Revenue Junior Indebtedness Obligations (JIO) - Series 2019B: During October 2019, the Authority issued $1,693,245,000 of Series 2019B Junior Indebtedness Obligations to: (1) refund the outstanding General Revenue Junior Indebtedness Obligations, Series 2013B (TIFIA Loan), (2) fund or reimburse approximately $75,000,000 of costs related to the Authority's New NY Bridge Project, (3) fund capitalized interest on the Series 2019B Junior Indebtedness Obligations, (4) purchase a Reserve Credit Facility for the Series 2019B Subaccount of the Junior Indebtedness Debt Service Reserve Account, and (5) pay bond issuance costs incurred in connection with the issuance of the Series 2019B Junior Indebtedness Obligations, including the premium on an insurance policy for certain maturities of the Series 2019B Junior Indebtedness Obligations.

The Series 2019B JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2023 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2024 - 2046	$ 435,535
Term Bonds	4.00%	2041	75,855
Term Bonds	4.00%	2045	330,685
Term Bonds	3.00%	2046	96,505
Term Bonds	4.00%	2050	410,945
Term Bonds	3.00% to 4.00%	2053	340,910
			$ 1,690,435

Series 2019B JIO's Term Bonds require sinking fund installments in 2040 through 2053, in amounts ranging from $10,000,000 to $109,045,000 annually. Series 2019B JIO's maturing on or after January 1, 2031, are callable at the option of the Authority, in whole or in part, beginning January 1, 2030, at par plus accrued interest.

The Authority's General Revenue Junior Indebtedness Obligations are subordinate to the Authority's General Revenue Bonds.

Note 6 - Short-Term Debt

The Authority had no short-term debt at December 31, 2023 and 2022.

Royal Bank of Canada Noteholder's Agreement: During October 2020, the Authority entered into a Noteholder's Agreement with the Royal Bank of Canada (RBC) that provided the Authority with the ability to sell short term notes to RBC in amounts not to exceed $100 million in combined notes outstanding. No notes were sold, and the agreement was terminated in October 2022.

Note 7 - Special Bond Programs

The Authority's special bond programs, and the related projects and activities, are entirely separate from the Authority's financing, operation, and maintenance of the Thruway System. As such, these special bond programs are not reflected in the accompanying financial statements. The special bond programs require varying debt service payments which are funded under contractual agreements with the State of New York. The obligation of the State to make such payments is subject to, and dependent upon, annual appropriations by the State Legislature. These bond programs, however,

Note 7 - Special Bond Programs - Continued

result in no cost to the Authority and provide for no lien on Authority revenues or assets. The Authority is an authorized issuer of the following special bond programs: Local Highway and Bridge Service Contract Bonds, Highway and Bridge Trust Fund Bonds, State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds. The Authority has yet to issue State Sales Tax Revenue Bonds.

The following describes the Authority's outstanding debt under the special bond programs:

Highway and Bridge Trust Fund Bond Program - The Legislature of the State of New York empowered the Authority to issue Highway and Bridge Trust Fund Bonds to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's Multi-Year Highway and Bridge Capital Program. The Authority did not issue Highway and Bridge Trust Fund Bonds in 2023 or 2022. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were unchanged at $222,830,000 for December 31, 2023 and 2022.

State Personal Income Tax Revenue Bonds - The Legislature of the State of New York empowered the Authority to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge, and multi-modal capital project expenditures under established State programs. The Authority did not issue PIT Revenue Bonds during 2023 or 2022. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were $4,599,420,000 and $5,013,855,000 at December 31, 2023 and 2022, respectively.

Note 8 - Retirement Benefits

a. Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from ERS at www.osc.state.ny.us/retire.

ERS provides retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

b. Contributions

Employees in ERS Tier I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The Authority's contributions for the preceding ten years can be found in the schedule of pension contributions on page 53.

Note 8 - Retirement Benefits - Continued

c. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Authority reported liabilities (assets) of $88,630,000 and $(36,962,000) at December 31, 2023 and 2022, respectively. The net pension liability (asset) was measured as of March 31, 2023 and 2022, respectively, and the total pension liability was determined by actuarial valuations as of April 1, 2022 and 2021, respectively. The proportion of the net pension liability (asset) was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement dates. The Thruway Authority's proportionate share was 0.41% and 0.45% as of March 31, 2023 and 2022, respectively.

The Authority recognized pension expense of $31,710,000 and $2,832,000 for the years ended December 31, 2023 and 2022, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources for 2023 and 2022 as follows (in thousands):

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,440	$ 2,489	$ 2,799	$ 3,631
Changes of assumptions	43,044	476	61,685	1,041
Net differences between projected and actual investment earnings on pension plan investments	-	521	-	121,035
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,820	4,265	4,891	3,908
Authority contributions subsequent to the measurement date	16,490	-	14,915	-
Totals	$ 72,794	$ 7,751	$ 84,290	$ 129,615

Authority contributions subsequent to the measurement date are recognized as an adjustment of the net pension liability (asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year ending December 31,	
2024	$ 11,448
2025	(4,928)
2026	18,081
2027	23,952
Total	$ 48,553

Note 8 - Retirement Benefits - Continued

d. Actuarial Assumptions

The pension liabilities at March 31, 2023 and 2022 were determined by using actuarial valuations as of April 1, 2022 and April 1, 2021, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2023 and March 31, 2022. The actuarial valuation used the actuarial experience study for the period April 2015 – March 2020 and the following actuarial assumptions, which were consistent from year to year, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.9 percent
Salary scale	4.4 percent, indexed by service
Investment rate of return, including inflation	5.9 percent compounded annually, net of expenses
Cost of living adjustment	1.5 percent
Decrement	Based on FY 2015-2020 experience
Mortality improvement	Society of Actuaries Scale MP-2021

The long-term expected rate of return on ERS's pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

e. Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class and ERS's target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.0%	4.3%
International equity	15.0%	6.9%
Private equity	10.0%	7.5%
Real estate	9.0%	4.6%
Fixed income	23.0%	1.5%
Other	11.0%	0.0-5.8%
	100.0%	

Note 8 - Retirement Benefits - Continued

f. Discount Rate

The discount rate projection of cash flows assumed that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan 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.

g. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate (in thousands):

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Authority's proportionate share of the net pension liability (asset)	$ 214,180	$ 88,630	$ (16,282)

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the New York State and Local Employees' Retirement System as of March 31, 2023 and 2022 respectively, were as follows (amounts in thousands):

	2023	2022
Employers' total pension liability	$ 232,627,259	$ 223,874,888
Plan net position	(211,183,223)	(232,049,473)
Employers' net pension liability (asset)	$ 21,444,036	$ (8,174,585)
Ratio of plan net position to the employers' total pension liability	90.8%	103.7%

Note 9 - Deferred Compensation Plan

The Authority participates in the New York State Deferred Compensation Plan (Plan). The plan is a 457(b) retirement plan which is administered by New York State. The Authority does not have any authority to amend or abolish the Plan provisions, and the Authority does not make contributions to the Plan.

Note 10 - Other Postemployment Benefits

The Authority reports in its financial statements the financial impact of other postemployment benefits (OPEB), principally employer funded health care and death benefits which the Authority provides for retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Authority.

A summary of participants used to value the Authority's OPEB liability is as follows:

Actives	1,664
Vestees	1
Retirees (includes surviving spouse and disabled)	2,486
Total	4,151

Plan Description and Benefits Provided

The Authority participates, pursuant to the provisions of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program (NYSHIP), an Agent Multiple-Employer plan. NYSHIP is administered through the Department of Civil Service, and the Authority pays the cost of administration.

NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. Certain retiree costs, described below, are first applied against the value of the retiree's existing sick leave bank balance. A plan summary follows:

a. Plan Types

Medical – New York State Health Insurance Program which includes participation in various insurance plans and HMOs, and which also includes drug coverage. Details may be found in the Summary Program Description of the New York State Health Insurance Program Booklet.

Medicare Part B Reimbursement – The Authority reimburses the retiree and his/her Medicare eligible spouse for the Medicare Part B premium.

b. Eligibility

To be eligible, an employee must: (1) retire as a member of the New York State Employees' Retirement System or be at least 55 years old at time of termination; (2) be enrolled in the NYSHIP on date of retirement; and (3) complete at least five years of service for the retiree and dependent to have coverage while the employee is living. Ten years of service are needed for continued dependent coverage upon death of the employee.

c. Benefit/Cost Sharing

The Authority pays 94% (100% for those employees retired prior to April 1, 1991) of the premium for coverage of the retired employee and 75% of the additional premium for the dependent coverage. The premium paid by the Authority is based on the Empire Plan, one of the options available to retirees under the NYSHIP. If a retiree elects for another plan offered under the NYSHIP, the retiree is responsible for costs that exceed the amount of the Empire Plan premium.

d. Survivor Benefit

$3,000 payable to retiree's designated beneficiary.

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy

The Authority contributes to the plan to satisfy obligations on a pay-as-you-go basis. For the years ended December 31, 2023 and 2022, the Authority paid $38,738,000 and $36,279,000 respectively, on behalf of retirees.

Net OPEB Liability

The total OPEB liability for the Authority's years ended December 31, 2023 and December 31, 2022 were measured as of December 31, 2022 and December 31, 2021, respectively, using an actuarial valuation date of August 1, 2023 adjusted to the measurement date.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	
December 31, 2022 measurement date	4.05 percent
December 31, 2021 measurement date	1.84 percent
Annual payroll growth rate	2.50 percent
Healthcare cost trend rates	2022 Society of Actuaries Getzen Long Term Healthcare Cost Trend Model
Mortality rates	Recommended Actuarial Assumptions for New York State for Other Post-Employment Benefit Plan Actuarial Valuations, updated August 2022

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost, sharing provisions then in effect.

Changes in the Net OPEB Liability (in thousands)

	2023	2022
Balance, beginning of year	$ 1,497,951	$ 1,418,155
Changes for the year		
Service cost	51,002	46,835
Interest	27,255	28,000
Benefit payments	(38,738)	(36,279)
Change in assumptions and other inputs	(455,677)	41,240
Net changes	(416,158)	79,796
Balance, end of year	$ 1,081,793	$ 1,497,951

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy - Continued

Changes in the Net OPEB Liability (in thousands) - Continued

Sensitivity of the OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (in thousands):

	1% Decrease (3.05%)	Current Discount (4.05%)	1% Increase (5.05%)
Postemployment benefit obligation	$ 1,275,739	$ 1,081,793	$ 928,711

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease (2.94%)	Current Medical Trend Rate (3.94%)	1% Increase (4.94%)
Postemployment benefit obligation	$ 929,813	$ 1,081,793	$ 1,275,013

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Authority recognized OPEB expense of $27,832,000 and $156,103,000 for the years ended December 31, 2023 and 2022, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources at December 31, 2023 and 2022 related to OPEB as follows (in thousands):

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,021	$ 67,768	$ 5,046	$ -
Changes of assumptions	100,263	273,990	190,217	29,484
Totals	$ 102,284	$ 341,758	$ 195,263	$ 29,484

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized as expense as follows (in thousands):

Year ending December 31,	
2024	$ (21,945)
2025	(103,609)
2026	(113,920)
Total	$ (239,474)

Note 11 - Leases

Lessor agreements

In 2021, the Authority entered into a 33-year public-private partnership agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Under the terms of the agreement, Empire will invest approximately $300 million to rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Additionally, over the life of the agreement Empire will invest another $99 million into future renovations and improvements to the buildings. Commencing with the re-opening of each new restaurant building, Empire is required to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. Guaranteed rent over the term of the agreement is approximately $51 million.

This agreement coincided with the Authority concluding leases with McDonalds Corporation (ended December 2022), Delaware North Corporation (ended July 2021) and HMS Host Corporation (ended July 2021) the previous operators of the service area restaurants.

As of December 31, 2023, the Authority has twelve irrevocable agreements for the use of its fiber optic system with remaining terms ranging from three to twenty-three years; and two active leases for the operation of fueling stations with remaining terms of approximately four years.

For the year's ended December 31, 2023 and 2022, the Authority recognized $15.2 million and $11.7 million, respectively, in lease revenue and $3.8 million and $2.8 million, respectively, in lease interest revenues. For the years ended December 31, 2023 and 2022 variable leases revenues of $1.0 million and $0.3 million, respectively, were reported as a component of lease revenue. Future minimum payments due to the Authority are as follows (in thousands):

Year ending December 31,	Revenue	Interest	Total
2024	$ 11,886	$ 3,684	$ 15,570
2025	11,863	3,498	15,361
2026	11,675	3,298	14,973
2027	8,902	3,089	11,991
2028	7,850	2,939	10,789
2029-2033	37,977	12,397	50,374
2034-2038	33,078	8,482	41,560
2039-2043	23,264	3,870	27,134
2044-2048	4,749	2,131	6,880
2049-2053	4,678	972	5,650
2054-2058	468	15	483
Total	$ 156,390	$ 44,375	$ 200,765

Note 11 - Leases - Continued

Lessee Agreements

The Authority leases office space and space on communication towers for radio equipment. As of December 31, 2023 these leases have remaining terms of one to nine years. As of December 31, 2023 and 2022 the Authority's lease liability is $6.3 million and $5.0 million, respectively. Future rent obligations of the Authority are as follows (in thousands):

Year ending December 31,	Principal	Interest	Total
2024	$ 886	$ 202	$ 1,088
2025	781	174	955
2026	688	150	838
2027	736	127	863
2028	781	101	882
2029-2033	2,435	145	2,580
Total	$ 6,307	$ 899	$ 7,206

Note 12 - Subscription-Based Information Technology Arrangements

The Authority implemented GASB 96 for the year beginning January 1, 2023 (Note 1u). The Authority has multiple SBITAs, primarily for the use of software. As the lessee, the Authority recognizes a liability and a related intangible-asset over the remaining term of each agreement. At December 31, 2023, these agreements have remaining terms that vary from one to four years. At December 31, 2023, the Authority's SBITA liability is $2.9 million. Future obligations of the Authority are as follows (in thousands):

Year ending December 31,	Principal	Interest	Total
2024	$ 1,997	$ 79	$ 2,076
2025	790	32	822
2026	73	5	78
2027	77	2	79
Total	$ 2,937	$ 118	$ 3,055

Note 13 - Contingencies, Commitments and Uncertainties

a. *Governor Mario M. Cuomo Bridge Claims*

In 2013, the Authority entered a $3.14 billion design-build contract with Tappan Zee Constructors, LLC ("TZC") to replace the Tappan Zee Bridge. Both spans of the new Governor Mario M. Cuomo Bridge, the replacement of the Tappan Zee Bridge, are in service. Through December 31, 2023, contract change orders totaling $344.2 million have been approved, increasing the value of TZC's contract to $3.49 billion.

Note 13 - Contingencies, Commitments and Uncertainties - Continued

a. Governor Mario M. Cuomo Bridge Claims - Continued

In 2018, TZC began submitting claims to the Authority in excess of their approved contract value and anticipated contract change orders and has supplemented these claims at various times since then. As of December 31, 2023, TZC alleges they are owed approximately $944.5 million, plus interest, in excess of their approved contract value and anticipated change orders. The claims submitted by TZC relate to issues of time and extra work. The Authority disputes these claims ("Dispute"). Pursuant to the design build contract, TZC's claims are subject to a non-binding contractual dispute resolution procedure consisting of a multi-tiered administrative review process which is ongoing. At the conclusion of the administrative review process, TZC may be entitled to pursue litigation in the New York State Court of Claims.

In February 2021, TZC filed a claim against the Authority in the New York State Court of Claims ("Claim") with respect to the Dispute. The Claim alleged that the Authority made multiple breaches of the contract between the parties. The Claim sought a declaration that the Authority breached the contract by its failure to render a determination on the Dispute within a reasonable time, and either: (a) impose a set time frame within which each decision maker set forth in the contract must take action on the Dispute and any other dispute; or (b) find that the Authority abandoned the contract's administrative dispute resolution process and allowing the claims set forth in the Claim to be heard in the Court of Claims. The Claim was voluntarily discontinued without prejudice by TZC in June 2021.

In July 2021, the first level of the administrative review process was completed when the Project Director for the New NY Bridge Project issued a determination rejecting the Dispute with the exception of granting limited time extensions. TZC appealed this determination to the next tier of administrative review, and it was upheld. Following such denials, TZC submitted the Dispute to the Authority's Executive Director for review and determination. Pursuant to the contract with TZC, in making a determination, the Executive Director sought the advice of an advisory committee to provide a written non-binding recommendation.

In December 2023, the advisory committee, which is independent and partially comprised of members chosen by both TZC and the Authority, recommended that the Authority pay TZC $101.5 million, exclusive of interest, for the claims in the Dispute.

In March 2024, the Acting Executive Director determined that TZC is entitled to $15.6 million for the claims in the Dispute. However, the determination further concludes that TZC owes the Authority a minimum of $111.4 million for liquidated damages and remedial work. After accounting for a contract balance of $33.1 million, the determination concludes TZC owes the Authority a minimum of $62.7 million. The Acting Executive Director's determination regarding the amount authorized is considered non-binding and subject to the Authority's final determination. If, as of the date of final acceptance of the Project, the Dispute remains unresolved, the Authority's Chief Engineer and General Counsel may reach a final and binding decision as part of an administrative settlement process. TZC may pursue litigation if it has complied with the contractual resolution process.

While the Authority cannot presently predict the outcome of this matter, the Authority believes it has meritorious defenses and positions with respect thereto. However, an adverse decision could significantly affect the Authority's financial position.

Note 13 - Contingencies, Commitments and Uncertainties - Continued

b. Other Claims and Litigation

The Authority is a party to various legal proceedings, including negligence suits, some of which involve death or serious injury. Many of these actions arise in the normal course of the Authority's operations. The Authority records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. If the range of the liability is probable and estimable, the Authority accrues the amount most likely to be paid. If no single amount in the estimated range is more likely to be paid, the Authority accrues the lowest amount in the range.

The Authority's claims liability approximates $5.5 million at both December 31, 2023 and 2022.

In addition, there are claims where liability is not probable, but is possible and estimable. The estimated loss on these claims approximates a range of $33 million to $35 million at December 31, 2023, none of which has been accrued.

Certain other claims cannot be estimated as they involve complex issues. Often these issues are subject to substantial uncertainties and, therefore, the probability of loss or an estimation of damages cannot be determined.

c. Insurance

Loss of revenues is insured through a use and occupancy policy that covers any interruption in excess of 15 days. Property damage to bridges is insured through various policies from major insurance companies equal to the maximum probable loss from a single occurrence (with deductibles ranging from $5.0 million to $15.0 million). In addition, the Authority purchases insurance for workers' compensation benefits and various liability exposures.

The Authority is self-insured for property damage to substantially all buildings and vehicles. The Authority is also self-insured for third-party liability, including automobile liability. There are two funded reserves for these exposures, a $2.5 million insurance fund available to fund certain deductibles and a reserve for public liability claims, which currently totals $14.2 million.

Insurance for the Authority's service area facilities is provided by the concessionaires. The liability related to construction projects, tandem trailer operations, authorized garage operations, and similar risk is transferred through contractual indemnification and compliance with Authority insurance requirements.

d. Construction Commitments

At December 31, 2023, the amounts of remaining unexpended commitments for projects undertaken and the detail by type of contract are as follows:

Project	Commitments (in thousands)
Highway, bridge and facility, construction, and design	$ 373,255
Personal service and miscellaneous	495,176
Total	$ 868,431

Note 13 - Contingencies, Commitments and Uncertainties - Continued

e. Environmental Remediation

The Authority records in its financial statements a cost estimate for environmental remediation at numerous sites on Thruway Authority property which have been identified by the New York State Department of Environmental Conservation as locations where operational uses have contributed to various forms of environmental pollution. The estimated costs are developed by Authority engineers and remediation contractors based on the nature of remediation needed and review of comparable clean-up costs at similar sites. The estimates are updated annually to reflect payments made and changes to estimated future costs.

Estimating environmental remediation obligations requires that several assumptions be made. Project cost changes due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, and other factors can result in revisions to these estimates.

In 2021 the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Over the course of approximately four years beginning in 2021, Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs consisting primarily of asbestos mitigation and soil remediation associated with the demolition of the existing service area restaurants. The estimated cost for these activities are included in the Authority’s environmental remediation obligations.

The Authority has estimated its environmental remediation liabilities, net of expected recoveries from other responsible parties, to be $11,672,000 and $21,164,000 as of December 31, 2023 and 2022, respectively, and are included in other long-term liabilities net of the current portion within these financial statements.

The Authority has a funded reserve consisting of $18,946,000 and $10,824,000 as of December 31, 2023 and 2022, respectively, to pay for these obligations.

f. Asset Retirement Obligations

The Authority records in its financial statement legally enforceable liabilities associated with the retirement of tangible capital assets. The Authority currently owns and operates seventeen wastewater treatment facilities. The retirement of these facilities is subject to rules and regulations established by the New York State Department of Environmental Conservation.

The Authority has measured the estimated cost to comply with these rules and regulations using historical costs for similar work. The Authority retires wastewater treatment facilities when the opportunity arises to tie into municipal sewer systems. The estimated remaining life of the Authority’s wastewater treatment facilities ranges between one to ten years. The Authority’s liability for asset retirement obligations approximates $4,000,000 and $4,230,000 as of December 31, 2023 and 2022, respectively.

Note 14 - Subsequent Events

Toll Rate Increase

System-wide except for the Governor Mario M. Cuomo Bridge

Effective January 1, 2024, the base New York E-ZPass rates were increased five percent from the prior levels. Out-of-state E-ZPass and Tolls by Mail tolls were increased from the previous 15% and 30% respective differentials above the New York E-ZPass rate to 75% above the New York E-ZPass rate.

Governor Mario M. Cuomo Bridge

Effective January 1, 2024 the base New York E-ZPass passenger vehicle toll was increased 50 cents. Passenger vehicles on the Westchester/Rockland Resident Plan will see their discount change from the current 17% to 20%, while the 40% commuter discount program will be maintained. Commercial rates will be increased proportionately to the vehicle rates.

General Revenue Bonds – Series P

During February 2024, the Authority issued $1.02 billion in General Revenue Bonds – Series P to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series P bonds; refund certain amounts of the Authority's Series J Bonds; (5) purchase certain tendered bonds of the Authority's Series M bonds; and (6) pay bond issuance costs.

Of the $1.02 billion, $303.0 million is to fund the multi-year capital program, $466.6 million is for the refunding of Series J bonds, and $254.7 million is for the tender offer of Series M bonds.

Note 15 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 99, *Omnibus 2023.* This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* were effective upon issuance of the statement in April 2023.

The requirements of this statement related to leases, PPPs and SBITAs are effective for reporting periods beginning after June 15, 2023. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections.* 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 change to or

Note 15 - Accounting Standards Issued But Not Yet Implemented - Continued

within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences.* 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. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal

Note 15 - Accounting Standards Issued But Not Yet Implemented - Continued

action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Management has not estimated the extent of the potential impact, if any, of these statements on the Authority's financial statements.

New York State Thruway Authority

(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability
(in thousands of dollars)

	2023	2022	2021	2020	2019	2018
Beginning of the year	$ 1,497,951	$ 1,418,155	$ 1,181,202	$ 983,462	$ 1,083,760	$ 959,969
Changes for the year						
Service cost	51,002	46,835	41,110	30,884	35,341	29,485
Interest	27,255	28,000	32,037	35,921	35,398	35,993
Changes in assumptions and other inputs	(455,677)	41,240	197,524	161,417	(142,401)	88,866
Benefit payments	(38,738)	(36,279)	(33,718)	(30,482)	(28,636)	(30,553)
Net changes	(416,158)	79,796	236,953	197,740	(100,298)	123,791
End of year	$ 1,081,793	$ 1,497,951	$ 1,418,155	$ 1,181,202	$ 983,462	$ 1,083,760
Covered payroll	139,655	127,500	128,800	138,700	140,500	146,100
OPEB liability as a percentage of covered payroll	775%	1175%	1101%	852%	700%	742%

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors Report

Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability/Asset
(in thousands of dollars)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.413306%	0.452157%	0.469449%	0.497338%	0.525726%	0.483932%	0.492207%	0.617656%	0.633266%
Proportionate share of the net pension liability (asset)	$ 88,630	$ (36,962)	$ 467	$ 131,698	$ 37,249	$ 15,619	$ 46,249	$ 99,135	$ 21,393
Covered-employee payroll	130,405	128,050	142,482	149,775	155,806	148,206	141,550	164,506	173,658
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	67.97%	(28.87)%	0.33%	87.93%	23.91%	10.54%	32.67%	60.26%	12.32%
Plan fiduciary net position as a percentage of total pension liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

The amounts presented for each fiscal year were determined as of March 31. Years prior to 2017 include the New York State Canal Corporation.

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors Report

New York State Thruway Authority
(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of Pension Contributions
Years Ended December 31
(in thousands of dollars)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 16,490	$ 14,915	$ 22,855	$ 21,249	$ 21,547	$ 22,454	$ 21,026	$ 24,795	$ 28,815	$ 30,537
Contributions in relation to the contractually required contribution	16,490	14,915	22,855	21,249	21,547	22,454	21,026	24,795	28,815	30,537
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	140,336	127,094	128,368	147,187	150,638	157,528	145,099	163,041	164,994	176,546
Contributions as a percentage of covered-employee payroll	11.8%	11.7%	17.8%	14.4%	14.0%	14.0%	14.0%	15.2%	17.5%	17.3%

Years prior to 2017 include the New York State Canal Corporation.

See Independent Auditor's Report