

NEW YORK STATE BRIDGE AUTHORITY

Basic Financial Statements,  
Supplementary Information and  
Independent Auditors' Report  
December 31, 2023 and 2022

NEW YORK STATE BRIDGE AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

The Governing Board  
New York State Bridge Authority:

### Report on the Audit of the Financial Statements

#### Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof 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 Auditors' 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 opinions.

#### 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.

## Auditors' 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 auditors' report that includes our opinions. 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 audits.
- 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 audits 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 audits.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Bridge System Assessments, Schedule of Authority's Proportionate Share of the Net Pension Asset/Liability, Schedule of Authority's Pension Contributions and Schedule of Changes in Authority's Total OPEB Liability and Related Ratios 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 GAAS, 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 March 7, 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 Authority's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 7, 2024

# NEW YORK STATE BRIDGE AUTHORITY

## Management's Discussion and Analysis

December 31, 2023 and 2022

The management's discussion and analysis serves to introduce the other elements of the financial section of this annual report which include the basic financial statements and required supplementary financial information. The objective of this analysis is to enhance the understandability and usefulness of the external financial reports. As in previous years, the Authority is providing a comparative analysis of certain financial information.

### FINANCIAL HIGHLIGHTS

Toll revenue in 2023 totaled \$76.3 million, which was \$4.0 million higher than 2022 and \$11.9 million higher than 2021. Other income, inclusive of grant revenue, was \$0.83 million, an increase of \$0.075 million from the prior year.

Total operating expenses of \$59.9 million decreased by \$24.9 million. This 29.3% decrease was the result of decreased rehabilitation, reconstruction, and bridge repairs. The rehabilitation, reconstruction, and bridge repairs decreased by \$29.9 million from 2022, as the Authority uses the modified approach for reporting its bridge infrastructure and continued construction replacing the deck at the North Span Newburgh-Beacon Bridge during 2023. Employee benefits increased \$2.7 million largely the result of actuarially computed expenses related to employee retirement and other post employment benefits.

Total operating expenses for 2022 of \$84.8 million decreased by \$30.7 million over 2021 and represented a 27% decrease and was the result of decreased rehabilitation, reconstruction, and bridge repairs and employee benefits. The rehabilitation, reconstruction, and bridge repairs for 2022 decreased by \$23.0 million from 2021, as the Authority uses the modified approach for reporting its bridge infrastructure and continued construction replacing the deck at the North Span Newburgh-Beacon Bridge during 2022. Employee benefits decreased \$10.6 million from 2021 largely the result of actuarially computed expenses related to employee retirement and other post employment benefit.

Net position at December 31, 2023 was (\$13.3) million, which increased \$19.7 million from the prior year of (\$33.0) million which was a decrease of \$14.6 million from 2021.

### BASIC FINANCIAL STATEMENTS

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). These statements are designed to afford an overview of the Authority's finances and consist of the statements of net position, statements of revenue, expenses and changes in net position, and the statements of cash flows.

The notes to financial statements include additional information necessary to provide a further understanding of the financial statements.

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Other required supplementary information serves to give the reader additional information with respect to the condition of the bridge system and capital improvement expenditures.

FINANCIAL STATEMENT ANALYSIS

Statements of Net Position

The statements of net position present information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and reporting net position at year end. Increases or decreases in net position may indicate whether or not the Authority's financial position is improving. A condensed summary of the Authority's statements of net position is shown on the following pages.

Net position may serve over time as a useful indicator of the Authority's financial position. As of December 31, 2023, liabilities and deferred inflows exceeded assets and deferred outflows by (\$13,272,785). In 2022, liabilities and deferred inflows exceeded assets and deferred outflows by (\$32,968,298) and in 2021, liabilities and deferred inflows exceeded assets and deferred outflows by (\$18,396,079).

The Authority's financial position is the product of several financial transactions including the net results of activities, the valuation of certain assets and liabilities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the Authority's financial position as of December 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current assets	\$ 141,350,175	116,643,438	133,355,014
Capital assets (net of accumulated depreciation)	15,642,620	18,550,838	21,446,655
Bridge system	84,358,269	84,358,269	84,358,269
Net pension asset	-	3,283,076	-
Leases receivable, net current portion	<u>2,678,837</u>	<u>1,490,742</u>	<u>607,549</u>
Total assets	<u>244,029,901</u>	<u>224,326,363</u>	<u>239,767,487</u>
Deferred outflows of resources	<u>12,472,431</u>	<u>25,551,733</u>	<u>43,649,935</u>
Current liabilities	14,493,117	13,780,334	16,080,507
Noncurrent liabilities	<u>224,513,981</u>	<u>216,793,881</u>	<u>253,423,274</u>
Total liabilities	<u>239,007,098</u>	<u>230,574,215</u>	<u>269,503,781</u>
Deferred inflows of resources	<u>30,768,019</u>	<u>52,272,179</u>	<u>32,309,720</u>
Net position	\$ <u>(13,272,785)</u>	<u>(32,968,298)</u>	<u>(18,396,079)</u>

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

Changes in the Authority's net position can be determined by reviewing the following condensed statements of revenue, expenses and changes in net position for the years ended December 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenue	\$ 77,152,121	73,078,576	65,277,633
Operating expenses	<u>59,930,551</u>	<u>84,792,398</u>	<u>115,541,454</u>
Operating income (loss)	17,221,570	(11,713,822)	(50,263,821)
Nonoperating revenue (expenses)	<u>2,473,943</u>	<u>(2,858,397)</u>	<u>(4,363,051)</u>
Change in net position	19,695,513	(14,572,219)	(54,626,872)
Net position at beginning of year	(32,968,298)	(18,396,079)	<u>36,230,793</u>
Net position at end of year	\$ <u>(13,272,785)</u>	<u>(32,968,298)</u>	<u>(18,396,079)</u>

Statements of Revenue, Expenses and Changes in Net Position

Toll receipts, accounting for the majority of operating revenue, totaled \$76.3 million in 2023, which was \$4.0 million higher than 2022 and \$11.9 million higher than 2021. A 4.4% increase in traffic attributable to a continued recovery from the impact of COVID-19 occurred during 2023. During 2022 the Authority also completed the system wide transition to All Electronic Tolling (AET) with the conversion of the Mid Hudson Bridge on March 1, 2022. Traffic remained strong throughout 2023 with the Authority exceeding 62 million crossings. The Authority's 62.8 million crossings in 2023 was 98.5% of the historical high traffic volume from 2019 with 63.8 million vehicles. Traffic increases produced higher revenue and revenues increased further with the May 1 completion of a toll revision that consisted of four revisions that began on May 1, 2020 phased in annually on May 1 of each year. The result produced the 5.58% increase in toll revenue. Traffic increases were from passenger vehicles 3.0 million, with a small decrease in commercial vehicles 0.3 million. Revenue increased from passenger vehicles due to a combination of the toll schedule revision. Revenue decreased from commercial vehicles due to a reduction in volumes. The Authority experienced an increase in commercial traffic during the COVID-19 period that began to decline in 2023. Traffic increases from passenger were 5.3% and decreases in commercial traffic were 8.1%. The passenger category contributed \$53.4 million and the commercial category contributed \$22.9 million to the overall increased revenues in 2023. Other income, including grant revenue was \$0.83 million, \$0.075 million higher than the prior year.

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

In 2023, operating expenses decreased \$24.9 million for the year as rehabilitation, reconstruction, and bridge repairs decreased by \$29.9 million due to the completion of the project for the replacement of the deck on the North Span of the Newburgh-Beacon Bridge. Salaries increased by \$0.7 as the Authority replaced vacant positions over the past few years and settled the labor contract with CSEA. Increases reflect contractually obligated wage and salary increases. Employee benefits expenses increased \$2.7 million. This reflects an increase resulting from an increase of provisions associated with GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (see accompanying notes to financial statements) and an increase in provisions associated with GASB Statement No. 68 - "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" (see accompanying notes to financial statements).

In 2022, operating expenses decreased \$30.7 million from 2021 as rehabilitation, reconstruction, and bridge repairs decreased by \$23.0 million due to the completion of major construction of the project for the replacement of the deck on the North Span of the Newburgh-Beacon Bridge. Salaries decreased \$1.8 million from 2021 as the Authority transitioned to AET. Employee benefits expenses decreased \$10.6 million. This reflects a decrease resulting from a reduction of provisions associated with GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (see accompanying notes to the financial statements).

Maintenance and repairs decreased by \$0.2 million from 2022 as the Authority ceased supporting the new and the legacy toll system through AET transition during Q1 2022 and a mild winter during 2023. Electronic toll costs increased by \$0.7 million from both increased E-ZPass utilization and a full year of AET operations in 2023. Commercial Insurance increased \$0.5 million on prevailing market conditions. Professional Fees increased \$0.2 million on increased use of engineering services. Equipment Expense increased \$0.1 million from traffic and security equipment replacements that took place in 2023 previously delayed due to supply chain issues related to COVID-19 .

Maintenance and repairs increased by \$0.9 million from 2021 as the Authority supported the new and the legacy toll system through AET transition during Q1 2022. Electronic toll costs increased by \$3.5 million from 2021 from both increased E-ZPass utilization and higher transaction processing fees associated with AET facilities. Depreciation increased \$0.4 million from 2021 capitalization of the toll system and incremental equipment purchases.

Nonoperating revenue, which includes interest income on investments was \$4.7 million for 2023, up \$3.2 million from the prior year due to increases in market interest rates. Historically low interest rates on government obligations which the Authority invests eased considerably in 2023. Additionally, changes in fair value of investments also increased by \$2 million in 2023 associated with interest rate movements. Nonoperating revenue, was \$1.5 million for 2022, up \$1.0 million from 2021 due to increases in market interest rates.

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

Nonoperating expenses consists primarily of interest. Interest paid on the Authority's outstanding bonds totaled approximately \$2.9 million for 2023. This \$0.1 million decrease is attributable to issuance of the Series 2021A and Series 2021Bonds. The Series 2021A General Revenue Bond was issued to support the deck replacement at the Newburgh-Beacon Bridge North Span. The Series 2021B General Revenue Refunding Bonds advanced refunded the Series 2012. The Authority holds all investments until maturity. Interest paid on the Authority's outstanding bonds totaled approximately \$3.0 million in 2022. This is a \$1.3 million decrease from 2021. Additionally, changes in fair value of investments of (\$1.3) million for 2022 was higher than 2021 by (\$0.8) million as a result of prevailing market interest rates.

Statements of Cash Flows

The statements of cash flows present information on the major sources and uses of cash during the year, showing net cash provided or used in operating, capital financing and investing activities.

Net cash of \$26.5 million provided by operating activities for 2023 increased by \$40.8 million compared to 2022. This was attributable to the completion of the project to replace the deck at the Newburgh-Beacon Bridge North Span.

Financing activities used (\$7.6) million of cash in 2023, an increase of \$2.9 million from 2022 as the first full year of debt service structured from the Series 2021 debt issued in support of the Capital Program.

Cash flows from 2023 investing activities resulted in net a cash outflow of \$17.3 million, which includes interest earned on investments and net cash resulting from the purchase of U.S. Treasuries in advance of the next major capital projects, the replacement of the deck at the Bear Mountain Bridge and scheduled repairs, rehabilitation, and reconstruction of the bridge system.

Net cash of (\$14.4) million used in operating activities for 2022 decreased by \$13.3 million compared to 2021. This was attributable to the completion of major construction on the deck replacement at the Newburgh-Beacon North Span.

Financing activities used (\$4.8) million of cash in 2022, a decrease of \$70.2 million from 2021 when the Series 2021 debt was issued in support of the Capital Program.

Cash flows from 2022 investing activities resulted in net a cash inflow of \$13.3 million, which includes interest earned on investments and net cash resulting from the purchase and sale of investments.

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

AUTHORITY BUDGET

The Authority's 2023 budget projected toll revenue of \$71.5 million, a \$0.8 million decrease over 2022. Actual toll revenue was above budget projections by \$4.8 as passenger traffic increased compared to expected traffic related to COVID-19, more than compensating for the reduction in commercial traffic. This net increase was attributable to a 3.0 million increase in passenger vehicle traffic and a 0.3 million decrease in commercial vehicle traffic. The increase in traffic in addition to the May 1, 2023 toll schedule revision resulted in the \$11.9 million increase in revenue compared to 2021. The Authority budgeted \$0.7 million of other income and actual results were materially consistent with \$0.8 million, increased from fiber leasing activities. Additionally, interest rates on Authority investments increased more than expected related to prevailing market conditions producing interest income of \$4.7 million that was higher than budget of \$0.5 million.

Operating expenses, which were budgeted to be \$85.6, were \$59.9 million. Repairs, rehabilitation, and reconstruction was budgeted for \$32.5 million, but actual was \$16.1 as the authority deferred rehabilitation, reconstruction, and bridge repair work until 2024. The day-to-day operating budget, which was forecasted at \$53.2 million, came in at \$43.1 million. Operating variances compared to budget arose from several different expense types related to the original budget assumptions. Salaries were lower by \$0.7 million due to continued open positions and delayed hiring of positions as the Authority transitions to AET. Employee benefits were \$4.6 million lower overall primarily as a result of GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (see accompanying notes to financial statements). Maintenance and Repairs were lower by \$0.9 million as a result of the combination of several costs being than expected including salt, fuel, and miscellaneous repairs. Electronic toll costs were lower by \$3.3 million from higher E-ZPass utilization and lower rates than projected for back office costs.

ECONOMIC FACTORS AND FUTURE BUDGETS

The Authority's five year capital plan budgeted \$32.5 million in 2023 while actual costs totaled \$16.1 million. The \$16.4 million variance was the result of delays in projects carrying over into 2024 and later. Some of the larger projects carried over include painting at the Bear Mountain Bridge, building renovations at Newburgh Beacon Bridge, variable message sign replacements, and steel repairs at the Walkway Over the Hudson.

TOTAL CAPITAL ASSETS AND LONG TERM DEBT

At December 31, 2023, the Authority's net investment in capital assets was \$100.0 million. Capital assets include bridges, roads, buildings, and equipment. In order to finance the commitment to its program of rehabilitation and improvement of the bridge facilities, the Authority has issued long term bonds.

NEW YORK STATE BRIDGE AUTHORITY  
Management's Discussion and Analysis, Continued

In April 2012, the Authority issued \$90.3 million General Revenue Bonds, the Series 2012 Bonds, to support the capital program. In October 2021, the Authority issued the Series 2021B General Revenue Refunding Bonds (Forward Delivery) to refund the Series 2012 maturities after January 1, 2022. The Authority issued \$73.3 million General Revenue Bonds, the Series 2021A Bonds, in support of the capital program. All Authority revenue is pledged to repay these bonds. As of December 31, 2023 and 2022, \$112.1 million and \$114.2 million, respectively, of debt remained outstanding. The first principal payment on these bonds was due on January 1, 2023.

In 2021, Standard & Poor's maintained the Authority's A+ rating with an upgraded stable outlook. Moody's Investors Service in 2023 maintained the Aa3 rating on the Authorities General Revenue Bonds with a stable outlook.

#### MODIFIED APPROACH FOR INFRASTRUCTURE ASSETS

The Authority has adopted the modified approach in reporting its infrastructure assets. This is an alternative to depreciating its bridge facilities, which requires the Authority to maintain its infrastructure at a certain measurable standard and report the associated cost as preservation (rehabilitation, reconstruction and bridge repair) expenses.

The condition of the Authority's bridge facilities is determined through annual inspections performed in accordance with New York State Department of Transportation (NYSDOT) requirements and Federal Highway Administration guidelines. The yearly inspections by the Authority's consulting engineers, Modjeski & Masters, Inc., measures the ability of each facility to function structurally, utilizing a NYSDOT condition rating ranging between 1 and 7. The Authority's policy is to keep the overall condition rating of each vehicular bridge at a 5, meaning that the bridge shows minor deterioration but is functioning as originally designed.

#### ADDITIONAL INFORMATION

This report is provided for the use of the Authority's bondholders, the investment community and members of the public interested in the Authority's affairs. Questions with regard to this financial report or requests for additional information may be addressed to the Treasurer, New York State Bridge Authority, P.O. Box 1010, Highland, New York 12528.

NEW YORK STATE BRIDGE AUTHORITY  
Statements of Net Position  
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets:		
Current assets:		
Cash and equivalents	\$ 3,904,472	2,402,822
Investments	127,631,869	104,916,567
Accounts receivable	6,103,682	6,330,039
Prepaid expenses	3,208,076	2,667,606
Leases receivable, current portion	<u>502,076</u>	<u>326,404</u>
Total current assets	<u>141,350,175</u>	<u>116,643,438</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	15,642,620	18,550,838
Bridge system	84,358,269	84,358,269
Net pension asset	-	3,283,076
Leases receivable, net current portion	<u>2,678,837</u>	<u>1,490,742</u>
Total noncurrent assets	<u>102,679,726</u>	<u>107,682,925</u>
Total assets	<u>244,029,901</u>	<u>224,326,363</u>
Deferred outflows of resources:		
Pension	5,469,593	6,686,377
Other postemployment benefits	<u>7,002,838</u>	<u>18,865,356</u>
Total deferred outflows of resources	<u>12,472,431</u>	<u>25,551,733</u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued expenses	6,470,186	4,815,996
Accrued wages, payroll taxes and fringe benefits	1,057,215	380,409
Contracts payable	255,739	1,926,452
Accrued interest on bonds	2,473,050	2,525,550
General revenue bonds, current portion, net	<u>4,236,927</u>	<u>4,131,928</u>
Total current liabilities	<u>14,493,117</u>	<u>13,780,335</u>
Noncurrent liabilities:		
Total OPEB liability	81,373,453	76,622,965
Compensated absences	748,591	770,494
Unearned revenues	162,921	511,796
Net pension liability - proportionate share-ERS	7,577,318	-
General revenue bonds, net	<u>134,651,698</u>	<u>138,888,625</u>
Total noncurrent liabilities	<u>224,513,981</u>	<u>216,793,880</u>
Commitments and contingencies (note 14)		
Total liabilities	<u>239,007,098</u>	<u>230,574,215</u>
Deferred inflows of resources:		
Pension	779,827	11,539,118
Other postemployment benefits	26,807,279	38,915,915
Leases receivable	<u>3,180,913</u>	<u>1,817,146</u>
Total deferred inflows of resources	<u>30,768,019</u>	<u>52,272,179</u>
Net position:		
Net investment in capital assets	100,000,889	102,909,107
Restricted for:		
Debt service	8,468,349	7,972,664
Insurance	14,205,552	13,057,195
Maintenance reserve	95,583,331	76,097,301
Unrestricted (deficit)	<u>(231,530,906)</u>	<u>(233,004,565)</u>
Total net position	<u>\$ (13,272,785)</u>	<u>(32,968,298)</u>

See accompanying notes to financial statements.

NEW YORK STATE BRIDGE AUTHORITY  
Statements of Revenue, Expenses and Changes in Net Position  
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Toll revenue	\$ 76,321,952	72,288,991
Grant revenue	-	34,552
Other income	<u>830,169</u>	<u>755,033</u>
Total operating revenue	<u>77,152,121</u>	<u>73,078,576</u>
Operating expenses:		
Salaries	10,592,078	9,915,220
Employee benefits	12,269,147	9,533,271
Utilities	789,180	633,837
Insurance	3,084,211	2,617,432
Professional services	767,723	561,672
Supplies and materials	484,619	365,642
Equipment expense	392,431	256,404
Maintenance and repairs	1,714,838	1,890,151
Electronic toll costs	9,687,316	8,991,147
Depreciation	3,451,255	3,337,857
Other	<u>606,194</u>	<u>706,898</u>
Total operating expenses before rehabilitation, reconstruction and bridge repairs	43,838,992	38,809,531
Rehabilitation, reconstruction and bridge repairs	<u>16,091,559</u>	<u>45,982,867</u>
Total operating expenses	<u>59,930,551</u>	<u>84,792,398</u>
Operating income (loss)	<u>17,221,570</u>	<u>(11,713,822)</u>
Nonoperating revenue (expenses):		
Interest income	4,715,931	1,499,170
Changes in fair value of investments	677,185	(1,333,394)
Interest and other expenses	<u>(2,919,173)</u>	<u>(3,024,173)</u>
Total nonoperating revenue (expenses)	<u>2,473,943</u>	<u>(2,858,397)</u>
Change in net position	19,695,513	(14,572,219)
Net position at beginning of year	<u>(32,968,298)</u>	<u>(18,396,079)</u>
Net position at end of the year	<u>\$ (13,272,785)</u>	<u>(32,968,298)</u>

See accompanying notes to financial statements.

NEW YORK STATE BRIDGE AUTHORITY  
Statements of Cash Flows  
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Toll revenue	\$ 75,184,543	71,296,400
Payments to suppliers	(14,305,524)	(17,818,924)
Payments to contractors	(19,869,540)	(52,786,770)
Payments for wages and employee benefits	(15,020,300)	(15,808,740)
Other receipts	<u>481,294</u>	<u>746,888</u>
Net cash provided by (used in) operating activities	<u>26,470,473</u>	<u>(14,371,146)</u>
Cash flows from capital financing activities:		
Purchase of capital assets	(543,037)	(442,040)
Principal paid on bonds payable	(4,131,928)	-
Interest paid on bonds payable	<u>(2,971,673)</u>	<u>(4,309,337)</u>
Net cash used in capital financing activities	<u>(7,646,638)</u>	<u>(4,751,377)</u>
Cash flows from investing activities:		
Change in invested funds	(22,038,116)	11,835,466
Interest on investments	<u>4,715,931</u>	<u>1,499,170</u>
Net cash provided by (used in) investing activities	<u>(17,322,185)</u>	<u>13,334,636</u>
Net change in cash and equivalents	1,501,650	(5,787,887)
Cash and equivalents at beginning of year	<u>2,402,822</u>	<u>8,190,709</u>
Cash and equivalents at end of year	<u>\$ 3,904,472</u>	<u>2,402,822</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	17,221,570	(11,713,822)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation expense	3,451,255	3,337,857
Changes in:		
Accounts receivable	(1,137,410)	(992,591)
Prepaid expenses	(540,470)	(1,394,163)
Accounts payable and accrued expenses	1,654,190	(2,548,135)
Accrued wages, payroll taxes, fringe benefits, pension and OPEB changes	7,840,926	3,639,751
Contracts payable	(1,670,713)	(4,657,347)
Unearned revenue	<u>(348,875)</u>	<u>(42,696)</u>
Net cash provided by (used in) operating activities	<u>\$ 26,470,473</u>	<u>(14,371,146)</u>

See accompanying notes to financial statements.

# NEW YORK STATE BRIDGE AUTHORITY

## Notes to Financial Statements

December 31, 2023 and 2022

### (1) Organization

#### (a) Nature of Activities

The New York State Bridge Authority (the Authority) is a Public Benefit Corporation created in 1932 and existing pursuant to Title 2, of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York (the Act). The Act provides that the Authority shall continue its corporate existence and operate and maintain its bridge facilities so long as it shall have bonds or other obligations outstanding and until its existence shall be terminated by law. The Authority currently operates and maintains the Rip Van Winkle, Kingston-Rhinecliff, Mid-Hudson, Newburgh-Beacon, and Bear Mountain bridges crossing over the Hudson River. The Authority also holds and maintains the structure for the Walkway Over the Hudson pedestrian bridge. The Authority consists of a seven member Board appointed by the Governor with the advice and consent of the Senate. The Authority's financial statements are included in the New York State Comprehensive Annual Financial Report.

As part of the New York State 2020 Budget Section 527 of the Public Authorities Law was amended adding a new subdivision 3. This subdivision authorized the Authority to enter into a coordination agreement with the New York State Thruway Authority to address the optimization of services to create efficiencies between the two entities.

#### (b) Reporting Entity

The financial reporting entity is based on criteria set forth by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the organizations for which the Authority is financially accountable and other organizations for which the nature and significance of their relationship with the Authority are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Authority. The Authority is a component unit of New York State. The decision to include a potential component unit in the Authority's reporting entity is based on several criteria including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following entity is not included in the Authority's financial statements:

#### Historic Bridges of the Hudson Valley, Inc.

This organization is a private not-for-profit entity organized for the purpose of establishing a museum to educate the public regarding bridges spanning the Hudson River. The organization's board of directors includes one member of the Authority's board as well as Authority management. The Authority's Board does not appoint members of this organization's governing board.

The Authority provided a payment of \$60,400 in 2023 and 2022 for services related to education and obtaining grants to fund a museum. It is anticipated the organization will continue to run on donations and future grants from New York State and other entities.

## NEW YORK STATE BRIDGE AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Significant Accounting Policies

##### (a) Basis of Presentation, Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. GASB is the accepted standards setting body for establishing governmental accounting and financial reporting principles.

The operations of the Authority are reported under the business-type activities model and, as such, are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Within this measurement focus, all assets and liabilities, and deferred inflows and outflows of resources associated with operations are included in the statement of net position with revenues recorded when earned and expenses recorded when incurred. The business-type activities model requires the Authority to include a statement of net position, a statement of revenue, expenses and changes in net position and a statement of cash flows. The statements require the classification of net position into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced (as applicable) by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Substantially all of the outstanding borrowings at December 31, 2023 and 2022 are to finance the cost of rehabilitation, reconstruction and bridge repair expenses which are treated as period costs. As such, this debt is not considered for purposes of determining that portion of net position invested in capital assets.

Restricted - This component of net position consists of constraints placed on net position use through external restrictions imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

For internal accounting and reporting, the accounts of the Authority are maintained in conformity with fund accounting. Fund accounting facilitates the observance of statutory limitations and restrictions on the use of resources.

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(a) Basis of Presentation, Measurement Focus and Basis of Accounting, Continued

The following funds were established by the Authority in compliance with Article V, Section 5.02 of the General Revenue Bond Resolution (“Series 1997 Resolution”) adopted December 19, 1996. These funds are grouped by fund type in accordance with generally accepted accounting principles for governmental entities. All monies are to be transferred to such funds in accordance with terms outlined below, and held in depository by the designated Trustee, with the exception of the operating fund.

(1) General Fund

(a) Revenue Fund

Established to receive daily tolls and make payments to the designated funds in accordance with the terms outlined below.

(b) Operating Fund

Established to make payments from amounts received from the revenue fund, as may be required for the reasonable and necessary operating expenditures of the Authority. Amounts to be maintained in the operating fund are limited to amounts not more than sufficient to provide for reasonable and necessary operating expenditures for the remainder of the current month and ensuing two months.

(c) General Fund

Established to hold monies not required by other Authority designated funds, for any other lawful corporate purpose of the Authority.

(2) Debt Service Funds

(a) Debt Service Fund

Established to make principal and interest payments to the Trustee or paying agent required by the Series 1997 Resolution, from amounts received from the revenue fund.

(b) Debt Service Reserve Fund

Established to receive payments from the revenue fund to the extent necessary to make the amount in such fund, as of the date of the calculation, equal to the lower of average debt service or maximum annual debt service.

(c) Subordinated Indebtedness Fund

Established to issue evidences of indebtedness payable out of, and which may be secured by a pledge of, such amounts in the subordinated indebtedness fund or general fund as may from time to time be available for the purpose of payment thereof.

(d) Rebate Fund

Established to hold monies for rebates of certain investment earnings.

## NEW YORK STATE BRIDGE AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Significant Accounting Policies, Continued

##### (a) Basis of Presentation, Measurement Focus and Basis of Accounting, Continued

##### (3) Capital Projects Funds

##### (a) Construction Fund

Established to hold monies paid into it from the sale of bonds to pay for costs of “The Project” or any “Additional Projects” as defined in the Series 1997 Resolution. Any remaining money upon completion or abandonment of such projects shall be transferred to other funds in accordance with the terms of the Series 1997 Resolution.

##### (b) Maintenance Reserve Fund

Established to make payments from amounts received from the revenue fund, for the cost of construction of additions, improvements or betterments to, or reconstruction of Authority bridge facilities, renewals or replacements of Authority facilities and for the purchase of major or extraordinary vehicles and equipment necessary to operate and/or maintain the Authority bridge facilities.

##### (c) Insurance Fund

Established to receive payments from the revenue fund to the extent that, together with multi-risk insurance, it shall provide for the adequate protection against the physical loss or damage of a bridge facility. Additionally, the Authority may pay into a separate account in this fund, amounts sufficient to provide coverage, in addition to, or instead of, such commercial insurance policies required by the Series 1997 Resolution.

##### (b) Cash Deposits and Investments

The Authority is limited under its investment guidelines to the investment of funds in obligations of the United States of America (United States Government Securities), the State of New York or certificates of deposit. All cash and funds invested in certificates of deposit in any fiduciary bank or trust company must be secured at all times by United States Government Securities or obligations of the State of New York, with a market value, combined with any Federal Deposit Insurance Corporation (FDIC) coverage, at least equal to the amount of such deposits. Monies held by the trustee may also be secured by obligations guaranteed by the United States of America. Investments, consisting principally of U.S. Treasury obligations and certificates of deposit with a remaining maturity of one year or less at the time of purchase, are stated at cost plus accrued interest.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(b) Cash Deposits and Investments, Continued

Fair Value Measurements and Disclosures

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(c) Capital Assets

Capital assets include buildings, furniture and equipment and the Walkway Over the Hudson structure. Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight line basis over the following estimated useful lives:

Buildings	30 years
Furniture and equipment	3 - 10 years
Walkway Over the Hudson structure	20 years

(d) Bridge System

The bridge system consists of five bridges (6 spans) spanning the Hudson River together with the related approaches. The bridge system is reported at historical cost. The Authority uses the modified approach to account for the bridge system. Under the modified approach expenditures for additions and improvements to eligible infrastructure assets, which increase capacity or efficiency of the assets rather than

## NEW YORK STATE BRIDGE AUTHORITY

### Notes to Financial Statements, Continued

#### (2) Significant Accounting Policies, Continued

##### (d) Bridge System, Continued

preserve their lives, are capitalized. All other expenditures, including preservation costs, are expensed in the period incurred and the bridge system is not depreciated. The Authority performs condition assessments on the bridge system, makes annual estimates of the outlay necessary to maintain and preserve the assets at predetermined condition levels and documents that the assets are being maintained at the predetermined condition level.

##### (e) Real Property

Real property utilized by the Authority is held in the name of the State of New York. The Authority has, however, the right to possess and, with the approval of the Commissioner of Transportation, to sell, lease, exchange, or otherwise dispose of any property or rights therein, not necessary for its corporate purpose.

##### (f) Compensated Absences

In conformity with pronouncements of GASB, the Authority accrues vacation and other benefits as earned by its employees.

##### (g) Operating Revenue

Operating revenues consist principally of toll revenue.

##### (h) Unearned Revenue

The Authority provides access to fiber cables across its bridges through a contract leasing arrangement to various interested users for a term no longer than ten years. One user has paid in advance the entire amount of two separate leases, the long-term balance remaining is \$162,921 and \$511,796 at December 31, 2023 and 2022, respectively.

##### (i) Nonoperating Revenue

Nonoperating revenues consist of interest income and changes in fair value of investments.

##### (j) Operations

Provisions of the Series 1997 Resolution require that revenue in excess of expenses for operation and maintenance of the bridge system be used first for the payment of interest and principal on outstanding bonds, then for debt service reserve, subordinated indebtedness (if any), insurance, maintenance reserve, construction and finally general fund requirements. It also requires that expenses for operation and maintenance of the bridge system shall not include any provisions for depreciation of the bridge facilities and equipment, other noncash operating activity (employee benefits) or any principal payment on bonds outstanding or any other debt obligation of the Authority.

The Authority's right to operate and collect tolls for the use of the Newburgh-Beacon Bridge is governed in part by an agreement dated December 15, 1988, between the Authority, the State of New York and the United States Department of Transportation. Consistent with the terms of Section 120(c)(2) of Public Law 100-17 and Section 402 of Title II of Public Law 101-45, the Agreement permits the use of revenues collected at that bridge only for construction and reconstruction, debt service, proper operation and maintenance of the bridges, approach roads and support facilities subject to the jurisdiction of the Authority.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(k) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has three items that qualify for reporting in this category. The first item is related to pensions reported in the Statements of Net Position. This represents the effect of the net change in the Authority's proportion of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportion share of total contributions to the pension system not included in pension expense along with changes in actuarial assumptions. The second item is the Authority contributions to the pension system subsequent to the measurement date. The third item is the effect of changes in assumptions related to the total OPEB liability.

The Authority also records deferred inflows of resources, which represents acquisitions of net position that applies to future periods and so will not be recognized as inflow of resources (revenue) until that time. The amounts recorded at December 31, 2023 and 2022 represent the change in the proportion between the Authority's pension contributions and proportionate share of contributions and differences between expected and actual experience. Additionally, the Authority records changes in assumptions relating to the total OPEB liability and leasing activities that will be reflected in future periods.

(l) Subsequent Events

Management has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(3) Cash and Equivalents

The carrying amount of the Authority's deposits with financial institutions at December 31, 2023 and 2022 totaled \$3,904,472 and \$2,402,822, respectively. The bank balance at December 31, 2023 and 2022 was \$1,884,577 and \$1,877,413, respectively, and investment brokerage accounts were \$3,769,266 and \$2,420,744, respectively. The bank balance is collateralized/secured as follows:

	<u>2023</u>	<u>2022</u>
Amount insured by FDIC	\$ 251,942	250,000
Collateral held by a third party in the Authority's name	1,632,635	1,627,413
Insured investments brokerage accounts	<u>3,769,266</u>	<u>2,420,744</u>
	<u>\$ 5,653,843</u>	<u>4,298,157</u>

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(4) Investments

The par and market value of investments (United States Government Securities) held by the Authority as of December 31, 2023 and 2022 are summarized as follows:

<u>Restricted</u>	<u>2023</u>		<u>2022</u>	
	<u>Par</u>	<u>Market</u>	<u>Par</u>	<u>Market</u>
Debt Service Reserve Fund -				
U.S. Treasury Notes	\$ 8,783,000	8,332,884	8,318,000	7,841,321
Insurance Fund - U.S.				
Treasury Notes	14,158,000	14,204,965	13,187,000	13,055,547
Maintenance Reserve Fund -				
U.S. Treasury Notes and Bills	97,806,000	95,836,617	79,910,000	78,019,893
Debt Service Fund - U.S.				
Treasury Notes	<u>4,034,000</u>	<u>4,755,668</u>	<u>4,034,000</u>	<u>4,070,985</u>
Total Restricted	124,781,000	123,130,134	105,449,000	102,987,746
Revenue Fund (Unrestricted) -				
U.S. Treasury Notes	<u>4,499,000</u>	<u>4,501,735</u>	<u>1,928,000</u>	<u>1,928,821</u>
Total	\$ <u>129,280,000</u>	<u>127,631,869</u>	<u>107,377,000</u>	<u>104,916,567</u>

All Authority investment securities are held by the financial institution's trust department in the Authority's name. At December 31, 2023, the Authority's investments and maturities were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	Less than <u>one year</u>	<u>1 to 5 years</u>
U.S. Treasury Notes and Bills	\$ <u>127,631,869</u>	<u>82,007,176</u>	<u>45,624,693</u>

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Authority's policy is to record the U.S. Treasury Notes and Bills at cost plus accrued interest as it intends to hold these securities to maturity.

The Authority has the following recurring fair value measurements as of December 31, 2023:

- U.S. Treasury securities of \$127,631,869 are valued using quoted market prices (Level 1 inputs).

The Authority has the following recurring fair value measurements as of December 31, 2022:

- U.S. Treasury securities of \$104,916,567 are valued using quoted market prices (Level 1 inputs).

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(5) Funds Held For Restricted Purposes

At December 31, 2023 and 2022, funds held for restricted purposes by fund category consisted of the following:

	2023			
	<u>Cash and Equivalents</u>	<u>United States Governmental Securities</u>	<u>Related Liabilities</u>	<u>Total</u>
Debt Service Funds:				
Debt service fund	\$ 53,766	4,755,668	(4,678,050)	131,384
Debt service reserve fund	<u>4,081</u>	<u>8,332,884</u>	<u>-</u>	<u>8,336,965</u>
Fund total	<u>57,847</u>	<u>13,088,552</u>	<u>(4,678,050)</u>	<u>8,468,349</u>
Capital Projects Funds:				
Insurance fund	587	14,204,965	-	14,205,552
Maintenance reserve fund	<u>2,453</u>	<u>95,836,617</u>	<u>(255,739)</u>	<u>95,583,331</u>
Fund total	<u>3,040</u>	<u>110,041,582</u>	<u>(255,739)</u>	<u>109,788,883</u>
Combined total	\$ <u>60,887</u>	<u>123,130,134</u>	<u>(4,933,789)</u>	<u>118,257,232</u>
	2022			
	<u>Cash and Equivalents</u>	<u>United States Governmental Securities</u>	<u>Related Liabilities</u>	<u>Total</u>
Debt Service Funds:				
Debt service fund	\$ 601,800	4,070,985	(4,625,550)	47,235
Debt service reserve fund	<u>84,108</u>	<u>7,841,321</u>	<u>-</u>	<u>7,925,429</u>
Fund total	<u>685,908</u>	<u>11,912,306</u>	<u>(4,625,550)</u>	<u>7,972,664</u>
Capital Projects Funds:				
Insurance fund	1,648	13,055,547	-	13,057,195
Maintenance reserve fund	<u>3,860</u>	<u>78,019,893</u>	<u>(1,926,452)</u>	<u>76,097,301</u>
Fund total	<u>5,508</u>	<u>91,075,440</u>	<u>(1,926,452)</u>	<u>89,154,496</u>
Combined total	\$ <u>691,416</u>	<u>102,987,746</u>	<u>(6,552,002)</u>	<u>97,127,160</u>

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(6) Leases Receivable

The Authority entered into agreements to lease dark fiber strands for periods of up to ten years. Under these agreements the Authority receives annual payments in each year covered by the agreements. The Authority's net present value of the leases receivable using an implicit rate of 2% as of December 31, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Leases receivable at beginning of year	\$ 1,817,146	1,075,536
Additional leases entered into	1,897,756	1,209,597
Payments received	<u>(533,989)</u>	<u>(467,987)</u>
Leases receivable at end of year	3,180,913	1,817,146
Current portion	<u>(502,076)</u>	<u>(326,404)</u>
Leases receivable, net current portion	\$ <u>2,678,837</u>	<u>1,490,742</u>

The leases receivable have maturities as of December 31, 2023 as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 502,076	63,619	565,695
2025	384,379	53,577	437,956
2026	395,208	45,889	441,097
2027	336,076	37,985	374,061
2028	344,693	31,264	375,957
2029 - 2032	<u>1,218,481</u>	<u>56,646</u>	<u>1,275,127</u>
	\$ <u>3,180,913</u>	<u>288,980</u>	<u>3,469,893</u>

(7) Capital Assets

Capital assets at December 31, 2023 and 2022 consist of the following:

	2023			Balance December 31, <u>2023</u>
	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Disposals</u>	
Walkway Over The Hudson - structure	\$ 32,758,706	-	-	32,758,706
Buildings	8,286,248	-	-	8,286,248
Furniture and equipment	12,532,537	555,968	(217,622)	12,870,883
Construction in process	<u>12,931</u>	<u>-</u>	<u>(12,931)</u>	<u>-</u>
	53,590,422	555,968	(230,553)	53,915,837
Less accumulated depreciation	<u>(35,039,584)</u>	<u>(3,451,255)</u>	<u>217,622</u>	<u>(38,273,217)</u>
	\$ <u>18,550,838</u>	<u>(2,895,287)</u>	<u>(12,931)</u>	<u>15,642,620</u>

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(7) Capital Assets, Continued

	<u>2022</u>			<u>Balance December 31, 2022</u>
	<u>Balance December 31, 2021</u>	<u>Additions</u>	<u>Disposals</u>	
Walkway Over The Hudson - structure	\$ 32,758,706	-	-	32,758,706
Buildings	8,286,248	-	-	8,286,248
Furniture and equipment	11,783,772	994,797	(246,032)	12,532,537
Construction in process	<u>558,410</u>	<u>12,931</u>	<u>(558,410)</u>	<u>12,931</u>
	53,387,136	1,007,728	(804,442)	53,590,422
Less accumulated depreciation	<u>(31,940,481)</u>	<u>(3,337,857)</u>	<u>238,754</u>	<u>(35,039,584)</u>
	<u>\$ 21,446,655</u>	<u>(2,330,129)</u>	<u>(565,688)</u>	<u>18,550,838</u>

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to \$3,451,255 and \$3,337,857, respectively.

In 2010, the pedestrian bridge known as the Walkway Over The Hudson was transferred to the Authority at a historical cost of \$32,758,706. Additionally, the Authority received fully depreciated equipment of \$80,000.

(8) Bridge System

The bridge system consists of five bridges (six spans) spanning the Hudson River together with the related toll plazas and approaches. The bridge system is recorded at cost and consists of the following at December 31, 2023 and 2022:

<u>Bridge Facility</u>	<u>Opened</u>	<u>2023</u>	<u>2022</u>
Rip Van Winkle Bridge	1935	\$ 2,299,147	2,299,147
Kingston-Rhinecliff Bridge	1957	20,536,609	20,536,609
Mid-Hudson Bridge	1930	12,957,846	12,957,846
Newburgh-Beacon Bridge	1963 and 1980	44,223,796	44,223,796
Bear Mountain Bridge	1924	<u>4,340,871</u>	<u>4,340,871</u>
		<u>\$ 84,358,269</u>	<u>84,358,269</u>

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(9) Bonded Indebtedness

On May 22, 2012, the Authority issued \$90,325,000 in General Revenue Bonds (Series 2012) in the open market in order to provide funds to finance a portion of the costs of the 2012 Project, which consisted of certain reconstruction and rehabilitation projects for the Authority's bridge system. The proceeds were used to (a) fund the debt service reserve fund to the level required by the bond resolution and (b) pay the costs of issuance of the Series 2012 bonds.

In 2021, the Authority issued \$114,235,000 in General Revenue Bonds (Series 2021A and 2021B, collectively Series 2021) in the open market in order to provide funds to finance a portion of the cost of certain reconstruction and rehabilitation projects for the Authority's bridge system. The proceeds were used to (a) retire the Series 2012 bonds, (b) fund the debt service reserve fund to the level required by the bond resolution and (c) pay the costs of issuance of the Series 2021 bonds.

Changes in indebtedness for the years ended December 31, 2023 and 2022 are summarized as follows:

	<u>2023</u>				
	Balances at December 31, <u>2022</u>	<u>Additions</u>	<u>Deductions</u>	Balances at December 31, <u>2023</u>	Due within <u>one year</u>
Series 2021A	\$ 73,300,000	-	-	73,300,000	-
Series 2021B	40,935,000	-	(2,100,000)	38,835,000	2,205,000
Unamortized bond premium	<u>28,785,553</u>	<u>-</u>	<u>(2,031,928)</u>	<u>26,753,625</u>	<u>2,031,927</u>
Total revenue bonds	\$ <u>143,020,553</u>	<u>-</u>	<u>(4,131,928)</u>	<u>138,888,625</u>	<u>4,236,927</u>
	<u>2022</u>				
	Balances at December 31, <u>2021</u>	<u>Additions</u>	<u>Deductions</u>	Balances at December 31, <u>2022</u>	Due within <u>one year</u>
Series 2021A	\$ 73,300,000	-	-	73,300,000	-
Series 2021B	40,935,000	-	-	40,935,000	2,100,000
Unamortized bond premium	<u>30,817,480</u>	<u>-</u>	<u>(2,031,927)</u>	<u>28,785,553</u>	<u>2,031,928</u>
Total revenue bonds	\$ <u>145,052,480</u>	<u>-</u>	<u>(2,031,927)</u>	<u>143,020,553</u>	<u>4,131,928</u>

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(9) Bond Indebtedness, Continued

The bonds have serial maturities as of December 31, 2023 as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,205,000	4,890,975	7,095,975
2025	2,315,000	4,777,975	7,092,975
2026	2,430,000	4,659,350	7,089,350
2027	2,555,000	4,534,725	7,089,725
2028	4,410,000	4,360,600	8,770,600
2029 - 2033	25,580,000	18,195,850	43,775,850
2034 - 2038	23,915,000	11,960,075	35,875,075
2039 - 2043	15,875,000	8,207,300	24,082,300
2044 - 2048	19,310,000	4,699,400	24,009,400
2049	<u>13,540,000</u>	<u>826,400</u>	<u>14,366,400</u>
	112,135,000	67,112,650	179,247,650
Plus unamortized bond premium	<u>26,753,625</u>	<u>-</u>	<u>26,753,625</u>
	<u>\$ 138,888,625</u>	<u>67,112,650</u>	<u>206,001,275</u>

The Series 2021A and 2021B Bonds, which bear interest at rates ranging from 4% to 5%, and mature January 1, 2051 and January 1, 2036, respectively, are general obligations of the Authority and are payable from and secured by a pledge of all monies or revenues of the Authority, including tolls and other revenues derived from the operations of the Authority's bridge facilities.

(10) Retirement Plan

(a) Plan Description and Benefits Provided

Employees' Retirement System (ERS)

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Authority (the Authority), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Authority and is the administrative head of the System. System benefits are established under the provision of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees; Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(a) Plan Description and Benefits Provided, Continued

included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 and before April 1, 2012 who generally contribute 3.0 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2023	\$ 1,217,392
2022	1,122,291
2021	1,588,587

(b) Pension Liability/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At December 31, 2023 and 2022, the Authority reported the following liability (asset) for its proportionate share of the net pension liability (asset) for ERS. The net pension liability (asset) was measured as of March 31, 2023 and 2022. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation. The Authority’s proportionate share of the net pension liability (asset) was based on a projection of the Authority’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Authority.

Actual valuation date	4/1/2022	4/1/2021
Measurement date	3/31/2023	3/31/2022
Net pension liability (asset)	\$ 7,577,318	(3,283,076)
Authority’s proportion of the Plan’s net pension liability	0.0353353%	0.0401620%
Change in proportion	(0.0048267)	0.0011810

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(b) Pension Liability/Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension, Continued

For the years ended December 31, 2023 and 2022, the Authority recognized pension expense of \$2,511,160 and \$68,596 for ERS, respectively. At December 31, 2023 and 2022 the Authority's reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 807,044	212,800	248,632	322,490
Changes of assumption	3,680,035	40,671	5,479,086	92,454
Net difference between projected and actual earnings on pension plan, investments	-	44,516	-	- 10,750,700
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	69,470	481,840	116,941	373,474
Authority's contributions subsequent to the measurement date	<u>913,044</u>	<u>-</u>	<u>841,718</u>	<u>-</u>
Total	\$ <u>5,469,593</u>	<u>779,827</u>	<u>6,686,377</u>	<u>11,539,118</u>

Authority contributions subsequent to the March 31, 2023 measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending</u>	
2024	\$ 843,774
2025	(531,117)
2026	1,463,014
2027	<u>2,001,051</u>
Total	\$ <u>3,776,722</u>

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(c) Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return (net of investment expense, including inflation)	5.9%
Salary scale	4.4%
Cost-of-living adjustments	1.5%
Inflation rate	2.9%

Annuitant mortality rates are based on April 1, 2015 - April 1, 2020 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – April 1, 2020.

The long term rate of return on 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement date	March 31, 2023	
	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Asset type:		
Domestic equity	32.0%	4.30%
International equity	15.0%	6.85%
Private equity	10.0%	7.50%
Real estate	9.0%	4.60%
Opportunistic/ARS portfolio	3.0%	5.38%
Credit	4.0%	5.43%
Real assets	3.0%	5.84%
Fixed income	23.0%	1.50%
Cash	1.0%	0.00%

\* The real rate of return is net of the long-term inflation assumption of 2.50%.

NEW YORK STATE BRIDGE AUTHORITY

Notes to Financial Statements, Continued

(10) Retirement Plan, Continued

(d) Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System'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.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability 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%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension (asset) liability	\$ <u>18,311,128</u>	<u>7,577,318</u>	<u>(1,392,029)</u>

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset) liability of all participating employers as of the respective valuation dates, were as follows:

	(Dollars in Millions)	
Measurement date	3/31/2023	3/31/2022
Employers' total pension liability	\$ 232,627	223,874
Plan fiduciary net position	(211,183)	(232,049)
Employers' net pension liability (asset)	\$ <u>21,444</u>	<u>(8,175)</u>
Ratio of plan fiduciary net position to the employers' total pension liability	90.78%	103.65%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of December 31, 2023 and 2022 represent the projected employer contribution for the period of April 1, 2023 through March 31, 2024 and April 1, 2022 through March 31, 2023, respectively based on paid ERS wages multiplied by the employer's contribution rate, by tier. This amount has been recorded as deferred outflows of resources in the accompanying financial statements.

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(11) Postemployment Benefits

The Authority provides certain health care benefits for retired employees. Substantially all of the Authority’s employees may become eligible for these benefits if they reach the normal retirement age, of the respective tier of the New York State and Local Employees’ Retirement System, while working for the Authority. The Authority, on an annual basis, accrues the cost which represents the present value of these benefits to be paid over the estimated lives of the retirees.

The number of participants as of January 1, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Active employees	104	86
Retired employees	<u>197</u>	<u>190</u>
Total	<u>301</u>	<u>276</u>

A summary of the substantive plan used as the basis of the valuation follows:

All Retirees - Description of Benefits

Duration	Lifetime
Minimum Age	55 for eligibility for cost-sharing of health insurance premium and 65 for Medicare Part B. An employee who terminates prior to retirement and meets the service requirement may receive a retiree health benefit provided that the individual maintains coverage in a NYSHIP plan until retirement and pays the full health insurance premium of this duration.
Minimum Service	If hired before April 1, 1975, 5 years of service. Otherwise, 10 years of service.
Type of Coverage	Retiree may enroll in health and Medicare Part B insurance.
NYSBA Contribution	New York State Bridge Authority covers the total cost of enrollment in Medicare Part B and a percentage of health insurance premium based on Date of Hire.
Dependent Coverage	A spouse or survivor of a New York State Bridge Authority retiree is eligible for benefits if the retiree is married and the survivor qualifies for a monthly survivor’s pension.

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(11) Postemployment Benefits, Continued

Retiree Health Insurance Benefit

Benefit Retiree health insurance coverage with NYSBA contribution toward premium.

Duration of Coverage From the later of age 55 or retirement until death. Spouses and surviving spouses may continue coverage at 75% of the premium rate.

NYSBA Contribution:

<u>Date of Hire</u>	<u>NYSBA Contribution (Individual/Family Tiers)</u>
Prior to 4/1/1994	90% of Health Plan Premium for Individual and Family.
From 4/1/1994 to 4/1/2009	90% of Health Premium for Individual/75% of Premium difference of Family and Individual.
From 4/1/2009 to 6/19/2014	75% of Primum for both Tiers
From 6/19/2014 to 3/31/2017	85% of Premium for Individual Tier/75% of Premium difference for Family and Individual.
After 3/31/2017	80% of Premium for Individual/75% of Premium difference of Family and Individual.

Medicare Part B Benefit

Duration of Coverage - From age 65 until death.

NYSBA Contribution - NYSBA reimburses 100% of premium for Employee and Spouse.

Total OPEB Liability

The Authority's total OPEB liability of \$81,373,453 and \$76,622,965 as measured as of December 31, 2023 and 2022, respectively, and was determined by an actuarial valuation as of these dates.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 and 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2023</u>	<u>2022</u>
Salary increases	3.53%	3.00%
Discount rate	3.77%	4.05%
Healthcare cost trend rates	5.10% for 2024, 3.86% ultimate healthcare cost trend rate	6.80% for 2022, trending down to 3.94% over 54 years

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(11) Postemployment Benefits, Continued

Changes in the Total OPEB Liability

	<u>2023</u>	<u>2022</u>
Total OPEB liability as of January 1	\$ <u>76,622,965</u>	<u>106,976,395</u>
Changes for the year:		
Service cost	1,462,986	2,461,337
Interest on total OPEB liability	3,053,932	1,988,825
Differences between actual and expected experience	(1,833,793)	(159,101)
Changes in assumptions	1,593,084	(31,945,578)
Implicit subsidy credit	3,154,498	(451,196)
Benefit payments	<u>(2,680,219)</u>	<u>(2,247,717)</u>
Total changes	<u>4,750,488</u>	<u>(30,353,430)</u>
Total OPEB liability as of December 31	\$ <u>81,373,453</u>	<u>76,622,965</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

		2023		
		1% Decrease ( <u>2.77%</u> )	Discount Rate ( <u>3.77%</u> )	1% Increase ( <u>4.77%</u> )
Total OPEB liability	\$	<u>94,807,022</u>	<u>81,373,453</u>	<u>70,664,694</u>
		2022		
		1% Decrease ( <u>3.05%</u> )	Discount Rate ( <u>4.05%</u> )	1% Increase ( <u>5.05%</u> )
Total OPEB liability	\$	<u>89,070,669</u>	<u>76,622,965</u>	<u>66,643,435</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a rate that is 1-percentage point lower or 1-percentage point higher than the current trend rate:

		2023		
		1% Decrease ( <u>4.10%</u> )	Trend Rate ( <u>5.10%</u> )	1% Increase ( <u>6.10%</u> )
Total OPEB liability	\$	<u>69,773,517</u>	<u>81,373,453</u>	<u>96,215,334</u>

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(11) Postemployment Benefits, Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Costs Trend Rates,  
Continued

	2022		
	1%	Trend	1%
	Decrease (6.3%)	Rate (7.3%)	Increase (8.3%)
Total OPEB liability	\$ <u>65,651,208</u>	<u>76,622,965</u>	<u>90,494,523</u>

For the years ended December 31, 2023 and 2022, the Authority recognized an OPEB expense of \$4,504,370 and \$4,814,001, respectively. At December 31, 2023 and 2022 the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,362,202	3,149,737	-	5,164,291
Changes in assumptions	<u>5,640,636</u>	<u>23,657,542</u>	<u>18,865,356</u>	<u>33,751,624</u>
	\$ <u>7,002,838</u>	<u>26,807,279</u>	<u>18,865,356</u>	<u>38,915,915</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending</u>	
2024	\$ (8,138,196)
2025	(9,568,115)
2026	(4,093,487)
2027	688,056
2028	688,056
Thereafter	<u>619,245</u>
	\$ <u>(19,804,441)</u>

(12) Administrative Services Assessment

Through the Public Authorities Law Section 2975, the State of New York (the State) established a cost recovery of central governmental services to various public authorities. This statute directs the New York State Division of the Budget to determine the amount to be assessed to each public authority. The State Treasurer imposes and collects the assessments which are deposited into the State's general fund. The administrative services assessment for the Authority for the years ended December 31, 2023 and 2022 amounted to \$369,000 each year, recorded in other expenses.

NEW YORK STATE BRIDGE AUTHORITY  
Notes to Financial Statements, Continued

(13) Risk Management

The Authority purchases commercial insurance policies in varying amounts for general liability, vehicle liability, damage to fixed assets, and public officials and employee liability coverage. The Authority also pays unemployment claims to the State as incurred. There are no claims relating to the bridge facilities, however, the Authority has funded a reserve of \$14,205,552 and \$13,057,195 at December 31, 2023 and 2022, respectively, to meet its deductible should a claim arise.

(14) Commitments and Contingencies

The Authority is a defendant in a number of lawsuits. While the outcome of these lawsuits or other proceedings against the Authority cannot be predicted with certainty, the Authority does not expect that these matters will have a material adverse effect on its financial position.

(15) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 31, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

NEW YORK STATE BRIDGE AUTHORITY

Required Supplementary Information

Bridge System Assessments

December 31, 2023

<u>Condition Rating*</u>	Number of Bridges					
	<u>2023</u>		<u>2022</u>		<u>2021</u>	
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>
New	-	-	-	-	-	-
Minor Deterioration	9	100%	9	100%	9	100%
Serious Deterioration	-	-	-	-	-	-
Totally Deteriorated	-	-	-	-	-	-
Total	<u>9</u>	<u>100%</u>	<u>9</u>	<u>100%</u>	<u>9</u>	<u>100%</u>

\*The condition of the Authority’s bridge system is determined using annual inspection procedures. The inspections are conducted in accordance with New York State Department of Transportation (NYSDOT) requirements and Federal Highway Administration Guidelines. The NYSDOT bridge condition rating, which is an assessment of the ability to function structurally, is determined during biennial inspections using a numerical condition scale ranging from 1.0 (totally deteriorated) to 7.0 (new condition). The complete NYSDOT numerical rating scale is as follows:

- 1 - Totally deteriorated, or in failed condition.
- 2 - Used to shade between ratings 1 and 3.
- 3 - Serious deterioration, or not functioning as originally designed.
- 4 - Used to shade between 3 and 5.
- 5 - Minor deterioration, but functioning as originally designed.
- 6 - Used to shade between 5 and 7.
- 7 - New condition, no deterioration.

The number of bridges included in the annual inspection process includes the six spans crossing the Hudson River and three overpasses. The Walkway Over the Hudson, which is a pedestrian bridge, is excluded.

It is the Authority’s policy to keep the overall condition number of each bridge at a condition rating of at least 5.0. Presently, all bridges are inspected annually with three bridges receiving the more thorough biennial inspections and three receiving maintenance inspections.

NEW YORK STATE BRIDGE AUTHORITY  
 Required Supplementary Information  
 Bridge System Assessments, Continued

Estimated-to-Actual Capital Improvement Expenditures in (\$000's):

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Estimated	32,500	66,600	65,700	48,100	25,300	26,600
Actual	16,100	46,000	69,900	23,400	18,400	23,900

Significant variations between the estimated, or budgeted, and actual costs of capital improvements are noted in each year.

In 2018 capital improvement costs of \$23.9 million were below the estimate of \$26.6 million as a result of slower construction progress on several projects due to heavy rains in the region causing construction delays.

In 2019 capital improvement costs of \$18.4 million were lower than estimated the \$25.3 million as a result of delays in construction and/or reconsideration of various projects system wide. This includes a delayed pedestrian sidewalk repair at Newburgh-Beacon Bridge that will be completed in 2020 and the reconsideration of procurements related to video analytic equipment for operations and security.

In 2020 capital improvement costs of \$23.4 million were lower than the estimated \$48.1 million as a result of delays in several projects. The project to replace the Authority's toll system was projected at \$12.5 million in 2020 and did not materially commence until January 2021. Rehabilitation at Mid-Hudson Bridge also had a project to rehabilitate the curb and box beams that was projected at \$10 million in 2020 with the majority of the project extending into 2021. Delayed work from 2020 will be carried out in 2021.

In 2021 capital improvement costs of \$69 million were higher than the estimated \$65.7 million as a result of carry over work from 2020. Residual carryover of the toll system replacement and AET associated civil improvements carried over into 2022.

In 2022 capital improvement costs of \$46 million were lower than the estimated \$66.6 million as a result of work budgeted for 2022 expected to be completed in future years. Residual carryover of the toll system replacement, deferred paint work at Bear Mountain and suicide deterrent fencing are all planned for future years.

In 2023 capital improvement costs of \$16.1 million were lower than the estimated \$32.5 million as a result of work budgeted in 2023 now expected to be completed in 2024. The timing of the award for the Bear Mountain Bridge paint project delayed mobilization until 2024 due to weather concerns. Additionally, projects for building renovations at Newburgh Beacon Bridge, variable message sign replacements at all bridges, and steel repairs at the Walkway Over the Hudson were also delayed until 2024.

NEW YORK STATE BRIDGE AUTHORITY  
Required Supplementary Information  
Schedule of Authority's Proportionate Share of the Net Pension Asset/Liability  
Year ended December 31, 2023

	NYSERS Pension Plan									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Authority's proportion of the net pension liability	0.0353353%	0.0401620%	0.0389810%	0.0397180%	0.0395581%	0.0374499%	0.0383003%	0.0375630%	0.0381425%	
Authority's proportionate share of the net pension liability (asset)	\$ 7,577,318	(3,283,076)	38,815	10,517,546	2,802,812	1,208,674	3,598,778	6,028,960	1,288,547	
Authority's covered payroll	\$ 10,188,286	10,530,219	10,769,442	10,806,832	10,695,811	10,594,634	10,378,206	10,389,435	9,885,850	
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.37%	31.18%	0.36%	97.32%	26.20%	11.41%	34.68%	58.03%	13.03%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.20%	94.70%	90.70%	97.95%	

\* The amounts presented for each fiscal year were determined as of the March 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015 measurement dates of the plans.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority should present information for those years for which information is available.

NEW YORK STATE BRIDGE AUTHORITY  
 Required Supplementary Information  
 Schedule of Authority's Pension Contributions  
 Year ended December 31, 2023

	NYSERS Pension Plan									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,217,392	1,122,291	1,588,587	1,448,973	1,445,115	1,465,310	1,520,797	1,445,031	1,678,527	1,876,986
Contributions in relation to the contractually required contribution	<u>1,217,392</u>	<u>1,122,291</u>	<u>1,588,587</u>	<u>1,448,973</u>	<u>1,445,115</u>	<u>1,465,310</u>	<u>1,520,797</u>	<u>1,445,031</u>	<u>1,678,527</u>	<u>1,876,986</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered payroll	\$ 10,188,286	10,530,219	10,769,442	10,806,832	10,695,811	10,594,634	10,378,206	10,389,435	9,885,850	10,118,000
Contributions as a percentage of covered payroll	11.95%	10.66%	14.75%	13.41%	13.51%	13.83%	14.65%	13.91%	16.98%	18.55%

NEW YORK STATE BRIDGE AUTHORITY  
Required Supplementary Information  
Schedule of Changes in Authority's  
Total OPEB Liability and Related Ratios  
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 1,462,986	2,461,337	4,559,632	3,584,359	1,369,375	1,315,442
Interest on total OPEB liability	3,053,932	1,988,825	2,573,172	2,999,016	1,713,874	1,557,748
Differences between actual and expected experience	(1,833,793)	(159,101)	(8,329,995)	(226,841)	-	-
Changes in assumptions	1,593,084	(31,945,578)	(14,669,056)	14,716,573	64,078,663	(4,809,704)
Implicit subsidy credit	3,154,498	(451,196)	(521,221)	(460,745)	-	-
Benefit payments	<u>(2,680,219)</u>	<u>(2,247,717)</u>	<u>(1,991,336)</u>	<u>(1,916,589)</u>	<u>(1,869,854)</u>	<u>(1,316,984)</u>
Net change in total OPEB liability	4,750,488	(30,353,430)	(18,378,804)	18,695,773	65,292,058	(3,253,498)
Total OPEB liability - beginning	<u>76,622,965</u>	<u>106,976,395</u>	<u>125,355,199</u>	<u>106,659,426</u>	<u>41,367,368</u>	<u>44,620,866</u>
Total OPEB liability - ending	<u>\$ 81,373,453</u>	<u>76,622,965</u>	<u>106,976,395</u>	<u>125,355,199</u>	<u>106,659,426</u>	<u>41,367,368</u>
Covered payroll	\$ 8,947,347	6,196,918	6,196,918	8,031,906	7,836,006	10,799,786
Total OPEB liability as a percentage of covered payroll	909.5%	1236.5%	1726.3%	1560.7%	1361.1%	383.0%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
3.77%	4.05%	1.84%	2.00%	2.75%	4.10%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Authority is presenting information for those years for which information is available.

There are no assets accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Governing Board  
New York State Bridge Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the New York State Bridge Authority (the Authority), as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 7, 2024

**REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3  
OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES,  
RULES AND REGULATIONS OF THE STATE OF NEW YORK**

The Governing Board  
New York State Bridge Authority:

We have examined the New York State Bridge Authority's (the Authority), a component unit of the State of New York, compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York during the year ended December 31, 2023. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In accordance with Government Auditing Standards, we are required to report certain findings of deficiencies in internal control; instances of noncompliance with provisions of laws, or regulations, contracts or grant agreements; and instances of fraud and abuse that are material to the Authority's compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York and any fraud and illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain

the views of management of those matters. We performed our examination to express an opinion on whether the Authority complied with the aforementioned requirements and not for the purpose of expressing an opinion on the internal control over compliance with those requirements or other matters and accordingly, we express no such opinion. The results of our tests disclosed no matters that required to be reported under Government Auditing Standards.

In our opinion, the Authority complied, in all material respects, with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York during the fiscal year ended December 31, 2023.

This report is intended solely for the information and use of the Authority and New York State and is not intended to be and should not be used by anyone other than the specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 7, 2024