New York State Thruway Authority

(A Component Unit of the State of New York)

Financial Statements

December 31, 2021 and 2020

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New York State Thruway Authority (the Authority), a component unit of the State of New York, as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of other postemployment benefits liability, schedule of the proportionate share of the net pension liability and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

BST

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2022, 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 on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

BST + Co. CPAs, LLP

Albany, New York
March 28, 2022

New York State Thruway Authority

(A Component Unit of the State of New York)

Management's Discussion and Analysis
December 31, 2021 and 2020

The following discussion and analysis of the New York State Thruway Authority's (Authority) financial performance provides an overview of the Authority's activities for the years ended December 31, 2021 and 2020. Please read it in conjunction with the Authority's financial statements that follow this section. This discussion and analysis is intended to serve as an introduction to the Authority's financial statements which are comprised of the basic financial statements and the notes to the financial statements.

2021 Financial Highlights

- Total operating revenue was $826.4 million, an increase of $159.4 million, or 23.9% compared to 2020. Tolls and related revenues for the year was $804.4 million, an increase of $155.7 million, or 24.0% compared to 2020.
- Total operating expenses, excluding depreciation and amortization, were $511.3 million, an increase of $48.9 million, or 10.6% compared to 2020.
- Net position as of December 31, 2021 was $643.5 million, a decrease of $296.6 million, or 31.5% compared to December 31, 2020.
- Total capital assets (net of depreciation) as of December 31, 2021 were $7.53 billion, a decrease of $112.9 million, or 1.5% compared to December 31, 2020.
- In 2021, the Authority completed the removal of toll booths and reconfiguration of interchanges to allow highway speed cashless tolling system wide. A total of $552.8 million has been invested in cashless tolling projects through December 31, 2021, of which $136.4 million was invested during 2021. Additional information regarding cashless tolling is presented in the Other Significant Matters section of the Management's Discussion and Analysis.

2020 Financial Highlights

- Total operating revenue was $667.0 million, a decrease of $147.1 million, or 18.1% compared to 2019. Tolls and related revenue for the year was $648.7 million, a decrease of $126.3 million, or 16.3% compared to 2019.
- Total operating expenses, excluding depreciation and amortization, were $462.4 million, an increase of $0.6 million, or 0.1% compared to 2019.
- Net position as of December 31, 2020 was $940.1 million, a decrease of $282.5 million, or 23.1% compared to December 31, 2019.
- Total capital assets (net of depreciation) as of December 31, 2020 were $7.64 billion, an increase of $135.8 million, or 1.8% compared to December 31, 2019.

Overview of the Financial Statements

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

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

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

Financial Analysis of the Authority

Net Position

The Authority's net position at December 31, 2021 was approximately $643.5 million, a 31.5% decrease compared to December 31, 2020 (see Table A-1). In 2021, total assets increased 2.0% to $9.22 billion, and total liabilities increased 5.8% to $8.75 billion. The Authority's net position at December 31, 2020 was approximately $940.1 million, a 23.1% decrease compared to December 31, 2019. In 2020, total assets increased 2.9% to $9.04 billion and total liabilities increased 10.0% to $8.27 billion.

Table A-1
Net Position
December 31, 2021, 2020, and 2019
(In millions of dollars)

	2021	2020	2019	Percentage Change 2021-2020
Unrestricted current assets	$ 606.4	$ 545.6	$ 473.9	11.1
Restricted assets	1,087.0	853.7	803.2	27.3
Capital assets	7,529.1	7,642.0	7,506.2	(1.5)
Total assets	9,222.5	9,041.3	8,783.3	2.0
Deferred outflows of resources	393.8	282.9	113.3	39.2
Current liabilities	676.0	665.0	584.0	1.7
Noncurrent liabilities	8,074.1	7,606.8	6,935.1	6.1
Total liabilities	8,750.1	8,271.8	7,519.1	5.8
Deferred inflows of resources	222.7	112.3	154.9	98.3
Total net position	$ 643.5	$ 940.1	$ 1,222.6	(31.5)

Restricted assets increased $233.3 million, or 27.3% compared to 2020. The increase is primarily due to the issuance of General Revenue Bonds, Series O which generated $519.3 million of net proceeds to fund the Authority's capital program, a debt service reserve requirement and certain debt service payments. This increase was partially offset by the use of restricted assets, consisting primarily of General Revenue Bonds, Series N proceeds to fund capital project costs and Junior Indebtedness Obligations, Series 2019B proceeds to fund certain debt service payments. Additional information regarding restricted assets and issuance of General Revenue Bonds, Series O, is presented in Notes 4 and 5, respectively.

Capital assets decreased $112.9 million, or 1.5% compared to 2020. The decrease is due to several factors. The Authority's investment in capital assets in 2021 was approximately $297.7 million, which is lower than recent years when amounts invested in capital assets have exceeded $500 million annually. Higher depreciation expense resulting from the Authority's significant investment in cashless tolling infrastructure and equipment that has useful lives ranging from ten to fifteen years, as well as the acceleration of depreciation on service area restaurant buildings scheduled to be reconstructed over the next several years also contributed to the decrease. Additional information regarding capital assets is presented in Note 3. Additional information regarding the Service Area Project is presented in the Other Significant Matters section of the Management Discussion and Analysis.

Financial Analysis of the Authority - Continued

Net Position - Continued

Noncurrent liabilities increased $467.3 million, or 6.1% compared to 2020. The increase is primarily due to the issuance of General Revenue Bonds, Series O, as well as an increase in postemployment benefit obligations. The increase was partially offset by a reduction in pension obligations. Additional information regarding long-term debt, pension and other postemployment benefit obligations is presented in Notes 5, 8 and 10, respectively.

Changes in Net Position

Net position decreased by $296.6 million in 2021 (see Table A-2). The Authority's total operating revenues for 2021 were $826.4 million, an increase of $159.4 million, or 23.9% compared to 2020. Total operating expenses for 2021 were $921.5 million, an increase of $103.3 million, or 12.6% compared to 2020. Net Position decreased by $282.5 million in 2020. The Authority's total operating revenues for 2020 were $667.0 million, a decrease of $147.1 million, or 18.1% compared to 2019. Total operating expenses for 2020 were $818.2 million, an increase of $28.4 million, or 3.6% compared to 2019.

Table A-2
Changes in Net Position
Years ended December 31, 2021, 2020, and 2019
(In millions of dollars)

	2021	2020	2019	Percentage Change 2021-2020
OPERATING REVENUE				
Tolls and related revenues	$ 804.4	$ 648.7	$ 775.0	24.0
Concessions	5.7	6.8	14.8	(16.2)
Other	16.3	11.5	24.3	41.7
Total operating revenue	826.4	667.0	814.1	23.9
OPERATING EXPENSES				
Salaries	116.7	137.0	143.6	(14.8)
Postemployment obligations	144.1	88.4	60.0	63.0
Employee benefits	48.2	93.0	70.9	(48.2)
State Police - Troop T services	61.2	56.4	62.6	8.5
Professional and other services	80.8	47.1	61.8	71.5
Supplies, materials and rentals	21.9	17.0	27.9	28.8
Maintenance and repairs	26.9	13.2	20.3	103.8
Utilities	5.9	6.0	6.0	(1.7)
Insurance and claims	4.1	3.2	7.6	28.1
Equipment	0.4	0.4	1.0	0.0
Other	1.1	0.7	0.1	57.1
Depreciation and amortization	410.2	355.8	328.0	15.3
Total operating expenses	921.5	818.2	789.8	12.6
Operating income (loss)	(95.1)	(151.2)	24.3	(37.1)

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Table A-2

Changes in Net Position
Years ended December 31, 2021, 2020, and 2019
(In millions of dollars) - Continued

	2021	2020	2019	Percentage Change 2021-2020
NON-OPERATING REVENUES AND EXPENSES				
Investment income	$ 1.4	$ 7.6	$ 6.1	$ (81.6)
Interest expense	(204.9)	(206.5)	(205.7)	(0.8)
Debt issuance expense	(2.3)	(0.8)	(13.0)	187.5
Federal, state and other aid	3.5	0.6	3.4	483.3
Loss on disposal of assets	(0.3)	(0.1)	(0.8)	200.0
Net non-operating items	(202.6)	(199.1)	(210.0)	1.8
Loss before capital contributions	(297.7)	(350.3)	(185.7)	(15.0)
Capital contributions	1.1	67.8	297.5	(98.4)
CHANGE IN NET POSITION	**(296.6)**	**(282.5)**	**111.8**	5.0
NET POSITION, ***beginning of year***	940.1	1,222.6	1,110.8	(23.1)
NET POSITION, ***end of year***	**$ 643.5**	**$ 940.1**	**$ 1,222.6**	**(31.5)**

Tolls and related revenues increased $155.7 million, or 24.0% compared to 2020. This increase is primarily due to higher traffic volumes in 2021 as COVID-19 travel restrictions diminished.

Other revenues increased $4.8 million or 41.7% compared to 2020. This increase is primarily due to 2021 being the first full year since the Authority assumed direct control of administering its fiber optic system. This change resulted in an increase in revenues from users of the system.

Salary costs decreased $20.3 million, or 14.8% compared to 2020. This decrease is primarily due to the elimination of toll collection staff in conjunction with the implementation of cashless tolling in November 2020.

Postemployment benefit obligations increased $55.7 million, or 63.0% compared to 2020. Postemployment benefit obligations consist primarily of health insurance benefits provided to retirees. Additional information regarding postemployment benefits other than pensions is presented in Note 10.

Employee benefit costs decreased $44.8 million, or 48.2% compared to 2020. This decrease is primarily due to lower costs related to the Authority's participation in the New York State and Local Employees' Retirement System (ERS). Additional information regarding the Authority's participation in ERS is presented in Note 8. Lower costs for health, unemployment and worker's compensation insurance also contributed to the decrease.

State Police Troop T costs increased $4.8 million, or 8.5% compared to 2020. State Police Troop T is dedicated exclusively to the patrol of the Thruway system. This increase is primarily due to the timing of certain contractually required payments, as well as an increase in overtime.

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Professional and other services increased $33.7 million, or 71.5% compared to 2020. This increase is primarily due to 2021 being the first full year of cashless tolling on the entire Thruway System. In 2021, the cost of administering the Tolls by Mail program increased $18.5 million, or 149.8% and the cost of administering E-ZPass increased $15.1 million, or 55.7% compared to 2020. Additional information regarding Cashless Tolling can be found in the Other Significant Matters section of the Management Discussion and Analysis.

Supplies, materials, and rental costs increased $4.9 million, or 28.8% compared to 2020. This increase is primarily due to higher usage of salt and fuel, as well as higher fuel prices.

Maintenance and repair costs increased $13.7 million, or 103.8% compared to 2020. This increase is primarily due to a settlement reached in 2020 with ExxonMobil in which they agreed to reimburse the Authority $7.5 million for soil remediation costs at fueling stations they previously operated at Authority owned service areas. Additional asbestos and soil remediation costs associated with the ongoing reconstruction of service areas restaurants and costs associated with maintaining the Authority's fiber optic system also contributed to the increase.

Depreciation and amortization increased $54.4 million, or 15.3% compared to 2020. This increase is primarily due to cashless tolling assets with useful lives ranging from 10 to 15 years being put into service in late 2020. The acceleration of depreciation on existing service area restaurants that will be taken out of service and reconstructed over the next few years also contributed to the increase.

Interest income decreased $6.2 million, or 81.6% compared to 2020. The decrease is due to a combination of lower interest rates and less cash invested in 2021 compared to 2020.

Federal, state and other aid increased $2.9 million, or 483.3% compared to 2020. This increase is primarily due to federal funding received for highway maintenance work performed in 2021.

Capital contributions decreased $66.7 million, or 98.4% compared to 2020. The decrease is primarily due to a decrease in Thruway Stabilization Program contributions from the State of New York to fund capital projects. Additional information regarding the Thruway Stabilization Program is presented in Note 11.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2021, the Authority had invested approximately $13.34 billion in capital assets, including roads, bridges, buildings, land and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.53 billion (see Table A-3) representing a net decrease (including additions, disposals and depreciation) of approximately $112.9 million or 1.5% compared to December 31, 2020.

As of December 31, 2020, the Authority had invested approximately $13.15 billion in capital assets, including roads, bridges, buildings, land and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.64 billion (see Table A-3) representing a net increase (including additions, disposals and depreciation) of approximately $135.8 million, or 1.8% compared to December 31, 2019.

Capital Assets and Debt Administration - Continued

Capital Assets - Continued

Table A-3

Capital Assets
December 31, 2021, 2020, and 2019
(In millions of dollars)

	2021	2020	2019	Percentage Change 2021-2020
Land and land improvements	$ 819.1	$ 816.6	$ 815.5	0.3
Construction in progress	188.1	190.5	497.5	(1.3)
Thruway System	12,062.2	11,872.8	11,197.2	1.6
Equipment	269.2	268.3	246.3	0.3
Less accumulated depreciation	(5,809.5)	(5,506.2)	(5,250.3)	5.5
Total net capital assets	$ 7,529.1	$ 7,642.0	$ 7,506.2	(1.5)

In 2021, construction work in progress decreased $2.4 million, or 1.3%. This decrease is primarily due to the completion of projects that replaced four bridges, as well as a safety upgrade project near Amsterdam. Significant projects in progress as of December 31, 2021 include projects to rehabilitate portions of Interstate 95 from New York City to the State of Connecticut and a project to rehabilitate the Castleton on the Hudson Bridge.

Net additions to the Thruway System during 2021 were $189.4 million, or 1.6%. This increase was primarily due to investments made in 2021 to remove toll booths and reconfigure interchanges following the conversion to cashless tolling. In addition, the completion of projects that replaced four bridges, as well as a project that improved safety near Amsterdam also contributed to the increase. These increases were partially offset by the retirement of service area buildings demolished in 2021 as part of a multi-year project to replace the Authority's service areas. Additional information regarding the Service Area Project can be found in the Other Significant Matters section of the Management Discussion and Analysis.

In 2020, construction work in progress decreased $307 million, or 61.7%. This decrease is primarily due to the completion of maintenance and state police buildings at the Governor Mario M. Cuomo Bridge, as well as a shared use path on the bridge and the conversion of the mainline of the Thruway System to cashless tolling. Significant projects in progress as of December 31, 2020 include a project to rehabilitate Interstate 95 from Port Chester to the Connecticut state line and a safety upgrade project near Amsterdam.

Net additions to the Thruway System during 2020 were $675.5 million, or 6.0%. This increase was primarily due to the completion of cashless tolling, as well as the shared use path on the Governor Mario M. Cuomo Bridge. New maintenance and state police buildings adjacent to the Governor Mario M Cuomo Bridge, as well as replacement of the Interstate 287 ramp over Interstate 95 also contributed to the increase.

Debt Administration

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

Capital Assets and Debt Administration - Continued

Debt Administration - Continued

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

Long-term debt includes general revenue bonds and junior indebtedness obligations of varying rates and maturities issued primarily to fund a portion of the Authority's Multi-Year Capital Plan and New NY Bridge Project costs for construction of the Governor Mario M. Cuomo Bridge. At December 31, 2021, the Authority had approximately $6.79 billion in general revenue bonds and junior indebtedness obligations outstanding, an increase of $364.1 million or approximately 5.7% compared to the amount of general revenue bonds and junior indebtedness obligations outstanding as of December 31, 2020 (see Table A-4).

Short-term debt includes subordinated indebtedness of varying rates and maturities up to two years from the date of agreement and were entered into to provide liquidity to the Authority during the COVID-19 pandemic. At December 31, 2021, the Authority had no outstanding short-term debt obligations (see Table A-4). The Authority has $100 million in unused commitments available under one short term debt agreement.

In October 2021, the Authority issued General Revenue Bonds, Series O which generated proceeds of $648.5 million. The proceeds were used to fund a portion of the Multi-Year Capital Plan, fund capitalized interest, provide for a required deposit to the Senior Debt Service Reserve Fund, and refund certain outstanding General Revenue Bonds, Series I. The Series O bonds mature in various amounts through January 1, 2051.

In June 2020, the Authority executed a Revolving Credit Agreement (the "RCA") providing a line of credit with an available commitment not to exceed $125 million dollars. A draw of this line in the amount of $50 million was made in June 2020 and was used to partially defease debt service due in July 2020. The Authority amended the RCA in June 2021 to extend the agreement for 120 additional days, and subsequently paid the outstanding balance and effectively terminated the RCA in August 2021.

In October 2020, the Authority executed a Noteholder's Agreement providing liquidity funding through a drawdown process to issue and sell short-term notes up to a total combined commitment not to exceed $100 million. The Authority has not drawn on the commitment, and the full commitment amount is available. The agreement expires in October 2022.

Of the $3.98 billion in general revenue bonds outstanding, approximately $25.1 million are insured by Assured Guaranty Municipal (formerly Financial Security Assurance Inc.) and are rated A1 by Moody's and AA by Standard and Poor's (S&P). The Authority's remaining general revenue bonds are rated A1 by Moody's and A by S&P. Of the $2.81 billion in junior indebtedness obligations outstanding, approximately $362.2 million are insured by Assured Guaranty Municipal Corp and are rated A2 by Moody's and AA by S&P. The remaining junior indebtedness obligations are rated A2 by Moody's and A- by S&P.

At December 31, 2020, the Authority had approximately $6.43 billion in general revenue bonds and junior indebtedness obligations outstanding, an increase of $397.6 million, or 6.6% from December 31, 2019. The Authority had $50 million in short-term debt outstanding as of December 31, 2020.

Capital Assets and Debt Administration - Continued

Debt Administration - Continued

Table A-4

Outstanding Debt
Years ended December 31, 2021 and 2020
(In millions of dollars)

	Year Ended December 31, 2021			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,600.7	$ 648.4	$ (270.9)	$ 3,978.2
Junior indebtedness obligations and notes	2,824.7	-	(13.4)	2,811.3
Total bonds and notes	6,425.4	648.4	(284.3)	6,789.5
Revolving credit agreement	50.0	-	(50.0)	-
Total bonds, notes and other debt	$ 6,475.4	$ 648.4	$ (334.3)	$ 6,789.5

	Year Ended December 31, 2020			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,190.4	$ 536.7	$ (126.4)	$ 3,600.7
Junior indebtedness obligations and notes	2,837.4	-	(12.7)	2,824.7
Total bonds and notes	6,027.8	536.7	(139.1)	6,425.4
Revolving credit agreement	-	50.0	-	50.0
Total bonds, notes and other debt	$ 6,027.8	$ 586.7	$ (139.1)	$ 6,475.4

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

Other Significant Matters

Cashless Tolling

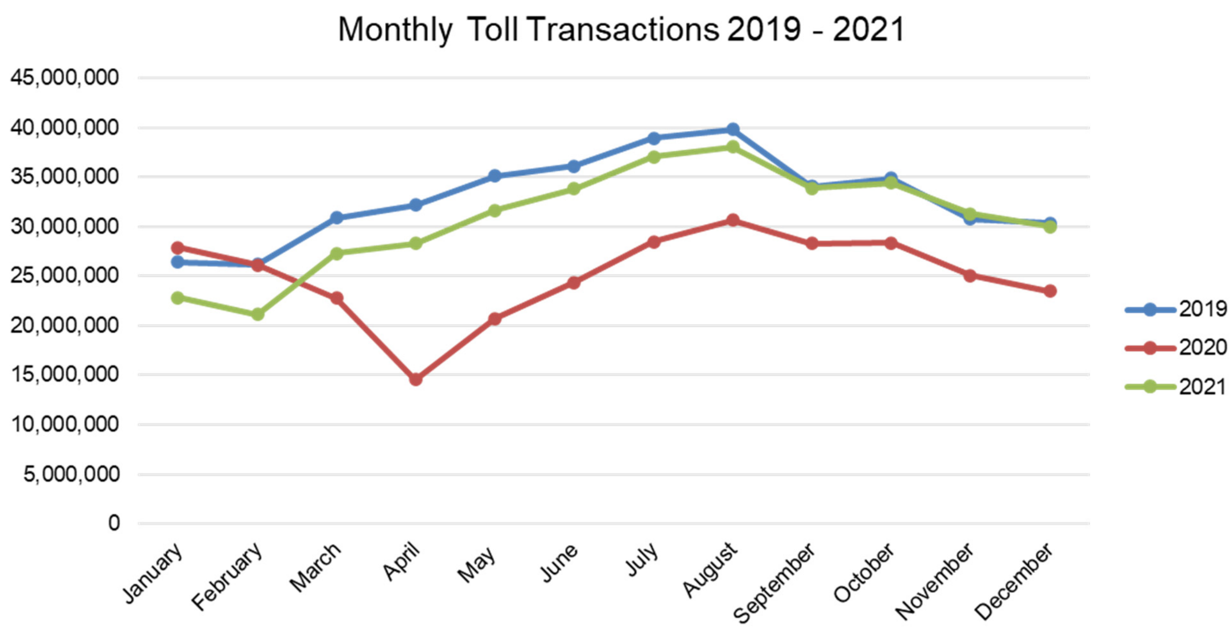
In November 2020, the Authority implemented cashless tolling on the interchange (ticketed) portion of the Thruway system and with it completed a system-wide conversion to cashless tolling. Tolling at the Governor Mario M. Cuomo and Grand Island Bridges, as well as Harriman, Yonkers, New Rochelle, and Spring Valley locations were converted to cashless tolling prior to 2020. Cashless tolling allows customers to pay their tolls at highway speed without stopping at a toll booth. Customers with an E-ZPass account have their toll information collected via an E-ZPass tag installed in their vehicles. Customers without E-ZPass have an image of their license plate captured and the registered owner of the vehicle is sent an invoice for their tolls (Tolls by Mail). Work to remove toll booths and reconfigure interchanges on what was formerly the ticketed portion of the Thruway system was completed in 2021. A total of $552.8 million has been invested in cashless tolling infrastructure improvements and equipment through December 31, 2021, of which $136.4 million was invested during 2021.

Other Significant Matters - Continued

COVID-19

The COVID-19 pandemic that began affecting the United States in March 2020 had an adverse and material impact on the financial condition and operating results of the Authority. Operating revenues in 2020 were $667.0 million, a decrease of $147.2 million, or 18.1% compared to 2019. This decrease was primarily due to a reduction in passenger traffic caused by stay-at-home orders and travel restrictions implemented to control the spread of the virus. Toll revenue in 2020 generated by passenger traffic was $317.7 million, a decrease of $118.1 million, or 27.1% compared to 2019. Commercial traffic levels in 2020 remained relatively stable compared to 2019. Toll revenue generated by commercial traffic in 2020 was $297.6 million, a decrease of $6.5 million, or 2.1% compared to 2019. Over the course of 2021 the negative impact COVID-19 had on passenger traffic diminished and by the end of 2021 passenger traffic was only slightly less than 2019 levels for comparable periods.

A comparison of total monthly toll transactions for the years 2019 through 2021 is shown below.



Several actions were taken in 2020 to counter the loss of revenues caused by COVID-19. The Authority used proceeds from General Revenue Bonds, Series N issued in March 2020 to refund certain capital program costs that were originally funded in late 2019 and early 2020 with Authority revenues and Thruway Stabilization program funds. In addition, the Authority entered into short-term credit agreements that provided a credit commitment of $225 million. $50 million was drawn against these credit agreements in 2020 and was repaid in 2021. At December 31, 2021, the Authority has no short-term obligations and a credit commitment of $100 million remains available.

Service Area Project

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

Other Significant Matters - Continued

Service Area Project - Continued

The initial construction work will occur in two phases. Phase 1 commenced in July 2021 when Empire assumed control of 16 service areas previously operated by HMSHost Corporation and Delaware North Corporation. Phase 2 will begin in January 2023 when Empire assumes control of the remaining 11 service areas that will continue to be operated by McDonald's Corporation until then.

Commencing with the reopening of each new restaurant building, the agreement requires Empire to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. In addition, the agreement has ancillary rent provisions tied to the operation of commercial vehicle fueling stations at five of the service areas and advertising opportunities at all service areas. Sales generated by Empire during the operation of a restaurant prior to reconstruction (interim operations) are not subject to rent provisions. Over the life of the agreement, base rent calculated as a percentage of sales is forecasted to be $85 million, of which $51 million is guaranteed. Additional information regarding the Authority's lease revenues is presented in Note 12g.

Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs. These costs primarily consist of asbestos mitigation and soil remediation associated with the demolition of the existing service area restaurants. As of December 31, 2021 the Authority's estimated liability for these costs was $4.5 million. Additional information regarding environmental remediation liabilities is presented in Note 12e.

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

In 2013, the Authority entered into a design-build agreement with Tappan Zee Constructors, LLC to construct the Governor Mario M. Cuomo Bridge (then known as the New NY Bridge) to replace the existing Tappan Zee Bridge. The Governor Mario M. Cuomo Bridge is a twin-span structure crossing the Hudson River between Rockland and Westchester Counties. The bridge has a 100-year design life and consists of eight general purpose lanes, as well as emergency access lanes. The bridge conforms to current seismic, safety, and geometric requirements; has adequate shoulders to manage traffic incidents and emergencies; and a shared use path to accommodate bicycle and pedestrian use on the bridge. New maintenance and state police buildings were also constructed adjacent to the bridge as part of the project. The westbound span of the bridge was placed in service in 2017 and the eastbound span was placed in service in 2018. The shared use path, as well as the new maintenance and state police buildings were completed in 2020. Since 2013, the Authority has invested $3.72 billion in the project. Additional investments in the project include capitalized interest costs of $168.4 million, as well as planning costs of $152.8 million incurred prior to 2013.

Tappan Zee Constructors, LLC has submitted requests for payment to the Authority claiming they are owed, as of December 31, 2021, $923 million, plus interest, in excess of their approved contract value and anticipated change orders. Their claims relate to issues of time, extra work, and oversight of the project. The Authority disputes these claims.

In February 2021, Tappan Zee Constructors, LLC filed a claim against the Authority in the NYS Court of Claims with respect to the dispute. This claim was voluntarily discontinued without prejudice by TZC on June 8, 2021. Additional information regarding Tappan Zee Constructors, LLC's claims is presented in Note 12a.

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

Other Significant Matters - Continued

Thruway Stabilization Program

In 2015, the State of New York created the $1.285 billion Thruway Stabilization Program to partially fund the Governor Mario M. Cuomo Bridge, as well as other Thruway capital projects. In 2016, the State committed an additional $700 million to the program bringing the total commitment to $1.985 billion. As of December 31, 2020, all program funds have been received. The program provided $1.2 billion for the Governor Mario M. Cuomo Bridge, $752.8 million for other Thruway capital projects and $32.2 million for working capital needs. Additional information regarding the Thruway Stabilization Program is presented in Note 11.

Contacting the New York State Thruway Authority's Financial Management

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

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

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Net Position
(in thousands of dollars)

	December 31, 2021	December 31, 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	$ 461,314	$ 441,304
Investments	901	1,346
Receivables, net	117,517	78,696
Material and other supplies	22,401	19,603
Prepaid items	4,240	4,635
Restricted assets	312,025	328,292
Total current assets	918,398	873,876
NON-CURRENT ASSETS		
Restricted assets	774,957	525,423
Capital assets, not being depreciated	1,007,250	1,007,110
Capital assets, net of accumulated depreciation	6,521,876	6,634,861
Total non-current assets	8,304,083	8,167,394
Total assets	9,222,481	9,041,270
DEFERRED OUTFLOWS OF RESOURCES	393,825	282,920
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	268,369	224,946
Unearned revenue	134,996	119,588
Accrued interest payable	124,882	125,339
Revolving credit agreement	-	50,000
Bonds payable, due within one year	147,705	145,170
Total current liabilities	675,952	665,043
NON-CURRENT LIABILITIES		
Bonds payable	6,641,820	6,280,239
Other long-term liabilities	1,432,284	1,326,498
Total non-current liabilities	8,074,104	7,606,737
Total liabilities	8,750,056	8,271,780
DEFERRED INFLOWS OF RESOURCES	222,782	112,280
NET POSITION		
Net investment in capital assets	1,438,420	1,672,242
Restricted for		
Debt service	101,426	97,460
Capital	99,553	95,230
Unrestricted (deficit)	(995,931)	(924,802)
Total net position	**$ 643,468**	**$ 940,130**

See accompanying Notes to Financial Statements.

New York State Thruway Authority

(A Component Unit of the State of New York)

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

	Years Ended December 31,	
	2021	**2020**
OPERATING REVENUES		
Tolls and related revenues	$ 804,434	$ 648,715
Concessions	5,737	6,760
Other	16,242	11,542
Total operating revenues	826,413	667,017
OPERATING EXPENSES		
Salaries	116,673	136,964
Postemployment obligations	144,104	88,381
Employee benefits	48,221	93,030
State Police - Troop T services	61,200	56,374
Professional and other services	80,818	47,117
Supplies, materials and rentals	21,937	17,016
Maintenance and repairs	26,920	13,171
Utilities	5,866	6,044
Insurance and claims	4,120	3,188
Equipment	348	375
Other	1,054	727
Depreciation and amortization	410,235	355,788
Total operating expenses	921,496	818,175
Operating loss	**(95,083)**	**(151,158)**
NON-OPERATING REVENUES AND EXPENSES		
Investment income	1,325	7,616
Interest expense	(204,846)	(206,453)
Debt issuance cost	(2,397)	(817)
Federal, state and other aid	3,534	608
Other	(328)	(62)
Net non-operating items	(202,712)	(199,108)
Loss before capital contributions	**(297,795)**	**(350,266)**
CAPITAL CONTRIBUTIONS	1,133	67,777
CHANGE IN NET POSITION	**(296,662)**	**(282,489)**
NET POSITION, *beginning of year*	940,130	1,222,619
NET POSITION, *end of year*	**$ 643,468**	**$ 940,130**

See accompanying Notes to Financial Statements.

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Cash Flows
(in thousands of dollars)

	Years Ended December 31, 2021	Years Ended December 31, 2020
CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from collection of tolls and related revenues	$ 826,590	$ 641,504
Cash received from concession sales	6,487	5,966
Other operating cash receipts	10,410	11,498
Personal service payments	(117,826)	(140,048)
Employee benefits payments	(99,520)	(98,199)
E-ZPass and Tolls by Mail account management payments	(60,255)	(41,833)
Payments to New York State for Troop T services	(54,400)	(57,298)
Cash payments to vendors and contractors	(57,151)	(49,029)
	454,335	**272,561**
CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES		
Federal, state and other aid	5,405	2,272
Payments on revolving credit agreement	(50,000)	-
Proceeds from revolving credit agreement	-	50,000
	(44,595)	**52,272**
CASH FLOWS PROVIDED (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of debt	648,446	536,718
Federal, state and other capital contributions	309	70,896
Acquisition/construction of capital assets	(321,007)	(503,783)
Principal paid on debt	(232,125)	(100,945)
Interest and issuance costs paid on debt	(254,140)	(211,320)
Proceeds from sale of capital assets	944	3
	(157,573)	**(208,431)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of investments	(965,362)	(827,982)
Proceeds from sales and maturities of investments	846,290	698,256
Interest and dividends on investments	2,228	6,868
	(116,844)	**(122,858)**
Net increase (decrease) in cash and cash equivalents	**135,323**	**(6,456)**
CASH AND CASH EQUIVALENTS, *beginning of year*	952,155	958,611
CASH AND CASH EQUIVALENTS, *end of year*	**$ 1,087,478**	**$ 952,155**

New York State Thruway Authority

(A Component Unit of the State of New York)

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

	Years Ended December 31, 2021	Years Ended December 31, 2020
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	$ (95,083)	$ (151,158)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization	410,235	355,788
Net changes in assets, liabilities, deferred outflows and deferred inflows		
Receivables	(40,691)	(16,211)
Material and other supplies	(2,798)	526
Other assets	202	(780)
Accounts payables and accrued expenses	173,324	286,955
Deferred outflows	(112,138)	(170,934)
Deferred inflows	105,877	(38,324)
Unearned revenue	15,408	6,700
	$ 454,335	**$ 272,561**
RECONCILIATION TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	$ 461,314	$ 441,304
Restricted cash and cash equivalents	626,164	510,851
	$ 1,087,478	**$ 952,155**
NON-CASH CAPITAL ACTIVITIES		
Payments made to vendors by the State of New York under Thruway Stabilization Program	**$ -**	**$ 12,733**

Note 1 - Organization and Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

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

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

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

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

b. Basis of Accounting

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

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

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

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

c. Cash, Cash Equivalents, and Investments

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

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

d. Estimates

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

e. Receivables

Receivables consist primarily of amounts attributable to the Authority's cashless tolling system, receivables from commercial transportation companies and Federal and State governments under various grant programs. Receivables attributable to commercial transportation companies with post-paid accounts are guaranteed by surety bonds and/or cash deposits. Receivables are reported net of an allowance for uncollectible amounts. The allowance for doubtful receivables amounted to $26,703,000 and $18,493,000 at December 31, 2021 and 2020, respectively.

f. Materials and Other Supplies

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

g. Unearned Revenue

Unearned revenue consists of prepaid deposits made by private and commercial customers into E-ZPass accounts held by the Authority, annual permit revenues collected in advance and amounts collected from users of the Authority's fiber optic system that apply to future periods. E-ZPass customer accounts with negative balances (amounts due to the Authority) are reported as an offset to unearned revenue. At December 31, 2021 and 2020, E-ZPass accounts with negative balances, net of allowances for doubtful accounts, amount to $1,756,000 and $1,816,000, respectively.

h. Restricted Assets

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

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

i. Toll Revenues

Toll revenues are stated net of volume and other discounts of $29,855,000 and $29,021,000 for the years ended December 31, 2021 and 2020, respectively.

j. Pensions

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

k. Other Postemployment Benefits

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

l. Compensated Absences

Permanent employees of the Authority accrue vacation leave as part of their benefit package. Unused vacation days up to a maximum of 30 days are considered vested and paid upon retirement or termination. The liability for vested vacation leave approximates $9,662,000 and $9,597,000 at December 31, 2021 and 2020, respectively, and is recorded as a long-term liability.

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

m. Bond and Note Premiums

Bond and note premiums are presented as components of bonds payable. The premiums are amortized over the life of the bonds and notes on a basis that approximates the effective interest method. Net amortization related to bond and note premiums were approximately $41,779,000 and $38,161,000 for 2021 and 2020, respectively, and are included as an offset to interest expense.

n. Deferred Outflows and Deferred Inflows of Resources

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

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

n. Deferred Outflows and Deferred Inflows of Resources - Continued

The following schedule summarizes the Authority's deferred outflows of resources as of December 31, 2021 and 2020 (in thousands):

	2021	2020
Net pension liability	$ 119,584	$ 104,530
Postemployment benefit obligation	264,774	167,691
Loss on bond refundings	6,667	7,499
Asset retirement obligations	2,800	3,200
Totals	$ 393,825	$ 282,920

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

The following schedule summarizes the Authority's deferred inflows of resources as of December 31, 2021 and 2020 (in thousands):

	2021	2020
Net pension liability	$ 139,563	$ 4,203
Postemployment benefit obligation	58,968	88,452
Gain on bond refundings	24,251	19,625
Totals	$ 222,782	$ 112,280

o. Net Position

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances attributable to the acquisition of capital assets.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets, liabilities, deferred outflows and deferred inflows that do not meet the definition of "net investment in capital assets" or "restricted net position."

p. Capital Contributions

Capital contributions consist primarily of funds provided by the State of New York. Additional information regarding the State of New York's Thruway Stabilization Program is presented in Note 11.

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

q. Arbitrage

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and an arbitrage rebate liability on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative relatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's policy is to annually record a liability representing the estimated amount owed. The Authority actively manages its invested bond proceeds to minimize any arbitrage liability. The Authority had no cumulative arbitrage rebate liability for the years ended December 31, 2021 and 2020.

r. Income Taxes

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

s. Non-Exchange Transactions

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

Tolls and related revenues include fees of $44,164,000 and $33,422,000 for the years ended December 31, 2021 and 2020, respectively.

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

t. Reclassification

Certain amounts have been reclassified in the previously issued 2020 financial statements:

- Components of net position in the statement of net position have been reclassified as follows (in thousands):

	As Previously Stated	Reclassification	As Reclassified
Net investment in capital assets	$ 1,669,892	$ 2,350	$ 1,672,242
Restricted for			
Debt service	96,602	858	97,460
Capital	98,438	(3,208)	95,230

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

t. Reclassification - Continued

- Interest earnings on investment with an original maturity of three months or less totaling $3,137,000 previously reported as other operating revenues, have been reclassified to non-operating investment income on the Statement of Changes in Net Position. The related amounts previously reported as other operating cash receipts within cash flows provided (used) by operating activities have been reclassified to interest and dividends on investments within cash flows provided (used) by investing activities on the Statement of Cash Flows.

These reclassifications did not result in a change to the Authority's net position for the year ended December 31, 2020. Other reclassifications are immaterial.

u. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 28, 2022, the date the financial statements were available to be issued.

Note 2 - Cash and Investments

The Authority's cash and investments as of December 31, 2021 and 2020, were as follows (in thousands):

	Carrying Value	
	2021	2020
Unrestricted		
Cash		
Demand deposits	$ 411,316	$ 251,310
Cash equivalents		
U.S. treasury securities	-	189,994
Commercial paper	49,998	-
Total unrestricted cash equivalents	49,998	189,994
Total unrestricted cash and cash equivalents	$ 461,314	$ 441,304
Restricted		
Cash		
Demand deposits	$ 389,048	$ 316,456
Other deposits	2,135	2,183
Total restricted cash	391,183	318,639
Cash equivalents		
U.S. treasury securities	94,998	140,213
Commercial paper	139,983	51,999
Total restricted cash equivalents	234,981	192,212
Total restricted cash and cash equivalents	$ 626,164	$ 510,851

Note 2 - Cash and Investments - Continued

At December 31, 2021 and 2020, the fair value of the Authority's cash and investments approximated the carrying value (amortized cost).

The Authority requires collateral, in the form of federal government obligations or agency instruments guaranteed by the federal government, for all investments in repurchase agreements. The Authority also requires delivery to its trustee/custodian of all securities purchased and collateral for repurchase agreements, regardless of the seller institution. All Authority investment securities are classified as securities acquired by a financial institution for the Authority and held by the Authority's trustee/custodian in the Authority's name. Bank balances, which are comprised of demand and other deposits, are fully insured or collateralized as of December 31, 2021 and 2020. Amounts are collateralized with securities transferred to and held by the Authority's trustee/custodian in the Authority's name.

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

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

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

Interest rate risk is also addressed in the Authority's policy which requires the purchase of securities with the intention of holding them to maturity and does not limit the term of any investment. It is the Authority's practice to invest funds to the date of the anticipated need of the funds. The Authority owns approximately $14.2 million in U.S. Government investments at December 31, 2021 that mature in 2023 or beyond.

As of December 31, 2021, the Authority had the following concentrations of cash equivalents and investments:

	Credit Exposure Security	% of Total (Rating)
Certificate of Deposit		0.12%

Note 2 - Cash and Investments - Continued

	Credit Exposure Security	% of Total (Rating)
Commercial Paper		
Toronto Dominion HDG USA, INC	A-1+/P-1/F1+	12.19%
Koch Industries, Inc	A-1+/P-1/na	10.16%
Roche Holdings, Inc	A-1+/P-1/F1+	3.39%
U.S. Government Securities		
Treasury Bills	A-1+/WR/F1+	74.14%

Note 3 - Capital Assets

The Authority's capital assets principally include the Thruway System and equipment. The Thruway System includes infrastructure assets consisting of bridges, highways, buildings, toll equipment, intelligent transportation systems and a fiber optic system. Equipment includes vehicles, machinery, software systems, and E-ZPass tags.

All capital assets are stated at cost. Capital assets are defined as assets with initial, individual costs exceeding capitalization thresholds of $5,000 to $50,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

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

Note 3 - Capital Assets - Continued

The following schedules summarize the capital assets of the Authority and related changes for the years ended December 31, 2021 and 2020 (in thousands):

	December 31, 2020	Additions	Reductions	December 31, 2021
Capital assets, not being depreciated				
Land and land improvements	$ 816,597	$ 2,531	$ (7)	$ 819,121
Construction in progress	190,513	283,558	(285,942)	188,129
Total capital assets, not being depreciated	1,007,110	286,089	(285,949)	1,007,250
Capital assets, being depreciated				
Thruway System	11,872,729	272,912	(83,404)	12,062,237
Equipment	268,302	24,697	(23,825)	269,174
Total capital assets, being depreciated	12,141,031	297,609	(107,229)	12,331,411
Less accumulated depreciation for				
Thruway System	(5,355,555)	(387,179)	83,411	(5,659,323)
Equipment	(150,615)	(22,321)	22,724	(150,212)
Total accumulated depreciation	(5,506,170)	(409,500)	106,135	(5,809,535)
Net value of capital assets, being depreciated	6,634,861	(111,891)	(1,094)	6,521,876
Capital assets, net	$ 7,641,971	$ 174,198	$ (287,043)	$ 7,529,126

	December 31, 2019	Additions	Reductions	December 31, 2020
Capital assets, not being depreciated				
Land and land improvements	$ 815,530	$ 1,084	$ (17)	$ 816,597
Construction in progress	497,518	459,627	(766,632)	190,513
Total capital assets, not being depreciated	1,313,048	460,711	(766,649)	1,007,110
Capital assets, being depreciated				
Thruway System	11,197,183	774,534	(98,988)	11,872,729
Equipment	246,328	22,345	(371)	268,302
Total capital assets, being depreciated	11,443,511	796,879	(99,359)	12,141,031
Less accumulated depreciation for				
Thruway System	(5,120,617)	(333,937)	98,999	(5,355,555)
Equipment	(129,738)	(21,184)	307	(150,615)
Total accumulated depreciation	(5,250,355)	(355,121)	99,306	(5,506,170)
Net value of capital assets, being depreciated	6,193,156	441,758	(53)	6,634,861
Capital assets, net	$ 7,506,204	$ 902,469	$ (766,702)	$ 7,641,971

Depreciation expense related to capital assets was $409,500,000 and $355,121,000 for the years ended December 31, 2021 and 2020, respectively. The Authority periodically reviews and, when deemed necessary, adjusts the estimated useful lives of its capital assets.

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

Note 4 - Restricted Assets

Restricted assets are established pursuant to bond resolutions and other agreements and are classified as current or non-current based upon the underlying restrictions. Restricted assets are comprised of the following as of December 31, 2021 and 2020 (in thousands):

The related balances at December 31, 2021 and 2020 are as follows:

	2021	2020
Restricted current		
Cash and cash equivalents	$ 246,477	$ 264,281
Investments	61,047	60,082
Interest receivable	478	782
Receivables	4,023	3,147
Total	312,025	328,292
Restricted non-current		
Cash and cash equivalents	379,687	246,570
Investments	391,992	273,175
Interest receivable	109	973
Receivables	138	1,248
Prepaid items	3,031	3,457
Total	774,957	525,423
Total restricted assets	$ 1,086,982	$ 853,715

Senior Debt Service Fund: Established to receive funds from Authority revenues to make periodic payments of interest and principal. Amounts held in this restricted fund at December 31, 2021 and 2020 were $175,313,000 and $177,198,000, respectively.

Senior Debt Service Reserve Fund: Established to retain funds equal to the maximum amount of aggregate debt service for any twelve-month period on all outstanding General Revenue Bonds secured by the Senior Debt Service Reserve Fund. Amounts held in this restricted fund at December 31, 2021 and 2020 were $216,009,000 and $198,619,000, respectively.

Construction Fund: Established to hold moneys paid into it from the sale of bonds and notes to pay for costs of the "Facilities" and "Other Authority Projects" as defined in the bond resolutions. Amounts remaining upon completion or abandonment of such projects is required to be transferred to other funds in accordance with the terms outlined in the bond resolutions. As of December 31, 2020, the fund also held in escrow monies received from the State of New York to fund the Authority's Multi-Year Capital Program. The amounts held in this restricted fund at December 31, 2021 and 2020 were $432,132,000 and $135,374,000, respectively.

Reserve Maintenance Fund: Established to hold funds required to be deposited each year into the Reserve Maintenance Fund. Funds held in the Reserve Maintenance Fund can be disbursed for specific costs relating to the "Facilities," as defined in the bond resolution and certain highway and railroad grade crossings. Amounts held in this restricted fund at December 31, 2021 and 2020 were $84,648,000 and $82,115,000, respectively.

Note 4 - Restricted Assets - Continued

Junior Indebtedness Fund: Established to hold moneys received from the sale of Junior Indebtedness Obligations and Authority revenues received for debt service purposes. Amounts in the Junior Indebtedness Fund are used to: 1) fund the Facilities Capital Improvement Fund for a portion of the cost of the Authority's New NY Bridge Project as defined in the Junior Indebtedness Bond Resolution; 2) fund certain debt service payments on the Series 2016A and Series 2019B Junior Indebtedness Obligations; and 3) satisfy the Junior Indebtedness Debt Service Reserve requirements on the Series 2016A and Series 2019B Junior Indebtedness Obligations. The amounts held in this restricted fund at December 31, 2021 and 2020 were $162,711,000 and $229,952,000, respectively.

Facilities Capital Improvement Fund: Established to hold funds determined to be necessary or appropriate by the Authority Board to fund project costs of facilities or to set up reserves to fund such costs. The Authority has elected to use this fund to hold certain revenues, debt proceeds, and other monies dedicated to the Governor Mario M. Cuomo Bridge. The amounts held in this restricted fund at December 31, 2021 and 2020, were $14,036,000 and $28,274,000, respectively.

Commercial Charge Surety Account: Established to receive cash surety deposits from Commercial Charge Account customers which are to be used only if the customer does not meet their obligations under the Commercial Charge Account Credit Agreement. The amounts held in the account at December 31, 2021 and 2020 were $2,133,000 and $2,183,000, respectively.

Note 5 - Long-Term Liabilities

The Authority's bond indebtedness and other long-term liabilities at December 31, 2021 and 2020, are comprised of the following obligations (in thousands):

	Date of Issuance	December 31, 2020 Balance	Additions	Reductions	December 31, 2021 Balance	Due Within One Year
General revenue bonds						
2012 Series I	7/12	$ 177,940	$ -	$ (151,130)	$ 26,810	$ 26,810
2014 Series J	2/14	608,495	-	(15,355)	593,140	16,145
2014 Series K	12/14	713,570	-	(26,760)	686,810	28,040
2018 Series L	3/18	530,265	-	(38,050)	492,215	33,010
2019 Series M	10/19	857,625	-	-	857,625	-
2020 Series N	3/20	450,000	-	-	450,000	-
2021 Series O	10/21	-	549,480	-	549,480	-
Unamortized bond premiums		262,790	98,966	(39,573)	322,183	29,732
General revenue bonds and unamortized premiums		3,600,685	648,446	(270,868)	3,978,263	133,737
Junior indebtedness obligations and notes						
Series 2016 A	5/16	850,000	-	(250)	849,750	250
Series 2019 B	10/19	1,693,245	-	(580)	1,692,665	1,090
Unamortized bond premiums		281,479	-	(12,632)	268,847	12,628
Junior indebtedness obligations and unamortized premiums		2,824,724	-	(13,462)	2,811,262	13,968
Total bonds and unamortized premiums		$ 6,425,409	$ 648,446	$ (284,330)	$ 6,789,525	$ 147,705
Other long-term liabilities						
Postemployment benefit obligation		$ 1,181,202	$ 270,671	$ (33,718)	$ 1,418,155	$ -
Net pension liability		131,698	-	(131,231)	467	-
Compensated absences		9,597	65	-	9,662	-
Asset retirement obligations		4,230	-	-	4,230	230
Total other long-term liabilities		$ 1,326,727	$ 270,736	$ (164,949)	$ 1,432,514	$ 230

Note 5 - Long-Term Liabilities - Continued

	Date of Issuance	December 31, 2019 Balance	Additions	Reductions	December 31, 2020 Balance	Due Within One Year
General revenue bonds						
2012 Series I	7/12	$ 202,330	$ -	$ (24,390)	$ 177,940	$ 25,560
2014 Series J	2/14	623,220	-	(14,725)	608,495	15,355
2014 Series K	12/14	739,040	-	(25,470)	713,570	26,760
2018 Series L	3/18	566,625	-	(36,360)	530,265	38,050
2019 Series M	10/19	857,625	-	-	857,625	-
2020 Series N	3/20	-	450,000	-	450,000	-
Unamortized bond premiums		201,598	86,718	(25,526)	262,790	25,983
General revenue bonds and unamortized premiums		3,190,438	536,718	(126,471)	3,600,685	131,708
Junior indebtedness obligations and notes						
Series 2016 A	5/16	850,000	-	-	850,000	250
Series 2019 B	10/19	1,693,245	-	-	1,693,245	580
Unamortized bond premiums		294,114	-	(12,635)	281,479	12,632
Junior indebtedness obligations and unamortized premiums		2,837,359	-	(12,635)	2,824,724	13,462
Total bonds and unamortized premiums		$ 6,027,797	$ 536,718	$ (139,106)	$ 6,425,409	$ 145,170
Other long-term liabilities						
Postemployment benefit obligation		$ 983,462	$ 228,222	$ (30,482)	$ 1,181,202	$ -
Net pension liability		37,249	115,698	(21,249)	131,698	-
Compensated absences		9,007	590	-	9,597	-
Asset retirement obligations		4,500	-	(270)	4,230	229
Service based retention-incentive		3,621	-	3,621	-	-
Total other long-term liabilities		$ 1,037,839	$ 344,510	$ (48,380)	$ 1,326,727	$ 229

No other long-term liabilities were due within one year at December 31, 2021.

The debt service requirements for the Authority's senior bonds as of December 31, 2021 are as follows (in thousands):

Due	Principal	Interest	Total
2022	$ 104,005	$ 145,664	$ 249,669
2023	112,970	146,210	259,180
2024	126,545	140,567	267,112
2025	137,085	134,626	271,711
2026	152,000	128,144	280,144
2027-2031	819,940	532,398	1,352,338
2032-2036	879,110	341,071	1,220,181
2037-2041	649,930	192,402	842,332
2042-2046	394,370	80,555	474,925
2047-2051	280,125	21,025	301,150
Unamortized premiums	322,183	-	322,183
	$ 3,978,263	$ 1,862,662	$ 5,840,925

Note 5 - Long-Term Liabilities - Continued

The debt service requirements for the Authority's junior indebtedness obligations as of December 31, 2021 are as follows (in thousands):

Due	Principal	Interest	Total
2022	$ 1,340	$ 107,373	$ 108,713
2023	1,390	107,307	108,697
2024	1,450	107,239	108,689
2025	3,260	107,122	110,382
2026	5,325	106,908	112,233
2027-2031	130,910	520,447	651,357
2032-2036	163,830	486,391	650,221
2037-2041	499,825	413,986	913,811
2042-2046	587,565	301,455	889,020
2047-2051	715,995	169,970	885,965
2052-2056	431,525	39,108	470,633
Unamortized premiums	268,847	-	268,847
	$ 2,811,262	$ 2,467,306	$ 5,278,568

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

The Series I Bonds are comprised of both Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	4.00% to 5.00%	2022	$ 26,810

Principal payments under the Series I Serial Bonds began in 2014. The Series I Bonds maturing on or after January 1, 2023, are callable at the option of the Authority, in whole or in part, beginning January 1, 2022, at par plus accrued interest. The Series I Bonds were partially defeased in October 2019 using the proceeds of the General Revenue Bonds – Series M – Federally Taxable. The remainder of the Series I Bonds, except for those maturing in January 2022, were defeased in October 2021 using proceeds of the General Revenue Bonds – Series O.

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

Note 5 - Long-Term Liabilities - Continued

The Series J Bonds are comprised of both Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2022 - 2036	$ 442,620
Term Bonds	5.00%	2041	87,235
Term Bonds	4.63%	2044	63,285
			$ 593,140

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

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

The Series K Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.25% to 5.00%	2022 - 2032	$ 686,810

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

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

Note 5 - Long-Term Liabilities - Continued

The Series L Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2022 - 2037	$ 492,215

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

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

The Series M Bonds are comprised of Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

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

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

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

Note 5 - Long-Term Liabilities - Continued

The Series N Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

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

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

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

The Series O Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2023 - 2050	$ 549,480

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

General Revenue Senior Bonds - Revenue Pledge and Security: The General Revenue Bonds (Series I through O) are all direct obligations of the Authority, secured by a pledge of tolls and other revenue as established under the Bond Resolution. In accordance with the Bond Resolution, a Senior Debt Service Reserve Fund was established to be funded with cash and/or surety in an amount equal to the maximum aggregate debt service for any 12-month period. At both December 31, 2021 and 2020, the Senior Debt Service Reserve Fund, which may be used should amounts in the Senior Debt Service Fund be insufficient to pay debt service payments, was fully funded.

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

Note 5 - Long-Term Liabilities - Continued

The Series 2016A JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	4.00% to 5.00%	2022 - 2038	$ 190,415
Term Bonds	5.00%	2041	71,830
Term Bonds	5.00%	2046	145,745
Term Bonds	4.00% to 5.00%	2051	184,960
Term Bonds	4.00% to 5.25%	2056	256,800
			$ 849,750

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

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

The Series 2019B JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2021 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2022 - 2046	$ 437,765
Term Bonds	4.00%	2041	75,855
Term Bonds	4.00%	2045	330,685
Term Bonds	3.00%	2046	96,505
Term Bonds	4.00%	2050	410,945
Term Bonds	3.00% to 4.00%	2053	340,910
			$ 1,692,665

Note 5 - Long-Term Liabilities - Continued

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

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

The Authority has defeased certain obligations under financing arrangements whereby proceeds of new obligations were placed in irrevocable trusts to provide all future debt service payments on the defeased obligations. At December 31, 2021, approximately $919,430,000 of such defeased obligations were outstanding. The assets and liabilities related to defeased obligations are not reported in the accompanying financial statements.

Note 6 - Short-Term Debt

The Authority's short-term debt at December 31, 2021 and 2020, are comprised of the following obligations (in thousands):

	Agreement Date	December 31, 2020 Balance	Draws	Repayments	December 31, 2021 Balance
JP Morgan Chase	6/2020	$ 50,000	$ -	$ (50,000)	$ -
Royal Bank of Canada	10/2020	-	-	-	-
Total revolving credit agreements		$ 50,000	$ -	$ (50,000)	$ -

	Agreement Date	December 31, 2019 Balance	Draws	Repayments	December 31, 2020 Balance
JP Morgan Chase	6/2020	$ -	$ 50,000	$ -	$ 50,000
Royal Bank of Canada	10/2020	-	-	-	-
Total revolving credit agreements		$ -	$ 50,000	$ -	$ 50,000

<u>JP Morgan Chase Revolving Credit Agreement:</u> During June 2020, the Authority entered into a Revolving Credit Agreement with JP Morgan Chase that provided the Authority with a revolving credit line of up to $125 million through June 2021. In 2020, the Authority drew $50 million of tax-exempt proceeds from this line of credit. These proceeds were used to partially fund an escrow to defease a portion of General Revenue Bond interest due on July 1, 2020. During June 2021, the Authority extended the Revolving Credit Agreement for a period of 120 days. During August 2021, the Authority paid the outstanding balance of $50 million and terminated the Revolving Credit Agreement.

Note 6 - Short-Term Debt - Continued

Royal Bank of Canada Noteholder's Agreement: During October 2020, the Authority entered into a Noteholder's Agreement with the Royal Bank of Canada (RBC) that provides the Authority with the ability to sell short term notes to RBC in amounts not to exceed $100 million in combined notes outstanding. Under the terms of the Noteholder's Agreement, the RBC commitment to purchase notes extends through October 2022. As of December 31, 2021, the Authority has not sold notes or drawn on proceeds from the sale of notes to date, and the full $100 million remains available. The interest rate on the agreement is based on a SIFMA Index, reset weekly, plus an applicable rate based on Authority ratings assigned to its Senior bonds of 1.45%. Additionally, a commitment fee of 0.75% per annum is calculated quarterly on the unused balance of the commitment. Agreements are collateralized by pledged revenues but subordinated to senior and junior indebtedness.

Note 7 - Special Bond Programs

The Authority's special bond programs, and the related projects and activities, are entirely separate from the Authority's financing, operation, and maintenance of the Thruway System. As such, these special bond programs are not reflected in the accompanying financial statements. The special bond programs require varying debt service payments which are funded under contractual agreements with the State of New York. The obligation of the State to make such payments is subject to, and dependent upon, annual appropriations by the State Legislature. These bond programs, however, result in no cost to the Authority and provide for no lien on Authority revenues or assets. The Authority is an authorized issuer of the following special bond programs: Local Highway and Bridge Service Contract Bonds, Highway and Bridge Trust Fund Bonds, State Personal Income Tax Revenue Bonds (Transportation) and State Sales Tax Revenue Bonds. The Authority has yet to issue State Sales Tax Revenue Bonds.

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

Highway and Bridge Trust Fund Bond Program - The Legislature of the State of New York empowered the Authority to issue Highway and Bridge Trust Fund Bonds to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's Multi-Year Highway and Bridge Capital Program. The Authority did not issue Highway and Bridge Trust Fund Bonds in 2021 or 2020. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were $587,100,000 and $899,150,000 at December 31, 2021 and 2020, respectively.

State Personal Income Tax Revenue Bonds (Transportation) - The Legislature of the State of New York empowered the Authority to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge, and multi-modal capital project expenditures under established State programs. In July 2021, the Authority issued $1,954,570,000 of State Personal Income Tax Revenue Bonds (Transportation) to: (1) provide the Authority with funds to make grants to reimburse municipalities and other project sponsors throughout the State for qualifying capital expenses for highway, bridge and multi-modal projects in furtherance of established State aid programs; (2) finance or reimburse all or a portion of the costs of capital projects for transportation initiatives and certain projects related to the Metropolitan Transportation Authority, and (3) refund $327,055,000 in previously issued bonds for a present value savings of $77,016,000 for the State. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were $2,146,600,000 and $553,550,000 at December 31, 2021 and 2020, respectively.

Note 8 - Retirement Benefits

a. Plan Description and Benefits Provided

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

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

b. Contributions

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

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

The Authority reported liabilities of $467,000 and $131,698,000 at December 31, 2021 and 2020, respectively. The net pension liability was measured as of March 31, 2021 and 2020, respectively, and the total pension liability was determined by actuarial valuations as of April 1, 2020 and 2019, respectively. The proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement dates. The Thruway Authority's proportionate share was 0.47% and 0.50% as of March 31, 2021 and 2020, respectively.

The Authority recognized pension expense of $11,930,000 and $46,279,000 for the years ended December 31, 2021 and 2020, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources for 2021 and 2020 as follows (in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,709	$ -	$ 7,751	$ -
Changes of assumptions	85,949	1,621	2,652	2,290
Net differences between projected and actual investment earnings on pension plan investments	-	134,279	67,515	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,071	3,663	5,363	1,913
Authority contributions subsequent to the measurement date	22,855	-	21,249	-
Totals	$ 119,584	$ 139,563	$ 104,530	$ 4,203

Note 8 - Retirement Benefits - Continued

c. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

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

Year ending December 31,	
2022	$ (7,009)
2023	(2,202)
2024	(7,516)
2025	(26,107)
Total	$ (42,834)

d. Actuarial Assumptions

The pension liabilities at March 31, 2021 and 2020 were determined by using actuarial valuations as of April 1, 2020 and April 1, 2019, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2021 and March 31, 2020. The actuarial valuation used the actuarial experience study for the period April 2015 - March 2020 and the following actuarial assumptions, which were consistent from year to year, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	
2021	2.7 percent
2020	2.5 percent
Salary scale	
2021	4.2 percent, indexed by service
2020	3.8 percent, indexed by service
Investment rate of return, including inflation	
2021	5.9 percent compounded annually, net of expenses
2020	6.8 percent compounded annually, net of expenses
Cost of living adjustment	
2021	1.4 percent
2020	1.3 percent
Decrement	Based on FY 2015-2020 experience
Mortality improvement	Society of Actuaries Scale MP-2020

Note 8 - Retirement Benefits - Continued

d. Actuarial Assumptions - Continued

The long-term expected rate of return on ERS's pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

e. Investment Asset Allocation

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

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.0%	4.1%
International equity	15.0%	6.3%
Private equity	10.0%	6.8%
Real estate	9.0%	5.0%
Fixed income	23.0%	0.0%
Other	11.0%	0.5-6.0%
	100.0%	

f. Discount Rate

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

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

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

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
Authority's proportionate share of the net pension liability (asset)	$ 129,746	$ 467	$ (118,758)

Note 8 - Retirement Benefits - Continued

c. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the New York State and Local Employees' Retirement System as of March 31, 2021 and 2020 respectively, were as follows (amounts in thousands):

	2021	2020
Employers' total pension liability	$ 220,680,157	$ 194,596,261
Plan net position	(220,580,583)	(168,115,682)
Employers' net pension liability	$ 99,574	$ 26,480,579
Ratio of plan net position to the employers' total pension liability	99.9%	86.4%

Note 9 - Deferred Compensation Plan

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

Note 10 - Other Postemployment Benefits

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

A summary of participants as of the December 31, 2020 actuarial measurement date is as follows:

Actives	1,679
Vestees	1
Retirees (includes surviving spouse and disabled)	2,526
Total	4,206

Note 10 - Other Postemployment Benefits - Continued

Plan Description and Benefits Provided

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

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

a. Plan Types

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

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

b. Eligibility

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

c. Benefit/Cost Sharing

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

d. Survivor Benefit

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

e. Funding Policy

The Authority contributes to the plan to satisfy obligations on a pay-as-you-go basis. For the years ended December 31, 2021 and 2020, the Authority paid $33,718,000 and $30,482,000, respectively, on behalf of retirees.

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy - Continued

Net OPEB Liability

The total OPEB liability for the Authority's years ended December 31, 2021 and December 31, 2020 were measured as of December 31, 2020 and December 31, 2019, respectively, using an actuarial valuation date of September 1, 2021 adjusted to the measurement date.

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

Discount rate	
December 31, 2020 measurement date	2.00 percent
December 31, 2019 measurement date	2.75 percent
Annual payroll growth rate	2.20 percent
Healthcare cost trend rates	Society of Actuaries Long Term Medical Trend Model, updated November 2021
Mortality rates	Recommended Actuarial Assumptions for New York State for Other Post-Employment Benefit Plan Actuarial Valuations, updated August 2020

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

Changes in the Net OPEB Liability (in thousands)

	2021	2020
Balance, beginning of year	$ 1,181,202	$ 983,462
Changes for the year		
Service cost	41,110	30,884
Interest	32,037	35,921
Benefit payments	(33,718)	(30,482)
Change in assumptions and other inputs	197,524	161,417
Net changes	236,953	197,740
Balance, end of year	$ 1,418,155	$ 1,181,202

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy - Continued

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

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

	1% Decrease 1.0%	Current Discount 2.0%	1% Increase 3.0%
Postemployment benefit obligation	$ 1,700,028	$ 1,418,155	$ 1,197,744

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

	1% Decrease 2.94%	Current Medical Trend Rate 3.94%	1% Increase 4.94%
Postemployment benefit obligation	$ 1,191,812	$ 1,418,155	$ 1,712,429

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

The Authority recognized OPEB expense of $144,104,000 and $88,381,000 for the years ended December 31, 2021 and 2020, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources at December 31, 2021 and 2020 related to OPEB as follows (in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,071	$ -	$ 3,011	$ -
Changes of assumptions	256,703	58,968	164,680	88,452
Totals	$ 264,774	$ 58,968	$ 167,691	$ 88,452

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

Year ending December 31,	
2022	$ 70,957
2023	53,184
2024	81,665
Total	$ 205,806

Note 11 - Thruway Stabilization Program

The State of New York (State), as part of its 2015-2016 enacted budget, created a $1.285 billion Thruway Stabilization Program for the payment of costs related to the Governor Mario M. Cuomo Bridge and bridge-related transportation improvements, and for other costs of the Thruway Authority including, but not limited to, its core capital program. As part of its 2016-2017 enacted budget, the State committed an additional $700 million to the program bringing the total commitment to $1.985 billion. In 2020, capital contributions of $69.8 million resulting from this program were reported in the Authority's statement of revenues, expenses and changes in net position. As of December 31, 2020, all available program funds had been received. The program contributed a total of $1.985 billion to the Authority, consisting of $1.2 billion for the Governor Mario M. Cuomo Bridge, $752.8 million for other Thruway capital projects and $32.2 million for working capital needs.

Note 12 - Contingencies, Commitments and Uncertainties

a. Governor Mario M. Cuomo Bridge Claims

In 2013, the Authority entered a $3.14 billion design-build contract with Tappan Zee Constructors, LLC (TZC) to replace the Tappan Zee Bridge. Both spans of the new Governor Mario M. Cuomo Bridge, the replacement of the Tappan Zee Bridge, are in service. Through December 31, 2021, contract change orders totaling $344.2 million have been approved, increasing the value of TZC's contract to $3.49 billion.

In 2018, TZC began submitting claims to the Authority in excess of their approved contract value and anticipated contract change orders. TZC supplemented these claims in 2019 and 2020. As of December 31, 2021, TZC alleges they are owed approximately $923 million, plus interest, in excess of their approved contract value and anticipated change orders. The claims submitted by TZC relate to issues of time and extra work. The Authority disputes these claims ("Dispute"). Pursuant to the design build contract, TZC's claims are subject to a non-binding contractual dispute resolution procedure consisting of a multi-tiered administrative review process. At the conclusion of the administrative review process, TZC may be entitled to pursue litigation in the New York State Court of Claims.

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

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

Note 12 - Contingencies, Commitments and Uncertainties - Continued

b. Other Claims and Litigation

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

The Authority's claims liability approximates $5.5 million at both December 31, 2021 and 2020.

In addition, there are claims where liability is not probable, but is possible and estimable. The estimated loss on these claims approximates a range of $35 million to $36 million at December 31, 2021, none of which has been accrued.

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

c. Insurance

Loss of revenues is insured through a use and occupancy policy that covers any interruption in excess of 15 days. Property damage to bridges is insured through various policies from major insurance companies equal to the maximum probable loss from a single occurrence (with deductibles ranging from $2.5 million to $15.0 million). In addition, the Authority purchases insurance for workers' compensation benefits and various liability exposures.

The Authority is self-insured for property damage to substantially all buildings and vehicles. The Authority is also self-insured for third-party liability, including automobile liability. There are two funded reserves for these exposures, a $2.5 million insurance fund available to fund certain deductibles and a reserve for public liability claims, which currently totals $13.6 million.

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

d. Construction Commitments

At December 31, 2021, the amounts of remaining unexpended commitments for projects undertaken and the detail by type of contract are as follows:

Project	Commitments (in thousands)
Highway, bridge and facility, construction, and design	$ 282,000
Personal service and miscellaneous	170,900
Total	$ 452,900

Note 12 - Contingencies, Commitments and Uncertainties - Continued

e. Environmental Remediation

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

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

In 2021 the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Over the course of approximately four years beginning in 2021, Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs. These costs primarily consist of asbestos mitigation and soil remediation associated with the demolition of the existing service area restaurants. As of December 31, 2021 the Authority's estimated liabilities related to this agreement are $4,500,000.

From 1984 to 2006, the ExxonMobil Corporation operated fueling stations at twelve service areas owned by the Authority. As a result, ExxonMobil was named by the New York State Department of Environmental Conservation as a potential responsible party for soil contamination at these service areas. In 2020, a settlement was reached with ExxonMobil under which the Authority received $7,500,000 in exchange for releasing ExxonMobil from remediation liabilities at the locations they previously operated. As part of the settlement, ExxonMobil released the Authority from ExxonMobil's claim for costs of remediation at one of the locations.

The Authority has estimated its environmental remediation liabilities, net of expected recoveries from other responsible parties, to be $8,685,000 and $4,260,000 as of December 31, 2021 and December 31, 2020, respectively, and are included in accounts payable and accrued expenses within these financial statements.

f. Asset Retirement Obligations

The Authority records in its financial statement legally enforceable liabilities associated with the retirement of tangible capital assets. The Authority currently owns and operates seventeen wastewater treatment facilities. The retirement of these facilities is subject to rules and regulations established by the New York State Department of Environmental Conservation. The Authority has measured the estimated cost to comply with these rules and regulations using historical costs for similar work. The Authority retires wastewater treatment facilities when the opportunity arises to tie into municipal sewer systems. The estimated remaining life of the Authority's wastewater treatment facilities ranges between one to ten years. The Authority's liability for asset retirement obligations approximates $4,230,000 at both December 31, 2021 and 2020.

Note 12 - Contingencies, Commitments and Uncertainties - Continued

g. Lease Revenue

The Authority has entered various non-cancelable contracts with concessionaires to provide patron services on the Thruway System. These contracts provide the Authority with concession revenue, including minimum rentals and contingent revenues based on sales volume. The Authority has entered into various non-cancelable right to use agreements for its fiber optic system.

The following schedule summarizes the future minimum rental revenues to be earned as of December 31, 2021:

Year	Future Minimum Lease Revenue (in thousands)
2022	$ 9,452
2023	974
2024	1,295
2025	1,450
2026	1,471
2027 - 2031	7,720
2032 - 2036	8,419
2037 - 2041	9,189
2042 - 2046	9,309
2047 - 2051	10,240
2052 - 2054	3,204
Total	$ 62,723

Note 13 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 87, Leases. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 92, *Omnibus 2021.* This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2021. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallbacks provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods beginning after December 31, 2021. The requirements to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement were effective for reporting periods beginning after June 15, 2020.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of timing in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and amendment of GASB Statements No 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement has three objectives: (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform; (2) to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans (OPEB), and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) to enhance the relevance, consistency, and comparability of the accounting and financial reporting for the Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this statement are effective immediately, and certain requirements are effective for reporting periods beginning after June 15, 2021.

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

New York State Thruway Authority

(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability

(in thousands of dollars)

	2021	2020	2019	2018
Beginning of the year	$ 1,181,202	$ 983,462	$ 1,083,760	$ 959,969
Changes for the year				
Service cost	41,110	30,884	35,341	29,485
Interest	32,037	35,921	35,398	35,993
Changes in assumptions and other inputs	197,524	161,417	(142,401)	88,866
Benefit payments	(33,718)	(30,482)	(28,636)	(30,553)
Net changes	236,953	197,740	(100,298)	123,791
End of year	$ 1,418,155	$ 1,181,202	$ 983,462	$ 1,083,760
Covered payroll	128,800	138,700	140,500	146,100
OPEB liability as a percentage of covered payroll	1101%	852%	700%	742%

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

New York State Thruway Authority

(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability

(in thousands of dollars)

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

The amounts presented for each fiscal year were determined as of March 31.Years prior to 2017 include the New York State Canal Corporation.
Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 22,855	$ 21,249	$ 21,547	$ 22,454	$ 21,026	$ 24,795	$ 28,815	$ 30,537	$ 35,800	$ 34,627
Contributions in relation to the contractually required contribution	22,855	21,249	21,547	22,454	21,026	24,795	28,815	30,537	35,800	34,627
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	128,368	147,187	150,638	157,528	145,099	163,041	164,994	176,546	174,784	183,464
Contributions as a percentage of covered-employee payroll	17.8%	14.4%	14.0%	14.0%	14.0%	15.2%	17.5%	17.3%	20.5%	18.9%

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

See Independent Auditor's Report