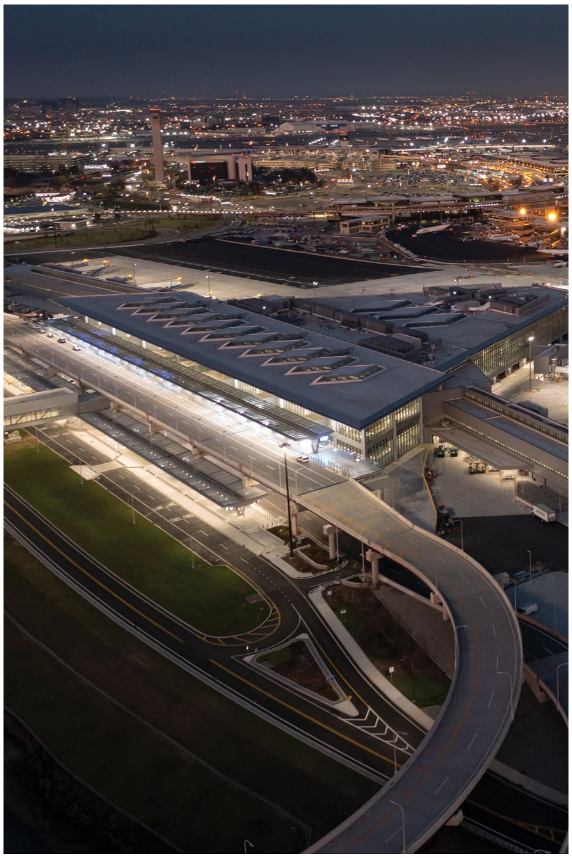
PORT AUTHORITY NY NJ

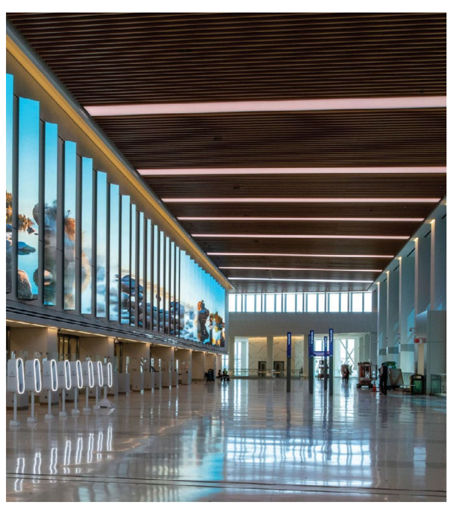
AIR LAND RAIL SEA



2022 ANNUAL REPORT

A YEAR OF **EXTRAORDINARY MILESTONES**

Annual Comprehensive Financial Report
for the Year Ended December 31, 2022



OUR **MISSION**

The Port Authority strives to meet the critical transportation infrastructure needs of the bistate region's people, businesses, and visitors by providing the highest-quality and most efficient transportation and port commerce facilities and the services to move people and goods within the region, provide access to the nation and the world, and promote the region's economic development.

Our mission is simple: to keep the region moving.

The Port District includes the cities of New York and Yonkers in New York State; the cities of Newark, Jersey City, Bayonne, Hoboken, and Elizabeth in the State of New Jersey; and more than 200 other municipalities, including all or part of 17 counties, in the two states.

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Prepared by the Comptroller’s Department of the Port Authority of New York and New Jersey.
www.panynj.gov

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Interior of the new Terminal C at LaGuardia Airport.

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL TO THE GOVERNORS

DEAR GOVERNORS KATHY HOCHUL AND PHIL MURPHY,

KATHY HOCHUL
Governor
State of New York

PHIL MURPHY
Governor
State of New Jersey

On behalf of the Board of Commissioners, we are pleased to present to you and the legislatures of New York and New Jersey the 2022 Annual Comprehensive Financial Report of The Port Authority of New York and New Jersey.

The theme of this year's report — "A Year of Extraordinary Milestones" — appropriately highlights the significant accomplishments of the Port Authority in 2022.

The Port Authority, guided by the vision of the Board of Commissioners, the dedication and commitment of its workforce, and the leadership of the 23 unions representing the majority of Port Authority employees, achieved remarkable progress in 2022 on its ambitious agenda:

- to deliver world-class infrastructure across the region while operating its facilities at a high standard;
- to maintain its focus on public safety and security;
- to advance a range of major initiatives and projects, including its continuing focus on diversity, equity, and inclusion;
- and to advance its commitment to a net-zero future and to resiliency initiatives that mitigate the effects of climate change on its facilities and infrastructure.

As the region continues to recover from the impacts of COVID 19, activity across Port Authority facilities increased in 2022, with the most dramatic increase at our three major airports, which in 2022 were operating at 91 percent of 2019 pre-pandemic levels. Net Operating Revenues (NOR), calculated in accordance with Port Authority Bond Resolutions, in 2022 totaled $2.5 billion, an increase of $521 million or 26 percent from 2021 and $247 million or 5 percent higher than plan. This year-over-year increase was primarily driven by increases in activity-based revenues at Port Authority facilities and the receipt of rents for certain terminal leases at John F. Kennedy International Airport that commenced in 2022.

2022: The Year of The Airport

The Port Authority delivered "A Whole New LGA" in 2022 with the completion of the new Terminal B, the opening of Delta's new Terminal C, and the final completion of the new roadway network at LaGuardia Airport.

At Newark Liberty International Airport in November, a ribbon-cutting ceremony was held for the 1 million-square-foot, new Terminal A and its connected new public parking/car rental facility. (The new Terminal A opened to the public in January 2023.) In 2022, the Port Authority awarded a contract to one of the world's top aviation planning and design firms and a world-class architecture firm to develop a Newark Vision Plan for the airport that will include plans for a new Terminal B among other improvements. The Agency also continued its planning for the construction of a new AirTrain Newark to replace the outdated existing AirTrain.

At JFK, all four components of the $19 billion JFK Vision Plan moved ahead with the completion of the expansion of Terminal 8, the October ground-breaking on the $9.5 billion state-of-the-art New Terminal One, continued progress on the $1.5 billion expansion of Terminal 4, and the financial close on the $4.2 billion new Terminal 6 that broke ground in early 2023.

Plan Advanced to Rebuild Midtown Bus Terminal

In August, the Agency announced a major advance in the plan for the complete replacement of the 72-year-old Midtown Bus Terminal with a new, state-of-art, 21st-century bus terminal: the selection of the world-renowned architectural firm Foster + Partners and the design firm A. Epstein and Sons International Inc. to provide architectural design services throughout the design phase and the environmental review of the proposed project.

All Agency Crossings Now Cashless

In 2022, the Port Authority completed the transition to all-electronic tolling at all six of the Agency's crossings with the go-live of cashless tolling at the George Washington Bridge in July and the Lincoln Tunnel in December. Cashless tolling reduces congestion and accidents at toll areas and improves air quality by reducing the number of idling vehicles.

Milestones in the Redevelopment of the WTC Campus

In 2022, the World Trade Center campus moved closer to realizing its full vision with the opening in December of the St. Nicholas Greek Orthodox Church and National Shrine, designed by Santiago Calatrava. Also, in 2022, construction on the Ronald O. Perelman Performing Arts Center continued to advance with the completion of its facade and roof. The first performances at the Performing Arts Center are expected in 2023.

Preparing for 9-Car Trains at PATH

In 2022, the Port Authority completed needed platform construction projects to accommodate 9-car train service on the Newark to World Trade Center line, a critical component of the $1 billion PATH Improvement Plan. The start of 9-car service began in early 2023.

Seaports Continued to Shatter Cargo Volume Records

In 2022, the Port handled the highest annual cargo volume in its history, setting a new monthly volume record nearly every month of 2022.

Additionally, for four consecutive months in 2022, the Port of New York and New Jersey was the busiest port in the nation, surpassing both the Port of Los Angeles and the Port of Long Beach.

Advanced Commitment to Contracting with MWBEs

In 2022, both LaGuardia and Newark Liberty airport redevelopment projects continued to hit record levels of contracts to Minority- and Women-Owned Business Enterprises (MWBEs) and to locally based businesses (LBEs). LaGuardia has now awarded more than $2.2 billion in MWBE contracts and $800 million in LBE contracts, and Newark Liberty has awarded $743 million in MWBE contracts and $213 million in LBE contracts.

Net-Zero Initiatives at Agency's Three Major Airports

In 2022, the Port Authority made progress on its commitment to achieve net-zero greenhouse emissions by 2050 with the advancement of Agency-wide sustainability initiatives including the completion of a solar array at LaGuardia on Terminal B's parking garage, completion of construction of solar arrays on the roof of the new public-parking/consolidated parking facility at Newark Liberty, and beginning construction of light-duty chargers across LaGuardia, JFK, and Newark Liberty airports.

In closing, in 2022 — a year of extraordinary milestones — the Port Authority continued to execute on its agenda to deliver 21st-century transportation infrastructure in support of its mission, "to keep the region moving."

Sincerely,

Kevin J. O'Toole
Chairman

R Cotton

Rick Cotton
Executive Director

LEADERSHIP OF THE PORT AUTHORITY

BOARD OF COMMISSIONERS OF THE PORT AUTHORITY

As of June 20, 2023

The Governor of each state appoints six members to the agency's Board of Commissioners for overlapping six-year terms; each appointment is subject to the approval of the respective State Senate. Commissioners serve as public officials of their respective states, and without remuneration. The Governors retain the right to veto the actions of Commissioners from their respective states.

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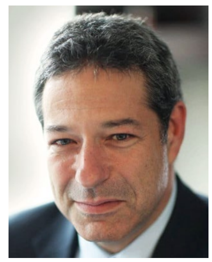
KEVIN J. O'TOOLE
Managing Partner
O'Toole/Scrivo, LLC

VICE CHAIRMAN
JEFFREY H. LYNFORD
President and CEO
Educational Housing Services, Inc.

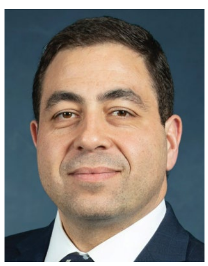
J. CHRISTIAN BOLLWAGE[1]
Mayor
City of Elizabeth, New Jersey



STEVEN M. COHEN
Commissioner

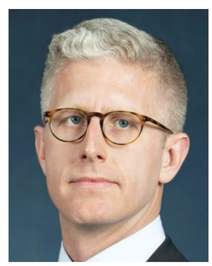
LEECIA EVE
Partner
Ichor Strategies

WINSTON C. FISHER[3]
Partner, Fisher Brothers
CEO, AREA15



GEORGE HELMY[1]
Chief of Staff to Governor Murphy
Office of the New Jersey Governor

DANIEL J. HORWITZ[3]
Partner
McLaughlin & Stern, LLP

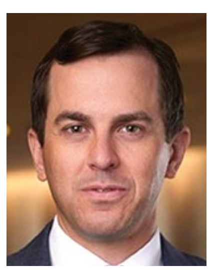


JOSEPH KELLEY[1]
Partner
CHA Partners, Inc.

GARY LABARBERA
President
Building and Construction Trades Council of Greater New York

DANA M. MARTINOTTI[1]
Councilwoman
Cliffside Park Board of Education/
Borough of Cliffside Park

KEVIN P. MCCABE
Partner
River Crossing Strategy Group



ROBERT J. MENENDEZ[2]
Commissioner
Lowenstein Sandler: Counsel

MICHELLE E. RICHARDSON
Executive Director
Hudson County Economic Development Corporation

ROSSANA ROSADO
Commissioner
NYS Division of Criminal Justice Services

[1] J. Christian Bollwage, George Helmy, and Joseph Kelley joined the Board on March 2, 2023, with George Helmy succeeding Commissioner Dana M. Martinotti.

[2] Robert J. Menendez resigned from the Board on January 2, 2023, prior to commencing his service in the U.S. Congress.

[3] Winston C. Fisher succeeded Daniel J. Horowitz on June 9, 2023, subject to filing of oath of office with NY Department of State.

OFFICERS AND EXECUTIVE MANAGEMENT

EXECUTIVE DIRECTOR*
Richard Cotton

SECRETARY*†
James McCoy

CHIEF FINANCIAL OFFICER*
Elizabeth McCarthy

GENERAL COUNSEL*†
Michael Farbiarz**

INSPECTOR GENERAL†
John Gay

CHIEF ETHICS & COMPLIANCE OFFICER†
Debra Torres

CHIEF INTER-GOVERNMENTAL AFFAIRS
Jennifer Davis

CHIEF PROCUREMENT & CONTRACTING OFFICER
Lillian Valenti

CHIEF COMMUNICATIONS OFFICER
James Allen

CHIEF ENGINEER
James Starace**

CHIEF HUMAN CAPITAL
Mary Lee Hannell

CHIEF TECHNOLOGY OFFICER
Robert Galvin

CHIEF MAJOR CAPITAL PROJECTS
Steven Plate

CHIEF SECURITY OFFICER
Gregory Ehrie

CHIEF OPERATING OFFICER
Huntley Lawrence**

CHIEF DEVELOPMENT OFFICER
Derek Utter

CHIEF DIVERSITY, EQUITY & INCLUSION OFFICER
Jose Febrillet

CHIEF HEALTH & SAFETY OFFICER
Brian Lapp

DIRECTOR, AVIATION REDEVELOPMENT
James Heitmann

DIRECTOR, AVIATION
Charles Everett

DIRECTOR, RAIL TRANSIT/ GENERAL MANAGER, PATH
Clarelle DeGraffe

DIRECTOR, PORT
Bethann Rooney

DIRECTOR, TUNNELS, BRIDGES & TERMINALS
Diannae Ehler

DIRECTOR, WORLD TRADE CENTER
Aaron Sherburne

DIRECTOR, OPERATION SERVICES
Annesa Lau

* Officers of the Port Authority. In addition to those listed here, pursuant to the by-laws of the Port Authority, the following also serve as officers: a Chairman (Kevin J. O'Toole), a Vice Chairman (Jeffrey Lynford), a Deputy Executive Director (Vacant), a Comptroller (Daniel McCarron), and a Treasurer (Sherien Khella).

† Also has reporting line to the Board of Commissioners

** Changes since EOY 2022 as of May 8, 2023: Amy Fisher, Acting General Counsel; James Heitmann, Chief Operating Officer; Rizwan Baig, Chief Engineer

WHOLE NEW LGA REACHES NEW MILESTONES, RECEIVES MORE ACCOLADES

Throughout 2022, extraordinary milestones were reached in the $8 billion redevelopment of "A Whole New LaGuardia" — the nation's first new major airport in 25 years — with the completion of construction of the new Terminal B in January, the opening of Delta's new Terminal C in June, and the completion of the new roadway network. Passengers now experience new, world-class airport facilities from curb to gate when departing from or arriving at LaGuardia.

COMPLETION OF TERMINAL B

With the January 2022 opening of the second skybridge and concourse at Terminal B, LaGuardia completed all passenger facilities at the new terminal. Terminal B became the first airport in the world with dual skybridges. To dramatically reduce airport ground delays at LaGuardia, the new terminal was built 600 feet closer to the Grand Central Parkway, increasing the airport's taxiways by more than two miles.

In July 2022, the final two gates at Terminal B and the remainder of the taxiway were completed following the demolition of the old Central Terminal Building (CTB). During the construction of the new Terminal B, the original CTB remained operational through an innovative construction phasing plan, which allowed for the simultaneous operation and replacement of the old facility.

The now-completed 1.3 million-square-foot Terminal B features soaring floor-to-ceiling windows, a state-of-the-art security checkpoint, iconic New York concessions, appealing and inspiring public art, 35 gates, a 3,100-car parking garage, and new covered, convenient pickup facilities for both taxis and ridesharing vehicles.

Terminal B is the product of a public-private partnership between the Port Authority and LaGuardia Gateway Partners (LGP).

OPENING OF DELTA'S TERMINAL C

In June 2022, Delta's breathtaking new Terminal C headhouse officially opened. The completion of the new 1.3 million-square-foot Terminal C marked the substantial completion of A Whole New LaGuardia. At a cost of $4 billion — including a $500 million investment by the Port Authority for new roadways and supporting infrastructure — Terminal C represents Delta's largest investment ever in an airport facility.

The new Terminal C is world-class in every way, including: soaring floor-to-window ceilings; as at the new Terminal B, local New York concessions that give the terminal a "sense of place"; cutting-edge, 21st-century technology for check-in and security, including hands-free bag drop and Digital ID screening capabilities; expanded frontage to ease drop-off and pick-up; and the inclusion of inspiring public art curated through a partnership between Delta and the Queens Museum.

The six commissioned works of art displayed across the new terminal tell a compelling story about the city's immigrant history, its people, and the importance of celebrating diversity throughout the region. This public display represents a one-of-a-kind collaboration between an airline, artists, museum, and airport to elevate the travel experience through visual art.

LGA LAUDED LOCALLY, INTERNATIONALLY

In 2022, LaGuardia Airport received multiple awards for excellence. Most recently, the $8 billion redevelopment of LaGuardia was recognized by The NYC & Company Foundation with its 2022 "Visionaries and Voices" award for the airport's contribution to the city's tourism industry and economic recovery. (In March 2023, LaGuardia's Terminal B was named the world's best new terminal based on a global passenger survey conducted by Skytrax, one of the most respected airport rating firms.)

LaGuardia's Terminal B was also honored in 2022 by the Urban Land Institute of New York and the Design-Build Institute of America, adding to the airport's growing list of accolades. And Terminal B also won the National Academy of Construction's inaugural Recognition of Special Achievement Award, which celebrates the creativity, innovation, and vision behind the construction of a world-class airport terminal.

In announcing the award, Academy officials cited several achievements during and after construction of the terminal: the ability to maintain full flight operations throughout construction; sustainability practices both during construction and in the ongoing operation of the terminal, including LEED Gold certification; historic community benefits, including more than $2 billion in contracts to minority- and women-owned business enterprises and $800 million in contracts to local Queens-based businesses; and hundreds of permanent jobs for local residents.

These accolades follow Terminal B's international recognition in 2021, when it received UNESCO's Prix Versailles, Airports, as the best new airport in the world.

THE LAGUARDIA REDEVELOPMENT PROJECT

The remarkable transformation of a whole new LaGuardia launched in 2015 with a comprehensive Vision Plan to construct a world-class, 21st-century airport with a best-in-class customer experience featuring modern amenities, world-class architecture, state-of-the-art technology and security, more spacious gate areas, and a unified terminal system.

The $8 billion project, two-thirds of which is funded through private financing and existing passenger fees, broke ground in 2016.

Construction of a new LaGuardia Airport generated a record-setting more than $2 billion in contracts awarded to Minority- and Women-Owned Business Enterprises (MWBEs) firms in total across both the Terminal B and Terminal C projects, the largest participation by MWBE firms at any public-private partnership project in New York State history.

THROUGHOUT 2022, EXTRAORDINARY MILESTONES WERE REACHED IN THE $8 BILLION REDEVELOPMENT OF "A WHOLE NEW LAGUARDIA" — THE NATION'S FIRST NEW MAJOR AIRPORT IN 25 YEARS.... PASSENGERS NOW EXPERIENCE NEW, WORLD-CLASS AIRPORT FACILITIES FROM CURB TO GATE WHEN DEPARTING FROM OR ARRIVING AT LAGUARDIA.

RIBBON CUTTING AT NEWARK LIBERTY'S SPECTACULAR NEW TERMINAL A

In November 2022, the Port Authority reached another milestone in its ambitious goal of rebuilding for the 21st-century all three of the region's major airports with the ribbon cutting of the new, world-class, $2.7 billion Terminal A and its connected new public parking/consolidated car rental facility at Newark Liberty International Airport.

The Port Authority, with its partner at Terminal A, Munich Airport NJ, joined New Jersey Governor Phil Murphy, state and local elected officials, and community stakeholders to mark this extraordinary achievement at Newark Liberty. The new Terminal A opened to the public in January 2023. After less than three months of operation, the new terminal was one of the top three finalists for the Skytrax "Best New Terminal in the World" award, at the "Oscars" of the aviation industry.

The 1 million-square-foot, 33-gate terminal is the largest single investment in New Jersey by the Port Authority in the agency's 101-year history and is the largest design-build project in New Jersey state history. The construction of the new Terminal A generated more than $4.6 billion in regional economic activity and created more than 2,500 jobs. In addition, $743 million in contracts were awarded to 126 Minority- and Women-Owned Business Enterprises (MWBEs) firms.

The new Terminal A, which replaces the outdated and cramped former Terminal A, offers a welcoming experience for passengers. Upon entering the terminal, passengers are greeted with soaring floor-to-ceiling windows that bathe the vastly expanded space with natural light.

Passengers will now experience world-class, 21st-century technology at check-in gates, through security, in concourses, and at departure gates. When leaving the terminal, passengers will experience speedier pick-up and drop-off, improved wayfinding for rideshare, and a best-in-class integrated facility for public parking and car rentals.

Equally important to the customer experience is the inspiring and uplifting public art that adorns the new Terminal A and instills a uniquely New Jersey sense of place. The new terminal showcases the work of 29 artists — 27 from New Jersey — and highlights the cultural richness and diversity found in the cities of Newark, Elizabeth, and across the state.

Terminal A also features New Jersey-based businesses and restaurants, continuing the same agency commitment to spotlight local concessions as at its other major redevelopment projects.

Newark Liberty's new Terminal A is but one part of the transformation of Newark Liberty International into a 21st-century, world-class aviation hub.

The Port Authority announced in October that a Newark Vision Plan for future development of Newark Liberty will be developed in partnership with Arup, one of the world's top aviation planning and design firms, and leading architecture firm Skidmore, Owings & Merrill.

The 1 million-square-foot, 33-gate terminal is the largest single investment in New Jersey by the Port Authority in the agency's 101-year history and is the largest design-build project in New Jersey state history.

In addition to building a new Terminal B, the Vision Plan will look beyond the airport proper to seek ways to increase the economic value of the airport to the region, particularly by maximizing job creation and economic opportunities in Newark, Elizabeth, and throughout the Port District. In line with commitments made at LaGuardia, JFK, and in the planning of the Midtown Bus Terminal, the agency will partner with local residents, local businesses, community-based organizations, and elected officials to ensure the continued focus on providing opportunities for minority-owned and women-owned firms.

Another key aspect of Newark Liberty's transformation to a best-in-class facility is the replacement of the outdated AirTrain Newark. In December, the agency issued a Request for Qualifications (RFQ) for the replacement of the AirTrain Newark system with a new, 21st-century, 2.5-mile elevated guideway train system.

This first phase — part of a multiphase procurement process — includes the design and construction of the new AirTrain's system technology, and the operations and maintenance of the components necessary for a fully functional, world-class AirTrain.

The systems technology Request for Proposals (RFP) will be issued to the shortlisted proposers in the first half of 2023.

The departures hall at Newark Liberty International's new Terminal A.

$19 BILLION JFK VISION PLAN FULLY UNDERWAY

In 2022, several milestones were reached at John F. Kennedy International Airport as the Port Authority advanced its historic $19 billion JFK Vision Plan to completely transform JFK into a 21st-century, world-class airport.

TERMINAL 8 EXPANSION COMPLETED

In December 2022, the $400 million privately financed expansion of Terminal 8 was completed, bringing American Airlines and British Airways under one roof. The expansion enabled British Airways to move to Terminal 8 from its former home — the 50-year-old Terminal 7 — which will eventually be demolished as construction moves forward on the brand-new Terminal 6.

The new Terminal 8 expanded by approximately 130,000 square feet of additional and refurbished space, including five new widebody gates, four new widebody parking positions, premium lounges, and an expanded and upgraded baggage handling system to support additional transatlantic flights.

As at LaGuardia and the new Terminal A at Newark Liberty, the new Terminal 8 at JFK will include a major upgrade in concessions that will feature iconic locally inspired food and beverage options as part of the Port Authority's agenda to ensure that its airports have a true local "sense of place."

GROUNDBREAKING FOR NEW TERMINAL ONE

In September 2022, the Port Authority broke ground on the privately financed $9.5 billion state-of-the-art new Terminal One that will anchor the JFK's south side. The start of construction followed a new agreement — which had to be revised and

Rendering of the New Terminal One at John F. Kennedy International Airport.

Groundbreaking ceremony on the state-of-the-art new Terminal One at John F. Kennedy International Airport.

redone post-COVID — between the Port Authority and the New Terminal One consortium of financial sponsors to build the new international terminal.

Terminal One is being built on sites now occupied by Terminal 1, Terminal 2, and the former Terminal 3. At 2.4 million square feet, the new terminal will be the largest terminal at JFK when completed — nearly the same size as the new LaGuardia Airport.

With more than 300,000 square feet of world-class, locally inspired dining and retail concessions, as well as lounges, indoor green space, inspiring public art, family-friendly amenities, and revamped roadways, the new Terminal One will provide customers the world-class experience expected at a global gateway.

Construction of the new terminal will take place in phases. The first phase, including the new arrivals and departures hall and first set of new gates, is expected to open in 2026.

FINANCIAL CLOSE ON NEW TERMINAL 6

In November 2022, financial close was achieved and all necessary approvals secured for the first phase of the privately financed $4.2 billion new Terminal 6. This project is the final piece of the JFK Vision plan to get underway and it will complete the transformation of the airport into a 21st-century global gateway.

The new Terminal 6 is a public-private partnership between the Port Authority and JFK Millennium Partners. The JMP consortium will develop the new terminal in two phases, with the first new gates opening in 2026 and project completion anticipated in 2028.

The 1.2 million-square-foot Terminal 6, with capacity for 10 gates — including nine widebody gates — will connect seamlessly to JetBlue's Terminal 5.

The new Terminal 6 arrivals and departures hall, as at the new terminals at LaGuardia and Newark, will feel spacious, bright, and airy thanks to floor-to-ceiling windows and high ceilings. Inspiring public art by New York-based artists and architectural elements depicting New York landmarks will create a unique sense of place. And passengers will enjoy more than 100,000 square feet of world-class shopping and dining featuring locally based restaurateurs and retail shops.

BUILDING A WORLD-CLASS JFK

These three projects, combined with the $1.5 billion expansion of Terminal 4 led by Delta and JFK International Air Terminal, and the Port Authority's investment in infrastructure improvements including upgrades to airport roadways, as well as utility enhancements such as electrical support for the project, represent a $19 billion transformation of JFK via public-private partnerships. The Port Authority capital investment of $3.9 billion is leveraging private investment at a rate of four to one when considering the full private investment of more than $15 billion that has been committed to the four projects comprising the full JFK redevelopment program.

UNPRECEDENTED GROWTH AT SEAPORTS AS IT TAKES #1 TITLE IN U.S.

In 2022, the Port of New York and New Jersey reached a historic milestone, handling a record-shattering volume of nearly 9.5 million TEUs. Over the past three years, the seaport has shown sustained cargo growth, with 27 consecutive months of record volumes from the end of 2020 through November 2022. In 2022, cargo volume was up 27 percent from pre-pandemic 2019 levels.

Put in a larger context, the Port's Master Plan did not forecast container volumes at such high levels until the end of the decade. Within less than three years, the Port of New York and New Jersey experienced eight years of growth. To handle the demand for increased shipping capacity, in 2022 the Port Department welcomed eight new ocean carriers that previously had only called at ports in Europe and Asia.

As the demand for goods increased during the height of the COVID crisis, the Agency's seaports kept up the pace despite the challenges. And while other seaports in the nation struggled to keep up with the growing cargo volumes, resulting in both unwanted delays and reliability issues, the Port of New York and New Jersey avoided the congestion seen elsewhere. In 2022, half of all ships calling on the Port of New York and New Jersey went directly to their berths.

And for four consecutive months in 2022, the Port of New York and New Jersey was the busiest port in the nation, surpassing the Port of Los Angeles and the Port of Long Beach.

These stunning achievements are the result of many Agency initiatives, including the Port Authority's investments in deepening the channels, in raising the roadbed of the Bayonne Bridge, investing $600 million in the ExpressRail system that efficiently moves cargo from ship to rail, and forging strong relationships with its partners and port stakeholders.

As part of the seaport's effort to efficiently handle record cargo volumes, in 2022 the Agency implemented a new container imbalance initiative for ocean carriers. The initiative targets excess empty containers stored in Agency seaport facilities for long periods. Ocean carriers are now required to reduce the number of excess empty containers dwelling at the port to free up much-needed capacity for containers that are full of imports and ready to be picked up by cargo owners.

Failure of ocean carriers to meet specific quarterly goals for empty container evacuation now results in the assessment of a fee.

In addition to the container imbalance program, the Port Authority has taken other steps to manage high container inventories, including the repurposing of 12 acres within Port Newark and the Elizabeth-Port Authority Marine Terminal for temporary storage of empty containers and long-dwelling import containers.

PASSENGER CRUISE INDUSTRY REBOUNDS

In 2022, passenger cruise industry activity at the Agency's passenger cruise terminals rose to 85 percent of its pre-pandemic levels. In early 2020, the passenger cruise industry was completely shut down by the pandemic, resulting in a $2 billion loss in direct spending and $2 billion in lost wages. Cruise ships did not resume operations until August 2021. In 2022, Cape Liberty and the Brooklyn Cruise Terminal saw 104 voyages, moving 715,000 passengers.

PATH READIES FOR 9-CAR TRAIN SERVICE ON NEWARK-WTC LINE

In 2022, the Port Authority continued to advance a critical component of the $1 billion PATH Improvement Plan (PIP): the conversion of the Newark to World Trade Center line from 8-car to 9-car train sets with the completion of platform construction to accommodate longer 9-car trains at Newark, Harrison, Exchange Place, and Grove Street stations. The first 9-car trains went into service in March 2023.

This 9-car initiative, and the addition of new train sets, will increase passenger capacity on the Newark-WTC line by 40 percent. Gradually, throughout 2023, the number of 9-car trains will be increased during weekday rush-hour periods. By 2024, nearly all trains on the NWK-WTC line will run with 9-car service.

Expanding capacity is one of three components of the PIP, in addition to reducing delays and enhancing customer experience through new technology and additional personnel. In the plan, which was introduced in 2019, capacity is increased through the acquisition of additional rail cars, expansion of station platforms to accommodate 9-car trains on the Newark-World Trade Center line, and utilization of a new signal system to run trains more frequently, particularly during morning and evening rush hours.

As PATH moves more passengers with rail, it is taking vehicles off roads, reducing strain on other regional infrastructure, and affirming the Port Authority's commitment to be a national leader in sustainability.

In the aftermath of Hurricane Sandy and the ongoing effects of climate change, making the PATH system more resilient to flooding is a priority in delivering reliable service and improving the customer experience. In 2022, several important PATH resiliency projects were completed, including seawall construction at the Harrison rail yard and the replacement of escalators at Exchange Place.

At Hoboken, PATH resilience projects included the construction of a water-tight, stainless steel and aquarium glass headhouse, with deployable flood planks designed to secure the entrance just before a storm. Additionally, heavy steel flood doors were installed to seal off the station from street-level flooding.

> This 9-car initiative, and the addition of new train sets, will increase passenger capacity on the Newark-WTC line by 40 percent.

PATH IMPROVEMENT PLAN HONORED NATIONALLY

In July, PATH received the American Public Transportation Association's highest honor, earning APTA's 2022 Outstanding Public Transportation System Achievement Award for railroads with more than 20 million riders annually.

APTA cited the development and implementation of the PATH Improvement Plan. The 2022 APTA Awards recognized organizations and leaders in the public transportation industry in North America that have demonstrated significant leadership, high standards of excellence, and innovations that greatly advance public transportation. The association comprises more than 1,500 public and private member organizations across the industry.

The award came as PATH ridership continued to recover from its low periods during the pandemic.

WORLD-CLASS ARCHITECTURAL FIRM TO BUILD NEW MIDTOWN BUS TERMINAL

In August 2022, the Port Authority announced the selection of two world-renowned architects to lead the architectural design of the new state-of-the-art Midtown Bus Terminal. International firm Foster + Partners and U.S.-based multidisciplinary design firm A. Epstein and Sons International Inc. are directing the design development of the new Midtown Bus Terminal and also supporting the Agency's efforts during the ongoing federal environmental review process.

The announcement of their selection marked a milestone in the plan to replace the outdated, 72-year-old, existing bus terminal with a new world-class facility. This milestone follows years of ongoing feedback from commuters, the community, local business leaders, and elected officials in both states.

Foster + Partners and Epstein and Sons are both leading firms in densely populated urban environments as well as in designing major transportation facilities.

Foster + Partners' community-focused transit projects include the New Slussen masterplan, one of the largest redevelopment and transportation projects in Sweden; the award-winning sustainable design for Bloomberg L.P. headquarters in London; and another London project: the mixed-use transit and public green space project of Crossrail Place Canary Wharf.

Epstein's substantial U.S. infrastructure and civic projects include the renovation and expansion of the Jacob Javits Center in New York City, which featured a marshalling facility estimated to have taken 20,000 trucks annually off nearby New York City streets.

When complete, the redesigned Midtown Bus Terminal will prioritize both the bus passengers who utilize the facility — 260,000 of them daily pre-pandemic — and the community of people who live and work in the neighborhood surrounding the station.

The reimagined Bus Terminal will be designed for the future of commuting, accommodating future electric buses, accounting for the expected growth of bus traffic, and implementing A.I. bus management for more efficient operations. Commuters passing through the terminal will also experience inspiring public art and iconic local concessions options — including more public-facing, street-level food and beverage options that will also serve the people who live and work in the neighborhood surrounding the terminal.

The new Bus Terminal will also include vast improvements that will benefit the community. New storage and staging facilities and a direct connection from the Lincoln Tunnel means that buses, both idling and entering/exiting the terminal, will no longer congest community streets. Instead, the streets will feature community-friendly retail and acres of new, much-needed public green space.

The Port Authority is committed to building a new Midtown Bus Terminal that will be an integral part of the fabric of Midtown. Just as the re-envisioned World Trade Center campus has become a prominent contributor to the vigor and vibrancy of Lower Manhattan, the Port Authority will deliver a new Midtown Bus Terminal that both serves and uplifts the surrounding community.

International firm Foster + Partners and U.S.-based multidisciplinary design firm A. Epstein and Sons International Inc. are directing the design development of the new Midtown Bus Terminal...

ALL AGENCY CROSSINGS ARE NOW CASHLESS

In 2022, the Port Authority completed the agency's transition to cashless, all-electronic tolling (AET) at the George Washington Bridge in July and at the Lincoln Tunnel in December.

The transition to AET at the last two of the Port Authority's six crossings completes a multiyear, $500 million capital project to upgrade the toll collection system to a fully cashless 21st-century system.

The agency previously completed the transition to all-electronic tolling at the Holland Tunnel in 2020, and all three Staten Island bridges in 2019. The modernized toll collection system uses overhead gantries to collect payment via either E-ZPass or by capturing license plate information to enable payment by mail for non-E-ZPass customers.

Cashless tolling reduces congestion and accidents at toll areas and improves air quality by reducing the number of idling vehicles.

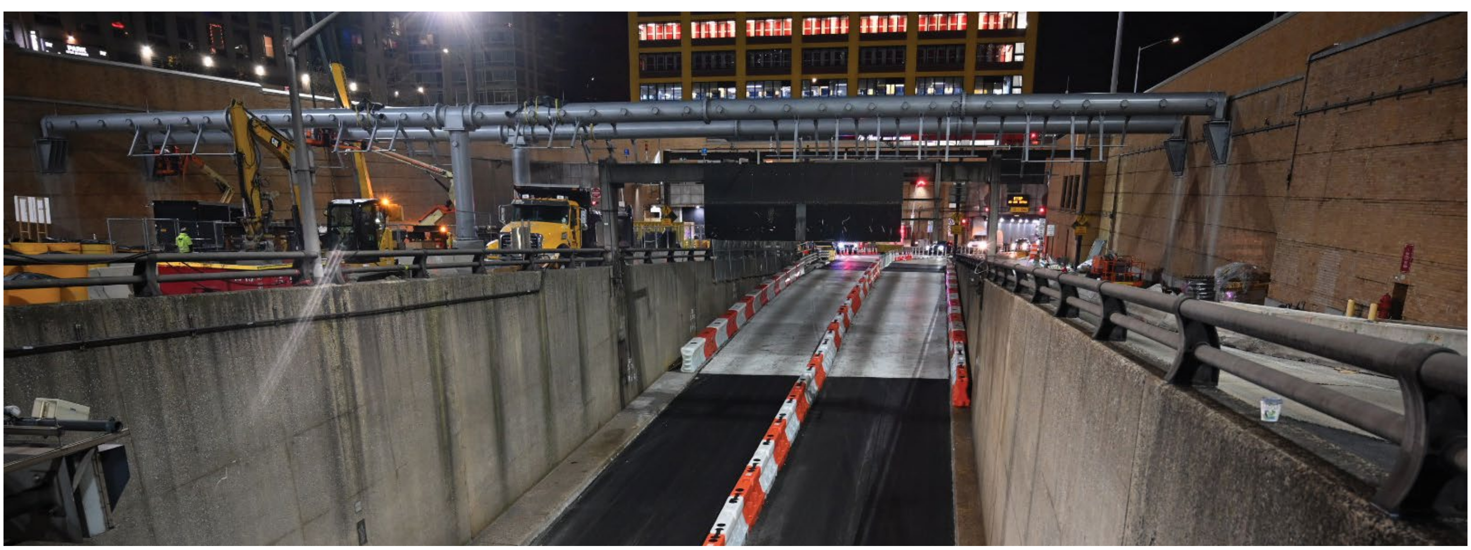
These upgrades are critical as new toll technology has proven to surpass the accuracy and customer service benefits provided by the previous tolling system, which was installed in the late 1990s.

Additionally, the reduction in motor vehicle crashes resulting from the implementation of AET has translated into a reduction of 430 metric tons of carbon dioxide annually, the equivalent to 1 million automobile miles driven per year, or the annual amount absorbed by 500 acres of forest.

Since cashless tolling systems were implemented at the Bayonne and Goethals bridges and the Outerbridge Crossing, vehicular accidents in the former toll areas at those facilities declined by 70 percent. The Port Authority expects similar traffic safety improvements at its three Hudson River crossings, particularly as the agency continues to see a return to pre-pandemic vehicular traffic levels.

In 2018, the Port Authority Board committed to the transition to cashless tolling at all three Staten Island–New Jersey bridges. In July 2019, the Board approved a $240 million project to provide the infrastructure required to replace the legacy toll collection system at the George Washington Bridge and the Holland and Lincoln tunnels with all-electronic tolling.

Achieved all-electronic tolling at all Port Authority crossings with the Lincoln Tunnel crossing completion in December 2022.



ST. NICHOLAS GREEK CHURCH AND NATIONAL SHRINE OPENS TO THE PUBLIC

The complete build-out of the World Trade Center campus came closer to reality in 2022 with the July 4th consecration of the St. Nicholas Greek Orthodox Church and National Shrine, and its full opening to the public on December 6.

These two milestones were significant steps in the rebuilding and reimagining of the World Trade Center campus. The original St. Nicholas Church structure was built in Lower Manhattan in 1916 by Greek immigrants. It was the only house of worship destroyed in the 9/11 terrorist attacks.

The new church was designed by renowned architect Santiago Calatrava, who also designed the Oculus. The decision to keep the church — with its notable new design — in Liberty Park brings a new dimension to the campus. The campus is evolving into a vibrant cultural epicenter of lower Manhattan.

In addition to bringing community worshippers to the site, the Greek Church and National Shrine welcomes all people — regardless of faith — as a sanctuary to reflect on what happened at the World Trade Center on 9/11.

Sited in Liberty Park, overlooking the September 11th National Memorial, the Shrine's translucent dome glows in the evening.

The St. Nicholas Greek Orthodox Church and National Shrine is now part of the iconic architecture that has risen on the World Trade Center campus that includes the Oculus, One World Trade Center, and the National September 11 Memorial and Museum, and the soon-to-be-completed Ronald O. Perelman Performing Arts Center (PAC).

In 2022, the Performing Arts Center at the north side of the campus completed the construction of its facade and roof. The PAC is expected to open in 2023.

As the region continued to move past the strict restrictions of the global pandemic in 2022, the vibrancy of the World Trade Campus returned with an intense schedule of activations on the campus including Smorgasburg, the farmers market, and the Oculus outdoor beer garden.

The St. Nicholas Greek Orthodox Church and National Shrine was consecrated and opened to the public in 2022.

ADVANCING THE AGENCY'S COMMITMENT TO DIVERSITY, EQUITY, AND INCLUSION

The Port Authority continued to make significant strides on its commitment to Diversity, Equity & Inclusion. In 2022, the Agency reached milestones for awarding contracts to Minority- and Women-Owned Business Enterprises (MWBEs) at LaGuardia and Newark International airports, advanced contracts awarded under the Agency's special procurement initiative, and continued to conduct forums with MWBE industry leaders to reduce barriers that have in the past limited MWBEs from pursuing contracts.

The Agency's major airport redevelopment programs continued to hit record levels in contracts awarded to MWBEs and local businesses in 2022. The LaGuardia Redevelopment Program has awarded more than $2 billion to MWBE firms and $800 million to local, Queens-based businesses. Under the Newark Terminal A Redevelopment Program, more than $743 million has been awarded to MWBE firms and $213 million to local, New Jersey businesses. And the JFK Redevelopment Program, which is in early phases of construction, awarded approximately $1.3 billion to MWBEs and $281 million to local businesses in 2022.

Under the Port Authority's new small contracts discretionary procurement program, the Agency awarded approximately $64 million (114 contracts) to historically underutilized Minority Business Enterprises (MBEs). Overall, payments to MWBEs comprised more than 34 percent of all payments under the Agency's "core" program contracts.

WORKING WITH MWBE INDUSTRY LEADERS

Monthly roundtable discussions and collaboration with MWBE industry leaders continued to provide a forum for the Port Authority to hear feedback about the experience of MWBE firms and take action to improve that experience. Successes included the implementation of strategies that increased the utilization of underutilized MBEs, and the launch of a testimonial marketing campaign focused on MBE firms.

Additionally, the Agency made a focused effort to improve the experience of MWBE firms seeking to certify with the Port Authority. The Agency has improved the time that it takes for a firm to become certified, resulting in approximately 2,460 certified/recertified vendors added to the Port Authority's certified vendor directory, approximately half of which are new vendors.

NATIONAL AND REGIONAL RECOGNITION FOR COMMITMENT TO DE&I

In 2022, the Port Authority received multiple awards in recognition of the Agency's workforce and business diversity programs. The American Society for Public Administration (ASPA) selected the Port Authority's Office of Diversity, Equity and Inclusion as the recipient of ASPA's 2022 "Equal Opportunity/Affirmative Action Exemplary Practice" Award. The Port Authority received the inaugural Transport and Logistics "Salute to Diversity" honor from the Journal of Commerce, which recognizes organizations in the transportation and logistics industry that are driving forward in diversity, equity, and inclusion. The Agency also received the N.Y. Women's Chamber of Commerce's "MWBE Champion Award," and the "2022 Diversity, Equity & Inclusion" award from The Competitive Edge.

In 2022, the Port Authority received multiple awards in recognition of the Agency's workforce and business diversity programs.

INVESTING IN SUSTAINABILITY INITIATIVES AT AIRPORTS

The Port Authority reached milestones at all three of its major airports advancing its goal of reaching net-zero emissions by 2050.

In April of 2022, the Agency announced the go-live of a new 1.34-megawatt solar installation on the rooftop of the newly built Terminal B parking garage at LaGuardia Airport. The solar project, in partnership with ForeFront Power, is the Port Authority's largest as of 2022. It is made up of over 3,500 solar panels that will produce more than 1.7 million kilowatt-hours of clean, renewable energy annually, enough to power 164 homes a year.

This installation is projected to offset nearly 400 metric tons of CO2 emissions annually, equivalent to 434,000 pounds of coal burned in one year.

The LaGuardia solar project joins six other Port Authority solar installations that now total more than 1,381 kilowatts of installed solar capacity and equate to an estimated 1.8 million kilowatt-hours of electrical energy, annually.

Another project that made significant progress in 2022 was a new 4-megawatt solar canopy at Newark Liberty atop the new public parking-car rental facility at the new Terminal A. The solar canopy was completed in 2022 and began generating electricity in late December.

In addition to the installation of solar arrays, the Port Authority continued to promote other sustainability initiatives at the Agency's airports that supported the Agency's net-zero goal. In 2022, the Port Authority amended its rules for zero-emission airside vehicles (ZEAV) at LaGuardia, JFK, and Newark Liberty airports. The new ZEAV rules requires the transition of airside vehicles to zero emissions by 2030, subject to the commercial viability and availability of these vehicles and the availability of a charging infrastructure to support them. The vehicles that currently are commercially available in zero-emission models are: aircraft tractors for narrow-body aircraft, baggage tractors, and belt loaders.

ACCOLADES FOR SUSTAINABILITY INITIATIVES AT JFK, LGA

In 2022, the U.S. Green Building Council awarded Terminal 4 at JFK with the Platinum certification for Leadership in Energy and Environmental Design (LEED) for Existing Buildings: Operations & Maintenance by the U.S. Green Building Council (USGBC). Terminal 4, operated by JFKIAT, is the first pre-existing airline terminal in the United States to receive the LEED Platinum recognition.

LEED, developed by USGBC, is the most widely used green-building rating system in the world and an international symbol of excellence. Through design, construction, and operations practices that improve environmental and human health, LEED-certified buildings help to make the world more sustainable. Terminal 4 received this certification with the help of CodeGreen, which provided energy and sustainability consulting throughout the certification process.

AGENCY-WIDE COMMITMENT TO SUSTAINABILITY

In 2018, the Port Authority was the first U.S. transportation agency to adopt the Biden administration's ambitious climate goals, which set new net-zero targets for all emissions by 2050. The agency also committed to cutting direct greenhouse gas emissions in half by 2030 through facility-wide sustainability initiatives in the areas of electrification, renewable energy, and sustainable buildings/energy efficiency.

As part of these goals, the Agency has also committed to a 100 percent electric non-emergency light-duty vehicle fleet by 2030, a 50 percent zero-emission non-emergency medium- and heavy-duty fleet by 2035, and has implemented new requirements for clean port material-handling equipment, embracing a full gamut of responses to the climate crisis.

In 2022, the Port Authority continued to add to its fleet of light-duty electric vehicles (EVs), (both battery EVs and plug-in hybrid EVs). Supporting this initiative at the new LGA, design and construction was completed for six EV charging ports for fleet vehicles. A workplace charging station pilot program for Agency employees' personal vehicles kicked off in December 2022 at JFK, Newark Liberty, and Port Newark. Also, in 2022, 10 additional electric shuttle buses went into service at Newark Liberty.

These tangible actions, along with other facility-wide sustainability initiatives in the areas of electrification, renewable energy, and sustainable buildings/energy efficiency, will continue to reduce the Port Authority's direct and indirect emissions and are expected to create nearly $600 million in economic activity over the lives of the various projects.

Additionally, the agency's Clean Construction Program, one of the most ambitious programs of its kind among U.S. transportation agencies, aims to reduce carbon emissions throughout the design and construction processes. This important measure ensures that a minimum of 75 percent of concrete, asphalt, and steel construction waste is diverted from landfills and incorporates LEED and Envision-equivalent standards for environmentally friendly infrastructure design.

Advanced the Agency's commitment to achieve net-zero greenhouse emissions by 2050 with the completion of a solar array at LaGuardia Airport's Terminal B parking garage.

STRENGTHENING THE AGENCY AGAINST CYBERATTACKS

Safety and security are key pillars that support the Port Authority's mission. In the 21st-century, threats to the Agency and to the public its serves are not limited to physical acts; cyber threats are now a major component of the threat landscape.

The Agency's Cyber Security Operations Center (CSOC), under the direction of the Port Authority's Chief Information Security Officer, is a 24/7 operation that works tirelessly to protect the Agency's digital infrastructure to ensure that Port Authority operations are not interrupted by cyber attacks.

As the globe shrinks through the reach and immediacy of the internet, bad actors continue to look for ways to exploit new technologies for profit and power. Like many peer transportation agencies, the Port Authority is a target to nation-state actors, as well as organized criminal organizations.

Since the Russian invasion of Ukraine in February of 2022, cybersecurity threats and incidents have risen globally, with evermore sophisticated techniques. In October 2022, a pro-Russian group of bad actors claimed responsibility for temporary disruptions of the websites of several major U.S. airports.

The rapid detection of this broad cyberattack enabled the Port Authority to quickly alert federal authorities, which in turn enabled alerts to others. While other airports' websites across the nation were impacted, Port Authority airport websites had no significant disruptions.

The Port Authority takes cybersecurity very seriously. Investments in new security protocols and technology include the deployment of tools that both detect and prevent malicious actions on the Agency's network and to its systems. In addition, the Agency has updated training protocols to ensure users have the skills to detect phishing emails, better guard against ransomware, and better secure sensitive documents.

The TEC Department is constantly evaluating and employing new technologies to improve the Port Authority's security posture to best protect the confidentiality, integrity, and availability of our digital systems.

At the Port Authority, cybersecurity remains a team effort involving each Agency employee, as exemplified by the Port Authority's tag line for continued cybersecurity vigilance: "Everyone's a Defender."

THE PORT AUTHORITY TAKES CYBERSECURITY VERY SERIOUSLY. INVESTMENTS IN NEW SECURITY PROTOCOLS AND TECHNOLOGY INCLUDE THE DEPLOYMENT OF TOOLS THAT BOTH DETECT AND PREVENT MALICIOUS ACTIONS ON THE AGENCY'S NETWORK AND TO ITS SYSTEMS. IN ADDITION, THE AGENCY HAS UPDATED TRAINING PROTOCOLS TO ENSURE USERS HAVE THE SKILLS TO DETECT PHISHING EMAILS, BETTER GUARD AGAINST RANSOMWARE, AND BETTER SECURE SENSITIVE DOCUMENTS.

INNOVATION HUB LAUNCHES

The Innovation Hub formally launched in January 2022 after a series of strategic workshops with senior Agency staff focused on enhancing innovation at the Agency. The purpose of the Innovation Hub is to explore new technologies that may be of high value to the Agency through pilot projects. The Innovation Hub was created based on best practices from other public agencies, including San Diego Airport and the Department of Defense.

The Hub is co-sponsored by the Chief Operations Officer and the Chief Development Officer, with support from both Tech and Engineering. In its inaugural year, more than a dozen pilot projects were greenlit, including an autonomous vehicle (AV) platoon demonstration near John F. Kennedy International Airport.

In October 2022, the Port Authority and Navya, a leading French autonomous mobility company, held a demonstration of two-vehicle shuttle platooning at the JFK Aqueduct Parking Lot, the first of its kind at a North American airport. The three-day demonstration demonstrated two eight-passenger electric AV shuttles in a platoon to simulate how AV technology could serve passengers in the future.

AV technology in public transit is envisioned to move passengers safely and efficiently in an airport environment. Platooning is an important feature for AVs as it allows for multiple autonomous vehicles to travel in unison, significantly increasing the number of passengers who can be transported in a single movement.

In the future, AVs may be used for short connections that passengers typically make on foot such as first-mile/last-mile trips. For example, AVs could get passengers to a commuter rail station, a distant airport rental car facility, or from an AirTrain station to the farthest ends of long-term parking lots.

The Port Authority issued a Request for Innovation to over a dozen leading AV companies in an effort to advance the pilot in 2022. Respondents were scored based on their ability to provide a safe demonstration of platooning technology within the desired timeframes of the agency.

The vehicles have eight lidar sensors, and the pilot was conducted in an area of the parking lot closed to the general public. A follow-up test for three-car platooning, traveling closer and faster, will be conducted in 2023.

The JFK pilot followed a successful demonstration earlier in 2022 of platooning and lane-keeping technology on retrofitted buses in the Port Authority's Exclusive Bus Lane (XBL), which is used to expedite bus travel into and out of the Lincoln Tunnel during rush hours.

The Port Authority and New Jersey Transit plan to continue working together on using AV technology to improve capacity of the lane.

Other Innovation Hub pilot projects greenlit and completed in 2022 were:

- **Video analytics for road safety** — used artificial intelligence on existing traffic cameras to predict "near misses" between cars and pedestrians.
- **People and bus counting** — used artificial intelligence on existing cameras at the Midtown Bus Terminal to count people and buses accurately.
- **Port drone inspections** — used drones to inspect the quality of the piers at Port Newark, which has the potential to cut costs and increase safety of inspections, currently done in person.
- **Knaq for HVAC** — used a widget meant to monitor the health of elevators and escalators and applied it to HVAC systems and other critical systems.
- **Community App** — released an app that in its initial launch provided multiple sources of operational data to Port Authority airport employees at Newark Liberty Terminals A and B, including flight delays and cancellations, passenger arrival estimates, and performance information.

These Innovation Hub pilot projects greenlit in 2022 are pending completion:

- **Airport light cleaning** — the first idea successfully pitched by a front-line employee proposes that the Agency utilizes a light-cleaning system that sprays a high-pressure cleaning solution at runway lights. Currently, crews do it by hand. This has the potential to save significant labor hours for staff.
- **Robotic process automation implementation** — uses software to do simple repeatable tasks currently completed by staff such as assembling reports in Excel, copying information into multiple systems, and otherwise freeing up employee time.
- **Robot vending machine** — a small robotic vending machine that would drive slowly around the floor of the Oculus and measure how many people interact with it. It may drive people to a store or a sale they otherwise would not have made.
- **AV street sweeper/cleaning** — the utilization of an autonomous streetsweeper and is expected to be tested in an area of Port Newark in the spring of 2023.
- **Projector wayfinding** — uses projectors to project light and moving images to make the passenger experience of finding their gate or waiting online at EWR Terminal B easier.
- **Electric smart switch** — an electric switch — the first in the PATH system — that would potentially eliminate failures due to water. Current switches in the PATH system are powered by air and can become inoperable when submerged in water.
- **Small tunnel study** — Part of the Newark Vision Plan with Arup, one of the world's top aviation planning and design firms, this study will focus on the value of using connectors like small tunnels or prefabricated bridging technology to connect passengers more easily throughout the airport.
- **eVTOL** — will study key eVTOL (electric Vertical takeoff and landing) vehicle routes to develop actionable ways the Port Authority can make proper investments in this technology that is likely the future of helicopters.

In addition to the Innovation Hub, the Port Authority has two other outlets that supports its commitment to innovation:

The Employee Incubator provides a platform for all Agency employees to pitch new, innovative ideas that potentially could be greenlit by the Innovation Hub. The employee is matched with a mentor to assist in this process.

The Transit Tech Lab, in partnership with the Metropolitan Transit Authority and NJ Transit, provides a platform for small start-ups to present ideas that can improve regional transportation.

Autonomous vehicle technology pilot at John F. Kennedy International Airport through the newly launched Innovation Hub.

The Port of New York & New Jersey hit record cargo volumes in 2022 and became the busiest port in the U.S.

FINANCIAL SECTION

TO THE BOARD OF COMMISSIONERS OF THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

The Enterprise and Fiduciary Fund Financial Statements (the "Financial Statements") of The Port Authority of New York and New Jersey (including its component units, collectively referred to herein as the "Port Authority") as of and for the years ended December 31, 2022, and December 31, 2021, are enclosed. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation in the Financial Statements rests with management of the Port Authority. The Management's Discussion and Analysis ("MD&A") and Required Supplementary Information ("RSI") sections of the Financial Statements provide a narrative introduction, overview, and analysis of Port Authority financial activities and are required by the Governmental Accounting Standards Board ("GASB"). Schedules A, B, and C have been prepared in accordance with Port Authority bond resolutions and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Schedules D, E, F, and G include other statistical information presented for purposes of additional analysis and are not a required part of the Financial Statements.

Port Authority management is also responsible for establishing and maintaining adequate internal controls over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements in accordance with GAAP. The Port Authority has established a comprehensive framework of internal controls that includes maintaining records that accurately and fairly reflect the transactions of the Port Authority, providing reasonable assurance that transactions are recorded as necessary for financial statement preparation, and providing reasonable assurance that unauthorized use, acquisition, or disposition of company assets that could have a material impact on the Port Authority's financial condition would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of the Financial Statements would be prevented or detected.

Pursuant to Port Authority by-laws, the Port Authority's Executive Director, Comptroller, and I certified the Financial Statements on March 20, 2023. The Financial Statements certificate is presented herein.

A firm of independent auditors is retained annually by the Port Authority Board of Commissioners' ("Board of Commissioners") Audit Committee to conduct an audit of the Financial Statements in accordance with auditing standards generally accepted in the United States of America. The goal of the independent audit is to provide reasonable assurance that these Financial Statements are free of material misstatement. The audit includes an examination, on a test basis, of the evidence supporting the amounts and disclosures in the Financial Statements, an assessment of the accounting principles used and significant estimates made by management, as well as the overall presentation of the Financial Statements. In planning and performing their audit, the independent auditors consider the Port Authority's comprehensive framework of internal controls in order to determine auditing procedures for purposes of expressing an opinion on the Financial Statements. The independent auditors' report is presented herein.

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the independent auditors' report and the audited Financial Statements.

PROFILE OF THE PORT AUTHORITY

The Port Authority is a municipal corporate instrumentality and political subdivision of the states of New York and New Jersey, established in 1921 to provide transportation, terminal, and other facilities of commerce within the Port District, an area of about 1,500 square miles in both states centered about New York Harbor.

The Port Authority raises the funds necessary for the improvement, construction, or acquisition of its facilities primarily upon the basis of its own credit and has no power to pledge the credit of either state or any municipality, or to levy taxes or assessments.

The Port Authority's financial planning process integrates an annual budget process with multi-year projections. Through the capital plan and budget process, staff identifies strategic, financial, and operational risks that affect resource allocations, and sets forth an expenditure plan for the year that balances priorities across all agency facilities. Each new budget is separately considered and approved by the Board of Commissioners, although such approval does not in itself authorize specific expenditures, which are authorized from time to time by, or as contemplated by, other specific actions of the Board of Commissioners.

The approved budget becomes a mechanism that facilitates the systematic review of program expenditures to ensure that they are made consistent with statutory, contractual, and other commitments of the agency, the policies and financial decisions of the Board of Commissioners, and the requirements of the by-laws of the Port Authority. Forecasting models are used to assess the agency's projected long-range financial condition, determine the financial feasibility of future capital investment, and perform financial tests to measure fiscal risk. This comprehensive approach to planning, budgeting, and forecasting enables the Port Authority to identify, track, and take corrective action with respect to the funding requirements needed to deliver the projects and services that the Port Authority provides.

The Port Authority continually monitors the economic environment in which it operates in order to develop budgets that are fiscally sustainable and responsive to the transportation and economic needs of the region.

REGIONAL ECONOMIC CONDITIONS

Regional economic conditions in the 17 counties comprising the Port District covering the 12 months ended December 31, 2022, are best understood in the context of the region's continued recovery from the COVID-19 pandemic and its negative impact on the region's economy over the last three years. Beginning in March 2020, Port Authority facilities experienced significantly reduced usage compared to previous years. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. However, activity volume recoveries are varying by type of facility, with activity levels in 2022 at the Port Authority's airports and bridge and tunnel vehicular volumes approaching 2019 levels and cargo shipping activity at port marine terminals above 2019 activity volumes. The number of riders of the PATH transit system remains significantly below 2019 pre-COVID-19 pandemic levels. For additional information related to COVID-19 impacts please see the "Impacts from the COVID-19 Pandemic" section of the MD&A contained in the enclosed Financial Statements.

Specifically, 2022 activity volumes as compared to 2019 pre-COVID-19 volume levels are:

- Port Authority airports passenger volumes of 128.1 million passengers was 91% of 2019 levels.
- PATH passenger volumes of 42.6 million passengers was 52% of 2019 levels.
- Vehicular volumes at the Port Authority's six vehicular crossings of 120.7 million east bound vehicles was 99% of 2019 levels.
- Cargo shipping activity containerized cargo, in twenty foot equivalent units (TEUs) at Port Authority marine terminals of 9.5 million containers was 127% of 2019 levels.

Future activity volumes at Port Authority facilities, which may not be sustained at the current level, will depend on a variety of factors outside of the Port Authority's control, including worldwide and regional economic conditions coupled with regional supply and demand for imported products, worldwide and domestic supply chain disruptions, and the future domestic and global impacts of the COVID-19 pandemic. The Port Authority's 2023 budget projects activity volumes at its facilities as compared to 2019 pre-COVID- 19 volumes to be 102% at aviation facilities, 123% at port marine terminals, 99% at tunnels and bridges facilities, and 66% at the PATH transit system.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port Authority for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. The Port Authority has received this award since 1984, making this the 38th consecutive year that the Port Authority Financial Statements have achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe the 2022 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for certificate.

Elizabeth M. McCarthy
Chief Financial Officer

March 20, 2023

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

The Port Authority of New York and New Jersey

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill
Executive Director/CEO

CERTIFICATE WITH RESPECT TO 2022 FINANCIAL STATEMENTS

We, the undersigned officers of The Port Authority of New York and New Jersey, hereby certify, in connection with the release of the Financial Statements of The Port Authority of New York and New Jersey (the "Authority") and its component units for the years ended December 31, 2022 and December 31, 2021 (the "Financial Statements") that ***(a)*** to the best of our knowledge and belief, the financial and other information, including the summary of significant accounting policies described in the Financial Statements are accurate in all material respects and reported in a manner designed to present fairly the Authority's enterprise fund and fiduciary fund Net position, Changes in Net position, and Cash flows, in conformity with United States of America generally accepted accounting principles ("U.S. GAAP"); and ***(b)*** on the basis that the cost of internal controls should not outweigh their benefits, the Authority has established a comprehensive framework of internal controls to protect its assets from loss, theft, or misuse, and to provide reasonable (rather than absolute) assurance regarding the reliability of financial reporting and the preparation of the Financial Statements in conformity with U.S. GAAP.

Dated: New York, New York
March 20, 2023

Richard Cotton
Executive Director

Elizabeth M. McCarthy
Chief Financial Officer

Daniel G. McCarron
Comptroller

A PAPD officer at one of regional airports. In 2022, we strengthened the PAPD recruiting program to increase diversity.

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

Board of Commissioners
The Port Authority of New York and New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of The Port Authority of New York and New Jersey (the Port Authority), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Port Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Port Authority, as of December 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with U.S. generally accepted accounting principles.

We did not audit the financial statements of The Port Authority of New York and New Jersey Retiree Health Benefits Trust (the Trust), which represents 100% of the fiduciary activities as of and for the years ended December 31, 2022 and 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Trust, are based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note A.3.o to the basic financial statements, in 2022, the Port Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 Port Authority's ability to continue as

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a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedules listed under the heading Required Supplementary Information within the table of contents 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits for the years ended December 31, 2022 and 2021 were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port Authority's basic financial statements. The supplementary information included in Schedules D-1, D-2, D-3, E and F, as listed in the table of contents, for the years ended December 31, 2022 and 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information included in Schedules D-1, D-2, D-3, E and F is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the years ended December 31, 2022 and 2021.

We also previously audited, in accordance with GAAS, the basic financial statements of the Port Authority as of and for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 (not presented herein), and have issued our reports thereon dated March 3, 2021, March 4, 2020, March 6, 2019, March 20, 2018, March 1, 2017, March 7, 2016, March 13, 2015, and March 6, 2014, respectively, which contained unmodified opinions on the respective basic financial statements. The supplementary information included in Schedules D-1 and D-2, as listed in the table of contents, for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, and the supplementary information included in Schedule D-3, as listed in the table of contents, for the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 basic financial statements, as applicable. The information was subjected to the audit procedures applied in the audit of the 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information included in Schedules D-1 and D-2 related to the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 and the information included in Schedule D-3 related to the years ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, as applicable.

Other Information

Our audits were conducted for purposes of forming opinions on the basic financial statements as a whole. The supplementary information included in Schedule D-3 for fiscal year 2013 and Schedule G, as listed in the table of contents, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or any form of assurance thereon.

Report on the Audit of Schedules A, B, and C Prepared in Accordance with Port Authority Bond Resolutions

Opinion

We have audited the accompanying Schedules A, B, and C of the Port Authority, which present the assets and liabilities as of December 31, 2022 and revenues and reserves for the year then ended, of the Port Authority prepared in accordance with the requirements of the Port Authority's bond resolution.

In our opinion, the accompanying Schedules A, B, and C referred to above present fairly, in all material respects, the assets and liabilities of the Port Authority as of December 31, 2022, and its revenues and reserves for the year then ended in accordance with the requirements of the Port Authority's bond resolutions.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note A.4 of the basic financial statements, which describes the basis of accounting. As described in Note A.4 to the basic financial statements, Schedules A, B, and C are prepared by the Port Authority based on the requirements present in its bond resolutions, which is a basis of accounting other than U.S. generally accepted accounting principles. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for Schedules A, B, and C

Management is responsible for the preparation and fair presentation of Schedules A, B, and C in accordance with the requirements of the Port Authority's bond resolutions. Management is also responsible 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.

Auditors' Responsibilities for the Audit of Schedules A, B, and C

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

In performing an audit in accordance with GAAS, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Port 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.

Report on Summarized Comparative Information

We have previously audited the Port Authority's December 31, 2021 Schedules A, B, and C prepared in accordance with the requirements of the Port Authority's bond resolutions, and we expressed an unmodified audit opinion on those audited Schedules A, B, and C in our report dated March 2, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited Schedules A, B, and C from which they have been derived.

Restriction on Use

Our report on Schedules A, B, and C is intended solely for the information and use of the Port Authority and those who are a party to the Port Authority's bond resolutions, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

New York, New York
March 20, 2023

In 2022, all-electronic tolling equipment installation was completed at the George Washington Bridge.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Years ended December 31, 2022 and 2021

INTRODUCTION

The following discussion and analysis of business-type and fiduciary activities of The Port Authority of New York and New Jersey (the "Port Authority") and its component units described herein (see *Note A.1 – Nature of the Organization and Summary of Significant Accounting Policies*) is intended to provide an introduction to and understanding of the Enterprise Fund and Fiduciary Fund Financial Statements ("the Financial Statements") of the Port Authority for the year ended December 31, 2022, with selected comparative information for the years ended December 31, 2021 and December 31, 2020. This section has been prepared by management of the Port Authority and should be read in conjunction with the Financial Statements and appended note disclosures that follow the Management's Discussion and Analysis section of this report.

IMPACTS FROM THE COVID-19 PANDEMIC

The information provided in this section represents the Port Authority's current assessments based on the data it had available at the time the Financial Statements were compiled. Such data may ultimately prove to be incomplete or misleading, especially when reviewed over a longer period of time. The trajectory and ultimate impact of the COVID-19 pandemic continue to be uncertain and are subject to many developments and actions outside of the Port Authority's control. The operating and financial performance of the Port Authority during the COVID-19 pandemic and forecasted future performance beyond the pandemic, in light of its lingering effects, are dependent in part on the actions of facility users, governmental actors, and the regional economy as a whole. Activity volume recoveries are expected to vary by type of facility, ultimately impacted by the progression of the COVID-19 pandemic and its variants, immunization rates, treatment methods, the public's perception of when the COVID-19 pandemic has abated, how growth of the regional economy is affected, and any restrictions, or easing of restrictions, on activities imposed by local, state, federal, and international governments, among other factors. Actual results may differ significantly from forecasts due to the current unpredictability of such factors. The Port Authority's financial results and any information that might be considered as a "forward-looking statement" should be reviewed in light of the effects of COVID-19, as further described below.

UPDATE TO OPERATIONAL RESULTS DURING COVID-19

Activity Volume

Beginning in March 2020, the Port Authority's facilities experienced significantly reduced usage compared to previous years. Since the nadir of activity volumes in April 2020, the Port Authority has seen activity volumes rising across its facilities. However, activity volume recoveries are varying by type of facility, with bridge and tunnel vehicular volumes near 2019 levels and cargo shipping activity well above 2019 activity volumes. The positive trend of recovery of passengers at the Port Authority's airports was negatively impacted in December 2021 and into January 2022 during the Omicron variant surge affecting the region. However, as the Omicron variant surge receded, aviation activity volumes have continued to recover since February 2022. Based on preliminary Transportation Security Administration checkpoint entries in December 2022, the total combined aviation passenger volume at the Port Authority's airports was approximately 96% of the total passenger volume during the same period pre-pandemic in December 2019, with the recovery of domestic travel outpacing international travel. The volume of riders of the Port Authority Trans-Hudson Corporation ("PATH") transit system during December 2022 was approximately 57% of the same period pre-pandemic in December 2019. It is not yet clear whether the pace of the recovery will be sustained, and the pattern of the recovery continues to be difficult to estimate and may continue to be volatile.

Because pre-pandemic approximately one third of the Port Authority's revenues were derived from tolls and fares, reduced utilization of its bridges and tunnels and its PATH transit system has had an ongoing negative effect on the Port Authority's revenues. As activity volumes return, revenues are expected to recover. Further, as a result of the adverse impacts of the COVID-19 pandemic, the Port Authority suspended, reduced or waived certain fees and rentals otherwise payable by tenants that locate and operate at its facilities—see "Rents and Property Use Charges" below for further information.

The Port Authority compared the most recently available total monthly use of its airports, its bridges and tunnels, its PATH transit system, and its cargo shipping activity for the month of December 2022 to the total monthly use in December 2019. Tracking total monthly operating volumes in 2022 compared to the equivalent period in 2019 allows comparison of current conditions against a similar pre-COVID-19 pandemic period.

Unaudited Monthly Activity Volumes for the Month of December

	December 2022*	December 2019	December 2022 Volumes as a % of December 2019 Volumes
		(In thousands)	
Total Passengers, Aviation	11,392	11,860	96.1%
Total Vehicles, Bridges and Tunnels	10,246	10,331	99.2%
Total Passengers, PATH	3,666	6,454	56.8%
Total Cargo Containers (TEU), Marine Terminals	613	585	104.8%

* December 2022 facility activity information contains estimated data based on available information and is subject to revision.

The unaudited annual activity volumes for 2019 through 2022 are provided in the table below. As highlighted in the variance comparison of 2022 volumes to 2019 volumes, activity volumes at the marine terminals are well above 2019 levels. Aviation and bridges and tunnels activity volumes continued their recovery in 2022 toward 2019 levels. PATH activity volume, like other mass transit systems, remains well below 2019 levels.

Unaudited Annual Activity Volumes (2019-2022)

	2022*	2021	2020	2019	2022 Volumes as % of 2019 Volumes
			(In thousands)		
Total Passengers, Aviation	128,149	75,574	40,866	140,498	91.2%
Total Vehicles, Bridges and Tunnels	120,717	116,053	97,829	122,228	98.8%
Total Passengers, PATH	42,582	29,245	27,005	82,220	51.8%
Total Cargo Containers (TEU), Marine Terminals	9,494	8,986	7,586	7,471	127.1%

* 2022 facility activity information contains estimated data based on available information and is subject to revision.

Future volume, which may not be sustained at the current level, will depend on a variety of factors including worldwide and regional economic conditions coupled with regional supply and demand for imported products, worldwide and domestic supply chain disruptions, the unpredictable and uncertain impacts of the war in the Ukraine, and the future domestic and global impacts of the pandemic. Based on current information, the Port Authority forecasts that its facilities will recover to 2019 levels at different times. Marine Terminals, as noted above, have already surpassed 2019 levels. Weekday activity at the Port Authority's bridges and tunnels is close to or at 2019 levels. Activity at the Port Authority's airports is expected to recover to pre-COVID-19 pandemic levels during 2023 with some modest growth versus 2019 in that year. Activity at the PATH transit system is currently forecasted to recover more slowly in the next few years due to return to workplace trends.

The Port Authority also posts other activity volume information, including monthly data, in press releases on its public website which can be found at: https://www.panynj.gov/port-authority/en/press-room/press-release-archives.html.

Rents & Property Use Charges

Some tenants who operate businesses at Port Authority facilities have also been affected by the reduced activity levels or have otherwise been impacted by economic conditions. Such tenants may be unable to meet certain obligations to the Port Authority and some have requested rent relief.

The Port Authority is continuing to evaluate such requests in light of all the circumstances including the continuing lag in pedestrian and passenger traffic at Port Authority facilities and the related financial impact of reduced revenues and has provided relief for certain retail concessionaires and other counterparties at its facilities. For certain retail concessionaires, the Port Authority suspended or reduced fixed rent obligations from April 1, 2020, through December 31, 2021. Since the beginning of 2022, the Port Authority has continued to suspend or reduce fixed rents (at a more limited level than in 2020 and 2021) and currently expects that this emergency and temporary relief to be phased out by December 31, 2022, absent new adverse effects from COVID-19 or other occurrence of events which materially reduce passenger activity from current levels. The financial impact to the Port Authority of this relief totaled approximately $13 million, $72 million, and $74 million in lower revenues in 2022, 2021, and 2020, respectively.

FINANCIAL POSITION

Revenues

The Port Authority experienced a reduction in Gross Operating Revenue and Passenger Facility Charge ("PFC") collections compared to pre-COVID-19 pandemic projections of $3 billion for the twenty-four month period of March 2020 through March 2022, matching revised projections first developed in mid-2020.

Capital Program

The Port Authority is continuing to evaluate the extent to which and how the 2017-2026 Capital Plan should be modified to guide future capital spending given the adverse impacts of the COVID-19 pandemic on the agency's cash flow and capital capacity. This effort includes an intensive re-evaluation of the elements of the overall Capital Plan, and of individual projects and the timing thereof.

The 2023 annual Capital Spending Budget totals $2.9 billion, which reflects an increase of nearly $1.0 billion, or approximately 50% versus 2022 Capital Spending. The 2023 Capital Spending Budget is still well below the agency's pre-pandemic level given the substantial reductions made to annual Capital Spending in 2020 through 2022 as a result of the COVID-19 pandemic.

Federal Support

The Port Authority's airports were allocated approximately $450 million under the airport funding provision contained in the federal Coronavirus Aid, Relief, and Economic Security ("CARES") Act in April 2020. Due to a portion of these funds being applied to expenses associated with cost recovery agreements between the Port Authority and airlines operating at its airports, more than half of these funds (approximately $232 million) were credited to airlines operating under these cost recovery agreements. The balance of these funds ($218 million) accrued to the benefit of the Port Authority and are reflected in 2020 financial results.

The CARES Act also provided funding through the Federal Emergency Management Agency ("FEMA") to cover the incremental costs of responding to the COVID-19 pandemic at its facilities. The Port Authority currently expects cost recovery from FEMA funding to total approximately $20 million.

The Port Authority's airports were awarded approximately $107 million under the airport funding provision contained in the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") in December 2020, in addition to approximately $15 million attributable to financial relief to in-terminal concessionaires, on-airport rental car companies, and on-airport parking operations (collectively referred to as "Concessionaires"). To date the Port Authority has drawn down all of its $107 million allocation, of which approximately $14 million was credited to airlines operating under cost recovery agreements. The balance of these funds accrued to the benefit of the Port Authority and are reflected in 2021 financial results.

The Port Authority's airports were awarded approximately $433 million under the airport funding provision contained in the America Rescue Plan Act allocated to eligible U.S. airports in March 2021 for eligible operating and development costs, in addition to approximately $60 million attributable to financial relief to Concessionaires. As of December 31, 2022, the Port Authority has drawn down approximately $258 million of its $433 million allocation, of which approximately $86 million was credited to airlines operating under cost recovery agreements. The remaining funds are expected to be drawn down through 2024.

Prospective Financial Condition Due to COVID-19 Pandemic Impacts

The Port Authority has analyzed various possible scenarios that consider the range of potential impacts that the pandemic may have on its financial condition, both in the short term and over time, which assume a wide variety of possible economic recoveries, federal support, and Port Authority actions. To date, the Port Authority has experienced a significant loss of revenue and, given both the lost growth over pre-pandemic assumptions and the current slow recovery of PATH ridership, it may not achieve revenues equal to its pre-COVID-19 pandemic projections for several years. Recovering volumes may not be sustained over time and the region may suffer COVID-19 pandemic related shocks in the future, which may further adversely affect the Port Authority's revenues.

However, and subject to the foregoing, based on its current financial position and forecasts, the Port Authority expects to meet its obligations as they become due, including both short-term operating expenses and debt service on its Consolidated Bonds and Consolidated Notes.

The Port Authority of New York and New Jersey Enterprise Fund Financial Statements Comparison for the Years Ended December 31, 2022, December 31, 2021, and December 31, 2020

The Port Authority of New York and New Jersey Enterprise Fund Statements of Net Position

In 2022, the Port Authority adopted Government Accounting Standard Board ("GASB") Statement No. 87, *"Leases"* ("GASB Statement No. 87"). Adoption of GASB Statement No. 87 resulted in the Port Authority recording certain leases containing fixed rents as financing arrangements of the right to use a third party's capital asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use capital asset (herein referred to as lease asset) and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Accordingly, the 2021 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position, presented herein, have been restated to reflect the cumulative impact of adopting GASB Statement No. 87.

The Statements of Net Position present the financial position of the Port Authority at the end of the fiscal year and include all Port Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources as applicable. Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. A summarized comparison of the Port Authority's enterprise fund Statements of Net Position follows:

	2022	2021 (Restated)	2020
		(In thousands)	
ASSETS			
Current assets*	**$ 3,443,302**	$ 2,589,251	$ 2,408,317
Noncurrent assets:			
Facilities, net	**40,276,773**	40,168,584	39,812,810
LaGuardia Terminal B landlord leasehold investment	**1,135,986**	1,034,390	985,965
Other noncurrent assets*	**16,666,247**	16,597,868	5,480,301
Total assets	**61,522,308**	60,390,093	48,687,393
DEFERRED OUTFLOWS OF RESOURCES			
Loss on debt refundings	**49,769**	57,497	62,317
Pension related amounts	**774,172**	1,059,884	556,005
OPEB related amounts	**844,222**	139,346	157,234
Total deferred outflows of resources	**1,668,163**	1,256,727	775,556
LIABILITIES			
Current liabilities*	**4,081,460**	3,041,087	2,974,044
Noncurrent liabilities:			
Bonds and other asset financing obligations	**26,311,943**	26,647,422	25,683,241
Other noncurrent liabilities*	**10,402,000**	9,404,464	4,319,516
Total liabilities	**40,795,403**	39,092,973	32,976,801
DEFERRED INFLOWS OF RESOURCES			
Gain on debt refundings	**118,757**	103,875	75,368
Pension related amounts	**870,614**	996,876	40,210
OPEB related amounts	**197,735**	477,044	462,460
Leases, as lessor*	**5,158,110**	5,354,698	—
Total deferred inflows of resources	**6,345,216**	6,932,493	578,038
NET POSITION			
Net investment in capital assets	**14,938,081**	15,406,620	14,954,997
Restricted	**851,723**	606,816	538,552
Unrestricted*	**260,048**	(392,082)	414,561
Net position, December 31	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

* In accordance with GASB Statement No. 87, as described in Note A.3.o, *"Nature of the Organization and Summary of Significant Accounting Policies,"* the cumulative impact of adopting GASB Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Net Position. 2020 Statement of Net Position has not been restated.

2022 vs. 2021

Port Authority assets totaled $61.5 billion at December 31, 2022, an increase of $1.1 billion from December 31, 2021. This overall increase was primarily a result of:

Facilities, net of $40.3 billion increased $108 million from December 31, 2021, due to the continued capital investment in Port Authority facilities as outlined in the 2017-2026 10-year capital plan, less annual depreciation. For additional information related to capital investment by facility and business segment, see *Schedule F – Information on Capital Investment in Port Authority Facilities* contained in this report.

Receivables, including restricted amounts (excluding lease receivables) of $1.4 billion increased $78 million from December 31, 2021, primarily due to: ***a.)*** an increase in Federal Transit Administration ("FTA") Superstorm Sandy restoration and resiliency capital contributions at PATH; ***b.)*** an increase in amounts due from the Tower 4 World Trade Center ("WTC") net lessee due to timing of debt service payments; and, ***c.)*** an increase in PFC amounts due to timing differences related to the receipt of payments from airlines. These increases were partially offset by: ***d.)*** a decrease in amounts due for American Rescue Plan Act ("ARPA") federal funding due to higher cash receipts; and, ***e.)*** a decrease for the continued recovery of aviation fees that were deferred in 2020.

Lease assets, (as lessee), of $7.1 billion related to lease financings containing fixed rents payable by the Port Authority and are subject to GASB Statement No. 87 decreased $158 million primarily due to the amortization of long-term leases with the cities of New York and Newark for the leasing of municipal Air and Marine Terminals. Lease assets are amortized on a straight-line basis over the term of the lease agreement. For additional information related to lease assets, see *Note G – Leasing Activities*.

Lease receivables, (as lessor) of $4.6 billion related to lease financings containing fixed rent payments due the Port Authority and are subject to GASB Statement No. 87 decreased $124 million from December 31, 2021, primarily due to the amortization of fixed rents received from tenants, primarily at the WTC. For additional information related to lease receivables, see *Note G – Leasing Activities*.

Cash and Investment balances of $4.9 billion increased $1.1 billion from December 31, 2021, primarily due to the investment of available consolidated bond funds in short term U.S. securities that are available to fund future capital investment in Port Authority facilities.

Cash flows from operations of $2.8 billion increased $788 million when compared to the same 12-month period of 2021 primarily due to increases in activity-based rentals, the commencement of certain aviation terminal rents, aviation fees, airport parking, bridge and tunnel tolls, and PATH fares as activity levels at Port Authority facilities continue to recover from the COVID-19 pandemic.

Port Authority liabilities totaled $40.8 billion at December 31, 2022, an increase of $1.7 billion from December 31, 2021. This increase was primarily due to:

Bonds and other asset financing obligations of $29.7 billion, including amounts payable associated with Tower 4 Liberty Bonds, increased $703 million from December 31, 2021, primarily due to the issuance of $1.8 billion of Consolidated Bonds for purposes of funding capital construction activities at Port Authority facilities and the refunding of certain outstanding Consolidated Bonds series and Commercial Paper notes. Partially offsetting this increase was a $977 million decrease related to the refunding and scheduled retirement of certain outstanding Consolidated Bonds series and a $75 million decrease related to retirement of certain Commercial Paper notes.

Lease liabilities (as lessee) of $6.5 billion for lease financings containing fixed rent payables to third parties and are subject to GASB Statement No. 87 decreased $79 million from December 31, 2021, due to the scheduled payment of fixed rents to the cities of New York and Newark for the leasing of municipal Air and Marine Terminals. For additional information related to lease liabilities, see *Note G – Leasing Activities*.

Accrued pension and other postemployment benefits ("OPEB") of $2.4 billion increased $1.1 billion primarily due to an increase in the Port Authority's actuarially determined OPEB net liability due to losses on plan investments in excess of their calculated expected rate of return measured at December 31, 2022, and changes in actuarial assumptions. These increases were partially offset by a decrease in the Port Authority's proportionate share of the New York State and Local Retirement System ("NYSLRS") net pension liability ("NPL") due to gains on plan investments in excess of their actuarially calculated expected rate of return measured at March 31, 2022.

Accounts payable of $913 million decreased $9 million primarily due to the timing of third-party contractor payments related to capital construction projects at Aviation facilities.

Accrued payroll and other employee benefits of $255 million decreased $72 million primarily due to the payment of retro-active wage increases paid to represented PATH employees under collective bargaining agreements that have been settled and the release of previously recognized reserves for expected wage increase related to PATH collective bargaining agreements that are now settled.

Accrued interest and other current liabilities of $725 million increased $116 million from December 2021 primarily due to an increase in advanced rental payments received from tenants and flight fees, and the timing of scheduled debt service payments on outstanding Consolidated Bonds.

Deferred outflows of resources totaled $1.7 billion at December 31, 2022, an increase of $411 million from December 31, 2021. This net increase was primarily due to losses on OPEB plan investments in excess of their expected rate of return measured at December 31, 2022, and changes in actuarial assumptions utilized in the actuarial valuation of the Port Authority's net OPEB liability. Deferred outflows of resources related to OPEB are amortized on a straight-line basis as an increase to OPEB expense over a closed period of time.

Deferred inflows of resources totaled $6.3 billion at December 31, 2022, a net decrease of $587 million from December 31, 2021. This net decrease resulted from the amortization of: ***a.)*** lease financings containing fixed rents due the Port Authority, as lessor under GASB Statement No. 87; and, ***b.)*** previously recognized gains on NYSLRS and OPEB plan investments in excess of their expected rate of return. Amortization of deferred inflows of resources related to pensions and OPEB are amortized on a straight-line basis as a reduction to pension and OPEB expense over a closed period of time. Amortization of deferred inflows of resources related to lease receivables are recognized as a component of rental income on a straight-line basis over the remaining term of the lease agreement.

2021 vs. 2020

Port Authority assets totaled $60.4 billion at December 31, 2021, an increase of $11.7 billion from December 31, 2020, primarily due to the recognition of approximately $12.0 billion of lease assets and receivables, resulting from the 2022 adoption of GASB Statement No. 87 (2020 assets have not been restated). The remainder of the changes are the result of:

Facilities, net of $40.2 billion increased $356 million from December 31, 2020, due to the continued capital investment in Port Authority facilities as outlined in the 2017-2026 10-year capital plan, less annual depreciation. For additional information related to capital investment by facility and business segment, see *Schedule F – Information on Capital Investment in Port Authority Facilities* contained in this report.

Receivables, including restricted amounts (excluding lease receivables) of $1.3 billion increased $203 million from December 31, 2020, primarily due to: ***a.)*** an increase in amounts due from FTA for Superstorm Sandy restoration and resiliency capital projects for PATH; ***b.)*** an increase in federal funding under the ARPA for John F. Kennedy International ("JFK"), LaGuardia ("LGA"), and Newark Liberty International ("EWR") airports; ***c.)*** an increase in E-ZPass® tolls due from other tolling agencies; and, ***d.)*** an increase in percentage rents due from tenants at Aviation facilities. These increases are partially offset by a decrease in 2020 aviation fees due the Port Authority that were deferred in 2020 as a result of COVID-19 and are being recovered over a three-year period covering 2021-2023.

Other noncurrent assets of $669 million decreased $1.0 billion due to the Port Authority's adoption of GASB Statement No. 87, as described in Note A.3.o *Nature of the Organization and Summary of Significant Accounting Policies*.

Cash and Investment balances of $3.8 billion increased $190 million from December 31, 2020, primarily due to increases in tolls, rentals and aviation fees as activity levels at Port Authority facilities continue to recover from the nadir of activity levels in April 2020 as a result of COVID-19. These increases are partially offset by the drawdown of consolidated bond funds for purposes of funding capital construction at Port Authority facilities.

Cash flows from operations of $2.0 billion increased $988 million when compared to the same 12-month period of 2020 primarily due to: ***a.)*** increases in tolls, activity-based rentals and aviation fees as activity levels at Port Authority facilities continue to recover from the nadir of activity levels in April 2020 as a result of COVID-19; and, ***b.)*** the collection of 2020 aviation fees that were deferred in 2020 as a result of COVID-19 and are being recovered over a three-year period covering 2021-2023. Due to the adoption of GASB Statement No. 87, certain cash inflows and outflows previously reported as an operating activity are now classified as a capital and related financing activity (see Note A.3.o *Nature of the Organization and Summary of Significant Accounting Policies*).

Port Authority liabilities totaled $39.1 billion at December 31, 2021, an increase of $6.1 billion from December 31, 2020, primarily due to the recognition of $6.6 billion lease liabilities, resulting from the 2022 adoption of GASB Statement No. 87 (2020 liabilities have not been restated). The remaining changes in liabilities are the result of:

Bonds and other asset financing obligations of $29.0 billion, including $1.2 billion associated with Tower 4 Liberty Bonds, increased $911 million from December 31, 2020, primarily due to the issuance of $1.3 billion of Consolidated Bonds for purposes of funding capital construction activities, partially offset by $437 million for the scheduled retirement of outstanding Consolidated Bonds.

Accrued pension and other postemployment benefits ("OPEB") of $1.3 billion decreased $671 million primarily due to a decrease in the Port Authority's proportionate share of the NYSLRS net pension liability ("NPL") and the Port Authority's net Other Postemployment Benefit ("OPEB") liability due to gains on plan investments, in excess of their actuarially calculated expected rate of return, measured at March 31, 2021 and December 31, 2021, respectively.

Accounts payable of $923 million decreased $135 million primarily due to a decrease in accrued capital construction contract payments for the Lincoln Tunnel Access Program, LGA Airport Redevelopment Program and Super Storm Sandy capital projects at PATH.

Accrued interest and other current liabilities of $609 million increased $164 million primarily due to: ***a.)*** the prepayment of 2022 aviation fees by airlines; ***b.)*** the recognition of lease interest payable resulting from the adoption of GASB Statement No. 87; ***c.)*** increased prepaid tolls from E-ZPass® tag holders; and, ***d.)*** the timing of the scheduled debt service payments on outstanding Consolidated Bonds

Deferred outflows of resources totaled $1.3 billion at December 31, 2021, an increase of $481 million from December 31, 2020. This increase was primarily due to changes in actuarial assumptions used in the valuation of the Port Authority's proportionate share of the actuarially determined NYSLRS NPL. Deferred outflows of resources related to pensions are amortized as an increase to pension expense on a straight-line basis over a closed period of time.

Deferred inflows of resources totaled $6.9 billion at December 31, 2021, an increase of $6.4 billion from December 31, 2020. This increase was primarily due to: ***a.)*** the 2022 adoption of GASB Statement No. 87 and the recognition of $5.4 billion in deferred inflows of resources relating to lease receivables; and, ***b.)*** a decrease in the Port Authority's proportionate share of the actuarially determined NYSLRS NPL and the Port Authority's actuarially determined net OPEB liability resulting from gains on plan investments, in excess of their expected rate of return. Amortization of deferred inflows of resources related to pensions and OPEB are amortized on a straight-line basis as a reduction to pension and OPEB expense over a closed period of time. Amortization of deferred inflows of resources related to lease receivables are recognized as a component of rental income on a straight-line basis over the term of the lease agreement.

The Port Authority of New York and New Jersey Enterprise Fund Statements of Revenues, Expenses, and Changes in Net Position

The year-to-year change in net position is an indicator of whether the overall fiscal condition of an organization has improved or worsened during the year. The following is a summary of the Statements of Revenues, Expenses, and Changes in Net Position:

	2022	2021 (Restated)	2020
		(In thousands)	
Gross operating revenues**	**$ 5,977,356**	$ 5,095,242	$ 4,334,074
Operating expenses**	**(3,125,523)**	(2,769,308)	(3,263,009)
Depreciation and amortization**	**(1,908,692)**	(1,796,485)	(1,566,484)
Net insurance recoverables	**—**	—	4,033
Income/(Loss) from operations	**943,141**	529,449	(491,386)
Non-operating revenues/(expenses), net			
Grants, in connection with operating activities and pass-through grant program payments	**160,290**	253,996	462,375
Financial (loss)/income, including changes in fair value of investments	**(83,167)**	(13,544)	81,961
Interest expense in connection with bonds and other asset financings, net*	**(1,076,995)**	(1,086,163)	(946,603)
Interest income, as lessor**	**140,978**	140,611	—
Interest expense, as lessee**	**(220,654)**	(214,019)	—
Loss on disposition of assets	**—**	(4,623)	—
Capital contributions and PFCs	**564,905**	433,033	334,434
Increase/(Decrease) in net position**	**428,498**	38,740	(559,219)
Net position, January 1st	**15,621,354**	15,908,110	16,467,329
Cumulative effect of a change in accounting principle, January 1st	**—**	(325,496)	—
Net position, December 31st	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

* Includes $32.5 million, $66.7 million and $65.3 million in 2022, 2021 and 2020, respectively, related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.

** In accordance with GASB Statement No. 87, as described in Note A.3.o, "*Nature of the Organization and Summary of Significant Accounting Policies*," 2021 change in net position has been restated.

Financial results of an individual facility and business segment for 2022 can be found in *Schedule E – Information on Port Authority Operations* located in the Statistical and Other Supplemental Information section of this report.

Gross Operating Revenues

A summary of gross operating revenues by source and business segment follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Bridge and tunnel tolls	**$ 1,829,220**	$ 1,759,244	$ 1,500,669
Rentals*	**1,978,706**	1,565,609	1,421,467
Aviation fees	**1,395,424**	1,213,743	907,314
Parking and other	**478,337**	353,261	240,329
Utilities	**182,163**	125,937	112,008
PATH fares	**113,506**	77,448	71,158
Rentals – Special Project Bonds	**—**	—	81,129
Total	**$ 5,977,356**	$ 5,095,242	$ 4,334,074

* Includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87.

	2022***	2021 (Restated)***	2020
		(In thousands)	
Aviation	**$ 3,223,841**	$ 2,507,776	$ 2,032,359
Tunnels, Bridges & Terminals	**1,879,336**	1,796,696	1,542,081
Port Department	**396,977**	386,622	327,665
World Trade Center	**331,699**	299,533	328,455
PATH*	**124,003**	85,998	82,110
Other**	**21,500**	18,617	21,404
Total	**$ 5,977,356**	$ 5,095,242	$ 4,334,074

* PATH includes WTC Transportation Hub.
** Other includes Development Facilities and Ferry Transportation.
*** Includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87.

2022 vs. 2021

Gross operating revenues, excluding PFCs totaled $6.0 billion in 2022, an increase of $882 million, or 17% as compared to 2021.

Bridge and Tunnel Tolls of $1.8 billion increased $70 million or 4% as compared to 2021 primarily due to a 4% increase in vehicular activity at the Port Authority's six vehicular crossings.

Rentals, including the amortization of deferred inflows of resources related to lease financings containing fixed rents and that are subject to GASB Statement No. 87 of $2.0 billion increased $413 million, or 26% as compared to 2021 primarily due to: ***a.)*** an increase in activity-based rental income at Aviation facilities due to increased passenger activity in 2022 compared to 2021; ***b.)*** the commencement of the New Terminal One ("NTO") and Terminal 6 lease agreements in June 2022 and December 2022, respectively, at JFK Airport; ***c.)*** a nonrecurring receipt of $32 million for unused construction contingencies at LGA Airport's Terminal B; and, ***d.)*** the nonrecurring receipt of a $25 million reserve that is no longer required following the refinancing of certain John F. Kennedy International Air Terminal ("JFKIAT") Terminal 4 debt obligations.

Aviation fees of $1.4 billion increased $182 million, or 15% as compared to 2021, primarily due to: ***a.)*** increased for-hire-vehicle ("FHV") airport access fees which commenced in April 2021 and increased FHV vehicular activity; ***b.)*** an increase in AirTrain fares at JFK and EWR Airports due to an increase in passenger activity and a fare increase in March 2022; ***c.)*** an increase in rental car contributions due to increased activity; and ***d.)*** an increase in fees for the usage of federal inspection facilities at EWR Airport, Terminal B due to increased passenger activity and a rate increase implemented during 2021.

Parking and other fees of $478 million increased $125 million, or 35% as compared to 2021, primarily due to: ***a.)*** an increase in public parking activity at Aviation facilities due to increased passenger activity and increased parking rates; ***b.)*** an increase in recoverable tenant service charges at One WTC; and ***c.)*** an increase in Port Authority Marine Terminal Cargo Facility Charges ("CFCs") due to increased cargo container activity levels.

PATH fares of $114 million increased $36 million or 47% compared to 2021, primarily due to a 46% increase in PATH passenger ridership as compared to ridership levels of 2021. PATH ridership in 2022 was 52% of pre-COVID-19 levels.

2021 vs. 2020

Gross operating revenues, excluding PFCs totaled $5.1 billion in 2021, an increase of $761 million from 2020, primarily due to the restatement of previously published 2021 Gross operating revenues, resulting from the 2022 adoption of GASB Statement No. 87 (2020 gross operating revenues have not been restated). For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*.

Bridge and Tunnel Tolls of $1.8 billion increased $258.6 million, or 17% as compared to 2020, primarily due to a 19% increase in vehicular activity at the Port Authority's six vehicular crossings due to the continued recovery of vehicular activity from the nadir of activity levels in April 2020 as a result of COVID-19. 2021 bridge and tunnel tolls are $80 million, or 5% higher than 2019, primarily due to bridge and tunnel toll increases that became effective in January 2020 that was partially offset by a 5% decrease in vehicular activity, resulting from COVID-19.

Rentals, excluding the amortization of deferred inflows of resources related to lease financings containing fixed rents and that are subject to GASB Statement No. 87, of $1.6 billion increased $144 million, or 10% as compared to 2020, primarily due to: ***a.)*** an increase in activity-based rental income at Aviation facilities due to an 85% increase in passenger activity from 2020; ***b.)*** an increase in activity-based rental income at Port Authority Marine Terminals due to an 18% increase in cargo container activity; ***c.)*** the Port Authority's 2022 adoption of GASB Statement No, 87; ***d.)*** an increase in fixed rent at Aviation facilities due to scheduled rent increases; and, ***e.)*** an increase in percentage rentals at the One WTC Observation Deck, which reopened to the public in June 2021. These increases are partially offset by COVID-19 rent relief granted to various tenants at Port Authority facilities, which have been granted for the period April 1, 2020 through December 31, 2021.

Aviation fees of $1.2 billion increased $306.4 million, or 34% as compared to 2020. Aviation fees paid by airlines operating at certain Port Authority Aviation facilities provide for the recovery of eligible capital investment and operating expenses incurred by the Port Authority. The increase in aviation fees was primarily due to: ***a.)*** a reduction in the amount of federal funding credits, provided as a result of COVID-19, to be applied against recoverable operating expenses as compared to 2020; ***b.)*** an increase in fees for the usage of federal inspection facilities at EWR Airport, Terminal B due to a 2021 rate increase and increased passenger activity; and, ***c.)*** the implementation of the for-hire-vehicle airport access fee in April 2021.

Parking and other fees of $353.3 million increased $112.9 million, or 47% as compared to 2020, primarily due to: ***a.)*** an increase in Port Authority Marine Terminal CFCs due to increased cargo container activity levels; and, ***b.)*** increased public parking activity at Aviation facilities as a result of an 85% increase in aviation passengers due to the continued recovery from the nadir of activity levels in April 2020 as a result of COVID-19 and aviation passengers electing to park at Port Authority airport public parking facilities rather than electing to use other forms of public transportation. However, 2021 parking and other fees were $56 million or 14% lower when compared to 2019 pre-COVID-19 levels.

PATH fares of $77.4 million increased $6.3 million or 9% compared to 2020, primarily due to an 8% increase in ridership as mass transit systems in the region are recovering slower than vehicular traffic from the adverse impacts of COVID-19. However, fares generated from PATH ridership in 2021 remained $120 million lower than 2019 as 2021 ridership was only 36% of 2019 pre-COVID-19 levels. This impact would have been higher if PATH fares had not increased in November 2019 and 2020.

Rentals – Special Project Bonds decreased $81.1 million due to the cessation of rental revenue due to the retirement of JFKIAT Special Project Bonds, Series 6 and Series 8 in 2020. This bond retirement resulted in a corresponding decrease in operating expenses. (See Interest on Special Project Bonds below in discussion of Operating Expenses incurred in 2021).

Operating Expenditures

A summary of operating expenditures by type and business segment follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Employee compensation, including benefits	**$ 1,438,403**	$ 1,296,724	$ 1,395,588
Contract services	**1,059,209**	938,408	929,520
Rents and payments in lieu of taxes ("PILOT")*	**47,434**	59,715	403,661
Materials, equipment, and other	**336,727**	289,810	290,033
Utilities	**243,750**	184,651	163,078
Interest on Special Project Bonds	**—**	—	81,129
Total	**$ 3,125,523**	$ 2,769,308	$ 3,263,009

* Amounts exclude the amortization of lease assets recognized under GASB Statement No. 87.

	2022***	2021 (Restated)***	2020
		(In thousands)	
Aviation	**$ 1,606,263**	$ 1,345,891	$ 1,752,439
Tunnels, Bridges & Terminals	**569,275**	524,422	552,976
PATH*	**481,245**	466,844	447,034
World Trade Center	**296,135**	275,268	335,014
Port Department	**160,966**	145,723	163,395
Other**	**11,639**	11,160	12,151
Total	**$ 3,125,523**	$ 2,769,308	$ 3,263,009

* PATH includes WTC Transportation Hub.

** Other includes Development Facilities Access to the Regions Core, Ferry Transportation, Gateway Early Work Program, and Moynihan Station Transportation Program.

*** Amounts exclude the amortization of lease assets recognized under GASB Statement No. 87.

2022 vs. 2021

Operating expenses totaled $3.1 billion in 2022, an increase of $356 million or 13% from 2021.

Employee compensation, of $1.4 billion increased approximately $142 million, or 11% from 2021, primarily due to: ***a.)*** an increase in actuarially determined OPEB expense due to losses on plan investment measured at December 31, 2022, and changes in actuarial assumptions; ***b.)*** an increase in operational and public safety support services at Port Authority facilities due to increased activity levels; ***c.)*** contractually scheduled salary increases; and, ***d.)*** the hiring and training of additional police officers to address attrition. These increases were partially offset by: ***e.)*** lower actuarially determined NYSLRS pension expense due to investment gains on plan investments measured at March 31, 2022; ***f.)*** the settlement of various collective bargaining agreements; and, ***g.)*** decreased snow and ice removal activities due to milder weather conditions.

Contract services of $1.1 billion increased $121 million, or 13% as compared to 2021, primarily due to increased payments to third-party contractors for operational, contract security, and maintenance services at Port Authority facilities, resulting from increased activity levels and scheduled billing rate increases. These increases were partially offset by decreased snow and ice removal activities due to milder weather conditions.

Rents and payments in lieu of taxes ("PILOT") of $47 million decreased $12 million when compared to 2021, primarily due to a decrease in PILOT payments to the City of New York for the WTC Campus as a result of lower assessed property values.

Materials, equipment, and other of $337 million increased $47 million, or 16% from 2021, primarily due to: ***a.)*** increased purchases of electrical and mechanical equipment supplies; ***b.)*** recognition of environmental remediation expense provisions at Port Authority facilities; and, ***c.)*** increased insurance premiums and self-insurance loss reserves for public liability and workers compensation claims.

Utilities of $244 million increased $59 million, or 32% as compared to 2021, primarily due to increased utility rates and usage at Port Authority facilities.

2021 vs. 2020

Operating expenses totaled $2.8 billion in 2021, a decrease of $494 million, or 15% from 2020, primarily due to the restatement of previously published 2021 operating expenses, resulting from the 2022 adoption of GASB Statement No. 87 (2020 Operating expenses have not been restated). For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*.

Employee compensation, excluding the $178 million year-over-year decrease related to lower actuarially determined non-cash NYSLRS pension and OPEB expense, increased approximately $79 million from 2020 due to: ***a.)*** an increase in overtime for snow and ice removal activities at Port Authority facilities due to inclement winter weather conditions; ***b.)*** increases in operational and maintenance support at Port Authority facilities due to incremental increases in activity volumes at Port Authority facilities; and ***c.)*** scheduled contractual increases for represented employees. Partially offsetting these increases were: ***d.)*** position reduction initiatives that began mid-2020 in response to the adverse impacts of COVID-19. After consideration of NYSLRS and OPEB expense credits, employee compensation decreased $99 million, or 7% as compared to 2020.

Contract services of $938.4 million increased $8.9 million, or 1.0% as compared to 2020, primarily due to an increase in snow and ice removal activities at Port Authority facilities due to inclement winter weather conditions and higher EZ Pass credit card fees due to increased vehicular activity at Port Authority bridge and tunnel crossings. Partially offsetting these increases are decreases in payments to third-party contractors for operations and maintenance support services, primarily at Aviation facilities, due to cost-saving measures implemented in 2020 resulting from COVID-19 that carried forward into 2021.

Rents and payments in lieu of taxes ("PILOT") of $60 million decreased $344 million, or 85% as compared to 2020, primarily due to the Port Authority's 2022 adoption of GASB Statement No. 87 and decreased PILOT payments to the City of New York for the WTC Campus as a result of lower assessed property values.

Materials, equipment, and other of $289.8 million remained constant from 2020 due to: ***a.)*** an increase in materials and equipment for snow and ice removal activities; and, ***b.)*** higher property damage insurance premiums and public liability self-insured loss reserves. These increases are offset by a decrease in non-cash capital expense write-offs and bad debt expense.

Utilities of $184.7 million increased $21.6 million, or 13.2% as compared to 2020, primarily due to increased billing rates and consumption at Aviation facilities and PATH.

Interest on Special Project Bonds decreased $81.1 million due to the retirement of JFKIAT Special Project Bonds, Series 6 and Series 8 in 2020. Offsetting this decrease is a corresponding decrease in *Rentals – Special Project Bonds in the Gross Operating Revenue* section above.

Amortization of Lease Financings, (Port Authority as lessee)

In 2022, the Port Authority adopted GASB Statement No. 87. Under this statement, a lessee is required to recognize a lease asset, measured at the present value of expected payments to be made to lessors. Lease assets are amortized on a straight-line basis over the lease term, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*. For additional information related to lease liabilities see *Note G – Leasing Activities*.

2022 vs. 2021

Amortization of leases (as lessee) of approximately $173 million increased $6 million from 2021 due to fixed amortization of lease assets related to lease agreements with the cities of New York and Newark for the leasing of air and marine terminals.

A summary of amortization of lease assets related to lease financings containing fixed rents payable and subject to GASB Statement No. 87 by business segment follows:

	2022	2021 (Restated)
	(In thousands)	
Aviation	**$ 155,704**	$ 151,200
Port Department	**8,434**	8,434
Other*	**8,340**	7,418
PATH	**161**	207
Tunnels, Bridges & Terminals	**137**	137
Total	**$ 172,776**	$ 167,396

* Other includes Development Facilities and Ferry Transportation.

Depreciation and Amortization

A summary of depreciation and amortization of capital infrastructure assets by business segment follows:

	2022	2021	2020
		(In thousands)	
Aviation*	**$ 696,130**	$ 595,609	$ 566,703
World Trade Center	**373,944**	356,659	342,059
Tunnels, Bridges & Terminals	**307,961**	302,754	279,167
PATH**	**228,069**	227,911	214,513
Port Department	**88,697**	96,523	101,553
Other***	**41,115**	49,633	62,489
Total	**$ 1,735,916**	$ 1,629,089	$ 1,566,484

* Includes LGA Terminal B landlord leasehold depreciation of $63 million in 2022, $47 million in 2021, and $30 million in 2020.
** PATH includes WTC Transportation Hub.
*** Other includes Regional Facilities and Programs, Development Facilities, Access to the Regions Core, Ferry Transportation, Gateway Early Work Program, and Moynihan Station Transportation Program.

2022 vs. 2021

Depreciation and amortization of $1.7 billion related to capital infrastructure investments increased $107 million, or 7% as compared to 2021, due to the scheduled completion of approximately $4.0 billion of capital construction projects in 2021 and 2022. These capital infrastructure assets have been placed into operational service and are now being depreciated over their estimated useful lives, including elements of the: ***a.)*** LGA Airport Redevelopment Program; ***b.)*** EWR Airport runways and taxiway rehabilitation; ***c.)*** EWR Airport Redevelopment Program; and ***d.)*** the scheduled retirement of certain LGA Airport Central Terminal Building ("CTB") related capital assets that have been replaced under the LGA Airport Redevelopment Program.

2021 vs. 2020

Depreciation and amortization of $1.6 billion related to capital infrastructure investments increased $63 million, or 4% as compared to 2020, due to the scheduled completion of approximately $5.0 billion of capital construction projects in 2020 and 2021. These capital infrastructure projects have been placed into operational service and are now being depreciated over their estimated useful lives, including elements of the: ***a.)*** LGA Airport Redevelopment Program; ***b.)*** the replacement of the suspender ropes at the George Washington Bridge ("GWB"); ***c.)*** the PATH rail car fleet expansion and signal replacement programs and, ***d.)*** EWR Airport runways and taxiway rehabilitation.

Additional information related to capital investment in Port Authority facilities can be found in *Note B – Facilities, net*, *Schedule D-3 – Selected Statistical Financial Data by Business Segment,* and *Schedule F – Information on Capital Investment in Port Authority Facilities* located in this report.

Income/(Loss) from Operations

Income/(Loss) from operations comprises gross operating revenues, less the sum of: ***a.)*** operating expenses; ***b.)*** depreciation and amortization; and ***c.)*** net insurance recoverables.

A summary of income/(loss) from operations by business segment follows:

	2022	2021 (Restated)****	2020
		(In thousands)	
Tunnels, Bridges & Terminals	**$ 1,001,963**	$ 969,383	$ 709,938
Aviation*	**765,744**	415,076	(286,783)
Port Department	**138,880**	135,942	62,717
Other**	**(39,594)**	(49,594)	(49,203)
World Trade Center	**(338,380)**	(332,394)	(348,618)
PATH***	**(585,472)**	(608,964)	(579,437)
Income/(Loss)	**$ 943,141**	529,449	$ (491,386)

* Includes LGA Terminal B landlord leasehold depreciation of $63 million in 2022, $47 million in 2021, and $30 million in 2020.

** Other includes Regional Facilities and Programs, Development Facilities, Access to the Regions Core, Moynihan Station Transportation Program, Ferry Transportation, Gateway Early Work Program, and Net insurance recoverables.

*** PATH includes WTC Transportation Hub.

**** In accordance with GASB Statement No. 87 as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*, the cumulative impact of adopting GASB Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Revenues, Expenses, and Changes in Net Position.

2022 Income from operations of $943 million increased $414 million from 2021 primarily as a result of increased activity levels at Port Authority facilities due to the continued recovery from COVID-19; and the receipt of rents from certain terminal leases at JFK Airport that commenced in 2022.

2021 Loss from operations of $529 million increased $1.0 billion from 2020 as a result of increased activity levels at Port Authority facilities due to the continued recovery from COVID-19 and the restatement of previously published 2021 Income from operations amounts resulting from the 2022 adoption of GASB Statement No. 87 (2020 Income from operations has not been restated), which increased 2021 income from operations by $120 million. For additional information, related to GASB Statement No. 87, see Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*.

Non-Operating Revenues and Expenses

A summary of non-operating revenues and expenses follows:

	2022	2021 (Restated)	2020
		(In thousands)	
Financial income	**$ 55,000**	$ 54,223	$ 63,555
Net (decrease)/increase in fair value of investments	**(138,167)**	(67,767)	18,406
Interest expense in connection with bonds and other asset financings, net*	**(1,076,995)**	(1,086,163)	(946,603)
Interest income, as lessor**	**140,978**	140,611	—
Interest expense, as lessee**	**(220,654)**	(214,019)	—
Net loss on disposal of assets	**—**	(4,623)	—
Pass-through grant program payments	**—**	(2,613)	(26,853)
Grants, in connection with operating activities	**160,290**	256,609	489,228
Non-operating expenses, net	**$ (1,079,548)**	$ (923,742)	$ (402,267)

* Includes amounts related to Tower 4 Liberty Bonds debt service payments due the Port Authority from the WTC Tower 4 net lessee.
* In accordance with GASB Statement No. 87 as described in Note A.3.o, *Nature of the Organization and Summary of Significant Accounting Policies*, 2021 Non-Operating Revenue and Expenses have been restated for comparison purposes.

2022 vs. 2021

Financial income, comprising interest income and the net change in fair value of investments totaled $(83) million in 2022, a decrease of $70 million when compared to 2021. This decrease was primarily due to the recognition of unrealized losses for the change in the fair value of United States securities held in Port Authority investment accounts, as a result of increasing interest rates in 2022.

Interest expense in connection with bonds and other asset financings, net in connection with bonds and other asset financings of $1.1 billion decreased $9 million from 2021 primarily due to debt service savings achieved through the refunding of certain outstanding consolidated bond series, partially offset by higher interest rates on commercial paper.

Interest income (as lessor) primarily related to lease financings containing fixed rents due the Port Authority at the WTC, that are subject to GASB Statement No. 87, of $141 million remained constant when compared to 2021.

Interest expense (as lessee) primarily related to lease financings containing fixed rents due the cities of New York and Newark for the leasing of air and marine terminals, that are subject to GASB Statement No. 87, of $221 million increased $7 million when compared to 2021 due to the execution of new space leases.

Grants, in connection with operating activities of $160 million decreased $96 million from 2021 primarily due to an approximately $111 million decrease in ARPA and CRRSAA COVID-19 federal funding of aviation operating expenses. Partially offsetting these amounts was an approximately $6 million increase from the Department of the Army (Army Corps of Engineers) for maintenance dredging at the Port facilities and a $4 million increase in Transportation Security Administration ("TSA") funding for baggage screening at LGA Airport.

2021 vs. 2020

Financial income, comprising interest income and the net change in fair value of investments totaled $(13.5) million in 2021, a decrease of $96 million when compared to 2020. This decrease was primarily due to the recognition of unrealized losses for changes in fair value of United States securities held in Port Authority investment accounts.

Interest expense, net in connection with bonds and other asset financings of $1.1 billion increased $139.6 million from 2020 primarily due to a $138 million increase in interest expense resulting from the 2021 adoption of GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period,*" which prospectively eliminated the capitalization of interest expense incurred during a construction period.

Grants, in connection with operating activities of $257 million decreased $232.6 million from 2020 primarily due to the timing and sizing of COVID-19 related federal relief programs. In 2020, $450 million of federal CARES Act funding was received at JFK, LGA, and EWR airports. In 2021, $237 million of CRRSAA and ARPA COVID-19 federal funding was received at the Port Authority's JFK, LGA, and EWR airports.

Pass-through grant program payments to sub-grantees of $2.6 million decreased $24.2 million when compared to 2020 primarily due to decreased federal funding for baggage screening equipment at LGA that is passed through to the terminal lessee.

Pass-through grant program payments are offset in their entirety by either a ***Contribution in aid of construction*** or a ***Grant, in connection with an operating activity***.

Capital Contributions and Passenger Facility Charges

A summary of Capital Contributions and Passenger Facility Charges follows:

	2022	2021	2020
		(In thousands)	
Contributions in aid of construction	**$ 290,491**	$ 273,179	$ 258,925
PFCs	**274,414**	159,854	75,509
Total	**$ 564,905**	$ 433,033	$ 334,434

2022 vs. 2021

Contributions in aid of construction of $290 million increased $17 million from 2021 primarily due to the receipt of approximately $78 million in capital contributions related to the redevelopment of JFK Airport NTO, which reached financial close in June 2022; partially offset by a decrease in FTA funding for PATH Superstorm Sandy restoration and resiliency capital projects.

PFCs of $274 million increased $115 million from 2021 due to a 70% increase in passenger activity compared to 2021. PFCs collections in 2022 are 94% of pre-COVID-19 levels.

2021 vs. 2020

Contributions in aid of construction of $273.2 million increased $14.3 million from 2020 primarily due to: ***a.)*** a $37.4 million increase in FTA and FEMA funding for PATH Superstorm Sandy restoration and resiliency capital projects; and, ***b.)*** a $21.8 million increase in Airport Improvement Program ("AIP") funding related to the rehabilitation of certain runways at Port Authority airports. These increases are partially offset by: ***a.)*** a $24 million decrease related to One WTC capital construction claims received in 2020; ***b.)*** a $7.3 million decrease in required net lessee capital contributions related to the construction of WTC Tower 3; and, ***c.)*** a $7.2 million decrease in Federal Highway Administration ("FHWA") federal funding for the Cross Harbor Freight Movement Program at Greenville Yard, Port Authority Marine Terminal.

PFCs of $159.9 million increased $84.3 million from 2020 due to an 85% increase in passenger activity related to the partial recovery of aviation passenger activity resulting from COVID-19. However, when compared to pre-COVID-19 levels, PFC collections in 2021 are $133 million or 45% lower than 2019.

Capital Construction Activities

Port Authority capital investment, including capital contributions, accrued amounts related to capital construction activities and landlord leasehold improvements in LGA Terminal B totaled $1.9 billion in 2022, $2.0 billion in 2021, and $2.6 billion in 2020. The overall decrease in capital spending over this period has been driven by slowed capital spending for capital projects not already in construction in response to a decrease in net revenues for the three-year period ending December 31, 2022, resulting from the impacts of COVID-19.

A summary of capital investment by business segment follows:

	2022	2021	2020
		(In millions)	
Aviation*	**$ 1,251**	$ 1,148	$ 1,379
Tunnels, Bridges & Terminals	**298**	393	582
PATH	**252**	313	325
WTC (including WTC Transportation Hub)	**92**	123	232
Port Department	**30**	38	44
Other**	**5**	3	5
Total	**$ 1,928**	$ 2,018	$ 2,567

* Includes LGA Terminal B landlord leasehold capital investment of $164 million in 2022, $95 million in 2021, and $277 million in 2020.

** Other includes Regional Facilities and Programs, Development Facilities, Moynihan Station Transportation Program, Gateway Early Work Program, and Ferry Transportation.

Capital Funding Sources 2022*

	(In thousands)	
Consolidated bonds and commercial paper obligations**	$ 1,099,153	56%
Port Authority Consolidated Bond Reserve Funds**	719,421	37%
Other contributions in aid of construction	99,735	5%
Passenger Facility Charges	48,474	2%
WTC Tower 3 net lessee capital contributions	1,799	<1%
FTA Contributions in aid of construction	160	<1%
Total	**$ 1,968,742**	

* Capital funding sources exclude accrued amounts in connection with capital construction activities.
** Includes funding for LGA Terminal B landlord leasehold capital investment.

Additional information related to capital investment in Port Authority facilities can be found in *Note B – Facilities, net*, *Schedule D-3 – Selected Statistical Financial Data by Business Segment*, and *Schedule F – Information on Capital Investment in Port Authority Facilities*.

Capital Financing and Debt Management

As of December 31, 2022, bonds and other asset financing obligations of the Port Authority, including $1.2 billion associated with Tower 4 Liberty Bonds for which the Port Authority is a co-borrower/obligor, totaled approximately $29.7 billion. For additional information related to bonds and other asset financing obligations of the Port Authority see *Note D – Outstanding Financing Obligations*.

During 2022, the Port Authority issued approximately $1.9 billion of Consolidated Bonds, including $107 million in net issuance premiums. Of this amount $1.3 billion was allocated for purposes of funding capital construction projects at Port Authority facilities, $514 million was utilized to refund outstanding Consolidated Bonds to achieve savings on future debt service payments, and $75 million was used to retire existing commercial paper obligations.

During 2022, the Port Authority issued approximately $75 million of commercial paper obligations to fund capital construction project expenditures.

Credit Ratings

Listed below is a summary of credit ratings assigned to outstanding debt obligations of the Port Authority as of December 31, 2022.

Debt Obligation	S&P	Fitch Ratings	Moody's Investors Service
Consolidated Bonds	AA-	AA-	Aa3
Commercial Paper Obligations	A-1+	F1+	P-1

The following revisions were made to Port Authority credit ratings during 2022:

- On May 06, 2022, Standard and Poor's ("S&P") raised its long-term rating on the Port Authority of New York & New Jersey's consolidated bonds and notes to "AA-" from "A+". At the same time, S&P also raised the short-term rating on the authority's Commercial Paper Obligations to "A-1+" from "A-1".
- On December 9, 2022, Fitch Ratings upgraded their rating on Port Authority Consolidated Bonds and Consolidated Notes to "AA-" from "A+" and affirmed their "F1+" rating on Port Authority Commercial Paper Obligations.

Each rating reflects only the view of the ratings service issuing such rating and is not a recommendation by such ratings service to purchase, sell, or hold any maturity of Port Authority obligations or as to market price or suitability of any maturity of the obligations for a particular investor. An explanation of the significance of a rating may be obtained from the ratings service issuing such rating. There is no assurance that any rating will continue for any period of time or that it will not be revised or withdrawn. A revision or withdrawal of a rating may have an effect on market price. Additional information on Port Authority debt obligations can be found in *Note D – Outstanding Financing Obligations*.

Other Activities

Toll & Fare Increases

On September 26, 2019, the Port Authority's Board of Commissioners authorized certain adjustments to the schedule of tolls, fares, and other fees at Port Authority facilities ("Revised Schedule"). The Revised Schedule incorporates the previously authorized CPI ("Consumer Price Index") inflation adjustment for bridge and tolls, as well as changes to PATH's fare structure, increases to AirTrain fares, and new airport ground transportation access fees. The Revised Schedule also provides for a series of periodic increases to bus tolls through January 2026 and for bus tolls to thereafter be determined by the CPI inflation adjustment. On November 17, 2022, the Port Authority announced that the CPI adjustment formula had been triggered, resulting in a $1.00 toll increase at the Port Authority bridges and tunnels beginning in January 2023, and a $0.25 increase to AirTrain fares at JFK and EWR Airports beginning in March 2023. For additional information related to tolling rates, E-ZPass® discounts and designated user programs, please refer to the following link: http://www.panynj.gov/bridges-tunnels/tolls.html.

PATH fares are indexed to inflation, based on CPI, with increases occurring when the cumulative increase in CPI, as measured from 2021, would, when applied to the single ride fares, result in an adjustment of at least $0.25. For additional information related to PATH fares please refer to the following link: http://www.panynj.gov/path/fares.html.

Cashless Tolling

Cashless toll collection is in effect at the Bayonne Bridge, the Outerbridge Crossing, the Goethals Bridge, the Holland Tunnel, the George Washington Bridge, and most recently, effective as of December 11, 2022, at the Lincoln Tunnel. Implementation of cashless tolling reduces travel times, enhances safety, improves traffic flow, and provides environmental benefits by limiting idling and reducing delays, as vehicles no longer have to stop at a toll plaza. Over time, implementation of cashless tolling may impact toll revenues previously collected in cash, by, among other things, shifting customers to E-ZPass® tags (which provide for toll discounts), and requiring additional collection efforts for customers that are billed by mail. The Port Authority is committed to increasing delinquent toll collection, together with related fees, and will closely monitor any changes in overall toll recovery at facilities with cashless tolling but does not expect the implementation of cashless tolling to have a material impact on Port Authority revenues.

2023 Budget

On December 15, 2022, the Board of Commissioners approved a 2023 budget that provides for capital and operating expenditures during calendar year 2023 totaling $8.3 billion. To obtain a copy of the 2023 budget, please refer to the following link: https://www.panynj.gov/corporate/en/financial-information/budget.html.

The Port Authority of New York and New Jersey Retiree Health Benefit Trust Fiduciary Fund Financial Statements Comparison for the Years Ended December 31, 2022 and December 31, 2021

The year-to-year change in fiduciary net position is an indicator of whether the overall financial condition of The Port Authority of New York and New Jersey Retiree Health Benefit Trust ("the Trust") has improved or worsened during the year. A comparison of the Port Authority's Fiduciary Net Position follows:

	2022	2021	2020
		(In thousands)	
Financial position			
Total assets	**$ 1,508,099**	$ 1,987,015	$ 1,906,735
Total liabilities	**40,221**	19,329	974
Net position, December 31	**$ 1,467,878**	$ 1,967,686	$ 1,905,761

A comparison of the Port Authority's Fiduciary Fund Statements of Changes in Fiduciary Net Position follows:

	2022	2021	2020
		(In thousands)	
Total contributions*	**$ —**	$ —	$ 30,061
Total net investment (loss)/income	**(310,021)**	235,963	225,006
Total deductions**	**(189,787)**	(174,038)	(148,932)
(Decrease)/Increase in net position	**(499,808)**	61,925	106,135
Net position – January 1	**1,967,686**	1,905,761	1,799,626
Net position – December 31	**$ 1,467,878**	$ 1,967,686	$ 1,905,761

* 2020 contributions comprise OPEB benefit payments totaling $30.1 million made from available Port Authority operating funds. The Port Authority did not make advanced funding contributions to the Trust in 2020, 2021, and 2022.

** 2022 and 2021 OPEB benefits payments were paid in their entirety out of Trust funds. 2020 amounts include OPEB benefit payments totaling $30.1 million paid from available Port Authority operating funds and $118.7 million from Trust funds.

2022 vs. 2021

Net position of the Trust totaled $1.5 billion at December 31, 2022, a decrease of $500 million when compared to December 31, 2021. This year-to-year decrease in the Trust's fiduciary net position comprised $310 million in investment losses on Trust investments measured at December 31, 2022, and $190 million in OPEB benefit payments paid from Trust funds.

Trust assets totaled $1.5 billion at December 31, 2022, a decrease of $479 million from December 31, 2021. This decrease in Trust assets is primarily due to a $514 million decrease in the fair value of Trust investments, partially offset by an $18 million increase in cash and cash equivalents and a $17 million increase in receivables.

Trust liabilities totaled $40 million at December 31, 2022, an increase of $21 million from December 31, 2021. This increase in Trust liabilities is due to increased payables to brokers for investment purchases.

Net investment (loss) income totaled $(310) million in 2022, a decrease of $546 million from 2021, primarily due to losses on Trust investments. The money-weighted rate of return on the Trust investments was a loss of (16.59)% in 2022 and a gain of 13.00% in 2021.

2021 vs. 2020

Net position of the Trust totaled $2.0 billion at December 31, 2021, an increase of $61.9 million when compared to December 31, 2020. This year-to-year increase in the Trust's fiduciary net position comprised $236 million in investment income partially offset by $174 million in OPEB benefit payments paid from Trust funds.

Trust assets totaled $2.0 billion at December 31, 2021, an increase of $80.3 million from December 31, 2020. This increase in Trust assets is primarily due to a $58.6 million increase in cash and cash equivalents, an $11.6 million increase in fair value of Trust investments and a $10 million increase in receivables.

Trust liabilities totaled $19.3 million at December 31, 2021, an increase of $18.4 million from December 31, 2020. This increase in Trust liabilities is due to higher payables to brokers for investment purchases.

Net investment income totaled $236 million in 2021, an increase of $11 million from 2020, primarily due to higher gains on Trust investments. The money-weighted rate of return on Trust investments was a gain of 13.00% in 2021 and a gain of 13.48% in 2020.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY (ENTERPRISE FUND)

STATEMENTS OF NET POSITION

	December 31, 2022	December 31, 2021 (Restated)
ASSETS	(In thousands)	
Current assets:		
Cash	**$ 261,534**	$ 343,762
Restricted cash	**75,155**	74,121
Investments	**1,475,688**	677,079
Restricted investments – PAICE	**11,219**	4,998
Restricted investments – PFC	**187,109**	4,600
Lease receivables, as lessor	**178,076**	192,928
Current receivables, net	**1,050,894**	1,061,751
Other current assets	**146,504**	165,707
Restricted receivables and other assets	**57,123**	64,305
Total current assets	**3,443,302**	2,589,251
Noncurrent assets:		
Restricted cash	**4,560**	4,628
Investments	**2,804,280**	2,622,781
Restricted investments – PAICE	**86,683**	61,860
Lease receivables, as lessor	**4,394,657**	4,503,368
Other amounts receivable, net	**260,863**	198,304
Other noncurrent assets	**755,426**	668,665
Restricted noncurrent assets – PAICE	**4,795**	5,503
Amounts receivable – Tower 4 Liberty Bonds	**1,234,705**	1,236,905
Lease assets	**7,105,371**	7,263,008
Unamortized costs for regional programs	**14,907**	32,846
Landlord leasehold investment – LGA Terminal B	**1,135,986**	1,034,390
Facilities, net	**40,276,773**	40,168,584
Total noncurrent assets	**58,079,006**	57,800,842
Total assets	**61,522,308**	60,390,093
DEFERRED OUTFLOWS OF RESOURCES		
Loss on debt refundings	**49,769**	57,497
Pension related amounts	**774,172**	1,059,884
OPEB related amounts	**844,222**	139,346
Total deferred outflows of resources	**1,668,163**	1,256,727
LIABILITIES		
Current liabilities:		
Accounts payable	**913,469**	922,541
Accrued interest and other current liabilities	**724,959**	609,286
Restricted other liabilities – PAICE	**386**	348
Accrued payroll and other employee benefits	**255,089**	326,904
Lease liabilities, as lessee	**61,019**	95,841
Current portion bonds and other asset financing obligations	**2,126,538**	1,086,167
Total current liabilities	**4,081,460**	3,041,087
Noncurrent liabilities:		
Accrued pension and other postemployment benefits	**2,404,193**	1,348,892
Other noncurrent liabilities	**299,258**	310,104
Restricted other noncurrent liabilities – PAICE	**27,051**	27,546
Amounts payable – Tower 4 Liberty Bonds	**1,234,705**	1,236,905
Lease liabilities, as lessee	**6,436,793**	6,481,017
Bonds and other asset financing obligations	**26,311,943**	26,647,422
Total noncurrent liabilities	**36,713,943**	36,051,886
Total liabilities	**40,795,403**	39,092,973
DEFERRED INFLOWS OF RESOURCES		
Gain on debt refundings	**118,757**	103,875
Pension related amounts	**870,614**	996,876
OPEB related amounts	**197,735**	477,044
Leases, as lessor	**5,158,110**	5,354,698
Total deferred inflows of resources	**6,345,216**	6,932,493
NET POSITION	**$ 16,049,852**	$ 15,621,354
Net position comprises:		
Net investment in capital assets	**$ 14,938,081**	$ 15,406,620
Restricted:		
Passenger Facility Charges	**224,308**	12,568
Port Authority Insurance Captive Entity, LLC	**528,388**	497,847
Minority Interest in Tower 1 Joint Venture	**99,027**	96,401
Unrestricted	**260,048**	(392,082)
NET POSITION	**$ 16,049,852**	$ 15,621,354

See Notes to Financial Statements.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year ended December 31, 2022	2021 (Restated)
	(In thousands)	
Gross operating revenues:		
Tolls and fares	**$ 1,942,726**	$ 1,836,692
Rentals	**1,978,706**	1,565,609
Aviation fees	**1,395,424**	1,213,743
Parking and other	**478,337**	353,261
Utilities	**182,163**	125,937
Total gross operating revenues	**5,977,356**	5,095,242
Operating expenses:		
Employee compensation, including benefits	**1,438,403**	1,296,724
Contract services	**1,059,209**	938,408
Rents and payments in lieu of taxes (“PILOT”)	**47,434**	59,715
Materials, equipment, and other	**336,727**	289,810
Utilities	**243,750**	184,651
Total operating expenses before depreciation, amortization, and other operating expenses	**3,125,523**	2,769,308
Depreciation of facilities and landlord leasehold investment	**(1,717,977)**	(1,601,696)
Amortization of lease assets, as lessee	**(172,776)**	(167,396)
Amortization of costs for regional programs	**(17,939)**	(27,393)
Income from operations	**943,141**	529,449
Non-operating revenues and (expenses):		
Financial income	**55,000**	54,223
Net decrease in fair value of investments	**(138,167)**	(67,767)
Interest expense in connection with bonds and other asset financing	**(1,109,540)**	(1,152,878)
Interest income, as lessor	**140,978**	140,611
Interest expense, as lessee	**(220,654)**	(214,019)
Loss on disposition of assets	**—**	(4,623)
Pass-through grant program payments	**—**	(2,613)
4 WTC associated payments	**32,545**	66,715
Grants, in connection with operating activities	**160,290**	256,609
Non-operating expenses, net	**(1,079,548)**	(923,742)
Loss before capital contributions and passenger facility charges	**(136,407)**	(394,293)
Capital contributions and Passenger Facility Charges:		
Contributions in aid of construction	**290,491**	273,179
Passenger facility charges	**274,414**	159,854
Total capital contributions and passenger facility charges	**564,905**	433,033
Increase in net position	**428,498**	38,740
Net position, January 1	**15,621,354**	15,908,110
Cumulative effect of change in accounting principle	**—**	(325,496)
Net position, December 31	**$ 16,049,852**	$ 15,621,354

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS

	Year ended December 31, 2022	2021 (Restated)
	(In thousands)	
1. Cash flows from operating activities:		
Cash received from operations	**$ 5,589,919**	$ 4,888,511
Cash paid to or on behalf of employees	**(1,279,653)**	(1,494,989)
Cash paid to suppliers	**(1,478,947)**	(1,337,710)
Cash paid to municipalities	**(47,721)**	(59,715)
Net cash provided by operating activities	**2,783,598**	1,996,097
Cash flows from noncapital financing activities:		
Payments for Fund for regional development buy-out obligation	**—**	(53,606)
Grants received in connection with operating activities	**174,133**	287,142
Pass-through grant payments	**(1,543)**	(24,056)
Net cash provided by noncapital financing activities	**172,590**	209,480
Cash flows from capital and related financing activities:		
Investment in facilities and construction of capital assets	**(1,986,976)**	(2,131,910)
Proceeds from capital obligations issued for refunding purposes (including commercial paper)	**3,995,409**	3,498,760
Principal paid through capital obligations refundings (including commercial paper)	**(4,070,409)**	(3,423,760)
Proceeds from sales of capital obligations allocated for construction	**1,352,347**	1,469,286
Principal paid on capital obligations	**(463,214)**	(461,905)
Interest paid on capital obligations	**(1,133,001)**	(1,144,429)
Amortization of lease financings, as lessee	**(94,185)**	(77,736)
Interest paid for lease financings	**(220,992)**	(198,707)
Amortization of lease financings, as lessor	**193,083**	159,252
Interest received for lease financings	**91,181**	78,343
Payments for MOTBY obligation	**(5,000)**	(5,000)
Contributions in aid of construction	**297,030**	76,154
Proceeds from passenger facility charges	**264,656**	147,557
Proceeds from disposition of assets	**11,924**	7,563
Financial income allocated to capital projects	**3,196**	21
Net cash (used for) capital and related financing activities	**(1,764,951)**	(2,006,511)
Cash flows from investing activities:		
Purchase of investment securities	**(23,728,477)**	(17,041,707)
Proceeds from maturity and sale of investment securities	**22,400,981**	16,803,365
Interest received on investment securities	**50,352**	58,317
Other interest income	**4,645**	5,135
Net cash (used for) investing activities	**(1,272,499)**	(174,890)
Net (decrease)/increase in cash	**(81,262)**	24,176
Cash at beginning of year	**422,511**	398,335
Cash at end of year	**$ 341,249**	$ 422,511

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS *...continued*

	Year ended December 31, 2022	2021 (Restated)
	(In thousands)	
2. Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	**$ 943,141**	$ 529,449
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation of facilities and landlord leasehold investment	**1,717,977**	1,601,696
Amortization of costs for regional programs	**17,939**	27,393
Amortization of other assets	**70,197**	67,500
Amortization of lease assets	**172,776**	167,396
Amortization of deferred inflows of resources related to leases	**(266,108)**	(259,370)
Change in operating assets and operating liabilities:		
(Increase) in receivables	**(94,532)**	(37,604)
(Increase) in deferred charges and other assets	**(18,430)**	(69,140)
Increase in payables	**43,582**	25,929
Increase in other liabilities	**38,306**	141,117
Increase/(Decrease) in accrued payroll, pension and other employee benefits	**158,750**	(198,269)
Total adjustments	**1,840,457**	1,466,648
Net cash provided by operating activities	**$ 2,783,598**	$ 1,996,097

3. Capital obligations:

Consolidated bonds and notes, commercial paper, variable rate master notes, Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation, WTC Tower 4 Liberty Bonds, and Goethals Bridge Replacement Developer Financing Agreement

4. Noncash investing, capital, and financing activities:

Noncash activity of $(81) million in 2022 and $(76) million in 2021 includes amortization of discount and premium on outstanding debt obligations.

Noncash capital financing did not include activities that required a change in fair value. The Silverstein net lessees contributed $2 million toward construction of WTC Tower 3 in both 2022 and 2021.

Noncash capital asset write-offs totaled $2.6 million in 2022 and $348 thousand in 2021.

See Notes to Financial Statements.

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY RETIREE HEALTH BENEFITS TRUST (FIDUCIARY FUND)

STATEMENTS OF FIDUCIARY NET POSITION

	December 31, 2022	December 31, 2021
	(In thousands)	
ASSETS		
Cash and cash equivalents	**$ 104,958**	$ 86,759
Receivables:		
Due from employer	**19,728**	12,048
Due from broker for investments sold	**9,166**	952
Investment income	**4,184**	3,570
Total receivables	**33,078**	16,570
Investments, at fair value:		
Domestic equities	**477,718**	694,909
Fixed income	**537,417**	640,462
International equities	**310,754**	410,299
Real estate	**44,174**	138,016
Total investments, at fair value	**1,370,063**	1,883,686
Total assets	**1,508,099**	1,987,015
LIABILITIES		
Payables:		
Due to broker for investments purchased	**40,221**	19,329
Total liabilities	**40,221**	19,329
Net position restricted for other postemployment benefits	**$ 1,467,878**	$ 1,967,686

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	Year ended December 31, 2022	2021
	(In thousands)	
Additions:		
Employer contributions*	**$ —**	$ —
Investment income:		
Net (decrease)/increase in fair value of investments	**(349,261)**	195,105
Interest and dividends	**41,285**	42,798
(Less) investment expense	**(2,045)**	(1,940)
Net investment (loss)/income	**(310,021)**	235,963
Total (deductions)/additions	**(310,021)**	235,963
Deductions:		
Benefit payments**	**189,699**	173,920
Administrative expense	**88**	118
Total deductions	**189,787**	174,038
Net (decrease)/increase in net position	**(499,808)**	61,925
Net position restricted for other postemployment benefits:		
Beginning of year	**1,967,686**	1,905,761
End of year	**$ 1,467,878**	$ 1,967,686

* The Port Authority did not make advanced funding contributions to the Trust in 2022 and 2021.
** 2022 and 2021 OPEB benefit payments were paid entirely out of Trust funds.

See Notes to Financial Statements.

NOTE A – NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

a. The Port Authority of New York and New Jersey (the "Port Authority") was created in 1921 by Compact between the States of New York and New Jersey with the consent of the United States Congress. The Compact envisions the Port Authority as being financially self-sustaining. As such, the agency must raise the funds necessary for the improvement, construction, or acquisition of its facilities and their operation generally upon the basis of its own credit. Cash derived from Port Authority operations and other cash received may be disbursed only for specific purposes in accordance with provisions of various statutes and agreements with holders of its obligations and others. The costs of providing facilities and services to the general public on a continuing basis are recovered primarily from operating revenue sources, including rentals, tolls, fares, aviation and port fees, and other charges.

b. The Governor of each State, with the consent of the respective State Senate, appoints six of the 12 members of the governing Board of Commissioners. The Commissioners serve without remuneration for six-year overlapping terms. Meetings of the Commissioners of the Port Authority are open to the public in accordance with policies adopted by the Commissioners. The actions taken by the Commissioners at Port Authority meetings are subject to gubernatorial review and may be vetoed by the Governor of their respective State. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 14, "*The Financial Reporting Entity*," as amended, for financial reporting purposes, the Port Authority is a joint venture between the States of New York and New Jersey.

c. The Audit Committee, which consists of four members of the Board of Commissioners other than the Chairman and Vice Chairman of the Port Authority, provides oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems and the accounting, auditing, and financial reporting processes. The Audit Committee retains independent auditors and reviews their performance and independence. The independent auditors are required to provide written disclosure of, and discuss with the Committee, any significant relationships or issues that would have a bearing on their independence. The Audit Committee meets directly, on a regular basis, with the independent auditors, general counsel of the Port Authority, and management of the Port Authority. The Audit Committee retained KPMG, LLP to perform the independent audit of the Port Authority's Financial Statements and Mitchell Titus, LLP to perform the independent audit of the Port Authority of New York and New Jersey Retiree Health Benefits Trust Financial Statements for the year ending December 31, 2022.

d. Enterprise Fund Financial Statements and schedules include the accounts of the Port Authority and its blended component units, including:

Port Authority Blended Component Units*	Establishment or Acquisition Date
Port Authority Trans-Hudson Corporation	May 10, 1962
Newark Legal and Communications Center Urban Renewal Corporation	May 12, 1988
New York and New Jersey Railroad Corporation (inactive)	April 30, 1998
WTC Retail LLC	November 20, 2003
Port District Capital Projects LLC, (inactive)	July 28, 2005
Tower 5 LLC (formerly known as 1 WTC LLC)	September 21, 2006
Port Authority Insurance Captive Entity, LLC	October 16, 2006
New York New Jersey Rail, LLC	September 18, 2008
Tower 1 Member LLC	April 19, 2011
Tower 1 Joint Venture LLC	April 19, 2011
Tower 1 Holdings LLC	April 19, 2011
WTC Tower 1 LLC	April 19, 2011
PA Retail Newco LLC	May 7, 2012
Tower 1 Rooftop Holdings LLC	June 8, 2012

* The blended component units listed are included as part of the Port Authority's reporting entity because: ***a.)*** the Port Authority's Board of Commissioners serves as the overall governing body of these related entities; and, ***b.)*** there is a fiscal dependency and a financial benefit or burden relationship between the Port Authority and the respective component unit listed.

e. *The Port Authority of New York and New Jersey Retiree Health Benefits Trust* ("the Trust") was established on December 14, 2006, by the Port Authority on behalf of itself and its component unit, Port Authority Trans-Hudson Corporation ("PATH"), for the exclusive benefit of eligible retired employees of the Port Authority and PATH and eligible dependents of such retired employees to facilitate all or part of the required funding of certain postemployment benefits, including group healthcare, dental, vision, prescription, and term life insurance that are provided through healthcare plans administered by the Port Authority. The Trust was created under the common law of the State of New York, and all income derived is excludable from gross income pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Port Authority's Board of Commissioners serve as the board of directors of the Trust. In accordance with GASB Statement No. 84, "*Fiduciary Activities*," and GASB Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*," the Trust is a fiduciary component unit of the Port Authority.

Audited Financial Statements of the Trust for the year ended December 31, 2022, are available from the Comptroller's Department of The Port Authority of New York and New Jersey, 2 Montgomery Street, Jersey City, New Jersey 07302.

2. Basis of Accounting

a. Port Authority business-type activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, including revenues and expenses, are accounted for in an enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

b. Port Authority fiduciary activities are accounted for using the flow of economic resources measurement focus and accrual basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for in a fiduciary fund with investments reported at fair value, advance fundings reported when paid, and contributions related to pay-as-you-go benefit payments reported when benefit payments come due.

c. The Port Authority follows accounting principles generally accepted in the United States of America as prescribed by the GASB.

3. Significant Accounting Policies

a. *Facilities, net* are carried at cost. Generally, projects in excess of $100,000 for additions, asset replacements, and/or asset improvements that benefit future periods or are expected to prolong the service life of the asset are capitalized (see *Note B – Facilities, net*). *Facilities, net* does not include regional programs undertaken at the request of the Governor of the State of New Jersey or the Governor of the State of New York (see *Note H – Regional Facilities and Programs*).

Prior to 2021, the cost of facilities included interest incurred during the period that related to the construction or production of the capital asset. The amount of capitalized interest was calculated by offsetting interest expense incurred with financial income earned on invested debt proceeds, from the date of the borrowing until the project is ready for its intended use. In accordance with GASB Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*," effective January 1, 2021, the Port Authority prospectively discontinued the capitalization of interest expense incurred during the construction period.

b. Depreciation of facilities is computed using the straight-line method during the estimated useful lives of the related assets (see *Note B – Facilities, net*). Estimated useful lives are reviewed periodically for each type of asset class. Asset lives used in the calculation of depreciation are generally as follows:

> Buildings, bridges, tunnels, and other structures	25 to 100 years
> Machinery and equipment	5 to 35 years
> Runways, roadways, and other paving	7 to 40 years
> Utility infrastructure	10 to 100 years

Assets at facilities leased by the Port Authority are depreciated over the lesser of: ***i.)*** the remaining lease term of the facility; or, ***ii.)*** the estimated useful life of the asset.

Costs of regional facilities and programs are amortized on a straight-line basis over the period benefited up to a maximum of 15 years (see *Note H – Regional Facilities and Programs*).

Costs related to the purchase of ancillary equipment, including: ***i.)*** operation and maintenance vehicles; and, ***ii.)*** corporate information technology software and hardware, each providing benefits for periods exceeding one year are reported as a component of *Other noncurrent assets* and amortized over the period benefited, generally three to 15 years, depending on the useful life of the equipment or vehicle.

c. Cash consists of cash on hand and short-term cash equivalents. Cash equivalents are made up of negotiable order of withdrawal accounts, money market accounts, and money market funds.

d. Restricted cash and investments primarily comprise Passenger Facility Charges ("PFCs"), cash restricted for use by the Port Authority Insurance Captive Entity, LLC ("PAICE"), and insurance proceeds that are restricted to business interruption and redevelopment expenditures.

e. Enterprise fund net position comprises:

> *Net investment in capital assets*, which consists of capital assets, net of accumulated depreciation, less the outstanding balances related to payables, bonds, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

> *Restricted*, which consists of net resources that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Port Authority's policy to use restricted resources first.

> *Unrestricted*, which consists of net resources that do not meet the definition of *Restricted or Net investment in capital assets*.

f. Statutorily mandated reserves held by PAICE are restricted for purposes of insuring certain Port Authority risk exposures.

g. Inventories are valued using an average cost method, which prices items on the basis of the average cost of all similar goods remaining in stock. Inventory is reported as a component of *Other noncurrent assets* on the Statements of Net Position.

h. Operating revenues are derived principally from rentals, tolls, fares, aviation and port fees, and other charges for the use of, and privileges at, Port Authority facilities. Operating expenses include those costs incurred for the operation, maintenance, and security of Port Authority facilities. All other revenues, including financial income, PFCs, contributions in aid of construction, grants in connection with operating activities, insurance proceeds, and gains resulting from the disposition of assets, if any, are reported as non-operating revenues, and all other expenses, such as interest expense, losses resulting from the disposition of assets, and pass-through grant program payment costs are reported as non-operating expenses.

i. Amounts attributable to the collection and investment of PFCs are restricted and can only be used for the Federal Aviation Administration ("FAA") approved airport-related projects. Revenues derived from the collection of PFCs, net of the air carriers' handling charges, are recognized as capital contributions when the passenger activity occurs and the fees are due from the air carriers. Capital investment funded by PFCs is reflected as a component of *Facilities, net* and *Landlord Leasehold Investment-LGA Terminal B*.

j. Required capital contributions due the Port Authority from the World Trade Center ("WTC") Tower 2, 3, and 4 net lessees related to the replacement of the net leased premises owned by the Port Authority that were destroyed on September 11, 2001, are recognized as a component of *Facilities, net* on the Statements of Net Position and a *Contributions in aid of construction* on the Statements of Revenues, Expenses, and Changes in Net Position as the construction occurs. WTC Tower 4 and WTC Tower 3 were placed into service in November 2014 and June 2018, respectively, and are being depreciated over their estimated useful life.

k. All Port Authority investment values that are affected by interest rate changes have been reported at their fair value, using published market prices. The Port Authority uses a variety of financial instruments to assist in the management of its financing and investment objectives and may also employ hedging strategies to minimize interest rate risk. The Port Authority may enter into various derivative instruments, including options on United States Treasury securities, repurchase and reverse repurchase (yield maintenance) agreements and United States Treasury and municipal bond futures contracts (see *Note C – Cash and Investments*).

l. In accordance with GASB Statement No. 23, "*Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*," as amended, when issuing new debt for refunding purposes, the difference between the reacquisition price and the net carrying amount of the refunded debt is recognized as either a deferred outflow of resources or deferred inflow of resources and amortized on a straight-line basis as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

m. Bond premiums received or discounts provided at issuance are deferred and amortized on a straight-line basis as a component of interest expense over the term of the bond, as this approximates the effective interest of the bond issuance. Unamortized premiums received or discounts provided are classified as a reduction of (discounts) or an addition to (premiums) the par value of the *Bonds and other asset financing obligations* on the Statements of Net Position.

n. The preparation of the Financial Statements in conformity with accounting principles generally accepted in the United States of America requires management, where necessary, to make estimates and assumptions that affect the amounts reported in the Financial Statements and accompanying notes. Such estimates and assumptions are subject to various uncertainties, the occurrence of which may cause differences between those estimates and assumptions and actual results.

o. In 2022, the Port Authority adopted GASB Statement No. 87, "*Leases*" ("GASB Statement No. 87"). The objective of GASB Statement No. 87 is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments.

The adoption of GASB Statement No. 87 resulted in the Port Authority classifying certain lease agreements containing "fixed" lease payments as financing arrangements for the right to use a third party's asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset (herein referred to as lease asset) and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Receivables and liabilities related to lease agreements subject to GASB Statement No. 87 are measured at the present value of fixed lease payments expected to be made or received during the lease term. For leases that were in place at adoption (January 1, 2021), fixed lease payments were measured over the remaining lease term. Discount rates utilized in the valuation of lease agreements subject to GASB Statement No. 87 are based on the Port Authority's incremental cost of borrowing at the time of valuation. Lease assets and deferred inflows of resources related to leases are amortized on a straight-line basis over the remaining lease term.

In accordance with GASB Statement No. 87, certain lease agreements are excluded from the measurement of the lease receivable or liability, including regulated lease agreements (lessor exclusion only) at Port Authority aviation and marine terminal facilities, lease agreements with variable lease payments that are activity based, lease agreements with lease terms of less than 12 months, lease agreements that contain aggregate rent payments expected to be paid or received during the lease term totaling less than $100,000, and leases that transfer ownership of the underlying asset. For additional information related to leasing activities see *Note G – Leasing Activities*.

The cumulative effect of adopting GASB Statement No. 87 totaled $325 million and was recognized as a restatement of the Port Authority's January 2021 beginning net position. The following tables display the impact of implementing GASB Statement No. 87, including the required restatement of previously reported 2021 amounts:

STATEMENT OF NET POSITION

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
ASSETS			
Current assets:			
Lease receivables, as lessor	$ —	$ 192,928	$ 192,928
Other current assets	152,141	165,707	13,566
Total current assets	2,382,757	2,589,251	206,494
Noncurrent assets:			
Lease receivables, as lessor	—	4,503,368	4,503,368
Other noncurrent assets*	1,691,644	668,665	(1,022,979)
Lease assets	—	7,263,008	7,263,008
Total noncurrent assets	47,057,445	57,800,842	10,743,397
Total assets	49,440,202	60,390,093	10,949,891
LIABILITIES			
Current liabilities:			
Accrued interest and other current liabilities	(586,504)	(609,286)	(22,782)
Lease liabilities, as lessee	—	(95,841)	(95,841)
Total current liabilities	(2,922,464)	(3,041,087)	(118,623)
Noncurrent liabilities:			
Unearned income related to WTC Retail joint venture	(727,698)	—	727,698
Lease liabilities, as lessee	—	(6,481,017)	(6,481,017)
Total noncurrent liabilities	(30,298,567)	(36,051,886)	(5,753,319)
Total liabilities	(33,221,031)	(39,092,973)	(5,871,942)
DEFERRED INFLOWS OF RESOURCES			
Leases, as lessor	—	(5,354,698)	(5,354,698)
Total deferred inflows of resources	(1,577,795)	(6,932,493)	(5,354,698)
NET POSITION	$ 15,898,103	$ 15,621,354	$ (276,749)
Net investment in capital assets*	$ 14,720,470	$ 15,406,620	$ 686,150
Minority interest in Tower 1 joint venture	78,913	96,401	17,488
Unrestricted*	588,305	(392,082)	(980,387)
NET POSITION	$ 15,898,103	$ 15,621,354	$ (276,749)

* 2021 restated amounts include the reclassification of $744 million from *Unrestricted to Net investment in capital assets* as of January 1, 2021, due to reclassification of prepayments made to lessors from *Other noncurrent assets* to Lease assets in accordance with GASB Statement No. 87.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
Gross operating revenues:			
Rentals	$ 1,612,971	$ 1,565,609	$ (47,362)
Total gross operating revenues	5,142,604	5,095,242	(47,362)
Operating expenses:			
Rents and payments in lieu of taxes ("PILOT")	(396,628)	(59,715)	336,913
Total operating expenses before depreciation, amortization, and other operating expenses	(3,106,221)	(2,769,308)	336,913
Amortization of lease assets, as lessee	—	(167,396)	(167,396)
Income from operations	407,294	529,449	122,155
Non-operating revenues and (expenses):			
Interest income, as lessor	—	140,611	140,611
Interest expense, as lessee	—	(214,019)	(214,019)
Non-operating expenses, net	(850,334)	(923,742)	(73,408)
Loss before capital contributions and passenger facility charges	(443,040)	(394,293)	48,747
(Decrease)/increase in net position:	$ (10,007)	$ 38,740	48,747
Less: Cumulative effect of a change in accounting principle			(325,496)
Restated impact on 2021 Statement of Net Position			$ (276,749)

STATEMENT OF CASH FLOWS

	December 31, 2021 Published	December 31, 2021 Restated	Change
		(In thousands)	
Cash flows from operating activities:			
Cash received from operations	$ 5,192,419	$ 4,888,511	$ (303,908)
Cash paid to suppliers	(1,352,068)	(1,337,710)	14,358
Cash paid to municipalities	(388,113)	(59,715)	328,398
Net cash provided by operating activities	1,957,249	1,996,097	38,848
Cash flows from capital and related financing activities:			
Amortization of lease financings, as lessee	—	(77,736)	(77,736)
Interest paid for lease financings	—	(198,707)	(198,707)
Amortization of lease financings, as lessor	—	159,252	159,252
Interest received for lease financings	—	78,343	78,343
Net cash (used for) capital and related financing activities	$ (1,967,663)	$ (2,006,511)	$ (38,848)
Reconciliation of income from operations to net cash provided by operating activities:			
Income from operations	$ 407,294	$ 529,449	$ 122,155
Adjustments to reconcile income from operations to net cash provided by operating activities:			
Amortization of lease assets	—	167,396	167,396
Amortization of deferred inflows of resources related to leases	—	(259,370)	(259,370)
Change in operating assets and operating liabilities:			
(Increase) in deferred charges and other assets	(68,547)	(69,140)	(593)
(Decrease) in unearned income related to WTC retail joint venture	(9,260)	—	9,260
Total adjustments	1,549,955	1,466,648	(83,307)
Net cash provided by operating activities	$ 1,957,249	$ 1,996,097	$ 38,848

p. In March 2020, GASB issued Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*." The requirements of GASB Statement No. 94 are effective for Financial Statements periods beginning after June 15, 2022. The objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and providing guidance for accounting and financial reporting for availability payment arrangements. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 94, as clarified by GASB Statement Number 99, "*Omnibus 2022.*"

q. In May 2020, GASB issued Statement No. 96, "*Subscription-Based Information Technology Arrangements*." The requirements of GASB Statement No. 96 are effective for Financial Statements periods beginning after June 15, 2022. The objective of GASB Statement No. 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 96.

r. In April 2022, GASB issued Statement No. 99, "*Omnibus 2022.*" The statement includes clarification of Statement No. 87, Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" and Statement No. 96, "*Subscription-Based Information Technology Arrangements.*" The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 99.

s. In June 2022, GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.*" The requirements of GASB Statement No. 100 are effective for Financial Statements periods beginning after June 15, 2023. The objective of GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 100.

t. In June 2022, GASB issued Statement No. 101, "*Compensated Absences.*" The requirements of GASB Statement No. 101 are effective for Financial Statements periods beginning after December 15, 2023. The objective of GASB Statement No. 101 is to modify guidance on the accounting and financial reporting for compensated absences. The Port Authority is in the process of evaluating the impact of adopting GASB Statement No. 101.

4. Reconciliation of the Financial Statements Prepared in Accordance with Accounting Principles Generally Accepted in the United States of America to Schedules Prepared Pursuant to Port Authority Bond Resolutions

Schedules A, B, C, and D-2 follow the Required Supplementary Information section of this report and have been prepared in accordance with Port Authority bond resolutions, which differ in some respects from accounting principles that are generally accepted in the United States of America, as follows:

a. Revenues and expenses of facilities are accounted for in the operating fund. The financial resources received and expended for the construction or acquisition of certified Port Authority facilities or capital infrastructure improvements are accounted for in the capital fund. Transactions involving the application of net revenues are accounted for in the reserve funds.

b. Port Authority bond resolutions provide that net operating revenues shall not include an allowance for depreciation on facilities other than depreciation of ancillary equipment. Thus, depreciation is not a significant factor in determining the net revenues and reserves of the Port Authority or their application as provided for in the Port Authority's bond resolutions. Instead, capital expenditures are provided for through deductions from net revenues available for debt service in amounts equal to principal payments on debt outstanding or through the application of monies previously deposited in the Consolidated Bond Reserve Fund for the purposes of funding capital investment in facilities. These amounts are credited at par to *Net Position – Facility infrastructure investment* in the capital fund on *Schedule B – Assets and Liabilities*.

c. Debt service in connection with operating asset obligations is paid from the same revenues and in the same manner as operating expenses of the Port Authority.

d. Capital costs for Regional Facilities and Programs are included in *Invested in facilities* in accordance with Port Authority bond resolutions.

e. Consolidated Bonds and Consolidated Notes are recorded as outstanding at their par value commencing on the date that the Port Authority is contractually obligated to issue and sell such obligations. Bond premiums received or discounts provided at issuance related to bonds issued for the purpose of funding capital construction or refunding existing capital debt obligations are recorded as either a reduction of (discount) or addition to (premium) *Net Position – Facility infrastructure investment* in the capital fund on *Schedule B – Assets and Liabilities* at the time of issuance.

f. To reflect the cumulative amount invested by the Port Authority since 1921 in connection with its facilities, the historical cost of capital assets removed from service due to retirement is not deducted from *Invested in facilities*. However, if a capital asset is sold, the proceeds received from the sale are deposited in the capital fund for purposes of funding future capital investment or retiring existing debt obligations and deducted from cumulative *Invested in facilities* on *Schedule B – Assets and Liabilities* at the time of the sale.

g. Contributed capital amounts resulting from non-exchange transactions, including contributions in aid of construction where the Port Authority does not receive a cash reimbursement for prior cash outlays, are included in *Invested in facilities*, and credited to *Net Position – Facility infrastructure investment* in the capital fund.

h. Amounts attributable to the collection and investment of PFCs are restricted and can only be used for FAA approved airport-related projects. Revenues derived from the collection and investment of PFCs, net of the air carriers' handling charges, are initially deferred as *Unapplied Passenger Facility Charges* on *Schedule B – Assets and Liabilities* and applied as revenue on *Schedule A – Revenues and Reserves* for the reimbursement of previous capital cash outlays by the Port Authority when the PFCs become available for application. Capital investment funded by PFCs is reflected as a component of *Invested in facilities* on *Schedule B – Assets and Liabilities*.

i. Amounts received in connection with the March 18, 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture to Westfield are recognized as revenue in their entirety when they are received and are recorded on that basis on *Schedule A – Revenues and Reserves*.

j. The cumulative impact of adopting GASB Statement No. 68, "*Pensions*" and GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*" was recognized as either an increase or decrease to the operating fund's net position in the year of adoption and is being amortized as an application from the Consolidated Bond Reserve Fund over a closed 30-year period.

k. In accordance with Port Authority bond resolutions, operating expenses provide for contingencies related to the application of future operating and maintenance expenses.

l. Rental income and rent expense, including leases containing fixed rent payments are recognized in accordance with the rental terms contained in their respective lease agreements

m. Rent payments paid or received in advance are deferred and reported in *Other current assets* or *Other current* or *Other noncurrent liabilities*, respectively. Advance payments are amortized on a straight-line basis over the term of the lease agreement.

A reconciliation of the *Statements of Net Position* to *Schedule B – Assets and Liabilities* and the *Statements of Revenues, Expenses, and Changes in Net Position* to *Schedule A – Revenues and Reserves* follows:

STATEMENTS OF NET POSITION TO SCHEDULE B – ASSETS AND LIABILITIES

	Years ended December 31,	
	2022	2021 (Restated)*
	(In thousands)	
Net position reported on *Statements of Net Position* (pursuant to U.S. GAAP)	**$ 16,049,852**	$ 15,621,354
Add: U.S. GAAP only liabilities and deferred inflows of resources		
Accumulated depreciation of facilities and landlord leasehold investment	**22,127,348**	21,194,721
GASB Statement No. 87 lease liabilities	**6,497,812**	6,576,858
GASB Statement No. 87 deferred inflows of resources, leases	**5,158,110**	5,354,698
Accumulated retirements and gains and losses on disposition of assets	**4,316,370**	3,531,020
Cumulative unamortized discount and premium	**1,934,498**	1,907,764
Cumulative amortization of costs for regional programs	**1,521,452**	1,503,513
GASB Statement No. 87 lease interest payable	**29,063**	22,782
Less: U.S. GAAP only assets		
GASB Statement No. 87 lease assets	**(7,105,371)**	(7,263,008)
GASB Statement No. 87 lease receivables	**(4,572,733)**	(4,696,296)
GASB Statement No. 87 lease interest receivable	**(112,065)**	(62,268)
Total U.S. GAAP adjustments	**29,794,484**	28,069,784
Add: Bond Resolution only assets		
Deferred rent payments and receivables	**1,074,626**	1,071,681
Less: Bond Resolution only liabilities		
Deferred income PFCs	**(224,308)**	(12,568)
Operating and maintenance contingencies	**(50,000)**	(50,000)
Total Bond Resolution adjustments	**800,318**	1,009,113
Total	**$ 46,644,654**	$ 44,700,251
Net position reported on *Schedule B – Assets and Liabilities* (pursuant to Port Authority bond resolutions)	**$ 46,644,654**	$ 44,700,251

* In accordance with GASB Statement No. 87, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Net Position.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION TO SCHEDULE A – REVENUES AND RESERVES

	Years ended December 31,	
	2022	2021 (Restated)*
	(In thousands)	
Increase in Net position reported on *Statements of Revenues, Expenses, and Changes in Net Position* (pursuant to U.S. GAAP)	**$ 428,498**	$ 38,740
Less: U.S. GAAP only revenues		
PFC Collections and interest income/fair value adjustment	**(274,449)**	(159,858)
GASB Statement No. 87 amortization of leases, as lessor	**(266,108)**	(259,370)
GASB Statement No. 87 interest income, as lessor	**(140,978)**	(140,611)
Amortization of discount and premium	**(81,340)**	(75,534)
4 WTC Liberty Bond interest payments	**(32,545)**	(66,715)
WTC 2,3,4 Net Lessee capital contributions	**(1,799)**	(1,723)
Add: U.S. GAAP only expenses		
Depreciation of facilities and landlord leasehold investment	**1,717,977**	1,601,696
GASB Statement No. 87 amortization of leases, as lessee	**172,776**	167,396
GASB Statement No. 87 interest expense, as lessee	**220,654**	214,019
Amortization of costs for regional programs	**17,939**	27,393
Loss on disposition of assets	**—**	4,623
Total U.S. GAAP adjustments	**1,332,127**	1,311,316
Add: Bond Resolution only increases in reserves		
Fixed rentals received from lessees**	**322,582**	297,472
Application of PFCs	**63,664**	147,557
4 WTC Liberty Bond principal and interest payments	**34,745**	66,715
Application of WTC retail joint venture payments	**16,968**	—
Less: Bond Resolution only decreases in reserves		
Direct investment in facilities	**(867,790)**	(870,697)
Fixed lease payments paid to lessors**	**(360,896)**	(336,913)
Debt maturities and retirements	**(467,966)**	(425,278)
Change in accounting principle – Pensions / OPEB	**(22,511)**	(21,038)
Total Bond Resolution adjustments	**(1,281,204)**	(1,142,182)
Total	**$ 479,421**	$ 207,874
Increase in Reserves reported on *Schedule A – Revenues and Reserves* (pursuant to Port Authority bond resolutions)	**$ 479,421**	$ 207,874

* In accordance with GASB Statement No. 87, as described in Note A.3.o, *Nature of the Organization and Summary of Significant Policies*, the cumulative impact of adopting Statement No. 87 has been incorporated as a restatement to the Port Authority's 2021 Statement of Revenues, Expenses, and Changes in Net Position.

** Related to lease agreements that are subject to GASB Statement No. 87.

NOTE B – FACILITIES, NET

	Facilities, net Dec. 31, 2021	Additions	Transfers to Completed Construction	Depreciation**	Retirements/ Dispositions	Facilities, net Dec. 31, 2022
				(In thousands)		
Capital assets not being depreciated:						
Land	$ 1,481,610	$ —	$ 60,819	$ —	$ —	**$ 1,542,429**
Construction in progress*	5,461,660	1,763,311	(2,021,467)	—	—	**5,203,504**
Total capital assets not being depreciated	6,943,270	1,763,311	(1,960,648)	—	—	**6,745,933**
Depreciable capital assets:						
Buildings, bridges, tunnels, other structures	24,306,861	—	1,125,199	—	(171,088)	**25,260,972**
Machinery and equipment	13,113,530	—	346,784	—	(98,342)	**13,361,972**
Runways, roadways, and other paving	8,508,822	—	157,548	—	(437,745)	**8,228,625**
Utility infrastructure	8,404,855	—	331,117	—	(78,175)	**8,657,797**
Total other capital assets being depreciated	54,334,068	—	1,960,648	—	(785,350)	**55,509,366**
Accumulated depreciation:						
Buildings, bridges, tunnels, other structures	(6,854,067)	—	—	(596,923)	171,088	**(7,279,902)**
Machinery and equipment	(6,303,813)	—	—	(431,898)	98,342	**(6,637,369)**
Runways, roadways, and other paving	(4,335,793)	—	—	(289,914)	437,745	**(4,187,962)**
Utility infrastructure	(3,615,081)	—	—	(336,387)	78,175	**(3,873,293)**
Total accumulated depreciation	(21,108,754)	—	—	(1,655,122)	785,350	**(21,978,526)**
Facilities, net	$ 40,168,584	$ 1,763,311	$ —	$ (1,655,122)	$ —	**$ 40,276,773**

	Facilities, net Dec. 31, 2020	Additions	Transfers to Completed Construction	Depreciation**	Retirements/ Dispositions	Facilities, net Dec. 31, 2021
				(In thousands)		
Capital assets not being depreciated:						
Land	$ 1,487,657	$ —	$ 6,139	$ —	$ (12,186)	$ 1,481,610
Construction in progress*	5,217,739	1,922,951	(1,679,030)	—	—	5,461,660
Total capital assets not being depreciated	6,705,396	1,922,951	(1,672,891)	—	(12,186)	6,943,270
Depreciable capital assets:						
Buildings, bridges, tunnels, other structures	23,907,922	—	565,634	—	(166,695)	24,306,861
Machinery and equipment	12,737,896	—	470,209	—	(94,575)	13,113,530
Runways, roadways, and other paving	8,304,069	—	234,218	—	(29,465)	8,508,822
Utility infrastructure	8,032,273	—	402,830	—	(30,248)	8,404,855
Total other capital assets being depreciated	52,982,160	—	1,672,891	—	(320,983)	54,334,068
Accumulated depreciation:						
Buildings, bridges, tunnels, other structures	(6,476,799)	—	—	(543,963)	166,695	(6,854,067)
Machinery and equipment	(5,980,425)	—	—	(417,963)	94,575	(6,303,813)
Runways, roadways, and other paving	(4,090,328)	—	—	(274,930)	29,465	(4,335,793)
Utility infrastructure	(3,327,194)	—	—	(318,135)	30,248	(3,615,081)
Total accumulated depreciation	(19,874,746)	—	—	(1,554,991)	320,983	(21,108,754)
Facilities, net	$ 39,812,810	$ 1,922,951	$ —	$ (1,554,991)	$ (12,186)	$ 40,168,584

* Additions to construction in progress include deductions related to capital write-offs totaling $2.6 million in 2022 and $348 thousand in 2021.
** Excludes depreciation related to LaGuardia Terminal B landlord leasehold investment of $62.9 million in 2022 and $46.7 million in 2021.

Notes:
1. Projects that have been suspended pending determination of their continued viability totaled $131.1 million in 2022 and $165.7 million in 2021.
2. Depreciation includes accelerated depreciation of $86.1 million in 2022 and $13.9 million in 2021 related to capital assets that were retired and taken out of service.
3. Retirements/Dispositions include the book value, if any, related to capital assets that have been sold or otherwise disposed.

NOTE C – CASH AND INVESTMENTS

The components of Port Authority and PAICE cash and investments are:

Cash			December 31, 2022	2021
	Port Authority	PAICE	Total	Total
		(In thousands)		
Cash	$ 176,521	$ 11,601	$ 188,122	$ 100,522
Cash equivalents	106,669	46,458	153,127	321,989
Total cash	283,190	58,059	341,249	422,511
Less restricted cash	21,656	58,059	79,715	78,749
Unrestricted cash	$ 261,534	$ —	$ 261,534	$ 343,762

Investments, at fair value*				December 31, 2022	2021
	Fair Value Hierarchy Levels**	Port Authority†	PAICE	Total	Total
			(In thousands)		
United States Treasury notes	Level 1	$ 3,004,803	$ 54,425	$ 3,059,228	$ 2,766,809
United States Treasury bills	Level 1	587,010	—	587,010	1,000
United States government agency obligations	Level 2	109,785	—	109,785	1,000
United States Treasury obligations held pursuant to repurchase agreements***	—	747,747	—	747,747	573,457
Corporate bonds	Level 2	—	25,606	25,606	11,479
Mortgage-backed securities	Level 2	—	11,748	11,748	5,171
Asset-backed securities	Level 2	—	5,662	5,662	2,442
Municipal bonds	Level 2	4,502	—	4,502	—
Accrued interest receivable		13,230	461	13,691	9,960
Total investments		4,467,077	97,902	4,564,979	3,371,318
Less current investments		1,662,797	11,219	1,674,016	686,677
Noncurrent investments		$ 2,804,280	$ 86,683	$ 2,890,963	$ 2,684,641

* Cash and investments of approximately $1.5 billion and $2.0 billion held in The Port Authority of NY and NJ Retiree Health Benefits Trust are not included in the Port Authority's Enterprise Fund Statements of Net Position as of December 31, 2022 and 2021, respectively.

** Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.
Level 3 inputs are unobservable inputs for the asset; they should be used only when relevant Level 1 and Level 2 inputs are unavailable.
Port Authority investments are valued at the closing price on the last business day of the fiscal year or last trade reported on the major market exchange on which the individual securities are traded.

*** Investments are valued at unamortized cost.

† Port Authority investments includes PFC restricted investments of $187.1 million and $4.6 million in 2022 and 2021, respectively.

Port Authority cash equivalents, excluding PAICE, at December 31, 2022 and 2021, of $106.7 million and $268.6 million, respectively, consist of negotiable order of withdrawal accounts.

PAICE cash equivalents at December 31, 2022 and 2021, of $46.5 million and $53.4 million, respectively, consist of money market accounts of $40.8 million and $46.4 million, respectively, and money market funds of $5.7 million and $7.0 million, respectively. The money market funds have ratings of AAAm and Aaa-mf by S&P and Moody's, respectively.

Port Authority Investment Policies

Port Authority policy provides for cash funds of the Port Authority to be deposited in banks with offices located in the Port District, provided that the total funds on deposit in any bank do not exceed 50% of the bank's combined capital and permanent surplus. These funds must be fully secured by deposit of collateral having a minimum fair value of 110% of actual daily balances in excess of that part of the deposits secured through the Federal Deposit Insurance Corporation ("FDIC") and the New Jersey Governmental Unit Deposit Protection Act ("GUDPA"). The collateral must consist of obligations of the United States of America, the Port Authority, the State of New York, or the State of New Jersey held in custodial bank accounts in banks in the Port District having combined capital and surplus in excess of $1 million.

Total actual bank balances, excluding amounts held by third-party trustees, were $243.4 million at December 31, 2022. Of that amount, $3.1 million was secured through the basic FDIC deposit insurance and/or pursuant to the GUDPA. The balance of $240.3 million was fully collateralized with collateral held by a third-party custodian acting as the Port Authority's agent and held by such custodian in the Port Authority's name.

The investment policies of the Port Authority are established in conformity with its agreements with the holders of its obligations, generally through resolutions of the Board of Commissioners or its Committee on Finance. For the Port Authority, but not necessarily its component units, individual investment transactions are executed with recognized and established securities dealers and commercial banks. Investment securities are maintained, in the Port Authority's name, by a third-party financial institution acting as the Port Authority's agent. Securities transactions are conducted in the open market at competitive prices. Transactions are completed when the Port Authority's securities custodian, in the Port Authority's name, makes or receives payment upon receipt of confirmation that the securities have been transferred at the Federal Reserve Bank of New York or other repository in accordance with the Port Authority's instructions. The notable exception is the execution of Tri-Party Repurchase Agreements. These transactions are completed when the Tri-Party custodian posts collateral to the Port Authority's account in exchange for investment funds.

Proceeds received in connection with Consolidated Bonds and other asset financing obligation issuances may be invested, on an interim basis, in conformance with applicable federal laws and regulations, in obligations of (or fully guaranteed by) the United States of America (including such securities held pursuant to repurchase agreements) and collateralized time deposit accounts.

Consolidated Bond Reserve Fund and General Reserve Fund amounts may be invested in obligations of (or fully guaranteed by) the United States of America. Additionally, amounts in the Consolidated Bond Reserve Fund and the General Reserve Fund (subject to certain limitations) may be invested in obligations of the State of New York or the State of New Jersey, collateralized time accounts, and Port Authority bonds actually issued and secured by a pledge of the General Reserve Fund.

Operating funds may be invested in various items including: ***a.)*** direct obligations of the United States of America, obligations of United States government agencies, and sponsored enterprises that have the highest short-term ratings by two nationally recognized firms; ***b.)*** investment grade negotiable certificates of deposit and negotiable Bankers' Acceptances with banks having AA or better long-term debt rating, and with issues actively traded in secondary markets; ***c.)*** commercial paper obligations having only the highest short-term ratings separately issued by two nationally recognized rating agencies; ***d.)*** United States Treasury and municipal bond futures contracts; ***e.)*** certain interest rate exchange contracts with banks and investment firms; and, ***f.)*** certain interest rate options contracts that are limited to $50 million of underlying securities with a maturity of no greater than five years with primary dealers in United States Treasury securities. The Board of Commissioners has from time to time authorized other investments of operating funds.

It is the general policy of the Port Authority to limit exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to less than two years. Extending the weighted average maturity beyond two years requires explicit written approval of the Chief Financial Officer of the Port Authority. Committee on Finance authorization is required to extend the weighted average maturity beyond five years.

The fair value and weighted average maturity of investments held by the Port Authority, excluding PAICE, at December 31, 2022 and 2021, follows:

Port Authority Investment Type	**2022**		2021	
	Fair Value	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 3,004,803**	**644**	$ 2,719,197	707
United States Treasury bills	**587,010**	**14**	1,000	46
United States government agency obligations	**109,785**	**16**	1,000	12
United States repurchase agreements	**747,747**	**3**	573,457	3
Municipal bonds	**4,502**	**1,170**	—	—
Total fair value of investments*	**$ 4,453,847**		$ 3,294,654	
Investment weighted average maturity		**438**		584

* Excludes accrued interest receivable amounts of $13.2 million in 2022 and $9.8 million in 2021.

The Port Authority has, from time to time, entered into reverse repurchase (yield maintenance) agreements under which the Port Authority contracted to sell a specified United States Treasury security to a counterparty and simultaneously agreed to purchase it back from that party at a predetermined price and future date. All reverse repurchase agreements sold are matched to repurchase agreements ("REPO") bought, thereby minimizing market risk. The credit risk is managed by a daily evaluation of the fair value of the underlying securities and periodic cash adjustments, as necessary, in accordance with the terms of the repurchase agreements. There were no investments in reverse repurchase agreements at December 31, 2022 and 2021, respectively.

PAICE Investment Policies

The investment policies of PAICE have been established and approved by the PAICE Board of Directors, which comprises Port Authority executive staff. Consistent with the Port Authority Board of Commissioners' authorization with respect to the establishment of PAICE as a wholly owned entity of the Port Authority, PAICE provides the Port Authority Board of Commissioners' Committee on Finance with periodic updates on PAICE's investment activities.

PAICE's investment policies consist of a three-tier set of investment accounts. First, PAICE is required to set aside assets equal to the actuarial loss reserve estimates in a "Minimum Reserve Account." Once this is satisfied, PAICE may establish a "Reserve Account" equal to the balance of all possible losses, less amounts invested in the Minimum Reserve Account. Finally, any excess funds that remain after both the Minimum Reserve Account and Reserve Account requirements are satisfied may be used to establish a "Reserve Surplus Account."

Allowable investments in the Minimum Reserve Account may consist of: ***a.)*** United States Treasury notes and United States Federal Agency debt; ***b.)*** repurchase agreements collateralized by United States Government securities or; ***c.)*** money market funds investing in United States Treasuries or United States Government Agency securities. The maximum maturity of any single investment is limited to 10 years from the date of purchase, and the duration of the Minimum Reserve Account is limited to 1 to 5 years.

Reserve Account allowable investments are the allowable investments in the Minimum Reserve Account, plus the following types of investments: ***a.)*** United States dollar-denominated issues of sovereigns, supranationals, and foreign government sponsored agencies; ***b.)*** money market instruments; ***c.)*** investment grade corporate obligations issued by United States domestic issuers and United States dollar-denominated issues of foreign issuers; ***d.)*** municipal notes and bonds; ***e.)*** agency mortgage-backed securities and agency collateralized mortgage obligations; and, ***f.)*** AAA rated asset-backed securities ("ABS"). The maximum permissible maturity of any single investment in the Reserve Account is 30 years at time of purchase and the duration of the Reserve Account is limited to 1 to 8 years. The average credit rating of the Reserve Account investments may not fall below AA-.

Under conditions outlined above, PAICE may establish a Reserve Surplus Account comprising all of the allowable investments in the Minimum Reserve Account and the Reserve Account, plus passive equity index investments that are traded on major exchanges.

In December 2018, the PAICE Board of Directors authorized PAICE to make intercompany loans as a permitted investment for the purpose of efficiently allocating capital resources among the Port Authority and its component units. As of December 31, 2022 and 2021, PAICE had $360 million in intercompany loans due from the Port Authority.

The fair value and weighted average maturity of investments held by PAICE at December 31, 2022 and 2021, follows:

PAICE Investment Type	**2022**		2021	
	Fair Value	**Weighted Average Maturity**	Fair Value	Weighted Average Maturity
	(In thousands)	(In days)	(In thousands)	(In days)
United States Treasury notes	**$ 54,425**	**1,117**	$ 47,612	1,789
Corporate bonds	**25,606**	**746**	11,479	2,991
Mortgage-backed securities	**11,748**	**404**	5,171	2,285
Asset-backed securities	**5,662**	**39**	2,442	980
Total fair value of investments*	**$ 97,441**		$ 66,704	
Investment weighted average maturity		**2,306**		2,004

* Excludes accrued interest receivable amounts of $461 thousand and $154 thousand in 2022 and 2021, respectively, and $360 million in intercompany loans due from the Port Authority in both 2022 and 2021.

The Port Authority of New York and New Jersey Retiree Health Benefits Trust

Investment Policies

The Port Authority, acting through or by authority of its Board of Commissioners, establishes investment guidelines consistent with the purpose of The Port Authority of New York and New Jersey Retiree Health Benefits Trust ("the Trust"). Such investment guidelines are written and may be changed from time to time only by means of a written document adopted by the Port Authority, acting through or by the authority of its Board of Commissioners.

An Investment Committee was established to provide oversight and management of the policies and procedures of the Trust. The Investment Committee comprises the: ***a.)*** Chief Financial Officer; ***b.)*** Chief, Human Capital; ***c.)*** Comptroller; and, ***d.)*** Treasurer of the Port Authority. Periodic updates on the portfolio structure, rate of return performance as compared to the benchmark indexes, and any changes to investment strategy are provided to the Committee on Finance of the Port Authority's Board of Commissioners.

The Trust's investment policy statement, approved by the Executive Director of the Port Authority, permits the Trust to invest in equities, fixed income assets, and cash equivalents. The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing the long-term rate of return on investments and minimizing risk of loss to fulfill the long-term Other Postemployment Benefits ("OPEB") obligations of the Port Authority and PATH. The investment objectives are based on a 15-year investment horizon, so interim fluctuations should be viewed with appropriate perspective. Investments are managed in a style that seeks to minimize principal fluctuations over the established time horizon and that is consistent with the Trust's investment objectives. Investments are diversified with the intent to minimize the risk of investment losses.

Rate of Return

The annual money-weighted rate of return on Trust investments, net of investment expense, was a loss of (16.59)% in 2022 and a gain of 13.00% in 2021, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Diversification

The Trust's investment policy requires that Trust assets be invested using the following diversification percentages for each fund classification:

	Range
Cash and cash equivalents	0%-20%
Fixed income securities	25%-65%
Mutual fund asset classes:	
Equity mutual funds:	
Domestic equity	23%-43%
International equity	11%-31%
Real estate investment trusts	0%-12%

Market Risk

The Trust's investment policy is currently targeted to 60% equity and 40% fixed income asset weighting. The equity portion of the investments is in four funds focused on the international equity market, the broad domestic equity market, and publicly traded real estate investment trusts ("REITs"). The primary risk associated with this portion of the portfolio is volatility within the equity financial markets. However, dollar cost averaging provides a measure of risk mitigation by limiting the amount of investment on any one day at any particular valuation level.

Investment Type, at fair value	**Fair Value Hierarchy Levels***	**December 31,** 2022	2021
		(In thousands)	
Cash and cash equivalents	**Level 1**	**$ 104,958**	$ 86,759
Investment at fair value:			
Fixed income securities:			
Corporate and foreign bonds	**Level 2**	**148,262**	224,842
U.S. Treasury securities	**Level 1**	**120,542**	119,350
Municipal bonds	**Level 2**	**38,655**	51,876
Mortgage and asset-backed securities**	**Level 2**	**219,917**	226,540
Bond mutual funds	**Level 1**	**10,041**	17,854
Equity and real estate mutual funds			
Equity mutual funds:			
Domestic mutual funds	**Level 1**	**477,718**	694,909
International mutual funds	**Level 1**	**310,754**	410,299
Real estate mutual funds	**Level 1**	**44,174**	138,016
Total investments		**$ 1,370,063**	$ 1,883,686
Total cash, cash equivalents, and investments		**$ 1,475,021**	$ 1,970,445

* Level 1 inputs are quoted (unadjusted) prices in active markets for identical assets that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets, and principal-to-principal markets.
Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation.
Level 3 inputs are unobservable inputs for the asset and should be used only when relevant Level 1 and Level 2 inputs are unavailable.
The Trust investments are valued at the closing price on the last business day of the fiscal year or last trade reported on the major market exchange on which the individual securities are traded.

** December 31, 2022 and December 31, 2021, includes U.S. Government agency securities totaling $149 million and $104 million, respectively.

Credit Risk

The Trust's investment policy generally requires the overall rating of fixed income assets to have an average credit quality of at least "A" and the Trust was in compliance with the investment policy in 2022 and 2021.

The fixed income portion of the portfolio is managed by a number of investment managers who have advised that the average credit quality rating associated with their investment accounts for the Trust have an average credit quality rating of AA, respectively.

As of December 31, 2022, fixed income investment types had the following credit ratings (in thousands):

Ratings**	Corporate and foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 654	$ 3,090	$ 14,437	$ —	**$ 18,181**
AA+/AA/AA-	3,753	24,962	5,579	—	**34,294**
A+/A/A-	54,933	8,136	8,629	—	**71,698**
BBB+/BBB/BBB-	66,686	369	8,038	—	**75,093**
BB+/BB/BB-	9,982	—	2,792	—	**12,774**
B+/B/B-	4,313	—	534	—	**4,847**
CC/CCC+/CCC/CCC-	188	—	3,991	—	**4,179**
N/A*	7,753	2,098	27,266	10,041	**47,158**
Total	**$ 148,262**	**$ 38,655**	**$ 71,266**	**$ 10,041**	**$ 268,224**

* N/A represents securities that were not rated.
** Fixed income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $121 million and $149 million, respectively.

As of December 31, 2021, fixed income investment types had the following credit ratings (in thousands):

Ratings**	Corporate and foreign bonds	Municipal bonds	Mortgage and Asset-backed securities	Bonds funds	Total
AAA	$ 1,508	$ 3,767	$ 37,105	$ —	$ 42,380
AA+/AA/AA-	4,495	30,575	16,875	—	51,945
A+/A/A-	42,008	13,237	22,515	—	77,760
BBB+/BBB/BBB-	137,066	4,297	26,571	—	167,934
BB+/BB/BB-	26,688	—	4,005	—	30,693
B+/B/B-	11,070	—	1,277	—	12,347
CC/CCC+/CCC/CCC-	542	—	4,388	—	4,930
N/A*	1,465	—	9,644	17,854	28,963
Total	$ 224,842	$ 51,876	$ 122,380	$ 17,854	$ 416,952

* N/A represents securities that were not rated.
** Fixed income investments exclude guaranteed U.S. Treasury and U.S. Government agency securities totaling $119 million and $104 million, respectively.

Cash and cash equivalents held in the Trust, at December 31, 2022, of $105 million consist of $89.4 million of short-term U.S. Government Treasury securities, $15.5 million of commercial paper, and $74 thousand of money market funds. The money market funds have ratings of AAAm and Aaa-mf by S&P and Moody's, respectively, and the commercial paper has a rating of A-.

Concentration of Credit Risk

Investments of Trust funds are diversified in accordance with the Trust's investment policy statement that defines guidelines for the portfolio including holding no individual company stock that exceeds 5% of the portfolio weighting, holding no more than 2% of the outstanding shares of an individual stock, and holding no more than 25% of the portfolio in any one industry. As of December 31, 2022, the Trust had no investments of more than 5% of its fiduciary net position with a single organization.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the Trust's Trustee, the Trust will not be able to recover the value of its investments or collateral securities. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Trust. The Trust manages custodial credit risk by limiting its investments to highly rated institutions and/or requiring high-quality securities be held by the Trustee in the name of the Trust.

Interest Rate Risk

Interest rate risk associated with the Trust is confined to the fixed income portion of the portfolio. The fixed income component of the portfolio is subject to interest rate risk due to the nature of the underlying securities. To mitigate fair value losses associated with the fluctuation of interest rates, the duration of the fixed income fund positions of the portfolio are monitored and adjusted accordingly.

The following is a listing of the Trust's fixed income investments and related maturity schedule as of December 31, 2022:

Investment Type	<1 Year	1 to 5 Years	5 to 10 Years	10+ Years	Total
			(In thousands)		
Corporate and foreign bonds	$ 736	$ 35,180	$ 74,875	$ 37,471	**$ 148,262**
U.S. Treasury securities	3,262	33,483	42,466	41,331	**120,542**
Municipal bonds	—	2,652	8,734	27,269	**38,655**
Asset-backed securities	—	6,980	12,384	200,553	**219,917**
Bonds funds	—	—	—	10,041	**10,041**
Total	$ 3,998	$ 78,295	$ 138,459	$ 316,665	**$ 537,417**

The following is a listing of the Trust's fixed income investments and related maturity schedule as of December 31, 2021:

Investment Type	<1 Year	1 to 5 Years	5 to 10 Years	10+ Years	Total
			(In thousands)		
Corporate and foreign bonds	$ 4,761	$ 44,741	$ 121,521	$ 53,819	$ 224,842
U.S. Treasury securities	19,728	42,964	14,351	42,307	119,350
Municipal bonds	—	2,737	10,775	38,364	51,876
Mortgage & Asset-backed securities	—	6,069	19,698	200,773	226,540
Bonds funds	—	—	—	17,854	17,854
Total	$ 24,489	$ 96,511	$ 166,345	$ 353,117	$ 640,462

NOTE D – OUTSTANDING FINANCING OBLIGATIONS

OUTSTANDING BONDS AND OTHER ASSET FINANCING OBLIGATIONS

	December 31, 2022 Current	Noncurrent	Total
		(In thousands)	
A. Consolidated Bonds and Consolidated Notes	$ 1,578,055	$ 25,253,499	**$ 26,831,554**
B. Commercial Paper Obligations	499,060	—	**499,060**
C. Variable Rate Master Notes	44,600	—	**44,600**
D. Port Authority Equipment Notes	—	—	**—**
E. Fund for Regional Development Buy-Out Obligation	—	—	**—**
F. MOTBY Obligation	2,848	38,144	**40,992**
G. Tower 4 Liberty Bonds	—	1,234,705	**1,234,705**
H. Goethals Bridge Replacement Developer Financing Arrangement	1,975	1,020,300	**1,022,275**
Total	$ 2,126,538	$ 27,546,648	**$ 29,673,186**

	December 31, 2021 Current	Noncurrent	Total
		(In thousands)	
A. Consolidated Bonds and Consolidated Notes	$ 463,850	$ 25,584,156	$ 26,048,006
B. Commercial Paper Obligations	574,000	—	574,000
C. Variable Rate Master Notes	44,600	—	44,600
D. Port Authority Equipment Notes	—	—	—
E. Fund for Regional Development Buy-Out Obligation	—	—	—
F. MOTBY Obligation	2,706	40,991	43,697
G. Tower 4 Liberty Bonds	—	1,236,905	1,236,905
H. Goethals Bridge Replacement Developer Financing Arrangement	1,011	1,022,275	1,023,286
Total	$ 1,086,167	$ 27,884,327	$ 28,970,494

A. Consolidated Bonds and Consolidated Notes

	December 31, 2021	Issued	Refunded/ Retired	December 31, 2022
		(In thousands)		
Consolidated Bonds and Consolidated Notes – par value	$ 24,189,474	$ 1,759,200	$ 977,244	**$ 24,971,430**
Add unamortized premium and (discount)	1,858,532	107,116	105,524	**1,860,124**
Consolidated Bonds and Consolidated Notes – cost	$ 26,048,006	$ 1,866,316	$ 1,082,768	**$ 26,831,554**

	December 31, 2020	Issued	Refunded/ Retired	December 31, 2021
		(In thousands)		
Consolidated Bonds and Consolidated Notes – par value	$ 23,388,115	$ 2,757,675	$ 1,956,316	$ 24,189,474
Add unamortized premium and (discount)	1,677,716	289,346	108,530	1,858,532
Consolidated Bonds and Consolidated Notes – cost	$ 25,065,831	$ 3,047,021	$ 2,064,846	$ 26,048,006

Consolidated Bond Series *One Hundred Ninety Ninth, Two Hundred Fourth, and Two Hundred Twenty Eighth (A, B, C, D)* were direct placements with unrelated parties.

For information related to the payment of Consolidated Bonds and Consolidated Notes, see *Note E – General and Consolidated Bond Reserve Fund (pursuant to Port Authority bond resolutions).*

Debt service requirements to maturity for Consolidated Bonds and Consolidated Notes outstanding at December 31, 2022, are as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2023	$ 1,578,055	$ 1,092,846	**$ 2,670,901**
2024	521,115	1,066,700	**1,587,815**
2025	527,615	1,038,469	**1,566,084**
2026	549,990	1,013,665	**1,563,655**
2027	574,295	989,132	**1,563,427**
2028-2032	3,437,330	4,500,356	**7,937,686**
2033-2037	4,097,500	3,588,834	**7,686,334**
2038-2042	3,636,290	2,671,432	**6,307,722**
2043-2047	3,398,090	1,867,229	**5,265,319**
2048-2052	2,360,025	1,176,994	**3,537,019**
2053-2057	1,984,355	722,073	**2,706,428**
2058-2062	1,687,090	297,231	**1,984,321**
2063-2067	351,880	96,667	**448,547**
2068-2072	167,800	36,645	**204,445**
2073-2094	100,000	106,371	**206,371**
Total	$ 24,971,430	$ 20,264,644	**$ 45,236,074**

The most recent information, as of the date of this report, related to a specific consolidated bond series can be found in *Section V. Schedules of Outstanding Debt* in the Port Authority's Official Statement for Consolidated Bonds, Two Hundred Thirty-Sixth – Two Hundred Thirty-Seventh Series dated December 15, 2022, which can be located in the corporate information section on the Port Authority's website at: https://www.panynj.gov/corporate/en/financial-information/consolidated-bonds-and-notes.html.

During 2022, the Port Authority raised funds from the sale of Consolidated Bonds, to refund $514 million of outstanding Consolidated Bonds. As a result of these refundings, the Port Authority decreased its aggregate debt service payments by approximately $21.6 million over the life of the refunded Consolidated Bonds. The economic gain resulting from the 2022 debt refundings (the difference between the present value of the cash flows required to service the old debt and the present value of the cash flows required to service the new debt) totaled approximately $15.4 million in net present value savings, or 3% of the refunded par amount.

On July 26, 2018, the Board of Commissioners authorized additional series of Consolidated Bonds and Consolidated Notes, approved the continued issuance of Commercial Paper Obligations, Port Authority Equipment Notes, Versatile Structure Obligations, and Variable Rate Master Notes, within the scope of the current authorizations and established and authorized a Plan of Financing. The total aggregate principal amount of Consolidated Bonds, Consolidated Notes, and Versatile Structure Obligations to be issued and sold under this Plan of Financing was not to exceed $8 billion. Actions in connection with the decision to sell such series of Consolidated Bonds and Consolidated Notes was subject to prior approval of the Committee on Finance.

On March 17, 2022, the Board of Commissioners approved a plan of finance for the April 1, 2022 through December 31, 2022, period to issue series of Consolidated Bonds and Consolidated Notes in a total aggregate principal amount not to exceed $3 billion (including any issuance of indebtedness under the Port Authority's Versatile Structure Obligations authorization). The March 17, 2022 plan of finance provided that as of its date, any authority to issue and sell Consolidated Bonds and Consolidated Notes under the previous July 26, 2018, authorization was deemed extinguished.

On December 15, 2022, the Board of Commissioners approved a plan of finance for Consolidated Bonds and Consolidated Notes sold during the period beginning January 1, 2023 through December 31, 2023. The plan of finance authorizes the issuance of Consolidated Bonds and Consolidated Notes in a total aggregate principal amount not to exceed $4.8 billion (including any issuance of indebtedness sold in 2023 under the Port Authority's Versatile Structure Obligations resolution). The December 15, 2022 plan of finance provided that as of December 31, 2022, any authority to issue and sell Consolidated Bonds and Consolidated Notes under the previous March 17, 2022, authorization was deemed extinguished.

B. Commercial Paper Obligations

Commercial paper obligations are special obligations of the Port Authority generally issued to provide interim financing for authorized capital projects. Port Authority commercial paper obligations are currently issued under the resolution of the Board of Commissioners adopted on October 29, 2020, which authorizes their issuance through December 31, 2025. Under the commercial paper program the maximum aggregate principal amount that may be outstanding at any one time is $250 million for Series A, $250 million for Series B, and $250 million for Series C. For additional information related to the payment of special obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

To increase the availability of sufficient liquidity for the Port Authority to pay the maturing principal amounts and the interest due at maturity, the Port Authority entered into liquidity facilities for each of Series A, Series B, and Series C. The liquidity facilities expired in connection with the refunding of then-outstanding commercial paper obligations in January 2023, as described below and were never drawn upon.

	December 31, 2021	Issued	Repaid	December 31, 2022
		(In thousands)		
Series A*	$ 164,315	$ 1,068,850	$ 1,070,920	**$ 162,245**
Series B	188,600	1,170,505	1,193,250	**165,855**
Series C**	221,085	1,167,075	1,217,200	**170,960**
Total	$ 574,000	$ 3,406,430	$ 3,481,370	**$ 499,060**

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.
** Obligations are subject to federal taxation.

	December 31, 2020	Issued	Repaid	December 31, 2021
		(In thousands)		
Series A*	$ 140,845	$ 425,470	$ 402,000	$ 164,315
Series B	195,990	649,695	657,085	188,600
Series C**	220,490	845,860	845,265	221,085
Total	$ 557,325	$ 1,921,025	$ 1,904,350	$ 574,000

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.
** Obligations are subject to federal taxation.

In 2022, interest rates for all Commercial Paper Obligations ranged from 0.25% to 4.38%.

On November 17, 2022, the Port Authority authorized a *Special Obligation Institutional Loan Program* that provides for the issuance of alternative debt instruments to borrow funds from financial institutions (including banks) (a) when and so long as a line of credit or revolving credit facility (together with any loan deemed to have been entered into in the event of the failure to repay any drawing thereunder, a “Bank Line”) is determined by the Treasurer to be more efficient and cost-effective than the Port Authority’s Commercial Paper program in providing liquidity support for the Port Authority’s capital program and (b) when and so long as a term loan (“Bank Loan”), is determined by the Treasurer to be more efficient and cost-effective than issuing a like amount of Consolidated Bonds. Any Bank Line would be limited to five years. No Bank Loan would have a term in excess of 15 years and could bear interest at a fixed or variable rate (or either, from time to time, during the term.) The total maximum amount that may be outstanding at any time under the Special Obligation Institutional Loan Program is limited to $1,250,000,000, calculated by adding the following items in existence at the time of calculation (without duplication): (i) the principal amount of outstanding Commercial Paper notes; *plus* (ii) outstanding amount under liquidity facilities pertaining to Commercial Paper notes; *plus* (iii) outstanding amounts drawn under Bank Lines; plus (iv) the outstanding principal amount of any Bank Loans. On January 24, 2023, the Port Authority entered into two separate revolving lines of credit, for a total combined amount of $750,00,000, and used $501 million to refund the principal and interest of all outstanding Commercial Paper Obligations as of such date.

C. Variable Rate Master Notes

Variable Rate Master Notes are direct placements and special obligations of the Port Authority and may be issued in aggregate principal amounts outstanding at any one time not to exceed $400 million (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* for additional information related to the payment of special obligations of the Port Authority).

	December 31, 2021	Issued	Refunded/ Repaid	December 31, 2022
		(In thousands)		
Agreements 1989–1995*	$ 19,900	$ —	$ —	**$ 19,900**
Agreements 1989–1998	24,700	—	—	**24,700**
Total	$ 44,600	$ —	$ —	**$ 44,600**

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.

	December 31, 2020	Issued	Refunded/ Repaid	December 31, 2021
		(In thousands)		
Agreements 1989–1995*	$ 44,900	$ —	$ 25,000	$ 19,900
Agreements 1989–1998	24,700	—	—	24,700
Total	$ 69,600	$ —	$ 25,000	$ 44,600

* Obligations are subject to the alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended with respect to individuals and corporations.

Interest rates are determined weekly, based upon a spread added to a specific industry index (the Securities Industry and Financial Markets Association rate) as stated in each master note agreement, and ranged from 0.04% to 0.38% in 2022.

Annual debt service requirements on outstanding Variable Rate Master Notes, determined for presentation purposes at the rate in effect at December 31, 2022, would be as follows:

Year ending December 31:	Principal	Interest	Debt Service
		(In thousands)	
2023	$ —	$ 1,661	**$ 1,661**
2024	—	1,665	**1,665**
2025	19,900	1,451	**21,351**
2026	—	916	**916**
2027	24,700	45	**24,745**
Total	$ 44,600	$ 5,738	**$ 50,338**

Variable Rate Master Notes are subject to prepayment at the option of the Port Authority or upon demand of the holders.

D. Port Authority Equipment Notes

Port Authority Equipment Notes may be issued in aggregate principal amounts outstanding at any one time not to exceed $250 million. Equipment Notes are special obligations to the Port Authority and are payable in the same manner and from the same sources as operating expenses. For additional information related to the payment of obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

There were no outstanding Port Authority Equipment Notes as of December 31, 2022 and December 31, 2021.

E. Fund for Regional Development Buy-Out Obligation

In 1983, the Fund for Regional Development ("the Fund") was established to sublease space in the WTC held by the State of New York as lessee. An agreement among the Port Authority and the States of New York and New Jersey with respect to the Fund provided that net revenues from subleasing activities were to be accumulated subject to disbursements to be made upon the concurrence of the Governors of New York and New Jersey. The assets, liabilities, revenues, and expenses of the Fund were not consolidated with those of the Port Authority. In 1990, the Port Authority and the States of New York and New Jersey agreed to terminate the Fund. In consideration for purchasing the State of New York and the State of New Jersey interests in the Fund, the Port Authority was obligated to pay approximately $1.2 billion, equally divided between both states, in semi-annual payments through 2021. The aggregate cost to the Port Authority at the time of the Fund's termination of $431 million, including the assumption of the Fund's net liabilities of $101 million, a $3.5 million payment to the State of New York related to the termination agreement, and the net present value of future payments to both states of $326 million (at an implicit interest rate of 8.25% per annum) was recognized as a special obligation to the Port Authority in 1990. Payments related to the Fund obligation were payable in the same manner and from the same sources as operating expenses. As of December 31, 2021, the outstanding balance had been fully amortized. For additional information related to the payment of obligations of the Port Authority, see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*.

	December 31, 2020	Accretion	Amortization	December 31, 2021
		(In thousands)		
Obligation Outstanding	$ 52,898	$ —	$ 52,898	**$ —**

F. Marine Ocean Terminal at Bayonne Peninsula ("MOTBY") Obligation

On August 3, 2010, the Port Authority acquired approximately 131 acres of the former MOTBY from the Bayonne Local Redevelopment Authority ("BLRA") for $235 million. The acquired property comprises three parcels on the southern side of the peninsula and has been incorporated into the Port Jersey – Port Authority Marine Terminal for future marine terminal purposes. The $235 million total purchase price is payable to the BLRA in 24 annual installment payments through 2033.

The total purchase price of $235 million was discounted to a present value of $178.4 million at an implicit interest rate of 5.25% per annum and recognized as a special obligation of the Port Authority in 2010 (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*, for additional information related to the payment of special obligations of the Port Authority).

	December 31, 2021	Accretion	Amortization	December 31, 2022
		(In thousands)		
Obligation Outstanding	$ 43,697	$ —	$ 2,705	**$ 40,992**

	December 31, 2020	Accretion	Amortization	December 31, 2021
		(In thousands)		
Obligation Outstanding	$ 46,268	$ —	$ 2,571	$ 43,697

Payment requirements for the MOTBY obligation outstanding at December 31, 2022, are as follows:

Year ending December 31:	Amortization	Implicit Interest	Total
		(In thousands)	
2023	$ 2,848	$ 2,152	**$ 5,000**
2024	2,997	2,003	**5,000**
2025	3,155	1,845	**5,000**
2026	3,320	1,680	**5,000**
2027	3,495	1,505	**5,000**
2028–2032	20,426	4,574	**25,000**
2033	4,751	249	**5,000**
Total	$ 40,992	$ 14,008	**$ 55,000**

G. Tower 4 Liberty Bonds

The Port Authority is a co-borrower/obligor with respect to the New York Liberty Development Corporation, Liberty Revenue Bonds, Series 2011 (4 World Trade Center Project) issued by the New York Liberty Development Corporation on November 15, 2011, in the aggregate principal amount of approximately $1.2 billion. In connection with the issuance of such Tower 4 Liberty Bonds by the New York Liberty Development Corporation, the Port Authority entered into a Tower 4 Bond Payment Agreement with the Tower 4 bond trustee to make certain debt service payments of principal and interest on the bonds (net of fixed rent paid or payable under the City of New York's Tower 4 space lease, which has been assigned by the Tower 4 Silverstein net lessee directly to the Tower 4 bond trustee for the payment of a portion of the debt service on the Tower 4 Liberty Bonds).

On September 14, 2021, the New York Liberty Development Corporation issued $1.2 billion Tax-Exempt Liberty Revenue Refunding Bonds Series 2021A (4 World Trade Center Project) (Green Bonds) and $11.4 million Taxable Liberty Revenue Refunding Bonds Series 2021B (4 World Trade Center Project) (Green Bonds) to redeem all of the outstanding Liberty Bonds issued in 2011 and to pay certain issuance costs. The material terms of the original November 2011 Tower 4 financing remain unchanged, including the Port Authority remaining co-borrower/obligor for the refunding bonds. The Port Authority's payment of debt service on the Tower 4 Liberty Bonds is a special obligation of the Port Authority to the trustee from May 11, 2012, through November 15, 2051 (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*, for additional information related to the payment of special obligations of the Port Authority).

Port Authority debt service payments related to Tower 4 Liberty Bonds in whole or in part are reimbursable to the Port Authority from Tower 4 cash flow and to the extent Tower 4 cash flow is not sufficient, would accrue interest until reimbursed or paid with an overall term for such reimbursement or payment not in excess of 40 years from the issuance date of the original Tower 4 Liberty Bond financing (see *Note L – Information with Respect to the Redevelopment of the World Trade Center Campus* for additional information related to the redevelopment of WTC Tower 4).

	December 31, 2021	**Issued**	**Repaid/ Amortized**	**December 31, 2022**
		(In thousands)		
Series 2021A	$ 1,225,520	$ —	$ 2,200	**$ 1,223,320**
Series 2021B	11,385	—	—	**11,385**
Total Tower 4 Liberty Bonds	$ 1,236,905	$ —	$ 2,200	**$ 1,234,705**

	December 31, 2020	**Issued**	**Repaid/ Amortized**	**December 31, 2021**
		(In thousands)		
Series 2021A	$ —	$ 1,225,520	$ —	$ 1,225,520
Series 2021B	—	11,385	—	11,385
Series 2011	1,225,520	—	1,225,520	—
Add: unamortized premium	18,893	—	18,893	—
Total Tower 4 Liberty Bonds	$ 1,244,413	$ 1,236,905	$ 1,244,413	$ 1,236,905

Annual debt service payment requirements on outstanding Tower 4 Liberty Bonds at December 31, 2022, are as follows:

Year ending December 31:	**Principal**	**Interest**	**Debt Service**
		(In thousands)	
2023	$ 2,200	$ 32,534	**$ 34,734**
2024	2,200	32,520	**34,720**
2025	2,200	32,499	**34,699**
2026	2,585	32,474	**35,059**
2027	25,370	32,437	**57,807**
2028-2032	147,190	156,905	**304,095**
2033-2037	188,030	140,289	**328,319**
2038-2042	240,360	112,994	**353,354**
2043-2047	308,605	75,373	**383,978**
2048-2051	315,965	24,359	**340,324**
Total	$ 1,234,705	$ 672,384	**$ 1,907,089**

H. Goethals Bridge Replacement Developer Financing Arrangement

On August 30, 2013, the Port Authority and a private developer entered into an agreement ("the Project Agreement") for the design, construction, financing, and maintenance of a replacement Goethals Bridge ("the Replacement Bridge"). Substantial completion of the Replacement Bridge was achieved on June 30, 2018 ("Substantial Completion"), and project completion, including the demolition of the existing bridge, occurred on December 31, 2018. Pursuant to the Project Agreement, which has a scheduled expiration date of June 30, 2053, the 35th anniversary of Substantial Completion, the private developer performs certain operation and maintenance work relating to the Replacement Bridge, and the Port Authority retains control over the toll collection system, including its operation and maintenance, and receives toll revenues. The Port Authority controls all tolling activities, including the determination and approval of toll rates.

Pursuant to the Goethals Bridge Replacement Developer Financing Arrangement ("DFA") contained within the Project Agreement, upon Substantial Completion of the Replacement Bridge the private developer became entitled to receive from the Port Authority, fixed payments in the principal amount of approximately $1.02 billion, subject to certain adjustments, to be paid in monthly payments of principal and interest (DFA payments) over the term of the Project Agreement. The Port Authority's obligation to make DFA payments is memorialized as an interest-bearing loan from the private developer to the Port Authority. Monthly DFA payments commenced in July 2018. DFA payments are subject to certain deductions for non-compliance and/or lane unavailability by the private developer pursuant to the terms of the Project Agreement. DFA payments are a special obligation of the Port Authority, payable over a 35-year term (see *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)*, for additional information related to the payment of special obligations of the Port Authority).

	December 31, 2021	**Accretion**	**Amortization**	**December 31, 2022**
		(In thousands)		
Goethals Bridge Replacement Developer Financing Arrangement	$ 1,023,286	$ —	$ 1,011	**$ 1,022,275**

	December 31, 2020	**Accretion**	**Amortization**	**December 31, 2021**
		(In thousands)		
Goethals Bridge Replacement Developer Financing Arrangement	$ 1,023,398	$ —	$ 112	$ 1,023,286

In accordance with the Project Agreement, DFA payments to the private developer commenced in July 2018. Annual DFA payments required to be made to the private developer are as follows:

Year ending December 31:	**Amortization**	**Implicit Interest***	**Total DFA Payments**
		(In thousands)	
2023	$ 1,975	$ 58,417	$ **60,392**
2024	2,844	58,454	**61,298**
2025	4,106	58,111	**62,217**
2026	5,290	57,860	**63,150**
2027	6,558	57,540	**64,098**
2028-2032	54,715	280,485	**335,200**
2033-2037	102,190	258,916	**361,106**
2038-2042	167,204	221,809	**389,013**
2043-2047	255,848	163,230	**419,078**
2048-2052	375,990	75,478	**451,468**
2053	45,555	1,291	**46,846**
Total	$ 1,022,275	$ 1,291,591	**$ 2,313,866**

* DFA loan implicit interest rate equals 5.64% per annum.

NOTE E – GENERAL AND CONSOLIDATED BOND RESERVE FUNDS

(pursuant to Port Authority bond resolutions)

The Port Authority has no power to levy taxes or assessments. Port Authority bonds, notes, and other debt obligations are not obligations of the States of New York and New Jersey or of either of them and are not guaranteed by said States or by either of them.

Consolidated Bonds and Consolidated Notes

Consolidated Bonds and Consolidated Notes are direct and general obligations of the Port Authority, and the full faith and credit of the Port Authority are pledged to the payment of debt service thereon. Consolidated Bonds and Consolidated Notes are secured equally and ratably with all other Consolidated Bonds and Consolidated Notes heretofore or hereafter issued by a pledge of: ***a.)*** the net revenues (as defined in the Consolidated Bond Resolution of 1952 ("Consolidated Bond Resolution") of all existing facilities of the Port Authority and any additional facilities that may hereafter be financed or refinanced in whole or in part through the medium of Consolidated Bonds and Consolidated Notes; ***b.)*** the General Reserve Fund of the Port Authority equally with other obligations of the Port Authority secured by the General Reserve Fund; and, ***c.)*** the Consolidated Bond Reserve Fund established by the Consolidated Bond Resolution.

The General Reserve Fund is pledged in support of Consolidated Bonds and Consolidated Notes. Statutes, which require the Port Authority to create and maintain the General Reserve Fund ("General Reserve Fund Statutes"), establish the principle of pooling revenues from all facilities, and require the Port Authority to apply surplus revenues from all of its existing facilities to maintain the General Reserve Fund in an amount equal to at least 10% of the par value of outstanding bonds legal for investment. At December 31, 2022, the General Reserve Fund balance was $2,551,509,000 and met the prescribed statutory amount (see *Schedule C – Analysis of Reserve Funds*).

The balance remaining of all net revenues (as defined in the Consolidated Bond Resolution) of the Port Authority's existing facilities after deducting payments for debt service upon all Consolidated Bonds and Consolidated Notes and the amount necessary to maintain the General Reserve Fund at its statutorily required amount is to be paid into the Consolidated Bond Reserve Fund, which is pledged as additional security for all outstanding Consolidated Bonds and Consolidated Notes. Consolidated Bonds and Consolidated Notes have a first lien upon the net revenues (as defined in the Consolidated Bond Resolution) of all existing facilities of the Port Authority and any additional facility financed by Consolidated Bonds and Consolidated Notes.

Amounts deposited into the General Reserve Fund may be accumulated or applied only to purposes set forth in the General Reserve Fund Statutes and agreements with the holders of such Port Authority bonds secured by a pledge of the General Reserve Fund. Amounts deposited into the Consolidated Bond Reserve Fund may be accumulated or applied only to the purposes stated in the Consolidated Bond Resolution. At December 31, 2022, the Port Authority met the requirements of the Consolidated Bond Resolution to maintain both reserve funds in cash and specified securities.

In addition, the Port Authority has a long-standing policy of maintaining the aggregate amount of both reserve funds in an amount equal to at least the next two years' bonded debt service on outstanding debt secured by a pledge of the General Reserve Fund.

Special Obligations

Commercial paper obligations, *Variable Rate Master Notes*, the *MOTBY obligation*, *Tower 4 Liberty Bonds*, the *Goethals Bridge Replacement DFA*, and *Special Obligation Loan Program* are special obligations of the Port Authority. The Port Authority is also a special limited co-obligor on the senior debt issued for WTC Tower 3, with a capped amount of debt service shortfalls payable as a special obligation of the Port Authority (see *Note L – Information with Respect to the Redevelopment of the World Trade Center Campus*, for additional information related to certain contingent obligations of the Port Authority with respect to the development of WTC Tower 3).

Special obligations of the Port Authority are payable from the proceeds of obligations of the Port Authority issued for such purposes, including Consolidated Bonds and Consolidated Notes issued in whole or in part for such purposes, or from net revenues (as defined below) deposited into the Consolidated Bond Reserve Fund, and in the event such net revenues are insufficient therefore, from other moneys of the Port Authority legally available for such payments when due.

Net revenues for purposes of special obligations of the Port Authority are defined, with respect to any date of calculation, as the revenues of the Port Authority pledged under the Consolidated Bond Resolution, and remaining after: ***i.)*** payment or provision for payment of debt service on Consolidated Bonds and Consolidated Notes as required by the applicable provisions of the Consolidated Bond Resolution; ***ii.)*** payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes; and, ***iii.)*** applications to the authorized purposes under Section 7 of the Consolidated Bond Resolution.

Special obligations of the Port Authority are subject in all respects to payment of debt service on Consolidated Bonds and Consolidated Notes as required by the applicable provisions of the Consolidated Bond Resolution and payment into the General Reserve Fund of the amount necessary to maintain the General Reserve Fund at the amount specified in the General Reserve Fund Statutes.

Special obligations of the Port Authority are not secured by or payable from the General Reserve Fund. Additionally, special obligations of the Port Authority do not create any lien on, pledge of, or security interest in any revenues, reserve funds, or other property of the Port Authority.

Equipment Notes and the Fund buy-out obligation are special obligations to the Port Authority, payable in the same manner and from the same sources as operating expenses.

NOTE F – GRANTS AND CONTRIBUTIONS IN AID OF CONSTRUCTION

During 2022 and 2021, the Port Authority received reimbursements related to certain policing activities as well as federal, state, and local funding for operating and capital construction activities:

Policing programs

K-9 Program – The FAA and the Transportation Security Administration ("TSA") provided limited funding for operating costs associated with the training and care of explosive detection dogs. Amounts received in connection with this program were approximately $1.0 million in 2022 and $1.3 million in 2021.

U.S. Department of State ("USDOS") – The Port Authority recognized $1.7 million in 2022 from the USDOS to fund costs incurred by Port Authority police personnel for the United Nations General Assembly.

Amounts received in connection with the Port Authority Police Department providing services to a third party are exchange transactions and recognized as operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position.

Grants, in connection with operating activities

Security Programs – In 2022 and 2021, the Port Authority recognized approximately $7.0 million and $5.5 million, respectively, from the TSA for security-related programs, including Urban Area Security Initiatives programs, Transit Security, and the Port Security programs.

Federal Emergency Management Agency ("FEMA") – In 2022 and 2021, the Port Authority recognized approximately $12.5 million and $8.2 million, respectively, primarily from COVID-19 relief funding.

Airport Improvement Program ("AIP") – In 2021, the Port Authority recognized approximately $2.6 million in AIP discretionary funding at Aviation facilities.

Superstorm Sandy – In 2022 and 2021, the Port Authority recognized approximately $834 thousand and $900 thousand, respectively, from FEMA and the Federal Transit Administration ("FTA") for Superstorm Sandy immediate repair efforts.

Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") – In 2022 and 2021, the Port Authority recognized approximately $2.5 million and $104.5 million, respectively, in CRRSAA federal funding related to Port Authority aviation operating expenditures.

America Rescue Plan Act ("ARPA") – In 2022 and 2021, the Port Authority recognized approximately $124.3 million and $133.2 million, respectively, in ARPA federal funding related to Port Authority aviation operating expenditures.

LaGuardia Gateway Partners, LLC ("LGP") – In 2022, the Port Authority recognized approximately $3.7 million from LGP related to baggage screening at LaGuardia ("LGA") Airport.

Department of the Army (U.S. Army Corps of Engineers) – In 2022, the Port Authority recognized approximately $6.0 million from the Department of the Army for funding related to federal channel maintenance dredging at Port Authority Marine Terminals.

Contributions in aid of capital construction

Superstorm Sandy – In 2022 and 2021, the Port Authority recognized approximately $186.0 million and approximately $219.2 million, respectively, in FTA and FEMA funding related to Superstorm Sandy permanent repairs and resiliency capital projects, primarily at PATH and the Holland Tunnel.

AIP – In 2022 and 2021, the Port Authority recognized approximately $16.9 million and $39.6 million, respectively, in AIP funding primarily related to rehabilitation of taxiways and runways at Port Authority Aviation facilities.

WTC Tower 3 – In 2022 and 2021, the Port Authority recognized approximately $1.8 million and $1.7 million, respectively, in required capital contributions due from the WTC Tower 3 net lessee for the construction of WTC Tower 3.

Federal Highway Administration ("FHWA") – In 2022 and 2021, the Port Authority recognized approximately $344 thousand and $1.8 million, respectively, in FHWA funding for the Cross Harbor Freight Movement Program at Greenville Yard, Port Authority Marine Terminal.

JFK New Terminal One ("NTO") – The Port Authority recognized approximately $77.5 million in 2022 from the JFK NTO net lessee for the construction of JFK Terminal One.

United States Economic Development Administration ("EDA") – In 2022 and 2021, the Port Authority recognized $3.7 million and $800 thousand, respectively, from the EDA for the stabilization and repairs at MOTBY.

NOTE G – LEASING ACTIVITIES

Property leased to third parties (Port Authority as lessor)

The Port Authority enters into lease arrangements with lessees for use of space at Port Authority facilities, including the World Trade Center, George Washington Bus Station, Air Terminals, Marine Terminals, Waterfront Development facilities, Industrial Development facilities, Journal Square Transportation Center, and Port Authority Bus Terminal.

Lease Receivable and Deferred Inflow of Resources

In accordance with GASB Statement No. 87, the Port Authority, as lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for excluded leases. The lease receivable is measured at the present value of "fixed" lease payments, including escalations and minimum guarantees that are fixed in substance and expected to be received during the lease term. Rent escalations are defined in the respective lease agreements and are generally based on a fixed rate or referenced indexes, including the Consumer Price Index ("CPI"). Lease terms range from 1 to 79 years. Discount rates applied to expected fixed lease payments are based on the Port Authority's incremental cost of borrowing at the commencement of the lease term. Discount rates applied to expected fixed lease payments for 2022 and 2021 valuations ranged from 0.33% to 4.09%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Deferred inflows of resources are measured at the amount of the initial measurement of the lease receivable, plus any payments received at or before the commencement of the lease term that relate to future periods and are amortized on a straight-line basis over the lease term as a component of *Rentals*. The Port Authority continually monitors changes in circumstances that would require the remeasurement of a lease agreement.

A summary of the change in the lease receivables follows:

Dec. 31, 2021	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 4,696,296	$ 69,520	$ 193,083	**$ 4,572,733**

Jan. 1, 2021	Additions	Amortization	Dec. 31, 2021
	(In thousands)		
$ 4,852,520	$ 3,028	$ 159,252	$ 4,696,296

A summary of the change in the deferred inflows of resources follows:

Dec. 31, 2021	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 5,354,698	$ 69,520	$ 266,108	**$ 5,158,110**

Jan. 1, 2021	Additions	Amortization	Dec. 31, 2021
	(In thousands)		
$ 5,611,040	$ 3,028	$ 259,370	$ 5,354,698

Fixed lease payments expected to be received by the Port Authority included in the measurement of the lease receivable are as follows:

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2023	$ 193,958	$ 111,571	**$ 305,529**
2024	191,731	110,225	**301,956**
2025	187,028	107,691	**294,719**
2026	178,370	105,519	**283,889**
2027	167,197	103,516	**270,713**
2028-2032	664,940	500,790	**1,165,730**
2033-2037	543,105	475,028	**1,018,133**
2038-2042	236,398	461,187	**697,585**
2043-2047	37,951	506,122	**544,073**
2048-2052	47,091	539,410	**586,501**
2053-2057	60,188	501,559	**561,747**
2058-2062	62,208	579,732	**641,940**
2063-2067	77,976	610,706	**688,682**
2068-2072	74,237	967,232	**1,041,469**
2073-2077	52,735	1,170,593	**1,223,328**
2078-2082	63,477	1,313,697	**1,377,174**
2083-2087	87,948	1,468,317	**1,556,265**
2088-2092	120,126	1,642,144	**1,762,270**
2093-2097	1,195,995	804,063	**2,000,058**
2098-2102	1,093,223	54,125	**1,147,348**
2103-2107	13,088	2,372	**15,460**
2108-2113	7,187	415	**7,602**
Total	$ 5,356,157	$ 12,136,014	**$ 17,492,171**

Note: Amortization excludes $783 million of payables related to the Port Authority's leaseback of space in the WTC Tower 4, discussed below, which are netted against the receivables from the lease of WTC Tower 4 to Silverstein Properties, Inc.

Regulated Lease Agreements

In accordance with GASB Statement No. 87, *regulated leases* are lease agreements regulated by a governmental entity and subject to external laws, regulations or legal rulings. Lease agreements with third parties at Port Authority Aviation facilities regulated by the FAA and are aeronautical in nature, including terminals, are excluded from the measurement of the lease receivable. Lease agreements with third parties at Port Authority Marine terminals regulated by the Federal Maritime Committee ("FMC") and are connected with the movement of cargo through the leasing of terminal, wharf, dock, and warehouse space are excluded from the measurement of the lease receivable. Lease payments received in connection with regulated lease agreements are recognized as *Rentals* based on the rental terms contained in their respective lease agreement.

The Port Authority was lessor to approximately 300 regulated lease agreements and recognized rental revenue of approximately:

2022		2021	
Fixed Rent Regulated Leases	**Variable Rent Regulated Leases**	Fixed Rent Regulated Leases	Variable Rent Regulated Leases
	(In thousands)		
$ 872,072	**$ 411,110**	$ 808,402	$ 240,276

Future minimum lease payments related to "regulated" leases at Port Authority Aviation and Marine Terminal facilities are as follows:

Year ending December 31:	Total Regulated Lease Payments
	(In thousands)
2023	**$ 837,466**
2024	**744,569**
2025	**701,480**
2026	**689,682**
2027	**689,719**
2028-2032	**3,085,638**
2033-2037	**1,904,694**
2038-2042	**2,153,264**
2043-2047	**1,365,808**
2048-2052	**1,305,582**
2053-2057	**1,294,303**
2058-2062	**865,317**
2063-2067	**87,411**
2068-2072	**48,076**
Total	**$ 15,773,009**

Variable Rent Lease (excluding certain regulated leases)

In accordance with GASB Statement No. 87, lease agreements in which the lease payment paid by the lessee to the lessor is based on activity (excluding minimum guaranteed lease payments) are not included in the measurement of the lease receivable because they do not contain fixed lease payments. The Port Authority recognized rental revenue from non-fixed variable leases of $428 million and $257 million in 2022 and 2021, respectively.

Property leased by the Port Authority from third parties (Port Authority as lessee)

The Port Authority enters into lease arrangements for land and office space with municipalities and other lessors in support of operating Port Authority facilities, including the cities of New York and Newark for the leasing of the New York City Municipal Air Terminals and Newark Municipal Air and Marine Terminals.

Lease Liability and Lease Asset

In accordance with GASB Statement No. 87, the Port Authority, as lessee, recognizes a lease liability and lease asset at the commencement of the lease term. The lease liability is measured at the present value of "fixed" rent payments, including escalations based on fixed rates, indexes, and minimum guarantees that are fixed in substance and expected to be paid during the lease term. Discount rates applied to these expected fixed lease payments are based on the Port Authority's incremental cost of borrowing at the commencement of the lease term. Lease terms range from 1 to 78 years. Discount rates applied to expected fixed lease payments in the 2022 and 2021 lease liability valuations ranged from 0.52% to 3.40%. Renewal and termination options are included in the lease valuation if the option is reasonably certain of being exercised. Lease assets are measured at the amount of the initial measurement of the lease liability, plus any payments made at or before the commencement of the lease term that relate to future periods and any ancillary costs to place the asset into service and are amortized on a straight-line basis over the lease term. The Port Authority continually monitors changes in circumstances that would require a remeasurement of a lease agreement.

A summary of changes in the lease liabilities follows:

Dec. 31, 2021	Additions		Amortization	Dec. 31, 2022
		(In thousands)		
$ 6,576,858	$ 15,139		$ 94,185	**$ 6,497,812**

Jan. 1, 2021	Additions		Amortization	Dec. 31, 2021
		(In thousands)		
$ 6,654,594	$ —		$ 77,736	$ 6,576,858

A summary of changes in the lease assets follows:

Dec. 31, 2021	Additions	Amortization	Dec. 31, 2022
	(In thousands)		
$ 7,263,008	$ 15,139	$ 172,776	**$ 7,105,371**

Jan. 1, 2021	Additions	Amortization	Dec. 31, 2021
	(In thousands)		
$ 7,430,404	$ —	$ 167,396	$ 7,263,008

Future rent payments included in the measurement of the lease liabilities, including amortization, follows:

Year ending December 31:	Amortization	Interest	Total
		(In thousands)	
2023	$ 61,019	$ 213,626	**$ 274,645**
2024	89,145	210,860	**300,005**
2025	89,302	208,015	**297,317**
2026	91,100	205,111	**296,211**
2027	94,297	202,111	**296,408**
2028-2032	513,067	962,069	**1,475,136**
2033-2037	578,601	872,400	**1,451,001**
2038-2042	618,601	774,906	**1,393,507**
2043-2047	716,344	665,913	**1,382,257**
2048-2052	817,496	539,318	**1,356,814**
2053-2057	932,987	396,950	**1,329,937**
2058-2062	768,795	241,481	**1,010,276**
2063-2067	375,956	161,063	**537,019**
2068-2072	445,345	91,437	**536,782**
2073-2077	305,757	16,199	**321,956**
Total	$ 6,497,812	$ 5,761,459	**$ 12,259,271**

Lease-Leaseback Transactions

In accordance with GASB Statement No. 87, lease-leaseback transactions are accounted for as a “net” transaction. Under the terms of the December 2010 World Trade Center Amended and Restated Master Development Agreement (“MDA”), Silverstein Properties, Inc (Silverstein net lessee) is the WTC Tower 4 net lessee. In December 2010, the Port Authority, as tenant, entered into a space lease with the WTC Tower 4 Silverstein net lessee, as landlord, for approximately 600,000 square feet of office space for use as the Port Authority’s executive and corporate offices with an initial term of 30 years and four 5-year renewal options. In November 2014, such space lease was amended to provide for the surrender by the Port Authority of two floors to the Tower 4 Silverstein net lessee. For additional information related to the redevelopment of the WTC see Note L – *Information with Respect to the Redevelopment of the World Trade Center Campus*.

Fixed lease payments expected to be received and paid by the Port Authority for lease-leaseback transactions, included in the measurement of the lease receivable are as follows:

Year ending December 31:	WTC Tower 4 Net Lease Amortization	WTC Tower 4 Net Lease Interest	WTC Tower 4 Port Authority Space Leaseback Amortization	WTC Tower 4 Port Authority Space Leaseback Interest	Net Receivable Amortization	Net Receivable Interest
			(In thousands)			
2023	$ —	$ 32,057	$ 15,882	$ 21,626	$ (15,882)	$ 10,431
2024	—	34,076	16,803	21,175	(16,803)	12,901
2025	—	34,885	20,617	20,643	(20,617)	14,242
2026	—	35,718	21,201	20,059	(21,201)	15,659
2027	—	36,576	21,801	19,458	(21,801)	17,118
2028-2032	—	208,292	132,129	87,069	(132,129)	121,223
2033-2037	—	244,111	175,459	65,660	(175,459)	178,451
2038-2042	—	282,565	227,638	37,596	(227,638)	244,969
2043-2047	—	333,871	151,894	6,000	(151,894)	327,871
2048-2052	—	373,844	—	—	—	373,844
2053-2057	—	348,185	—	—	—	348,185
2058-2062	—	434,330	—	—	—	434,330
2063-2067	—	475,063	—	—	—	475,063
2068-2072	—	843,698	—	—	—	843,698
2073-2077	—	1,054,037	—	—	—	1,054,037
2078-2082	—	1,204,151	—	—	—	1,204,151
2083-2087	—	1,378,533	—	—	—	1,378,533
2088-2092	—	1,581,048	—	—	—	1,581,048
2093-2097	1,044,987	771,191	—	—	1,044,987	771,191
2098-2100	1,010,433	49,191	—	—	1,010,433	49,191
Total	$ 2,055,420	$ 9,755,422	$ 783,424	$ 299,286	$ 1,271,996	$ 9,456,136

A summary of the lease-leaseback transaction for the WTC Tower 4 net lease for 2022 and 2021 follows:

	2022 WTC Tower 4 Lease	2022 WTC Tower 4 Leaseback	2022 Net	2021 WTC Tower 4 Lease	2021 WTC Tower 4 Leaseback	2021 Net
			(In thousands)			
Lease receivable	**$ 2,055,420**	**$ 783,424**	**$ 1,271,996**	$ 2,057,966	$ 798,868	$ 1,259,098
Deferred inflows of resources, leases	**2,006,220**	**748,449**	**1,257,771**	2,032,093	781,168	1,250,925
Lease amortization	**25,873**	**32,719**	**(6,846)**	25,873	32,719	(6,846)
Interest income	**77,516**	**22,064**	**55,452**	75,848	22,489	53,359

NOTE H – REGIONAL FACILITIES AND PROGRAMS

At the request of the Governors of the States of New York and New Jersey, the Port Authority participates in certain programs that are deemed essential to the continued economic viability of the two states and the region. These programs, which are generally non-revenue producing to the Port Authority, are addressed by the Port Authority in its budget and business planning process in the context of the Port Authority's overall financial capacity. To the extent not otherwise associated with an existing Port Authority facility, these projects are effectuated through the certification of an additional Port Authority facility established solely for these purposes. The Port Authority does not expect to derive any revenues from regional development facilities and programs described below.

Regional Facilities

Regional Development Facility (certified in 1987) – This facility is a centralized program of certain economic development and infrastructure renewal projects. It was expected that $250 million of capital funds would be made available in connection with the Governors' Program of June 1983. As of December 31, 2022, approximately $249 million has been allocated under this program.

Regional Economic Development Program (certified in 1989) – This facility comprises up to $400 million for certain transportation, economic development and infrastructure renewal projects. Funds allocated under this program have been fully allocated.

New York Transportation, Economic Development, and Infrastructure Renewal Program (certified in 2002) – This facility was established to provide up to $250 million for certain transportation, economic development, and infrastructure renewal projects in the State of New York. All funds under this program have been fully allocated.

Regional Transportation Program (certified in 2002) – This facility was established in conjunction with a program to provide up to $500 million for regional transportation initiatives. All funds under this program have been fully allocated.

Hudson-Raritan Estuary Resources Programs (certified in 2002 and 2014) – These facilities were established to acquire certain real property in the Port District area of the Hudson-Raritan Estuary for environmental enhancement/ancillary economic development purposes, in support of the Port Authority's capital program. The cost of real property acquired under these programs are not to exceed $120 million. As of December 31, 2022, approximately $54 million has been allocated under these programs.

Regional Rail Freight Program (certified in 2002) – This facility provides for the Port Authority to participate, in consultation with other governmental entities in the States of New York and New Jersey, in the development of certain regional rail freight projects to provide for increased rail freight capacity. The Port Authority is authorized to provide up to $50 million. All funds under this program have been fully allocated.

Meadowlands Passenger Rail Facility (certified in 2006) – This facility, which links New Jersey Transit's ("NJT") Pascack Valley Rail Line to the Meadowlands Sports Complex, encourages greater use of PATH service since NJT runs shuttle bus service at peak times to Hoboken. The improved level of passenger rail service provided by the facility also serves to ease traffic congestion on the Port Authority's interstate tunnel and bridge crossings. The Port Authority is authorized to provide up to $150 million toward the project's capital costs. All funds under this program have been fully allocated.

Costs for these programs are deferred and amortized over the period benefited, up to a maximum of 15 years. The unamortized costs of the regional programs are as follows:

	December 31, 2021	Project Expenditures	Amortization	December 31, 2022
		(In thousands)		
Regional Development Facility	$ 284	$ —	$ 170	$ **114**
Regional Economic Development Program	887	—	128	**759**
New York Transportation, Economic Development, and Infrastructure Renewal Program	3,153	—	778	**2,375**
Regional Transportation Program	10,602	—	7,243	**3,359**
Hudson-Raritan Estuary Resources Program	9,672	—	3,058	**6,614**
Regional Rail Freight Program	70	—	67	**3**
Meadowlands Passenger Rail Facility	8,178	—	6,495	**1,683**
Total unamortized costs of regional programs	$ 32,846	$ —	$ 17,939	**$ 14,907**

Interstate Transportation Network Programs

Moynihan Station Transportation Program (certified in 2017) – On September 26, 2016, the Board of Commissioners authorized the Executive Director, on behalf of the Port Authority to provide, at the request of the State of New York, a one-time financial contribution of $150 million to the State of New York to advance the Moynihan Station Transportation Program, a project to redevelop the James A. Farley United States Post Office Building together with its Western Annex into a new transportation facility serving the New York and New Jersey region, to be known as Moynihan Station. Funds under this program have been fully allocated. See *Schedule F – Information on Capital Investment in Port Authority Facilities* for additional information on costs related to this program.

Gateway Early Work Program (certified in 2018) – On February 15, 2018, the Board of Commissioners certified: ***i.)*** up to $35 million in funds authorized by the Board in March 2016; and, ***ii.)*** up to $44 million in funds authorized by the Board in February 2018, for a total of $79 million (collectively, the "Gateway Early Work Program"), as an additional facility of the Port Authority for purposes of funding capital expenditures in connection with the Gateway Early Work Program. The Port Authority's participation in the Gateway Program is subject to approval by the Board of Commissioners, consistent with statutory, contractual and other commitments of the Port Authority, including agreements between the Port Authority and the holders of its obligations. As of December 31, 2022, approximately $57 million has been allocated under this program. See *Schedule F – Information on Capital Investment in Port Authority Facilities* for additional information on costs related to this program.

NOTE I – PENSION PLANS

Port Authority and PATH employees participate in different retirement plans, as described below.

Port Authority Employees

Generally, full-time employees of the Port Authority (but not its component units) are required to join one of two cost-sharing, multiple-employer defined benefit pension plans administered by the New York State Comptroller's Office, the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"), collectively referred to as the New York State and Local Retirement System ("NYSLRS"). The New York State Constitution provides that membership in a pension plan or retirement system of the State or of a civil division thereof is a contractual relationship, the benefits of which may not be diminished or impaired.

NYSLRS Plan Benefits

Classes of employees covered under the NYSLRS range from Tiers 1–6. Date ranges determining tier membership follows:

	ERS Membership		PFRS Membership	
Tier	**On or After:**	**Before:**	**On or After:**	**Before:**
1	–	July 1, 1973	–	July 31, 1973
2	July 1, 1973	July 27, 1976	July 31, 1973	July 1, 2009
3	July 27, 1976	September 1, 1983	July 1, 2009	January 9, 2010
4	September 1, 1983	January 1, 2010	N/A	N/A
5	January 1, 2010	April 1, 2012	January 9, 2010	April 1, 2012
6	April 1, 2012	Present	April 1, 2012	Present

Members in Tiers 1–4 need five years of service to be 100% vested. In April 2022, new legislation was passed that reduced the number of years of service credit for Tier 5 and 6 members from 10 years to five years. Therefore, all members are 100% vested when they reach five years of service credit.

Participating employers are required under the provisions of the New York State Retirement and Social Security Law ("RSSL") to contribute to the NYSLRS at an actuarially determined rate adopted annually by the State Comptroller of New York. The average contribution rate for ERS for the fiscal years ended March 31, 2022 and March 31, 2021, was approximately 16.2% and 14.6% of payroll. The average contribution rate for PFRS for the fiscal years ended March 31, 2022 and March 31, 2021 were approximately 28.3% and 24.4% of payroll, respectively.

Generally, Tiers 3, 4, and 5 members must contribute 3% of their salary to the respective NYSLRS plans. As a result of Article 19 of the RSSL, eligible Tiers 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the NYSLRS, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tiers 5 and 6 members are required to contribute for all years of service.

Benefits for each NYSLRS plan are established and may be amended under the provisions contained in the New York State RSSL.

Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62. Generally, the benefit for Tier 1 and Tier 2 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tiers 3, 4, and 5 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62. Generally, the benefit for Tier 3, Tier 4, and

Tier 5 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tiers 3, 4, and 5 members with five or more years of service can retire as early as age 55 with reduced benefits. Tiers 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years of employment. For ERS Tiers 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10% greater than the average of the previous two years. For PFRS Tier 5 (there are no Port Authority members enrolled in PFRS Tiers 3 and 4), each year used in the final average salary calculation is limited to no more than 20% greater than the average of the previous two years.

Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members. Generally, the benefit for Tier 6 members is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with 10 or more years of service can retire as early as age 55 with reduced benefits. Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

Certain Port Authority PFRS members belong to 25-Year Plans, which allow for retirement after 25 years of service with a benefit of one-half of final average salary or 20-Year Plans, which allow for retirement after 20 years of service with a benefit of one-half of final average salary.

Port Authority contributions of $148.0 million, including $55.3 million to ERS and $92.7 million to PFRS for the period covering April 1, 2022 through March 31, 2023, were paid to NYSLRS on December 15, 2022.

Detailed information about the fiduciary net position and valuation methods related to ERS and PFRS can be found in the NYSLRS Annual Report as of and for the years ended March 31, 2022 and March 31, 2021, which is publicly available at the following web address: https://www.osc.state.ny.us/files/retirement/resources/pdf/financial-statements-2022.pdf.

NYSLRS — Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

NYSLRS Net Pension Liability - 2022 and 2021

GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*," as amended, defines the Net Pension Liability/Asset ("NPL" "NPA") as the difference between the Total Pension Liability ("TPL") and the pension plan's fiduciary net position determined as of a measurement date established by the employer. For purposes of measuring the NPA/NPL, the plan's fiduciary net position has been determined on the same basis as it is reported for ERS and PFRS. Benefit payments are recognized when due and payable in accordance with the benefit terms and investments are measured at their fair value.

The Port Authority's proportionate share of the NYSLRS plans' NPA/NPLs totaled:

NPA/NPL	December 31, 2022	December 31, 2021
	(In thousands)	
ERS	**$ (118,530)**	$ 1,658
PFRS	**50,218**	169,991
Total Net Pension (Asset)/Liability	**$ (68,312)**	$ 171,649

The NPA/NPLs at December 31, 2022 and 2021 were measured as of March 31, 2022 and 2021, based on actuarial valuations as of April 1, 2021 and 2020, with update procedures used to roll forward the TPL to March 31, 2022 and 2021, respectively.

The Port Authority's proportion of the NYSLRS plans' NPA/NPL totaled:

	2022	2021
ERS	**1.4%**	1.7%
PFRS	**8.8%**	9.8%

The Port Authority's proportionate share of the ERS and PFRS NPA/NPLs were actuarially determined based on the projection of the Port Authority's long-term share of contributions to each respective plan relative to the projected long-term contributions of all participating employers of each plan.

NYSLRS Pension Expense - 2022 and 2021

The Port Authority's proportionate share of the NYSLRS plans' actuarially determined pension expense totaled:

Pension Expense	2022	2021
	(In thousands)	
ERS	**$ 13,298**	$ 50,448
PFRS	**52,729**	99,509
Total Pension Expense	**$ 66,027**	$ 149,957

NYSLRS Deferred Inflows/Outflows of Resources - 2022 and 2021

GASB Statement No. 68, as amended, requires certain changes in the NPA/NPL to be recognized as deferred outflows of resources or deferred inflows of resources. Deferred outflows and deferred inflows of resources are amortized as either an increase (deferred outflows) or decrease (deferred inflows), to future years' pension expense, using a systematic and rational method over a closed period.

The Port Authority reported deferred outflows of resources and deferred inflows of resources related to NYSLRS from the following sources at December 31, 2022:

		December 31, 2022	
Deferred Outflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$ 8,976	$ 27,073	**$ 36,049**
Changes in actuarial assumptions	197,814	300,568	**498,382**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	25,272	50,227	**75,499**
Subtotal – Deferred Outflows of Resources	232,062	377,868	**609,930**
Port Authority contributions subsequent to the measurement date*	55,306	92,716	**148,022**
Total Deferred Outflows of Resources	$ 287,368	$ 470,584	**$ 757,952**

* Contributions made by the Port Authority to NYSLRS after the measurement date to satisfy the pensions plan's NPA/NPL, but before the end of the financial statement period for the employer are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the Port Authority's ERS and PFRS NPA/NPL for the fiscal year ending December 31, 2023.

		December 31, 2022	
Deferred Inflows of Resources	**ERS**	**PFRS**	**Total**
		(In thousands)	
Differences between expected and actual experience	$ 11,643	$ —	**$ 11,643**
Changes in actuarial assumptions	3,338	—	**3,338**
Net difference between projected and actual earnings on pension plan investments	388,137	421,964	**810,101**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	16,351	27,193	**43,544**
Total Deferred Inflows of Resources	$ 419,469	$ 449,157	**$ 868,626**

The difference between reported deferred outflows of resources, excluding contributions made by the Port Authority after the measurement date, and deferred inflows of resources will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense (benefit) as follows:

Year ended December 31:	ERS	PFRS	Total
		(In thousands)	
2023	$ (23,416)	$ (14,562)	**$ (37,978)**
2024	(38,584)	(27,319)	**(65,903)**
2025	(101,306)	(91,254)	**(192,560)**
2026	(24,101)	64,895	**40,794**
2027	—	(3,049)	**(3,049)**
Total	$ (187,407)	$ (71,289)	**$ (258,696)**

Deferred Outflows of Resources	ERS	December 31, 2021 PFRS	Total
		(In thousands)	
Differences between expected and actual experience	$ 20,243	$ 37,720	**$ 57,963**
Changes in actuarial assumptions	304,760	417,650	**722,410**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	31,793	63,140	**94,933**
Subtotal – Deferred Outflows of Resources	356,796	518,510	**875,306**
Port Authority contributions subsequent to the measurement date*	71,150	91,287	**162,437**
Total Deferred Outflows of Resources	$ 427,946	$ 609,797	**$ 1,037,743**

* Contributions made by the Port Authority to NYSLRS after the measurement date to satisfy the pension plan's NPA/NPL, but before the end of the financial statement period for the employer are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the Port Authority's ERS and PFRS NPA/NPL for the fiscal year ending December 31, 2023.

Deferred Inflows of Resources	ERS	December 31, 2021 PFRS	Total
		(In thousands)	
Changes in actuarial assumptions	$ 5,748	$ —	**$ 5,748**
Net difference between projected and actual earnings on pension plan investments	476,130	499,849	**975,979**
Changes in proportion and differences between Port Authority contributions and proportionate share of contributions	—	9,516	**9,516**
Total Deferred Inflows of Resources	$ 481,878	$ 509,365	**$ 991,243**

NYSLRS Actuarial Assumptions - 2022 and 2021

The TPL for each plan was determined using an actuarial valuation as of April 1, 2021, for fiscal year 2022 and April 1, 2020, for fiscal year 2021, with update procedures used to roll forward the TPL to the measurement dates of March 31, 2022 and March 31, 2021, respectively. These actuarial valuations used the following actuarial assumptions:

ERS	2022	2021
Investment rate of return	5.9% compounded annually, net of investment expenses, including inflation	5.9% compounded annually, net of investment expenses, including inflation
Salary scale	4.4%, indexed by service	4.4%, indexed by service
Inflation	2.7%	2.7%
Cost of living adjustment	1.4%	1.4%

PFRS	2022	2021
Investment rate of return	5.9% compounded annually, net of investment expenses, including inflation	5.9% compounded annually, net of investment expenses, including inflation
Salary scale	6.2%, indexed by service	6.2%, indexed by service
Inflation	2.7%	2.7%
Cost of living adjustment	1.4%	1.4%

Mortality rates for both fiscal years 2022 and 2021 actuarial valuation were based on the experience study for each plan for the period April 1, 2015, through March 31, 2020, with adjustments for mortality improvement based on the Society of Actuaries' Scale MP-2020.

The long-term expected rate of return on pension plan investments for each actuarial valuation for ERS and PFRS 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the determination of the investment rate of return for each actuarial valuation are summarized in the following table:

	2022*		2021*	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	**32%**	**3.30%**	32%	4.05%
International equity	**15%**	**5.85%**	15%	6.30%
Private equity	**10%**	**6.50%**	10%	6.75%
Real estate	**9%**	**5.00%**	9%	4.95%
Opportunistic/Absolute return strategies**	**3%**	**4.10%**	3%	4.50%
Credit	**4%**	**3.78%**	4%	3.63%
Real assets	**3%**	**5.58%**	3%	5.95%
Fixed Income	**23%**	**0.00%**	23%	0.00%
Cash	**1%**	**(1.00%)**	1%	0.50%
Inflation–indexed bonds	**0%**	**0.00%**	0%	0.00%
Total	**100%**		100%	

* The real rate of return is net of the long-term inflation assumption of 2.5% in 2022 and 2.0% in 2021.

** Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

NYSLRS Discount Rate Analysis - 2022 and 2021

The discount rate used to calculate the TPL for ERS and PFRS was 5.9% for 2022 and 2021. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rates and that employer contributions will be made at their contractually required rates, as actuarially determined.

Based upon these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for both ERS and PFRS. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL for each plan.

The following tables present the Port Authority's proportionate share of the NPA/NPL for ERS and PFRS calculated for 2022 and 2021 using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate actually used.

		2022	
	1% Decrease (4.9%)	**Discount Rate (5.9%)**	**1% Increase (6.9%)**
		(In thousands)	
ERS – Port Authority's proportionate share of the (NPA)/NPL	**$ 305,095**	**$ (118,530)**	**$ (472,872)**
PFRS – Port Authority's proportionate share of the NPL/(NPA)	**558,600**	**50,218**	**(370,587)**
Total	**$ 863,695**	**$ (68,312)**	**$ (843,459)**

		2021	
	1% Decrease (4.9%)	**Discount Rate (5.9%)**	**1% Increase (6.9%)**
		(In thousands)	
ERS – Port Authority's proportionate share of the NPL/(NPA)	$ 460,056	$ 1,658	$ (421,094)
PFRS – Port Authority's proportionate share of the NPL/(NPA)	722,898	169,991	(287,673)
Total	$ 1,182,954	$ 171,649	$ (708,767)

Additional information related to the Port Authority's proportionate share of the net pension liability for ERS and PFRS and the Port Authority's contributions to ERS and PFRS can be found in the Required Supplementary Information ("RSI") section of this report following the appended notes.

New York State Voluntary Defined Contribution Program ("VDC")

Non-represented New York State public employees hired on or after July 1, 2013, with annual wages of $75,000 or more are eligible to participate in the VDC by electing out of the ERS defined benefit pension plan. The VDC plan is administered by TIAA-CREF. System benefits and contribution requirements are established and may be amended under provisions of the RSSL.

An electing VDC employee contributes up to 6% of their annual gross wages with an additional employer contribution of 8% of the employee's annual gross wages.

As of December 31, 2022 and 2021, 357 and 356 employees, respectively, were enrolled in the VDC program. The following table shows employee and employer contributions (reported as pension expense):

	2022	2021
	(In thousands)	
Employer Contributions	**$ 3,293**	$ 3,282
Employee Contributions	**2,449**	2,437
Total	**$ 5,742**	$ 5,719

Port Authority Trans-Hudson Corporation ("PATH") Employees

Federal Railroad Retirement Program

PATH employees are not eligible to participate in NYSLRS. In accordance with Federal Railroad Retirement legislation enacted in 1935, and amended thereafter, PATH represented and non-represented employees are members of a two tiered Federal Railroad Retirement Program administered by the United States Railroad Retirement Board. The Federal Railroad Retirement Program is a cost-sharing defined benefit pension plan, providing benefits to employees of governmental and private sector railroad entities. Program benefits are established and may be amended by federal legislation. Under the Federal Railroad Retirement Program, employees are entitled to retirement benefits related to years of railroad service, age, and salary. Survivor and disability benefits are also available to members based on program eligibility requirements. Vesting of benefits is determined after a set period of credited railroad service. Funding of the Federal Railroad Retirement Program is legislatively determined through the collection of employer and employee Railroad Retirement Taxes. In 2022 and 2021, 1,218 and 1,203 PATH employees, respectively, participated in the Federal Railroad Retirement Program.

Employer and employee contributions to the Federal Railroad Retirement Program were as follows:

Railroad Retirement Tier I	**Employee Tax Rate**	**Employee Taxes**	**Employer Tax Rate**	**Employer Taxes**	**Total Taxes**
			($ In thousands)		
2022	**7.65%**	**$ 11,191**	**7.65%**	**$ 11,191**	**$ 22,382**
2021	7.65%	$ 9,329	7.65%	$ 9,329	$ 18,658

Railroad Retirement Tier II	**Employee Tax Rate**	**Employee Taxes**	**Employer Tax Rate**	**Employer Taxes**	**Total Taxes**
			($ In thousands)		
2022	**4.9%**	**$ 5,620**	**13.1%**	**$ 15,025**	**$ 20,645**
2021	4.9%	$ 5,130	13.1%	$ 13,714	$ 18,844

Detailed information about the Federal Railroad Retirement Program can be found in the U.S. Railroad Retirement Board Performance and Accountability Report, which is publicly available at the following web address: https://www.rrb.gov/sites/default/files/2022-11/par2022_0.pdf.

PATH Employees Supplemental Pension Plans

In addition to pension benefits provided under the Federal Railroad Retirement Program, PATH employees are eligible to participate in certain supplemental pension plans.

PATH Represented Employees

For PATH employees covered under collective bargaining agreements, PATH makes defined contributions to supplemental pension plans administered exclusively by trustees comprising and appointed by union members. Benefits are established and may be amended at the sole discretion of the trustees. PATH is not responsible for funding deficiencies or entitled to funding surpluses related to these supplemental pension plans. PATH's sole responsibility related to these supplemental pension plans are contributions that are defined in various collective bargaining agreements. Contributions by PATH to these supplemental pension plans totaled approximately $11.1 million in 2022 and $7.5 million in 2021.

PATH Non-Represented Employees

Employees of PATH who are not covered by collective bargaining agreements (PATH Exempt Employees) are members of the PATH Exempt Employees Supplemental Pension Plan, amended and restated as of January 1, 2011 ("the Plan"). The Plan is a non-contributory, unfunded, single-employer, defined benefit, qualified governmental pension plan administered by PATH. The Plan provides retirement benefits related to years of service as a PATH Exempt Employee and final average salary, death benefits for active PATH Exempt Employees, vesting of retirement benefits after a set period of credited service as a PATH Exempt Employee, and optional methods of retirement benefit payment. Depending upon the date of membership, retirement benefits differ as to the qualifying age or years of service requirement and the benefit formula used in calculating retirement benefits.

On August 22, 2013, the Port Authority established the PATH Exempt Employees Supplemental Pension Plan Trust with Wells Fargo Bank, N.A. as Trustee. As of December 31, 2022, no amounts have been deposited into the trust to fund future pension payments. In July 2019, Principal Financial Group ("Principal") acquired Wells Fargo's Institutional Retirement & Trust business. Migration of the Trust to Principal was completed on February 22, 2022.

PATH Exempt Employee Supplemental Pension Plan – Total Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

PATH Exempt Employee Supplemental Pension Plan Total Pension Liability - 2022 and 2021

GASB Statement No. 68, as amended, defines the NPL as the difference between the TPL and the pension plan's fiduciary net position. As the Plan is unfunded and has no plan assets, the TPL and NPL are of equal amounts. Changes in the TPL from the previous measurement date are as follows:

Total Pension Liability	**2022***	2021**
	(In thousands)	
Beginning Balance	**$ 116,053**	$ 94,720
Changes recognized for the fiscal year:		
Service cost	**5,709**	3,905
Interest on the total pension liability	**2,534**	2,649
Changes of benefit terms	**—**	9,607
Differences between expected and actual experience	**915**	1,082
Changes in assumptions	**937**	8,015
Benefit payments	**(4,495)**	(3,925)
Net change in TPL	**5,600**	21,333
TPL recognized at December 31	**$ 121,653**	$ 116,053

* The Plan's TPL reported at December 31, 2022 was measured as of January 1, 2022, based on an actuarial valuation as of the same date.
** The Plan's TPL reported at December 31, 2021 was measured as of January 1, 2021, based on an actuarial valuation as of the same date.

PATH Exempt Employee Supplemental Pension Plan Pension Expense - 2022 and 2021

Pension expense related to the Plan totaled:

	2022	2021
	(In thousands)	
Pension Expense	**$ 11,949**	$ 19,739

PATH Exempt Employee Supplemental Pension Plan Deferred Outflows/Inflows of Resources - 2022 and 2021

GASB Statement No. 68, as amended, requires certain changes in the TPL to be recognized as deferred outflows of resources or deferred inflows of resources. These deferred outflows and deferred inflows of resources are amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense using a systematic and rational method over a closed period.

At December 31, 2022 and December 31, 2021, the Port Authority reported deferred outflows of resources totaling:

Deferred Outflows of Resources	**2022**	2021
	(In thousands)	
Differences between actual and expected experience	**$ 2,491**	$ 3,056
Changes in actuarial assumptions	**9,655**	14,590
Subtotal – Deferred Outflows of Resources	**12,146**	17,646
Contributions subsequent to the measurement date*	**4,074**	4,495
Total Deferred Outflows of Resources	**$ 16,220**	$ 22,141

* Contributions made by Port Authority to the Path Exempt Employee Supplemental Pension Plan after the measurement date to satisfy the pension plan's TPL, but before the end of the financial statement period for the employer, are recognized as deferred outflows of resources. These amounts will be recognized as a reduction to the TPL for the fiscal year ended December 31, 2023.

At December 31, 2022 and December 31, 2021, the Port Authority reported deferred inflows of resources totaling:

Deferred Inflows of Resources	**2022**	2021
	(In thousands)	
Differences between actual and expected experience	**$ —**	$ 217
Changes in actuarial assumptions	**1,988**	5,416
Total Deferred Inflows of Resources	**$ 1,988**	$ 5,633

The difference between reported deferred outflows of resources, excluding contributions made by the Port Authority after the measurement date, and deferred inflows of resources as of December 31, 2022, will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future years' pension expense as follows:

Year ended December 31,	**Total Amortization**
	(In thousands)
2023	$ 4,350
2024	3,775
2025	1,745
2026	288
Total	$ 10,158

PATH Exempt Employee Supplemental Pension Plan Actuarial Assumptions – 2022 and 2021

The TPL measured as of January 1, 2022 and January 1, 2021, based on an actuarial valuation as of the same date was determined using the following actuarial assumptions:

	2022	2021
Inflation	**2.20%**	2.20%
Salary increases	**4.25%**	3.00%
Investment rate of return	**N/A**	N/A

Actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2017 to January 1, 2022. Actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2014 to January 1, 2017. Mortality rates used in the 2022 and 2021 valuations were based on Pub-2010 General Employees mortality table projected on a generational basis with Scale MP-2021 and MP-2020 from 2010, respectively. Projections of benefits for financial reporting purposes are based on the terms of the Plan as described by PATH to participants and include the types of benefits provided at the time of each valuation.

As of the January 1, 2022 and January 1, 2021 valuation date, Plan participants comprised:

	2022	2021
Retired PATH Exempt Employees (or their beneficiaries)	**118**	115
Active PATH Exempt Employees	**101**	103
Terminated but vested employees who are not currently receiving benefits	**16**	17
Total participants	**235**	235

PATH Exempt Employee Supplemental Pension Plan Discount Rate Analysis – 2022 and 2021

As the Plan is unfunded, the discount rate used in the actuarial valuation is based on the 20-year municipal Bond Buyer Index for general obligations that equaled 2.06% as of the January 1, 2022 measurement date and 2.12% as of the January 1, 2021 measurement date.

The following tables present the 2022 and 2021 Plan's TPL calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the discount rate actually used.

		2022	
	1% Decrease (1.06%)	**Discount Rate (2.06%)**	**1% Increase (3.06%)**
		(In thousands)	
Total Pension Liability	**$ 139,514**	**$ 121,653**	**$ 107,009**

		2021	
	1% Decrease (1.12%)	**Discount Rate (2.12%)**	**1% Increase (3.12%)**
		(In thousands)	
Total Pension Liability	$ 132,886	$ 116,053	$ 102,226

NOTE J – OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

Plan Description and Organization

The Port Authority and PATH, pursuant to Board of Commissioners action or as contemplated thereby, administer a single-employer healthcare plan ("the Plan") that provides certain group healthcare, prescription, dental, vision, and term life insurance benefits to eligible retired employees of the Port Authority and PATH (includes eligible dependents and survivors of retired employees). These benefits are often referred to as OPEB. Benefits are provided through a third-party insurer. Benefits are paid: ***a.)*** directly by the Port Authority or PATH from available operating funds; ***b.)*** by insurance companies on the basis of premiums paid by the Port Authority or PATH with or without employee contributions; or, ***c.)*** from a dedicated trust established for such purposes. The Port Authority and PATH also reimburse eligible retirees and dependents for the cost of certain Medicare premiums.

Participants in the Plan at January 1 consisted of the following:

	2022	2021
Retirees and surviving spouses currently receiving benefits	**8,420**	8,302
Covered spouses of retired employees receiving benefits	**4,295**	4,129
Active employees plan participants	**7,487**	7,924
Total plan members	**20,202**	20,355

Contributions toward OPEB costs are required of certain non-represented and represented participants. In 2019, certain Plan provisions relating to represented employees' contributions toward OPEB were changed due to the amendment of certain collective bargaining agreements. Retiree contributions are dependent on a number of factors including type of benefit, hire date, years of service, pension earnings, and retirement date.

On December 14, 2006, the Port Authority on behalf of itself and its component unit, PATH, established The Port Authority of New York and New Jersey Retiree Health Benefits Trust (the "Trust") for the exclusive benefit of eligible retired employees of the Port Authority and PATH and the eligible dependents of such retired employees to facilitate all or part of the funding for OPEB benefits, which are provided through the Plan.

Employer contributions in relation to the Trust include advance funding of the Trust as well as pay-as-you-go benefit payments that are made to or on behalf of OPEB plan members or their beneficiaries from available Port Authority operating funds. The Port Authority is not required by law to provide funding for its OPEB obligations, other than the pay-as-you-go amount necessary to provide current benefits to eligible retired employees and the eligible dependents of such retired employees. No advanced funding contributions were made to the Trust in 2022 or 2021. Current year's benefits were paid out of available Trust funds.

Net OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," defines the Net OPEB Liability ("NOL") as the liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. For purposes of measuring the NOL, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Trust, and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net OPEB Liability – 2022 and 2021

	Total OPEB Liability (a)	The Trust Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
		(In thousands)	
Balance at December 31, 2021	$ 3,028,876	$ 1,967,686	**$ 1,061,190**
Changes Increase/(Decrease) for the year:			
Service cost	35,107	—	**35,107**
Interest cost on the total OPEB liability	196,063	—	**196,063**
Changes in benefit terms	6,233	—	**6,233**
Differences between expected and actual experience	116,370	—	**116,370**
Changes in assumptions	557,468	—	**557,468**
Benefit payments*	(189,699)	(189,699)	**—**
Net investment income	—	(310,021)	**310,021**
Administrative expenses	—	(88)	**88**
Increase/(Decrease)	721,542	(499,808)	**1,221,350**
Balance at December 31, 2022	$ 3,750,418	$ 1,467,878	**$ 2,282,540**

* 2022 benefit payment includes $189.7 million paid from the Trust.

	Total OPEB Liability (a)	The Trust Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
		(In thousands)	
Balance at December 31, 2020	$ 2,987,268	$ 1,905,761	$ 1,081,507
Changes Increase/(Decrease) for the year:			
Service cost	34,851	—	34,851
Interest cost on the total OPEB liability	196,750	—	196,750
Differences between expected and actual experience	31,334	—	31,334
Changes in assumptions	(47,407)	—	(47,407)
Benefit payments*	(173,920)	(173,920)	—
Net investment income	—	235,963	(235,963)
Administrative expenses	—	(118)	118
Increase/(Decrease)	41,608	61,925	(20,317)
Balance at December 31, 2021	$ 3,028,876	$ 1,967,686	$ 1,061,190

* 2021 benefit payment includes $173.9 million paid from the Trust.

The discount rate used to measure the total OPEB liability as of December 31, 2022 and 2021 was 6.6%. Based on those assumptions, the OPEB plan'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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The assumed contributions are based on the Port Authority paying current year benefit payments outside of the trust starting in 2023 and by 2027, recommencing their advance funding of the trust at least equal to the minimum amount projected to ensure the trust can fully pay all future benefit payments. The Port Authority has started making current year benefit payments from its own operating funds for January and February 2023 and intends to continue making those payments. Further, the Port Authority continually evaluates the need to make additional contributions in order for the trust to be fully funded in the future.

The following presents the NOL of the Port Authority, as well as what the Port Authority's NOL would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate for the year ending December 31:

	2022			2021		
	1% Decrease (5.6%)	**Discount Rate (6.6%)**	**1% Increase (7.6%)**	1% Decrease (5.6%)	Discount Rate (6.6%)	1% Increase (7.6%)
			(In thousands)			
Net OPEB Liability	**$ 2,807,919**	**$ 2,282,540**	**$ 1,854,091**	$ 1,480,951	$ 1,061,190	$ 720,156

The following presents the NOL of the Port Authority, as well as what the Port Authority's NOL would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the healthcare cost trend rates used in the January 1 actuarial valuation disclosed above:

	2022			2021		
	1% Decrease	**Healthcare Cost Trend Rate**	**1% Increase**	1% Decrease	Healthcare Cost Trend Rate	1% Increase
			(In thousands)			
Net OPEB Liability	**$ 1,850,232**	**$ 2,282,540**	**$ 2,822,657**	$ 740,772	$ 1,061,190	$ 1,457,291

OPEB Expense

OPEB expense related to the Plan totaled $244 million in 2022 and $12 million in 2021.

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

At December 31, 2022 and 2021, the Port Authority reported deferred outflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**2022**	2021
	(In thousands)	
Changes in actuarial assumptions	**$ 457,920**	$ —
Net difference between projected and actual earnings on OPEB plan investments	**200,587**	—
Differences between actual and expected experience	**185,715**	139,346
Total Deferred Outflows of Resources	**$ 844,222**	$ 139,346

At December 31, 2022 and 2021, the Port Authority reported deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources	**2022**	2021
	(In thousands)	
Changes in actuarial assumptions	**$ 197,735**	$ 285,650
Net difference between projected and actual earnings on OPEB plan investments	**—**	191,394
Total Deferred Inflows of Resources	**$ 197,735**	$ 477,044

The difference between reported deferred outflows of resources and deferred inflows of resources related to OPEB will be amortized as either an increase (deferred outflows) or decrease (deferred inflows) to future year's OPEB expense over a closed period, as follows:

Year ended December 31,	**Total Amortization**
	(In thousands)
2023	$ 85,143
2024	115,402
2025	168,397
2026	205,348
2027	72,197
Total	**$ 646,487**

Actuarial Methods and Assumptions

The actuarially determined valuation of OPEB is reviewed annually for the purpose of estimating the present value of postemployment benefits earned by plan participants as of the valuation. Projections of benefits for financial reporting purposes are based on the benefit plans as described by the Port Authority and PATH to participants, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrence of events far into the future, including future employment with a salary scale at a rate of 3% per year, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Port Authority's total OPEB liabilities were measured as of December 31, 2022 and 2021, based on actuarial valuations as of January 1, 2022 and 2021, with update procedures used to roll forward the total OPEB liability to the measurement date. The actuarial assumptions used in these valuations were based on the results of an actuarial experience study for the period January 1, 2017 to January 1, 2022, and January 1, 2014 to January 1, 2017, respectively. Mortality rates for the January 2022 and 2021 actuarial valuations were based on the PUB-2010 Safety Classification headcount-weighted table projected generationally with Scale MP-2021 from the central year for Port Authority Police employees and PUB-2010 General Classification headcount-weighted table projected generationally with Scale MP-2021 from the central year for civilian employees, for years 2022 and 2021, respectively.

The entry age normal cost method based on a level percentage of pay was used in both actuarial valuations of the Port Authority and PATH OPEB obligation for all participants. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

	2022	2021
Inflation	**2.40%**	2.20%
Salary increases	**4.47%**	3.00%
Discount rate*	**6.60%**	6.60%
Medical healthcare cost trend rates (Pre-65 year old participant)**	**5.75%**	5.75%
Medical healthcare cost trend rates (Post-65 year old participant)**	**5.25%**	5.25%
Pharmacy benefit cost trend rate***	**6.00%**	6.00%
Dental benefit cost trend rate	**3.00%**	4.00%
Employer Group Waiver Plan savings	**3.00%**	3.00%
Medicare Part B	**5.00%**	5.00%

* Represents the expected long-term rate of return on investments expected to be used for the payment of benefits.
** Declining to an ultimate medical healthcare cost trend rate of 4.50% in 2032 (including inflation factors of 2.4% for 2022 and 2.2% for 2021).
*** Decreasing to 4.50% in 2032.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31 are summarized in the following table:

Asset Class	**Target Asset Allocation**		**Long-Term Expected Real Rate of Return***	
	2022	2021	**2022**	2021
Domestic Equity	**33%**	33%	**5.2%**	5.4%
International Equity	**21%**	21%	**4.9%**	5.1%
Real Estate Investment Trust	**6%**	6%	**4.2%**	4.4%
Fixed Income	**40%**	40%	**1.5%**	1.7%

* The long-term expected real rate of return is net of the long-term inflation assumption of 2.4% in 2022 and 2.2% in 2021.

NOTE K – COMMITMENTS AND CERTAIN CHARGES TO OPERATIONS

1. Approval of a budget by the Board of Commissioners does not in itself authorize any specific expenditures, which are authorized from time to time by or as contemplated by other actions by the Board of Commissioners of the Port Authority consistent with statutory, contractual, and other commitments of the Port Authority, including agreements with the holders of its obligations.

2. At December 31, 2022, the Port Authority had entered into various construction contracts totaling approximately $2.7 billion, which are expected to be completed within the next three years.

3. Other amounts receivable, net recognized on the Statements of Net Position at December 31, 2022, comprises the following:

	December 31, 2021	Additions	Deductions	December 31, 2022
		(In thousands)		
Deferred amounts due from WTC Tower 4 and WTC Tower 3 net lessees	$ 86,750	$ 35,758	$ 28,308	**$ 94,200**
Long-term receivables from tenants	54,696	35,285	14,128	**75,853**
Amounts due – Goethals Bridge Replacement Bridge developer	28,238	—	—	**28,238**
Tower 4 Liberty Bonds debt service	12,130	32,545	—	**44,675**
Other receivables	16,490	1,415	8	**17,897**
Total other amounts receivable, net	$ 198,304	$ 105,003	$ 42,444	**$ 260,863**

4. The 2022 balance of Other noncurrent liabilities consists of the following:

	December 31, 2021	Additions	Deductions	December 31, 2022
		(In thousands)		
Self-Insured Public Liability Claims	$ 71,695	$ 12,134	$ 13,559	**$ 70,270**
Self-Insured Worker's Compensation Claims	80,779	27,610	21,248	**87,141**
Other payables	89,782	693	15,047	**75,428**
Pollution remediation obligation	21,339	19,657	9,387	**31,609**
Asset forfeiture program	27,958	1,547	2,598	**26,907**
Reinsurance premium payable	12,114	—	12,114	**—**
Surety and security deposits	4,583	179	241	**4,521**
WTC Joint Venture Preferred Returns	14,037	2,093	—	**16,130**
Deferred Gain/Loss on NLCC	4,761	—	—	**4,761**
Total Liabilities	$ 327,048	$ 63,913	$ 74,194	**$ 316,767**
Less: Current worker's compensation liability	16,944	—	—	**17,509**
Total other noncurrent liabilities	$ 310,104			**$ 299,258**

5. In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, an operating expense provision and corresponding liability measured at its current value using the expected cash flow method is recognized when an obligating event occurs. In 2022, the Port Authority recognized an additional $19.7 million in pollution remediation obligations, primarily related to asbestos abatement at certain Aviation facilities and Marine Terminals. Cumulative operating expense remediation provisions through December 31, 2022 totaled $120.3 million, net of $2.1 million in recoveries.

As of December 31, 2022, the outstanding pollution remediation liability totaled $31.6 million, primarily consisting of future remediation activities associated with asbestos removal, lead based paint abatement, ground water contamination, and soil contamination at Port Authority facilities.

NOTE L – INFORMATION WITH RESPECT TO THE REDEVELOPMENT OF THE WORLD TRADE CENTER CAMPUS

Conceptual Framework for the Redevelopment of the Office, Retail, and Other Components of the World Trade Center

The terms of the original July 2001 net leases established both an obligation and concomitant right for the net lessees, at their sole cost and expense, to restore their net leased premises following a casualty whether or not the damage is covered by insurance proceeds in accordance, to the extent feasible, prudent and commercially reasonable, with the plans and specifications as they existed before the casualty or as otherwise agreed to with the Port Authority.

The redevelopment of the WTC site has proceeded pursuant to the World Trade Center Memorial and Cultural General Project Plan adopted in 2004 and amended in 2007 and 2022 ("GPP") by Lower Manhattan Development Corporation ("LMDC"), which provides for approximately 10 million square feet of above-grade office space with associated storage, mechanical, loading, below-grade parking, and other non-office space, and was planned to consist of up to five office towers (one of which may instead be a multi-use building, including residential space at a mix of market and affordable rents), space for retail businesses, the World Trade Center Transportation Hub, a memorial and interpretive museum, the St. Nicholas Greek Orthodox Church and National Shrine, the Performing Arts Center at the World Trade Center, and certain related infrastructure. A December 2010 World Trade Center Amended and Restated Master Development Agreement ("MDA"), among the Port Authority, PATH, 1 WTC LLC, WTC Retail LLC, and the Silverstein net lessees, sets forth the respective rights and obligations of the parties thereto with respect to construction on the WTC site, including the allocation of construction responsibilities and costs between the parties to the MDA.

One World Trade Center

On June 13, 2011, the Port Authority and The Durst Organization through entities formed by such parties entered into various agreements in connection with the establishment of a joint venture with respect to the construction, financing, leasing, management and operation of One World Trade Center. In June 2011, The Durst Organization contributed $100 million for a minority equity interest in the joint venture related to One World Trade Center through the current net lessee WTC Tower 1 LLC. One World Trade Center contains 3.0 million square feet of space, comprising commercial office space and an indoor observation deck. As of December 31, 2022, WTC Tower 1 LLC has leased, (i) approximately 2.8 million square feet of office space at One World Trade Center, representing approximately 95% of the leasable office space, (ii) certain portions of the One World Trade Center rooftop, together with ancillary space, for a broadcasting and communications facility, and (iii) the 100th through 102nd floors of One World Trade Center for an observation deck, which opened to the public in 2015.

World Trade Center Tower 2

The MDA requires the Tower 2 Silverstein net lessee to complete subgrade and foundation work for Tower 2, which has been substantially completed by the Port Authority as part of the overall site improvements shared by all of the World Trade Center tenants. Upon closing of any future construction financing and commencement of above-grade construction of Tower 2, the Tower 2 Silverstein net lessee will be required to reimburse the Port Authority for the Tower 2 Silverstein net lessee's allocated costs for the subgrade and foundation work funded by the Port Authority at the site. Under the Tower 2 net lease, ground rent is payable by the Tower 2 Silverstein net lessee upon the earlier of (i) commencement of construction of Tower 2 and (ii) December 2022, whether or not construction is commenced. As of December 2022, construction of Tower 2 has not commenced. Accordingly, ground rent is due the Port Authority under the terms of the Tower 2 net lease but has not yet been received.

World Trade Center Tower 3

To assist the Silverstein net lessee of Tower 3 in the construction of the Tower 3 office tower following satisfaction of certain private real estate and capital markets triggers, the Port Authority entered into a Tower 3 Tenant Support Agreement in 2010 (as subsequently amended in 2014, the "Tower 3 Tenant Support Agreement"). Under the Tower 3 Tenant Support Agreement, the Port Authority, together with New York State and New York City, was required to provide up to $600 million in overall support, comprising: (x) $210 million for the construction of Tower 3 (paid for as a landlord capital improvement) and (y) backstop funding of $390 million for construction overruns and certain leasing cost overruns, operating expense deficits and certain leasing cost overruns (provided as a rent deferral under the Tower 3 net lease), and senior debt service shortfalls (which would be paid by the Port Authority if necessary in the future, as a special limited co-obligor on the senior debt issued for Tower 3), with such senior debt service shortfalls payable as a special obligation of the Port Authority, subject in each case to the overall limit of $390 million for the backstop (See *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* for additional information related to the payment of special obligations of the Port Authority). The State of New York and the City of New York have each agreed to reimburse the Port Authority for up to $200 million of the $600 million provided under the Tower 3 Tenant Support Agreement for a combined reimbursement to the Port Authority from the State of New York and the City of New York of up to $400 million. To date, the Port Authority has applied $83 million of the $93.4 million received from the State of New York as a capital contribution for the partial reimbursement of the $210 million landlord capital improvement the Port Authority made in December 2014 toward the construction of Tower 3 and for Tower 3 backstop funding. In addition, under a Public Support Agreement with the City of New York, the Port Authority will receive $130 million plus accrued interest in WTC PILOT credits as reimbursement for the remaining share of the Port Authority's landlord capital improvement. WTC payments in lieu of taxes ("PILOT") credits from City of New York commenced in July 2019.

Under the Tower 3 Support Agreement, the Tower 3 Silverstein net lessee is responsible for the repayment of any outstanding balance of the $390 million backstop on a subordinated basis, without interest, from Tower 3 revenues, upon termination of the Tower 3 Support Agreement. All repayments of the Tower 3 backstop received by the Port Authority would be distributed among the Port Authority, the State of New York, and the City of New York in accordance with their respective shares of the $390 million backstop payments. As security for such repayment, the Tower 3 Silverstein net lessee, the Port Authority, and a third-party banking institution entered into an account control agreement directing revenues derived from the operation of Tower 3 to be deposited into a segregated lockbox account and administered and disbursed by the banking institution in accordance with the Tower 3 Support Agreement. To provide additional security to the Port Authority, the Tower 3 Silverstein net lessee assigned to the Port Authority various contracts in connection with the development and construction of Tower 3, together with all licenses, permits, approvals, easements, and other rights of the Tower 3 Silverstein net lessee, granted a first-priority pledge of all of the ownership interests in the Tower 3 Silverstein net lessee to the Port Authority and granted a subordinated mortgage on the leasehold interest created under the Tower 3 net lease. The Tower 3 net lessee exercised its right to defer certain Tower 3 net lease rent payments due the Port Authority effective November 2017.

As of December 31, 2022, deferred rent due from the Tower 3 net lessee totaled approximately $46.8 million. As of December 31, 2022, the Silverstein Tower 3 net lessee has repaid the approximately $9.0 million in senior debt service shortfalls previously provided under the WTC Tower 3 Tenant Support Agreement.

Tower 3 was substantially completed in March 2018 and officially opened on June 11, 2018. As of December 31, 2022, 89% of leasable office space has been leased to tenants.

World Trade Center Tower 4

In December 2010, the Port Authority, as tenant, entered into a lease with the Tower 4 Silverstein net lessee, as landlord, for approximately 600,000 square feet of office space for use as the Port Authority's executive offices with an initial term of 30 years and four 5-year renewal options. In November 2014, such space lease was amended to provide for the surrender by the Port Authority of two floors to the Tower 4 Silverstein net lessee. Tower 4 was substantially completed in October 2013. As of December 31, 2022, approximately 98% of the leasable office space has been leased to tenants.

Also, in December 2010, the Port Authority entered into certain agreements with the Silverstein net lessee of Tower 4, providing for the Port Authority's support for the construction of Tower 4 (the "Tower 4 Support Agreements") by participating in the November 15, 2011 financing for Tower 4 ("Debt Service Obligations") and providing additional rent deferrals and other concessions ("Tenant Support"). In particular, the Port Authority agreed to become a co-borrower/obligor for the Tower 4 Liberty Bonds, which were issued on November 15, 2011, in the aggregate principal amount of approximately $1.2 billion, by the New York Liberty Development Corporation to finance construction and development of WTC Tower 4. On September 14, 2021, the New York Liberty Development Corporation issued Series 2021A bonds for approximately $1.2 billion and Series 2012B bonds for approximately $11.4 million to cover issuance costs, to refinance the original Tower 4 Liberty Bonds to achieve interest rate savings, with the material terms of the original November 2011 Tower 4 financing remaining unchanged, including the Port Authority remaining a co-borrower/obligor for the refunding bonds (the original November 2011 Tower 4 financing and the September 2021 refinancing are hereafter referred to herein, interchangeably, as the "Tower 4 Liberty Bonds").

The Port Authority's payment of debt service on the Tower 4 Liberty Bonds is a special obligation of the Port Authority, evidenced by a separate Tower 4 Bond Payment Agreement between the Port Authority and the Tower 4 Liberty Bond trustee (See *Note E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* for additional information related to the payment of special obligations of the Port Authority).

Additionally, the Silverstein net lessee of Tower 4 has the right to defer payment of net lease rent payable to the Port Authority under the Tower 4 net lease, to provide cash flow to pay certain operating expense deficits, certain capital expenditures upon completion of Tower 4, and a limited amount of construction and leasing cost overruns. The Tower 4 net lessee exercised its right to defer certain Tower 4 net lease rent payments due the Port Authority effective November 2016. As of December 31, 2022, deferred rent due from the Tower 4 net lessee totaled approximately $47.4 million. The Debt Service Obligations and Tenant Support are currently required to be reimbursed or paid to the Port Authority from Tower 4 cash flow, generally with interest at a rate of 7.5% annum until reimbursed or paid, with the exception of deferred net lease rent that the Tower 4 Silverstein net lessee may elect to deposit in a reserve account (which is limited to $40 million in aggregate at any given time (as adjusted annually by certain CPI increases) and which receives earnings on certain permitted investments plus nominal interest), with an overall term for such reimbursement or payment not to exceed 40 years from the issuance date of the original Tower 4 Liberty Bond financing.

The Tower 4 Silverstein net lessee has informed the Port Authority that, in accordance with the Tower 4 Support Agreements, it has achieved the debt service coverage threshold, which would allow it to terminate the Port Authority's Tenant Support obligations in return for terminating certain account control lockboxes for Tower 4. The parties have determined on a mid-2022 effective date for the termination. The termination will result in the repayment of Tower 4 deferred rent plus accrued interest to the Port Authority. Surplus revenues held in a Tower 4 operating account for the benefit of the Port Authority will be transferred to a similar account for Tower 3 to cover deferred amounts due to the Port Authority on account of its support for Tower 3. The termination of the Tenant Support obligations will not affect the Port Authority's Debt Service Obligations or the pledge of rents and the leasehold mortgage that serve as security therefor.

The World Trade Center Transportation Hub

On July 28, 2005, the Board of Commissioners of the Port Authority authorized the WTC Transportation Hub project for the construction of a transportation hub and permanent PATH terminal. Construction commenced on September 6, 2005. On October 18, 2012, the Board of Commissioners reauthorized the WTC Transportation Hub project at an estimated total project cost range of approximately $3.74 billion to $3.995 billion. The Port Authority reached the maximum funding amount of $2.872 billion from the FTA toward the construction of the WTC Transportation Hub in 2017. On March 3, 2016, the World Trade Center Transportation Hub Oculus and underground pedestrian connections to certain mass transit lines opened to the public and on August 16, 2016, the retail portions opened to the public.

World Trade Center Infrastructure Projects

In addition to the WTC Transportation Hub, the Port Authority continues to construct various WTC site infrastructure projects toward full build-out of the WTC site. In 2014, certain portions of these infrastructure projects, including portions of the vehicular security center for cars and delivery vehicles to access subgrade loading facilities became operational to support commercial operations and development throughout the WTC site. Other WTC infrastructure projects include street configurations, utilities, a central chiller plant, and related electrical distribution systems that support operations of the WTC site.

World Trade Center Retail

Through a series of transactions between the Port Authority and Westfield, the Port Authority has been involved in the planning and construction of the retail components of the World Trade Center. A Westfield entity has net leased the retail premises from the Port Authority for an upfront payment and a nominal annual amount. The Port Authority continues to be responsible for the construction of additional retail premises at the World Trade Center and is obligated to fund the remaining project costs for their construction. Upon completion and lease up of such additional retail premises, the Port Authority expects to receive additional payments for the fair value of such additional retail space, to be determined according to the methodology specified in the agreement with Westfield, which is not expected to fully compensate the Port Authority for the cost of construction.

As of December 31, 2022, including Westfield's 2012 initial joint venture membership capital contribution of $100 million, the Port Authority has received $897 million for the transfer of its interests in the WTC retail joint venture to Westfield, which is recognized as a deferred inflow of resources related to leases.

WTC Memorial and Museum, the St. Nicholas Greek Orthodox Church and National Shrine, and the Performing Arts Center at the World Trade Center

The Port Authority does not have any responsibility for the operation and maintenance of the WTC Memorial and Museum, the St. Nicholas Greek Orthodox Church and National Shrine, or the Performing Arts Center at the World Trade Center. The WTC Memorial Plaza opened for public access on September 11, 2011, and the Museum opened to the public on May 21, 2014. The St. Nicholas Greek Orthodox Church and National Shrine opened to the public in December 2022 and the Performing Arts Center at the World Trade Center, which is currently under construction, is expected to be completed in 2023.

NOTE M – RISK FINANCING ACTIVITIES

The Port Authority carries insurance or requires insurance to be carried (if available) on or in connection with its facilities and those under construction to protect against direct physical loss or damage and resulting loss of revenue and against liability in such amounts as it deems appropriate, considering deductibles, retentions, and exceptions or exclusions of portions of facilities and the scope of insurable hazards. A portion of the insurance under the programs described below is provided by the Port Authority's captive insurer, the Port Authority Insurance Captive Entity, LLC ("PAICE") (see "Port Authority Insurance Captive Entity, LLC" in this Section).

Property Damage and Loss of Revenue Insurance Program

The property damage and loss of revenue insurance program on Port Authority facilities (which was renewed effective June 1, 2022, and expires on June 1, 2023) covers all Port Authority facilities, excluding the World Trade Center (except for the area of the PATH station inside the fare zone). Portions of the property damage and loss of revenue insurance program on the Port Authority facilities is insured through PAICE and reinsured through commercial reinsurers.

Property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] and related infrastructure is provided in a separate program (which was renewed effective June 1, 2022, and expires on June 1, 2023). Portions of the property damage and loss of revenue insurance on the operating portions of the World Trade Center[1] are insured through PAICE and reinsured through commercial reinsurers.

The Port Authority also purchased property terrorism insurance with respect to all Port Authority facilities for a two-year term, effective June 1, 2021. The terrorism coverage is insured through PAICE and reinsured through the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA")[2] and commercial reinsurers.

Public Liability Insurance Programs

The public liability insurance program for Port Authority Aviation facilities (which was renewed effective October 27, 2022, and expires October 27, 2023) includes insurance for aviation war risk, which includes terrorism.

The public liability insurance program for "non-aviation" facilities (which was renewed effective October 27, 2022, and expires October 27, 2023) applies to such facilities, including components of the World Trade Center.[1]

Terrorism insurance with respect thereto is insured through PAICE and reinsured through TRIPRA[2] and commercial reinsurers, and was renewed effective October 27, 2021, and expires October 27, 2023.

The Port Authority also carries terrorism and/or malicious acts insurance for losses to property and liability resulting from nuclear, biological, chemical, or radiological material for all Port Authority facilities. The program is insured through a combination of PAICE, commercial reinsurers, and TRIPRA[2] and was renewed effective October 27, 2021, and expires October 27, 2023.

Construction Insurance Programs

The Port Authority maintains an ongoing wrap-up contractors' insurance program for all Port Authority operated facilities under construction (excluding the World Trade Center), which was renewed effective June 1, 2020, and expires June 1, 2023, including builders' risk, construction general liability insurance, and statutory workers' compensation coverage. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

The Port Authority began a standalone wrap-up contractors' insurance program on March 27, 2018, and expires March 27, 2024, for construction of Terminal A at Newark Liberty International ("EWR") Airport, which includes builders' risk, construction general liability insurance, and statutory workers' compensation insurance provided through commercial insurance. PAICE provides portions of the construction general liability insurance while statutory workers' compensation insurance is provided through commercial insurance.

Port Authority Insurance Captive Entity, LLC

In 2006, the Port Authority established a captive insurance company, known as the "Port Authority Insurance Captive Entity, LLC," for insuring certain risk exposures of the Port Authority and its related entities. Under its current Certificate of Authority issued by the District of Columbia, PAICE is authorized to transact insurance business in connection with workers' compensation, general liability, builders' risk, property, and terrorism insurance coverages for the Port Authority and its related entities. With the passage of TRIPRA, PAICE assumed coverage for acts of terrorism under the Port Authority's public liability, and property damage and loss of revenue insurance programs.

1 The Port Authority's insurance programs do not provide coverage for World Trade Center Towers 2, 3, 4 (except for the Port Authority's Tower 4 leased space), Tower 5, the World Trade Center Memorial/Museum, the St. Nicholas Greek Orthodox Church and National Shrine, the Performing Arts Center at the World Trade Center, and the net leased retail components (except for certain retail infrastructure) of the World Trade Center site. Coverage for these assets is the responsibility of the net lessees.

2 Under TRIPRA, the formula provides that the federal government generally reinsures 80% of certified terrorism losses subject to aggregate industry insured losses of at least $200 million and a 20% insurance carrier/captive deductible, in an amount not to exceed an annual cap on all such losses payable under TRIPRA of $100 billion. In the event of a certified act of terrorism, the law allows the United States Treasury to recoup 140% of the amount of federal payments for insured losses during that calendar year.

Effective June 1, 2020, PAICE provides the first $500,000 in coverage under the general liability aspect of the Port Authority's contractors' insurance program and 34.5% of the next $4.5 million of losses that are in excess of the primary $500,000 and is further reinsured in the $3 million layer excess of $2 million.

Effective June 1, 2021, PAICE provides $5 billion of property terrorism insurance for World Trade Center facilities for Certified Acts of Terrorism, and $1.02 billion for Non-Certified Acts of Terrorism. In addition, PAICE provides $2 billion of property terrorism insurance for all other facilities for Certified Acts of Terrorism, and $420 million for Non-Certified Acts of Terrorism. PAICE is fully reinsured for property terrorism by TRIPRA and commercial reinsurers.

In addition, renewed for two years effective October 27, 2021 (expiring October 27, 2023), PAICE provides $600 million in coverage under the terrorism liability program, which is fully reinsured by TRIPRA and commercial reinsurers.

Further, renewed for two years effective October 27, 2021 (expiring October 27, 2023), PAICE provides $500 million in coverage under the nuclear, biological, chemical, and radiological terrorism and malicious acts program, which is fully reinsured by TRIPRA and commercial reinsurers, and insures $1.1 billion in excess of $500 million, which is partially reinsured by TRIPRA.

The financial results for PAICE for the year ended December 31, 2022 are set forth below. As PAICE is a blended component unit of the Port Authority, restricted amounts associated with PAICE recorded on the Port Authority's Financial Statements have been adjusted to eliminate intercompany transfers related to insurance premiums paid to PAICE from the Port Authority.

	Amounts
	(In thousands)
Financial Position	
Total Assets	$ 496,342
Total Liabilities	34,009
Net Position, December 31, 2022	**$ 462,333**
Operating Results 2022	
Revenues	$ 34,181
Expenses	5,165
Change in Net Position	$ 29,016
Net Position at January 1, 2022	$ 433,317
Net Position at December 31, 2022	**$ 462,333**

The audited Financial Statements for the years ended December 31, 2022 and December 31, 2021 of PAICE, which provides additional information concerning PAICE assets and liabilities, are available from the Comptroller's Department of the Port Authority of New York and New Jersey, 2 Montgomery Street, Jersey City, New Jersey 07302.

Self-Insured Loss Reserves

A liability is recognized when it is probable that the Port Authority has incurred an uninsured loss and the amount of the loss can be reasonably estimated. The liability for self-insured claims is based upon the estimated cost of settling the claim, which includes an actuarial review of estimated claims expenses, estimated recoveries, retention thresholds, and a provision for incurred but not reported ("IBNR") claims. Workers Compensation and public liability IBNR self-insured loss reserves were discounted to their present value using a 5.25% discount rate. Changes in the self-insured public liability self-insured loss reserves and self-insured worker's compensation loss reserves are as follows:

Self-insured public liability loss reserves:

Year	**Beginning Balance**	**Changes in Loss Reserves**	**Payments**	**Year End Balance***
		(In thousands)		
2022	**$ 71,695**	**$ 12,134**	**$ 13,559**	**$ 70,270**
2021	$ 71,073	$ 11,954	$ 11,332	$ 71,695

* Loss reserves exclude loss adjustment expenditures.

Self-insured workers' compensation loss reserves:

Year	**Beginning Balance**	**Changes in Loss Reserves**	**Payments**	**Year End Balance***
		(In thousands)		
2022	**$ 80,779**	**$ 27,610**	**$ 21,248**	**$ 87,141**
2021	$ 76,352	$ 25,207	$ 20,780	$ 80,779

* Loss reserves exclude loss adjustment expenditures.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

New York State and Local Employees Retirement System ("ERS")

Schedule of Proportionate Share of Net Pension (Asset) Liability*	2022	2021	2020	2019	2018	2017	2016	2015
				($ In thousands)				
Port Authority's proportion of the net pension liability	**1.4%**	1.7%	1.6%	1.3%	1.3%	1.3%	1.3%	1.3%
Port Authority's proportionate share of the net pension (asset) liability	**$ (118,530)**	$ 1,658	$ 430,993	$ 91,792	$ 41,500	$ 120,672	$ 212,555	$ 44,906
Covered payroll (April 1 – March 31)	**$ 461,420**	$ 461,634	$ 536,527	$ 515,065	$ 408,384	$ 395,378	$ 392,529	$ 309,571
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	**(25.7)%**	0.4%	80.3%	17.8%	10.2%	30.5%	54.2%	14.5%
Plan fiduciary net position as a percentage of the total pension liability	**103.7%**	99.95%	86.4%	96.2%	98.2%	94.7%	90.7%	97.9%

Schedule of Employer Contributions*	2022	2021	2020	2019	2018	2017	2016	2015
				($ In thousands)				
Contractually required contribution	**$ 55,306**	$ 71,150	$ 77,635	$ 70,582	$ 56,866	$ 56,743	$ 57,530	$ 63,072
Contributions in relation to the contractually required contribution	**$ 55,306**	$ 71,150	$ 77,635	$ 70,582	$ 56,866	$ 56,743	$ 57,530	$ 63,072
Contribution deficiency (excess)	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Port Authority's covered payroll (January 1 – December 31)	**$ 452,650**	$ 461,539	$ 462,194	$ 536,454	$ 500,841	$ 404,701	$ 395,725	$ 409,234
Contributions as a percentage of covered payroll	**12.2%**	15.4%	16.8%	13.2%	11.4%	14.0%	14.5%	15.4%

New York State and Local Police and Fire Retirement System ("PFRS")

Schedule of Proportionate Share of Net Pension Liability*	2022	2021	2020	2019	2018	2017	2016	2015
				($ In thousands)				
Port Authority's proportion of the net pension liability	**8.8%**	9.8%	7.7%	7.7%	7.6%	7.4%	8.0%	8.9%
Port Authority's proportionate share of the net pension liability	**$ 50,218**	$ 169,991	$ 412,870	$ 129,920	$ 77,081	$ 152,806	$ 236,004	$ 24,490
Covered payroll (April 1 – March 31)	**$ 349,395**	$ 329,673	$ 467,638	$ 271,764	$ 263,292	$ 256,168	$ 246,060	$ 248,631
Port Authority's proportionate share of the net pension liability, as a percentage of its covered payroll	**14.4%**	51.6%	88.3%	47.8%	29.3%	59.7%	95.9%	9.8%
Plan fiduciary net position as a percentage of the total pension liability	**98.7%**	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%

Schedule of Employer Contributions*	2022	2021	2020	2019	2018	2017	2016	2015
				($ In thousands)				
Contractually required contribution	**$ 92,716**	$ 91,287	$ 123,221	$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
Contributions in relation to the contractually required contribution	**$ 92,716**	$ 91,287	$ 123,221	$ 61,277	$ 59,931	$ 60,797	$ 57,807	$ 53,652
Contribution deficiency (excess)	**$ —**	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Port Authority's covered payroll (January 1 – December 31)	**$ 350,440**	$ 340,538	$ 398,506	$ 393,630	$ 262,701	$ 260,867	$ 253,096	$ 253,597
Contributions as a percentage of covered payroll	**26.5%**	26.8%	30.9%	15.6%	22.8%	23.3%	22.8%	21.2%%

* Information provided for Required Supplementary Information will be provided for 10 years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Federal Railroad Retirement Program

Schedule of Employee and Employer Railroad Contributions*

Railroad Retirement Tier I	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**7.65%**	**$ 11,191**	**7.65%**	**$ 11,191**	**$ 22,382**
2021	7.65%	9,329	7.65%	9,329	18,658
2020	7.65%	9,384	7.65%	9,384	18,768
2019	7.65%	8,466	7.65%	8,466	16,932
2018	7.65%	8,197	7.65%	8,197	16,394
2017	7.65%	8,150	7.65%	8,150	16,300
2016	7.65%	8,086	7.65%	8,086	16,172
2015	7.65%	7,747	7.65%	7,747	15,494
2014	7.65%	8,119	7.65%	8,119	16,238
2013	7.65%	7,551	7.65%	7,551	15,102
Total Taxes		$ 86,220		$ 86,220	$ 172,440

Railroad Retirement Tier II	Employee Tax Rate	Employee Taxes	Employer Tax Rate	Employer Taxes	Total Taxes
			($ In thousands)		
2022	**4.9%**	**$ 5,620**	**13.1%**	**$ 15,025**	**$ 20,645**
2021	4.9%	5,130	13.1%	13,714	18,844
2020	4.9%	5,170	13.1%	13,823	18,993
2019	4.9%	4,832	13.1%	12,918	17,750
2018	4.9%	4,687	13.1%	12,530	17,217
2017	4.9%	4,659	13.1%	12,455	17,114
2016	4.9%	4,475	13.1%	11,964	16,439
2015	4.9%	4,379	13.1%	11,707	16,086
2014	4.4%	3,971	12.6%	11,371	15,342
2013	4.4%	3,714	12.6%	10,636	14,350
Total Taxes		$ 46,637		$ 126,143	$ 172,780

* Information provided for Required Supplementary Information will be provided for 10 years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

PATH Exempt Employees Supplemental Pension Plan

Schedule of Changes to Total Pension Liability and Related Ratios*	**2022**	2021	2020	2019	2018	2017	2016	2015
				($ In thousands)				
Total Pension Liability								
Service cost	**$ 5,709**	$ 3,905	$ 2,401	$ 1,720	$ 1,585	$ 1,323	$ 1,280	$ 900
Interest cost	**2,534**	2,649	3,155	3,070	3,169	2,961	2,850	3,271
Changes of benefit terms	**—**	9,607	—	—	—	—	—	—
Differences between expected and actual experience	**915**	1,082	2,926	1,778	(1,449)	5,478	(945)	51
Changes in assumptions	**937**	8,015	13,667	(15,700)	5,676	(5,496)	3,809	10,632
Benefit payments	**(4,495)**	(3,925)	(3,927)	(3,751)	(3,691)	(3,563)	(4,701)	(3,389)
Net change in total pension liability	**5,600**	21,333	18,222	(12,883)	5,290	703	2,293	11,465
Total Pension Liability (Beginning)	**116,053**	94,720	76,498	89,381	84,091	83,388	81,095	69,630
Total Pension Liability (Ending)	**$ 121,653**	$ 116,053	$ 94,720	$ 76,498	$ 89,381	$ 84,091	$ 83,388	$ 81,095
Covered Payroll	**$ 16,106**	$ 16,364	$ 14,872	$ 13,052	$ 13,913	$ 13,590	$ 13,187	$ 12,356
Total Pension Liability as a % of Covered Payroll	**755.3%**	709.2%	636.9%	586.1%	642.4%	618.8%	632.4%	656.3%

* Information provided for Required Supplementary Information will be provided for 10 years, as the information becomes available in subsequent years.
Note: As of December 31, 2022, there are no plan assets accumulated in a trust for purposes of making future pension payments to members.

See accompanying independent auditors' report.

Other Postemployment Benefits ("OPEB") Plan

Schedule of Changes in the Port Authority's Net OPEB Liability and Related Ratios	**2022**	2021	2020	2019	2018	2017
			($ In thousands)			
Total OPEB liability:						
Service cost	**$ 35,107**	$ 34,851	$ 32,566	$ 33,132	$ 25,442	$ 23,778
Interest cost	**196,063**	196,750	209,925	213,607	202,303	196,930
Changes in benefit terms	**6,233**	—	(2,928)	(4,046)	(6,948)	—
Differences between expected and actual experience	**116,370**	31,334	58,916	99,585	90,986	—
Changes in assumptions	**557,468**	(47,407)	(201,908)	(241,555)	(5,903)	—
Benefit payments	**(189,699)**	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Net change in total OPEB liability	**721,542**	41,608	(52,265)	(55,813)	158,119	77,180
Total OPEB liability-beginning	**3,028,876**	2,987,268	3,039,533	3,095,346	2,937,227	2,860,047
Total OPEB liability-ending (a)	**3,750,418**	3,028,876	2,987,268	3,039,533	3,095,346	2,937,227
Plan fiduciary net position:						
Contributions-employer	**—**	—	30,061	256,536	247,761	243,528
Net investment (loss)/income	**(310,021)**	235,963	225,006	285,996	(86,274)	175,795
Benefit payments	**(189,699)**	(173,920)	(148,836)	(156,536)	(147,761)	(143,528)
Administrative expenses	**(88)**	(118)	(96)	(106)	(94)	(94)
Net change in plan fiduciary net position	**(499,808)**	61,925	106,135	385,890	13,632	275,701
Plan fiduciary net position-beginning	**1,967,686**	1,905,761	1,799,626	1,413,736	1,400,104	1,124,403
Plan fiduciary net position-ending (b)	**1,467,878**	1,967,686	1,905,761	1,799,626	1,413,736	1,400,104
Net OPEB liability-ending (a) – (b)	**$ 2,282,540**	$ 1,061,190	$ 1,081,507	$ 1,239,907	$ 1,681,610	$ 1,537,123
Plan fiduciary net position as a percentage of the total OPEB liability	**39.14%**	64.96%	63.80%	59.21%	45.67%	47.67%
Covered-Employee payroll	**$ 975,057**	$ 927,676	$ 987,081	$ 1,041,188	$ 870,525	$ 772,549
Net OPEB liability as a percentage of Covered-Employee payroll	**234.09%**	114.39%	109.57%	119.09%	193.17%	198.97%

Notes to Schedule:

* Information provided for Required Supplementary Information will be provided for 10 years, as the information becomes available in subsequent years.

See accompanying independent auditors' report.

New modern exterior at LaGuardia Airport's Terminal C.

SCHEDULE A – REVENUES AND RESERVES

(pursuant to Port Authority bond resolutions)	Year ended December 31, 2022			2021
	Operating Fund	**Reserve Funds**	**Combined Total**	Combined Total
		(In thousands)		
Gross operating revenues:				
Tolls and fares	$ 1,942,726	$ —	**$ 1,942,726**	$ 1,836,692
Rentals	2,035,180	—	**2,035,180**	1,603,711
Aviation fees	1,395,424	—	**1,395,424**	1,213,743
Parking and other	478,337	—	**478,337**	353,261
Utilities	182,163	—	**182,163**	125,937
Total gross operating revenues	6,033,830	—	**6,033,830**	5,133,344
Operating expenses:				
Employee compensation, including benefits	1,438,403	—	**1,438,403**	1,296,724
Contract services	1,059,209	—	**1,059,209**	938,408
Rents and payments in lieu of taxes ("PILOT")	408,330	—	**408,330**	396,628
Materials, equipment, and other	336,727	—	**336,727**	289,810
Utilities	243,750	—	**243,750**	184,651
Total operating expenses	3,486,419	—	**3,486,419**	3,106,221
Amounts in connection with operating asset obligations	—	—	**—**	708
Net operating revenues	2,547,411	—	**2,547,411**	2,026,415
Financial income:				
Interest income	8,063	46,899	**54,962**	54,221
Net (decrease) increase in fair value of investments	(5,112)	(134,007)	**(139,119)**	(67,769)
Contributions in aid of construction	288,692	—	**288,692**	271,456
Application of WTC Retail Joint Venture Payments	16,968	—	**16,968**	—
Application of Passenger Facility Charges	63,664	—	**63,664**	147,557
Application of 4 WTC associated payments	34,745	—	**34,745**	66,715
Grants, in connection with operating activities	160,290	—	**160,290**	256,609
Pass-through grant program payments	—	—	**—**	(2,613)
Net revenues available for debt service and reserves	3,114,721	(87,108)	**3,027,613**	2,752,591
Debt service:				
Interest on bonds and other asset financing obligations	881,097	101,564	**982,661**	1,089,627
Interest expense incurred during construction	207,264	—	**207,264**	138,077
Debt maturities and retirements	463,107	—	**463,107**	398,600
Repayment of special obligations	—	4,859	**4,859**	26,678
Total debt service	1,551,468	106,423	**1,657,891**	1,652,982
Transfers to reserves	$ (1,563,253)	1,563,253	—	—
Revenues after debt service and transfers to reserves		1,369,722	**1,369,722**	1,099,609
Direct investment in facilities		(867,790)	**(867,790)**	(870,697)
Change in Accounting Principle - pension/OPEB		(22,511)	**(22,511)**	(21,038)
Increase in reserves		479,421	**479,421**	207,874
Reserve balances, January 1		3,408,882	**3,408,882**	3,201,008
Reserve balances, December 31		$ 3,888,303	**$ 3,888,303**	$ 3,408,882

See Notes to Financial Statements.

SCHEDULE B – ASSETS AND LIABILITIES

(pursuant to Port Authority bond resolutions)	December 31, 2022				2021
	Operating Fund	Capital Fund	Reserve Funds	Combined Total	Combined Total
ASSETS			(In thousands)		
Current assets:					
Cash	$ 243,615	$ 5	$ 17,914	**$ 261,534**	$ 343,762
Restricted cash:					
Passenger Facility Charges	7,812	—	—	**7,812**	2,181
Port Authority Insurance Captive Entity, LLC	58,059	—	—	**58,059**	62,415
Other, including Asset Forfeiture Funds	9,284	—	—	**9,284**	9,525
Investments	610,574	535,635	329,479	**1,475,688**	677,079
Restricted Investments – PAICE	11,236	—	—	**11,236**	4,998
Restricted Investments – PFC	187,109	—	—	**187,109**	4,600
Interfund balances	(778,549)	43,338	735,211	**—**	—
Current receivables, net	1,065,521	922	1,419	**1,067,862**	1,061,751
Other current assets	89,836	43,068	—	**132,904**	152,141
Restricted receivables and other assets	57,123	—	—	**57,123**	64,305
Total current assets	1,561,620	622,968	1,084,023	**3,268,611**	2,382,757
Noncurrent assets:					
Restricted cash	4,560	—	—	**4,560**	4,628
Investments	—	—	2,804,280	**2,804,280**	2,622,781
Restricted investments – PAICE	86,666	—	—	**86,666**	61,860
Other amounts receivable, net	224,225	36,638	—	**260,863**	198,304
Other noncurrent assets	1,715,342	4,663	—	**1,720,005**	1,694,500
Restricted other noncurrent assets – PAICE	4,795	—	—	**4,795**	5,503
Amounts receivable – Tower 4 Liberty Bonds	—	1,234,705	—	**1,234,705**	1,236,905
Invested in facilities	—	69,388,077	—	**69,388,077**	67,460,313
Total noncurrent assets	2,035,588	70,664,083	2,804,280	**75,503,951**	73,284,794
Total assets	3,597,208	71,287,051	3,888,303	**78,772,562**	75,667,551
DEFERRED OUTFLOWS OF RESOURCES					
Pension related amounts	774,172	—	—	**774,172**	1,059,884
OPEB related amounts	844,222	—	—	**844,222**	139,346
LIABILITIES					
Current liabilities:					
Accounts payable	379,310	534,159	—	**913,469**	922,541
Accrued interest and other current liabilities	718,365	27,531	—	**745,896**	636,504
Restricted other liabilities – PAICE	386	—	—	**386**	348
Accrued payroll and other employee benefits	255,089	—	—	**255,089**	326,904
Unapplied Passenger Facility Charges	224,308	—	—	**224,308**	12,568
Current portion bonds and other asset financing obligations	1,134,871	991,667	—	**2,126,538**	1,086,167
Total current liabilities	2,712,329	1,553,357	—	**4,265,686**	2,985,032
Noncurrent liabilities:					
Accrued pension and other postemployment benefits	2,404,193	—	—	**2,404,193**	1,348,892
Other noncurrent liabilities	278,161	16,338	—	**294,499**	305,345
Restricted other noncurrent liabilities – PAICE	27,051	—	—	**27,051**	27,546
Amounts payable – Tower 4 Liberty Bonds	—	1,234,705	—	**1,234,705**	1,236,905
Consolidated Notes, series AAA	1,100,000	—	—	**1,100,000**	1,100,000
Bonds and other asset financing obligations	(719,816)	24,071,635	—	**23,351,819**	23,688,890
Total noncurrent liabilities	3,089,589	25,322,678	—	**28,412,267**	27,707,578
Total liabilities	5,801,918	26,876,035	—	**32,677,953**	30,692,610
DEFERRED INFLOWS OF RESOURCES					
Pension related amounts	870,614	—	—	**870,614**	996,876
OPEB related amounts	197,735	—	—	**197,735**	477,044
NET POSITION	$ (1,654,665)	$ 44,411,016	$ 3,888,303	**$ 46,644,654**	$ 44,700,251
Net position comprises:					
Facility infrastructure investment	$ —	$ 44,411,016	$ —	**$ 44,411,016**	$ 42,968,055
Change in accounting principle – pension/OPEB	(1,654,665)	—	—	**(1,654,665)**	(1,676,686)
Reserves	—	—	3,888,303	**3,888,303**	3,408,882
NET POSITION	$ (1,654,665)	$ 44,411,016	$ 3,888,303	**$ 46,644,654**	$ 44,700,251

See Notes to Financial Statements.

SCHEDULE C – ANALYSIS OF RESERVE FUNDS

(pursuant to Port Authority bond resolutions)	Year ended December 31, 2022			2021
	General Reserve Fund	**Consolidated Bond Reserve Fund**	**Combined Total**	Combined Total
		(In thousands)		
Balance, January 1	$ 2,480,806	$ 928,076	**$ 3,408,882**	$ 3,201,008
Increase in reserve funds*	70,703	1,405,442	**1,476,145**	1,255,069
	2,551,509	2,333,518	**4,885,027**	4,456,077
Applications:				
Repayment of commercial paper	—	—	**—**	25,000
Principal on asset financing obligation	—	4,859	**4,859**	1,678
Interest on asset financing obligations	—	101,564	**101,564**	128,782
Direct investment in facilities	—	867,790	**867,790**	870,697
Change in Accounting Principle - pension/OPEB	—	22,511	**22,511**	21,038
Total applications	—	996,724	**996,724**	1,047,195
Balance, December 31	$ 2,551,509	$ 1,336,794	**$ 3,888,303**	$ 3,408,882

* Combined increase in reserve funds consists of "Transfers to reserves" from the operating fund totaling $1.56 billion, plus financial loss generated on reserve funds of $(87.1) million in 2022.

See Notes to Financial Statements.

Major progress was made on PATH 9-car train project, which will enable increased capacity for NWK-WTC.

STATISTICAL AND OTHER SUPPLEMENTAL INFORMATION

For the Year Ended December 31, 2022

The Statistical and Other Supplemental Information section presents additional information as a means to provide context to the information contained in the Financial Statements, note disclosures, and schedules.

Selected Statistical Financial Trends Data – Schedule D-1

(pursuant to U.S. GAAP)

Trend information is provided to help the reader understand how the Port Authority's financial performance and fiscal condition has changed over time.

Selected Statistical Debt Service Data – Schedule D-2

(pursuant to Port Authority bond resolutions)

The Port Authority has several forms of outstanding financing obligations.

Information on Port Authority revenues, outstanding financing obligations, debt service, and reserves is included here for statistical purposes (more detailed information about the various kinds of debt instruments used by the Port Authority can be found in *Note D – Outstanding Financing Obligations*, and reserve funds are described in Note *E – General and Consolidated Bond Reserve Funds (pursuant to Port Authority bond resolutions)* to the Financial Statements). Debt limitations, including in some cases limits on total authorized amounts or requirements for the issuance of additional bonds, may be found in the various resolutions establishing and authorizing such obligations.

Selected Statistical Financial Data by Business Segment – Schedule D-3

(pursuant to U.S. GAAP)

Schedule provides information on gross operating revenues, operating expenses, and capital investment, summarized by Port Authority business segments.

Information on Port Authority Operations – Schedule E

(pursuant to U.S. GAAP)

Detailed information on Port Authority's operating results including income from operations, non-operating expenses, net interest expense, capital contributions, and net income is provided on a Port Authority operating facility level.

Information on Capital Investment in Port Authority Facilities – Schedule F

(pursuant to U.S. GAAP)

Schedule provides information on capital investment, summarized by Port Authority operating facilities, including current year capital investment and depreciation.

Port Authority Facility Traffic – Schedule G

(unaudited)

This schedule provides comparative information on Port Authority facility traffic relative to vehicles, passengers, containers, cargo, waterborne vehicles, and plane movements.

SCHEDULE D-1 – SELECTED STATISTICAL FINANCIAL TRENDS DATA

(pursuant to U.S. GAAP)

	2022	2021 (Restated)	2020
		(In thousands)	
Revenues, Expenses, and Changes in Net Position:			
Gross operating revenues:			
Tolls and fares	**$ 1,942,726**	$ 1,836,692	$ 1,571,827
Rentals[a][d]	**1,978,706**	1,565,609	1,421,467
Aviation fees	**1,395,424**	1,213,743	907,314
Parking and other	**478,337**	353,261	240,329
Utilities	**182,163**	125,937	112,008
Rentals – Special Project Bonds Projects	**—**	—	81,129
Gross operating revenues	**5,977,356**	5,095,242	4,334,074
Operating expenses:			
Employee compensation, including benefits[c]	**1,438,403**	1,296,724	1,395,588
Contract services	**1,059,209**	938,408	929,520
Rents and amounts in lieu of taxes (PILOT)[d]	**47,434**	59,715	403,661
Materials, equipment, and other	**336,727**	289,810	290,033
Utilities	**243,750**	184,651	163,078
Interest on Special Project Bonds	**—**	—	81,129
Operating expenses	**3,125,523**	2,769,308	3,263,009
Net insurance recoverables	**—**	—	4,033
Depreciation of facilities and landlord leasehold investment	**(1,717,977)**	(1,601,696)	(1,533,267)
Amortization of costs for regional programs	**(17,939)**	(27,393)	(33,217)
Amortization of lease assets, as lessee[d]	**(172,776)**	(167,396)	—
Income/(loss) from operations[c]	**943,141**	529,449	(491,386)
(Loss)/income on investments (including fair value adjustment)[b]	**(83,167)**	(13,544)	81,961
Interest expense on bonds and other asset financing[b]	**(1,109,540)**	(1,152,878)	(1,011,896)
Interest income, as lessor[d]	**140,978**	140,611	—
Interest expense, as lessee[d]	**(220,654)**	(214,019)	—
Net gain/(loss) on disposition of assets	**—**	(4,623)	—
Pass-through grant program payments	**—**	(2,613)	(26,853)
4 WTC associated payments	**32,545**	66,715	65,293
Grants in connection with operating activities	**160,290**	256,609	489,228
Contributions in aid of construction	**290,491**	273,179	258,925
Passenger facility charges	**274,414**	159,854	75,509
Increase/(decrease) in net position December 31,[c][d]	**$ 428,498**	$ $38,740	$ (559,219)
Net position comprises:			
Net investment in capital assets	**$ 14,938,081**	$ 15,406,620	$ 14,954,997
Restricted	**851,723**	606,816	538,552
Unrestricted [c][d]	**260,048**	(392,082)	414,561
Net position December 31,	**$ 16,049,852**	$ 15,621,354	$ 15,908,110

(a) 2014 -2020 Rentals include amortization of unearned income related to the March 2014 transfer of the Port Authority's interests in the WTC Retail Joint Venture. 2021 and 2022 Rentals includes amortization of deferred inflows related to receivables recognized under GASB Statement No. 87, "*Leases*."

(b) For presentation purposes, amortization of bond premiums received at issuance for the years ended 2013 through 2016 have been reclassified from Income on investments to Interest expense on bonds and other asset financing.

See accompanying independent auditors' report.

2019	2018	2017 (Restated)	2016	2015	2014	2013
			(In thousands)			
$ 1,876,911	$ 1,865,384	$ 1,873,622	$ 1,865,481	$ 1,718,770	$ 1,553,625	$ 1,462,957
1,748,683	1,673,994	1,618,439	1,564,527	1,446,980	1,300,818	1,228,491
1,287,263	1,192,454	1,128,352	1,112,436	1,063,902	1,058,416	934,459
408,609	384,088	377,421	399,178	359,631	321,760	315,111
144,176	149,008	139,502	138,987	144,580	149,052	139,835
74,073	79,080	83,053	86,755	92,719	98,141	103,186
5,539,715	5,344,008	5,220,389	5,167,364	4,826,582	4,481,812	4,184,039
1,413,979	1,338,277	1,318,935	1,290,334	1,178,967	1,187,877	1,114,397
1,046,216	934,821	880,331	852,926	833,903	797,516	684,411
388,462	396,048	390,576	352,293	356,162	362,627	301,582
315,676	298,121	252,533	264,977	252,071	277,174	220,859
191,770	195,968	183,482	165,802	186,830	199,919	171,833
74,073	79,080	83,053	86,755	92,719	98,141	103,186
3,430,176	3,242,315	3,108,910	3,013,087	2,900,652	2,923,254	2,596,268
175,678	—	18,323	—	123	53,530	28,229
(1,420,696)	(1,329,283)	(1,231,139)	(1,173,747)	(1,124,383)	(932,149)	(875,979)
(36,730)	(41,874)	(44,164)	(64,765)	(64,665)	(64,484)	(64,275)
—	—	—	—	—	—	—
827,791	730,536	854,499	915,765	737,005	615,455	675,746
87,948	89,304	35,326	(3,974)	4,215	20,060	(2,714)
(968,242)	(937,983)	(908,343)	(900,914)	(882,840)	(648,204)	(612,031)
—	—	—	—	—	—	—
—	—	—	—	—	—	—
—	—	—	—	—	19,043	4,423
(3,142)	(1,438)	(19,717)	(10,695)	(51,429)	(107,606)	(176,848)
65,293	65,293	65,293	41,521	36,766	6,128	36,660
25,665	24,006	39,845	64,315	101,074	207,898	188,409
261,054	252,225	187,473	674,950	586,295	700,267	689,898
292,568	286,395	275,785	264,363	248,707	233,172	224,301
$ 588,935	$ 508,338	$ 530,161	$ 1,045,331	$ 779,793	$ 1,046,213	$ 1,027,844
$ 14,620,518	$ 14,190,682	$ 13,179,105	$ 12,746,144	$ 11,810,573	$ 10,402,894	$ 9,442,138
550,736	500,610	760,912	567,443	456,429	470,857	454,467
1,296,075	1,187,102	1,430,039	3,261,307	3,262,561	3,900,789	3,831,722
$ 16,467,329	$ 15,878,394	$ 15,370,056	$ 16,574,894	$ 15,529,563	$ 14,774,540	$ 13,728,327

(c) 2017 restated amounts include the impact related to the adoption of GASB Statement No. 75, " *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*."
(d) 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "*Leases*."

SCHEDULE D-2 – SELECTED STATISTICAL DEBT SERVICE DATA

(pursuant to Port Authority bond resolutions)	**2022**	2021	2020
		(In thousands)	
Gross Operating Revenues*:			
Tunnels, Bridges, and Terminals	**$ $1,880,833**	$1,796,752	$ 1,542,081
PATH	**123,878**	85,221	82,110
Port	**398,541**	388,414	327,665
Aviation	**3,225,138**	2,508,088	2,032,359
Development	**24,593**	21,372	21,370
World Trade Center	**380,847**	333,497	319,195
Other***	**—**	—	34
Total gross operating revenues	**6,033,830**	5,133,344	4,324,814
Operating expenses:*			
Tunnels, Bridges, and Terminals	**(569,411)**	(524,557)	(552,976)
PATH	**(481,409)**	(467,051)	(447,034)
Port	**(182,529)**	(166,773)	(163,395)
Aviation	**(1,899,501)**	(1,617,594)	(1,752,439)
Development	**(11,070)**	(9,599)	(11,612)
World Trade Center	**(342,499)**	(320,647)	(335,014)
Other***	**—**	—	(539)
Total operating expenses	**$ (3,486,419)**	$ (3,106,221)	$ (3,263,009)
Operating and maintenance contingencies	**—**	—	—
Net insurance recoverables	**—**	—	4,033
Amounts in connection with operating asset obligations	**—**	(708)	(5,851)
Net operating revenues	**2,547,411**	2,026,415	1,059,987
Financial income	**(84,157)**	(13,548)	81,867
Grants and contributions in aid of construction, net	**448,982**	525,452	712,295
Application of WTC Retail Joint Venture Payments**	**16,968**	—	—
Application of Passenger Facility Charges	**63,664**	147,557	131,149
Application of 4 WTC associated payments	**34,745**	66,715	65,293
Restricted Net Revenues – PAICE	**—**	—	—
Net revenues available for debt service and reserves (a)	**3,027,613**	2,752,591	2,050,591
DEBT SERVICE – OPERATIONS			
Interest on bonds and other asset financing obligations (b)	**(1,088,361)**	(1,098,922)	(940,309)
Times, interest earned (a/b)	**2.78**	2.50	2.18
Debt maturities and retirements (c)	**(463,107)**	(398,600)	(387,820)
Times, debt service earned [a/(b+c)]	**1.95**	1.84	1.54
APPLICATION OF RESERVES			
Direct investment in facilities	**(867,790)**	(870,697)	(1,398,366)
Debt retirement acceleration	**—**	—	—
Appropriations for self-insurance and changes in accounting principles	**(22,511)**	(21,038)	(19,662)
Interest on bonds and other asset financing obligations	**(101,564)**	(128,782)	(130,857)
Repayment of asset financing obligations	**(4,859)**	(26,678)	(608)
Acceleration of unamortized brokerage commissions	**—**	—	—
Net increase/(decrease) in reserves	**479,421**	207,874	(827,031)
RESERVE BALANCES			
January 1	**3,408,882**	3,201,008	4,028,039
December 31	**3,888,303**	3,408,882	3,201,008
Reserve funds balances represented by:			
General Reserve	**2,551,509**	2,480,806	2,401,503
Consolidated Bond Reserve	**1,336,794**	928,076	799,505
Total	**$ 3,888,303**	$ 3,408,882	$ 3,201,008
FINANCING OBLIGATIONS AT DECEMBER 31 (at par value)			
Consolidated Bonds and Notes	**$ 24,971,430**	$ 24,189,474	$ 23,388,115
Fund for regional development buy-out obligation	**—**	—	52,898
MOTBY obligation	**40,992**	43,697	46,268
Amounts payable – Special Project Bonds	**—**	—	—
Variable rate master notes	**44,600**	44,600	69,600
Commercial paper obligations	**499,060**	574,000	557,325
Versatile structure obligations	**—**	—	—
Port Authority equipment notes	**—**	—	—
Tower 4 Liberty Bonds	**1,234,705**	1,236,905	1,225,520
Goethals Bridge Replacement Developer Financing Arrangement	**1,022,275**	1,023,286	1,023,398
Total financing obligations	**$ $27,813,062**	$ 27,111,962	$ 26,363,124

* Gross operating revenues and operating expenses include fixed rental payments recognized in accordance with the terms of the underlying lease agreement.
** Commencing in 2014, amounts received in connection with the transfer of the Port Authority interests in the WTC Joint Venture are recognized in their entirety in the year in which they are received.
*** Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, and Regional Facilities and Programs.

See accompanying independent auditors' report.

2019	2018	2017	2016	2015	2014	2013
			(In thousands)			
$ 1,740,044	$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896	$ 1,369,559
210,610	203,800	202,880	191,261	184,560	168,668	150,604
322,061	310,637	295,651	300,569	270,263	248,443	262,526
2,913,161	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106	2,321,300
24,380	25,632	24,967	25,956	26,561	51,077	29,492
319,952	294,735	264,769	252,086	199,883	79,323	50,087
247	207	787	682	756	680	471
5,530,455	5,334,748	5,211,129	5,158,795	4,818,831	4,475,193	4,184,039
(553,759)	(524,212)	(525,862)	(509,529)	(499,873)	(510,383)	(493,429)
(457,515)	(447,552)	(423,384)	(415,251)	(389,276)	(401,273)	(338,926)
(174,213)	(166,405)	(160,495)	(167,724)	(175,976)	(172,545)	(176,459)
(1,886,112)	(1,754,801)	(1,693,563)	(1,612,470)	(1,557,926)	(1,623,190)	(1,466,692)
(11,475)	(11,786)	(12,399)	(10,853)	(13,659)	(15,737)	(15,497)
(346,535)	(333,848)	(312,242)	(293,864)	(258,748)	(192,789)	(94,312)
(567)	(3,711)	(4,973)	(3,396)	(5,194)	(7,337)	(10,953)
(3,430,176)	(3,242,315)	(3,132,918)	(3,013,087)	(2,900,652)	(2,923,254)	(2,596,268)
—	—	—	—	(50,000)	—	—
175,678	—	18,323	—	123	53,530	28,229
(9,529)	(12,921)	(16,050)	(18,871)	(21,387)	(23,734)	(25,908)
2,266,428	2,079,512	2,080,484	2,126,837	1,846,915	1,581,735	1,590,092
87,440	86,250	33,574	(4,784)	4,080	14,687	(2,964)
252,765	220,741	193,381	347,390	321,980	565,444	540,746
—	—	—	77,869	66,963	652,104	—
289,639	433,326	285,335	229,921	273,721	221,156	175,421
65,293	65,293	65,293	41,520	36,766	6,128	36,660
—	—	—	—	—	—	4,305
2,961,565	2,885,122	2,658,067	2,818,753	2,550,425	3,041,254	2,344,260
(872,275)	(868,510)	(858,694)	(824,586)	(810,356)	(635,262)	(556,824)
3.40	3.32	3.10	3.42	3.15	4.79	4.21
(334,500)	(319,090)	(300,905)	(268,520)	(259,315)	(226,205)	(204,000)
2.45	2.43	2.29	2.58	2.38	3.53	3.08
(1,550,920)	(1,771,900)	(1,623,347)	(1,132,915)	(1,949,785)	(1,473,432)	(1,059,756)
—	(8,300)	—	—	—	—	—
(18,375)	—	—	—	—	28,100	10,414
(133,537)	(103,056)	(69,570)	(81,601)	(66,461)	(11,542)	(38,689)
81	(188)	(1,276)	6,669	(51,928)	(105,562)	(15,701)
—	—	—	—	—	—	(46,863)
52,039	(185,922)	(195,725)	517,800	(587,420)	617,351	432,841
3,976,000	4,161,922	4,357,647	3,839,847	4,427,267	3,809,916	3,377,075
4,028,039	3,976,000	4,161,922	4,357,647	3,839,847	4,427,267	3,809,916
2,388,243	2,297,475	2,297,475	2,297,475	2,297,475	2,131,711	2,029,051
1,639,796	1,678,525	1,864,447	2,060,172	1,542,372	2,295,556	1,780,865
$ 4,028,039	$ 3,976,000	$ 4,161,922	$ 4,357,647	$ 3,839,847	$ 4,427,267	$ 3,809,916
$ 22,161,860	$ 20,898,775	$ 20,672,365	$ 20,429,565	$ 21,019,925	$ 19,229,020	$ 18,212,063
100,258	143,939	184,230	221,393	253,732	283,562	311,077
48,711	51,032	53,237	55,332	44,383	48,254	52,329
1,150,415	1,245,835	1,327,680	1,391,170	1,451,170	1,530,510	1,605,515
69,600	69,600	77,900	77,900	77,900	77,900	77,900
500,565	480,765	464,615	388,315	425,760	448,185	348,110
—	—	—	—	—	—	—
—	—	—	—	—	31,500	46,925
1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520	1,225,520
1,022,518	1,021,023	934,198	744,401	430,800	210,316	—
$ 26,279,447	$ 25,136,489	$ 24,939,745	$ 24,533,596	$ 24,929,190	$ 23,084,767	$ 21,879,439

Note: This selected financial data is prepared primarily from information contained in Schedules A, B, and C and is presented for general information only and is not intended to reflect the specific applications of the revenues and reserves of the Port Authority, which are governed by statutes and its bond resolutions.

SCHEDULE D-3 SELECTED STATISTICAL FINANCIAL DATA BY BUSINESS SEGMENT

(pursuant to U.S. GAAP)

	2022	2021[h] (Restated)	2020
		(In thousands)	
Gross Operating Revenues:[b]			
Tunnels, Bridges, and Terminals	**$ 1,879,336**	$ 1,796,696	$ 1,542,081
PATH	**124,003**	85,998	82,110
Port	**396,977**	386,622	327,665
Aviation	**3,223,841**	2,507,776	2,032,359
Development	**21,346**	18,536	21,370
World Trade Center	**331,699**	299,533	328,455
Other[a]	**154**	81	34
Total	**$ 5,977,356**	$ 5,095,242	$ 4,334,074
Operating Expenses:[b]			
Tunnels, Bridges, and Terminals	**$ 569,275**	$ 524,422	$ 552,976
PATH	**481,245**	466,844	447,034
Port	**160,966**	145,723	163,395
Aviation	**1,606,263**	1,345,891	1,752,439
Development	**10,933**	10,879	11,612
World Trade Center	**296,135**	275,268	335,014
Other[c][f]	**706**	281	539
Total	**$ 3,125,523**	$ 2,769,308	$ 3,263,009
Capital Investment:[d]			
Tunnels, Bridges, and Terminals	**$ 297,637**	$ 393,208	$ 582,366
PATH (including WTC Transportation Hub)	**263,945**	329,314	339,882
Port	**29,709**	37,834	43,999
Aviation[g]	**1,086,597**	1,053,077	1,101,960
Development	**—**	—	1
World Trade Center	**80,114**	106,809	216,441
Other[e]	**5,309**	2,709	5,182
Total	**$ 1,763,311**	$ 1,922,951	$ 2,289,831

(a) Includes Ferry Transportation, Access to the Regions Core, Moynihan Station Transportation Program, and Regional Facilities and Programs.
(b) Amounts include all direct and allocated operating expenses.
(c) Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and administrative expenses related to PAICE.
(d) Capital investment includes contributed capital amounts and is reduced by write-offs related to capital construction.

See accompanying independent auditors' report.

2019	2018	2017 (Restated)	2016	2015	2014	2013
			(In thousands)			
$ 1,740,044	$ 1,737,458	$ 1,739,552	$ 1,742,028	$ 1,599,575	$ 1,447,896	$ 1,369,559
210,610	203,800	202,880	191,261	184,560	168,668	150,604
322,061	310,637	295,651	300,569	270,263	248,443	262,526
2,913,161	2,762,279	2,682,523	2,646,213	2,537,233	2,479,106	2,321,300
24,380	25,632	24,967	25,956	26,561	51,077	29,492
329,212	303,995	274,029	260,655	207,634	85,942	50,087
247	207	787	682	756	680	471
$ 5,539,715	$ 5,344,008	$ 5,220,389	$ 5,167,364	$ 4,826,582	$ 4,481,812	$ 4,184,039
$ 553,759	$ 524,212	$ 525,862	$ 509,529	$ 499,873	$ 510,383	$ 493,429
457,515	447,552	423,384	415,251	389,276	401,273	338,926
174,213	166,405	160,495	167,724	175,976	172,545	176,459
1,886,112	1,754,801	1,693,563	1,612,470	1,557,926	1,623,190	1,466,692
11,475	11,786	12,399	10,853	13,659	15,737	15,497
346,535	333,848	312,242	293,864	258,748	192,789	94,312
567	3,711	(19,035)	3,396	5,194	7,337	10,953
$ 3,430,176	$ 3,242,315	$ 3,108,910	$ 3,013,087	$ 2,900,652	$ 2,923,254	$ 2,596,268
$ 697,449	$ 931,539	$ 885,311	$ 1,179,307	$ 956,231	$ 961,854	$ 413,946
358,166	340,635	274,429	454,031	268,428	512,415	559,104
120,019	146,153	106,455	133,874	93,729	210,496	180,760
1,588,820	989,693	772,520	584,996	791,805	715,456	468,319
111	3,682	893	1,569	2,110	1,977	527
266,795	314,472	311,122	846,597	904,787	1,674,030	1,373,328
6,307	39,547	150,409	290	3,144	3,822	3,221
$ 3,037,667	$ 2,765,721	$ 2,501,139	$ 3,200,664	$ 3,020,234	$ 4,080,050	$ 2,999,205

(e) Includes Ferry Transportation, Access to the Regions Core, Regional Facilities and Programs, Moynihan Station Transportation Program, and Gateway Early Work Program.
(f) 2017 restated amount includes $(24) million related to the adoption of GASB Statement No. 75, "*Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*."
(g) Excludes LaGuardia Terminal B landlord leasehold capital investment of $164 million in 2022, $95 million in 2021, and $277 million in 2020.
(h) 2021 amounts include impacts related to the adoption of GASB Statement No. 87, "*Leases*."

SCHEDULE E – INFORMATION ON PORT AUTHORITY OPERATIONS

(pursuant to U.S. GAAP)

	Year ended December 31, 2022								2021 (Restated)
	Gross Operating Revenues(e)	Operating Expenses(a)	Depreciation & Amortization	Amortization of Lease Assets	Income/(Loss) from Operations	Interest, Grants & Other Expenses(b)	Capital Contributions & PFCs	Increase/ (Decrease) in Net Position	Increase/ (Decrease) in Net Position
					(In thousands)				
INTERSTATE TRANSPORTATION NETWORK									
George Washington Bridge & Bus Station	$850,870	$134,849	$ 71,132	$ —	$ 644,889	$ 46,718	$ —	**$ 598,171**	$ 609,269
Holland Tunnel	198,086	92,546	28,160	—	77,380	19,246	30,049	**88,183**	83,137
Lincoln Tunnel	295,102	122,546	87,219	137	85,200	77,103	(279)	**7,818**	(9,209)
Bayonne Bridge	48,721	21,314	34,455	—	(7,048)	73,219	—	**(80,267)**	(78,584)
Goethals Bridge	275,999	30,966	44,283	—	200,750	84,672	—	**116,078**	101,376
Outerbridge Crossing	174,942	18,791	8,305	—	147,846	4,658	—	**143,188**	139,585
Port Authority Bus Terminal	35,616	148,263	34,407	—	(147,054)	19,443	—	**(166,497)**	(153,247)
Subtotal – Tunnels, Bridges & Terminals	1,879,336	569,275	307,961	137	1,001,963	325,059	29,770	**706,674**	692,327
PATH[c]	118,767	448,672	141,639	161	(471,705)	250,636	136,056	**(586,285)**	(573,968)
WTC Transportation Hub[c]	—	13,091	82,210	—	(95,301)	—	—	**(95,301)**	(93,192)
Journal Square Transportation Center[c]	5,236	19,482	4,220	—	(18,466)	2,363	—	**(20,829)**	(17,115)
Subtotal – PATH	124,003	481,245	228,069	161	(585,472)	252,999	136,056	**(702,415)**	(684,275)
Ferry Transportation	154	706	4,995	21	(5,568)	3,546	—	**(9,114)**	(8,841)
Access to the Regions Core ("ARC")	—	—	—	—	—	906	—	**(906)**	(896)
Moynihan Station Transportation Program	—	—	10,000	—	(10,000)	5,257	—	**(15,257)**	(15,428)
Gateway Early Work Program	—	—	2,333	—	(2,333)	1,591	—	**(3,924)**	(2,603)
Total Interstate Transportation Network	2,003,493	1,051,226	553,358	319	398,590	589,358	165,826	**(24,942)**	(19,716)
AVIATION									
LaGuardia[d]	526,006	324,079	204,518	29,436	(32,027)	117,717	76,897	**(72,847)**	(66,449)
JFK International[d]	1,486,100	712,677	220,838	70,022	482,563	94,274	202,872	**591,161**	226,693
Newark Liberty International[d]	1,142,235	511,945	173,568	55,400	401,322	137,467	103,014	**366,869**	329,530
Teterboro	61,058	31,494	22,545	—	7,019	7,025	532	**526**	(359)
New York Stewart International[d]	8,442	26,068	11,806	846	(30,278)	2,972	3,793	**(29,457)**	(27,196)
Total Aviation	3,223,841	1,606,263	633,275	155,704	828,599	359,455	387,108	**856,252**	462,219
PORT									
Port Newark	111,340	73,799	33,097	7,667	(3,223)	43,131	—	**(46,354)**	(40,247)
Elizabeth Port Authority Marine Terminal	200,914	29,207	21,597	—	150,110	27,926	—	**122,184**	111,858
Brooklyn Port Authority Marine Terminal	8,023	14,303	3,181	—	(9,461)	2,945	—	**(12,406)**	(11,486)
Red Hook Terminal	2,443	5,328	37	—	(2,922)	—	—	**(2,922)**	(4,289)
Howland Hook Marine Terminal	27,292	10,261	10,526	767	5,738	17,018	—	**(11,280)**	(20,775)
Greenville Yard Port Authority Marine Terminal	1,121	164	—	—	957	—	—	**957**	901
NYNJ Rail LLC	6,947	6,138	5,471	—	(4,662)	5,295	67	**(9,890)**	(10,447)
Port Jersey – Port Authority Marine Terminal	38,897	21,766	14,788	—	2,343	20,757	4,056	**(14,358)**	(10,720)
Total Port	396,977	160,966	88,697	8,434	138,880	117,072	4,123	**25,931**	14,795
DEVELOPMENT									
Essex County Resource Recovery Facility	2,901	50	—	—	2,851	62	—	**2,789**	2,569
Industrial Park at Elizabeth	1,075	198	249	—	628	(366)	—	**994**	(98)
Bathgate Industrial Park	—	53	—	—	(53)	4	—	**(57)**	54
Teleport	11,899	10,022	1,537	331	9	94	—	**(85)**	(1,311)
Newark Legal & Communications Center	10	114	—	—	(104)	—	—	**(104)**	(247)
Queens West Waterfront Development	1,257	—	1,675	—	(418)	2,444	—	**(2,862)**	(498)
Hoboken South Waterfront Development	4,204	496	2,387	—	1,321	(6,804)	—	**8,125**	7,655
Total Development	21,346	10,933	5,848	331	4,234	(4,566)	—	**8,800**	8,124
WORLD TRADE CENTER									
WTC Campus	3,307	98,164	117,762	—	(212,619)	23,109	7,848	**(227,880)**	(217,084)
One World Trade Center	231,021	139,823	131,314	—	(40,116)	94,184	—	**(134,300)**	(128,564)
WTC Towers 2, 3 & 4	37,245	32,958	78,570	—	(74,283)	(97,973)	—	**23,690**	16,154
WTC Tower 7	32,729	16,722	—	—	16,007	(4,335)	—	**20,342**	18,849
WTC Retail	27,397	8,468	46,298	—	(27,369)	2,093	—	**(29,462)**	(32,049)
Total World Trade Center	331,699	296,135	373,944	—	(338,380)	17,078	7,848	**(347,610)**	(342,694)
LaGuardia Terminal B landlord leasehold investment	—	—	62,855	—	(62,855)	—	—	**(62,855)**	(46,705)
Regional Facilities and Programs	—	—	17,939	7,988	(25,927)	1,151	—	**(27,078)**	(37,283)
Total $	5,977,356	$3,125,523	$1,735,916	$ 172,776	$ 943,141	$ 1,079,548	$ 564,905	**$ 428,498**	$ 38,740

(a) Amounts include direct and allocated operating expenses.
(b) Amounts include net interest expense (interest expense less financial income), Tower 4 Liberty Bond debt service reimbursements, pass-through grant program payments, grants in connection with operating activities, and gains or losses generated by the disposition of assets, if any.
(c) PATH Gross operating revenues include PATH fares collected at the WTC and Journal Square Transportation Center PATH stations.
(d) Facility amounts include Passenger Facility Charge activities.
(e) Gross operating revenues includes the amortization of deferred inflows of resources related to lease receivables recognized under GASB Statement No. 87, "*Leases.*"
See accompanying independent auditors' report.

SCHEDULE F – INFORMATION ON CAPITAL INVESTMENT IN PORT AUTHORITY FACILITIES

(pursuant to U.S. GAAP)	December 31, 2021	Capital Investment[(a)]	Depreciation	Dispositions	December 31, 2022
			(In thousands)		
INTERSTATE TRANSPORTATION NETWORK					
George Washington Bridge & Bus Station	$ 1,659,597	$ 154,055	$ $71,132	$ —	**$ 1,742,520**
Holland Tunnel	599,415	48,297	28,160	—	**619,552**
Lincoln Tunnel	1,769,521	50,223	87,219	—	**1,732,525**
Bayonne Bridge	1,542,220	(65)	34,455	—	**1,507,700**
Goethals Bridge	1,499,661	888	44,283	—	**1,456,266**
Outerbridge Crossing	117,087	911	8,305	—	**109,693**
Port Authority Bus Terminal	597,496	43,328	34,407	—	**606,417**
Subtotal – Tunnels, Bridges & Terminals	7,784,997	297,637	307,961	—	**7,774,673**
PATH	3,337,137	248,158	141,639	—	**3,443,656**
WTC Transportation HUB	3,284,803	12,147	82,210	—	**3,214,740**
Journal Square Transportation Center	59,356	3,640	4,220	—	**58,776**
Subtotal – PATH	6,681,296	263,945	228,069	—	**6,717,172**
Ferry Transportation	77,723	—	4,995	—	**72,728**
Access to the Region's Core ("ARC")	30,227	—	—	—	**30,227**
Moynihan Station Transportation Program	109,128	—	10,000	—	**99,128**
Gateway Early Work Program	49,520	5,309	2,333	—	**52,496**
Total Interstate Transportation Network	14,732,891	566,891	553,358	—	**14,746,424**
AVIATION[(b)]					
LaGuardia	2,823,936	311,697	204,518	—	**2,931,115**
JFK International	3,647,334	235,006	220,838	—	**3,661,502**
Newark Liberty International	4,289,484	515,522	173,568	—	**4,631,438**
Teterboro	201,562	22,179	22,545	—	**201,196**
New York Stewart International	149,935	2,193	11,806	—	**140,322**
Total Aviation	11,112,251	1,086,597	633,275	—	**11,565,573**
PORT					
Port Newark	742,982	11,570	33,097	—	**721,455**
Elizabeth Port Authority Marine Terminal	893,931	69	21,597	—	**872,403**
Brooklyn Port Authority Marine Terminal/Red Hook Terminal	76,191	1,343	3,218	—	**74,316**
Howland Hook Marine Terminal	435,829	51	10,526	—	**425,354**
Greenville Yard Port Authority Marine Terminal/NY NJ Rail LLC	184,927	6,544	5,471	—	**186,000**
Port Jersey-Port Authority Marine Terminal	478,298	10,132	14,788	—	**473,642**
Total Port	2,812,158	29,709	88,697	—	**2,753,170**
DEVELOPMENT					
Essex County Resource Recovery Facility	5,805	—	—	—	**5,805**
Industrial Park at Elizabeth	4,538	—	249	—	**4,289**
Teleport	3,317	—	1,537	—	**1,780**
Queens West Waterfront Development	82,468	—	1,675	—	**80,793**
Hoboken South Waterfront Development	53,324	—	2,387	—	**50,937**
Total Development	149,452	—	5,848	—	**143,604**
WORLD TRADE CENTER					
WTC Campus[(c)]	3,918,200	61,739	117,761	—	**3,862,178**
One World Trade Center	3,112,141	15,197	131,314	—	**2,996,024**
WTC Towers 2, 3 & 4[(d)]	2,658,807	1,463	78,571	—	**2,581,699**
WTC Retail	1,672,684	1,715	46,298	—	**1,628,101**
Total World Trade Center	11,361,832	80,114	373,944	—	**11,068,002**
FACILITIES, net	40,168,584	1,763,311	1,655,122	—	**40,276,773**
LaGuardia Terminal B landlord leasehold investment	1,034,390	164,451	62,855	—	**1,135,986**
TOTAL	$ 41,202,974	$ 1,927,762	$ 1,717,977	$ —	**$ 41,412,759**
REGIONAL FACILITIES & PROGRAMS	$ 32,846	$ —	$ 17,939	$ —	**$ 14,907**

(a) Capital investment includes contributed capital amounts and is reduced by capital write-offs.
(b) Facility capital investment amounts include projects funded with Passenger Facility Charges.
(c) Capital investment includes campus-wide infrastructure primarily related to utilities, roadways, WTC Memorial, WTC Vehicular Security Center, and the WTC Chiller Plant.
(d) Includes WTC net lessee required capital contributions related to the construction of WTC Towers 3 and 4.

See accompanying independent auditors' report.

SCHEDULE G – PORT AUTHORITY FACILITY TRAFFIC (UNAUDITED)*

	2022	2021	2020
TUNNELS AND BRIDGES (Eastbound Traffic)			
AUTOMOBILES			
George Washington Bridge	**45,594,258**	45,107,088	38,784,553
Lincoln Tunnel	**17,181,771**	15,631,752	11,513,663
Holland Tunnel	**14,299,537**	13,647,628	11,061,685
Staten Island Bridges	**33,557,483**	32,118,961	27,572,632
Subtotal Automobiles	**110,633,049**	106,505,429	88,932,533
BUSES			
George Washington Bridge	**256,445**	277,876	253,278
Lincoln Tunnel	**1,526,562**	1,399,329	1,395,997
Holland Tunnel	**43,961**	38,187	53,052
Staten Island Bridges	**156,059**	142,270	104,646
Subtotal Buses	**1,983,027**	1,857,662	1,806,973
TRUCKS			
George Washington Bridge	**4,103,693**	3,887,376	3,704,358
Lincoln Tunnel	**979,555**	870,595	772,995
Holland Tunnel	**365,493**	335,758	324,381
Staten Island Bridges	**2,652,206**	2,596,494	2,287,868
Subtotal Trucks	**8,100,947**	7,690,223	7,089,602
TOTAL VEHICLES			
George Washington Bridge	**49,954,396**	49,272,340	42,742,189
Lincoln Tunnel	**19,687,888**	17,901,676	13,682,655
Holland Tunnel	**14,708,991**	14,021,573	11,439,118
Staten Island Bridges	**36,365,748**	34,857,725	29,965,146
Subtotal Vehicles	**120,717,023**	116,053,314	97,829,108
PATH			
Total Passengers	**42,582,013**	29,245,022	27,005,307
Passenger Weekday Average	**137,016**	90,941	90,287
MARINE TERMINALS			
General Cargo[a] (metric tons)	**39,736,739**	36,505,473	34,829,323
Containers (in 20-ft equivalent units)	**9,493,664**	8,985,929	7,585,819
International Waterborne Vehicles	**444,129**	458,026	469,529
Waterborne Bulk Commodities (in metric tons)	**3,558,203**	4,037,804	3,010,322
CONTAINERS			
New Jersey Marine Terminals	**4,730,639**	4,550,386	4,038,301
New York Marine Terminals	**522,008**	429,348	217,200
Subtotal Containers	**5,252,647**	4,979,734	4,255,501
BUS TERMINALS			
BUS DEPARTURES			
Port Authority Bus Terminal	**865,400**	840,000	835,000
George Washington Bridge Bus Station	**105,000**	105,000	103,000
PATH Journal Square Transportation Center Bus Station	**289,000**	289,704	291,921
Total Departures	**1,259,400**	1,234,704	1,229,921
AVIATION			
PLANE MOVEMENTS			
John F. Kennedy International Airport	**448,847**	290,778	199,767
LaGuardia Airport	**349,298**	175,765	139,178
Newark Liberty International Airport	**401,422**	282,280	211,460
New York Stewart International Airport	**28,197**	25,951	22,513
Subtotal Plane Movements	**1,227,764**	774,774	572,918
DOMESTIC PASSENGERS			
John F. Kennedy International Airport	**28,449,455**	18,037,803	8,267,666
LaGuardia Airport	**27,984,278**	15,319,871	7,853,368
Newark Liberty International Airport	**31,943,547**	22,446,527	12,121,093
New York Stewart International Airport	**244,664**	135,144	97,392
Subtotal Domestic Passengers	**88,621,944**	55,939,345	28,339,519
INTERNATIONAL PASSENGERS			
John F. Kennedy International Airport	**26,838,256**	12,750,519	8,362,976
LaGuardia Airport	**1,013,314**	281,192	391,824
Newark Liberty International Airport	**11,621,797**	6,603,025	3,771,799
New York Stewart International Airport	**53,287**	—	—
Subtotal International Passengers	**39,526,654**	19,634,736	12,526,599
TOTAL PASSENGERS			
John F. Kennedy International Airport	**55,287,711**	30,788,322	16,630,642
LaGuardia Airport	**28,997,592**	15,601,063	8,245,192
Newark Liberty International Airport	**43,565,344**	29,049,552	15,892,892
New York Stewart International Airport	**297,951**	135,144	97,392
Subtotal Passengers	**128,148,598**	75,574,081	40,866,118
CARGO-TONS			
John F. Kennedy International Airport	**1,532,289**	1,573,598	1,152,601
LaGuardia Airport	**6,662**	6,328	5,826
Newark Liberty International Airport	**749,559**	791,442	695,345
New York Stewart International Airport	**24,707**	30,996	24,145
Subtotal Cargo-tons	**2,313,217**	2,402,364	1,877,917
Revenue mail-tons	**145,260**	146,672	135,733

* Certain 2022 numbers reflect estimated data based on available year-end information and are subject to revision.

See accompanying independent auditors' report.

2019	2018	2017	2016	2015	2014	2013
47,700,000	47,264,000	47,594,000	47,497,000	46,361,000	45,136,000	45,364,000
15,317,000	15,742,000	15,841,000	15,993,000	15,706,000	15,597,000	15,580,000
15,033,000	14,460,000	14,247,000	14,727,000	14,763,000	14,915,000	15,511,000
33,636,000	32,373,000	31,430,000	30,303,000	28,883,000	28,317,000	28,997,000
111,686,000	109,839,000	109,112,000	108,520,000	105,713,000	103,965,000	105,452,000
440,000	448,000	442,000	440,000	429,000	426,000	429,000
2,186,000	2,170,000	2,161,000	2,164,000	2,165,000	2,151,000	2,128,000
159,000	168,000	179,000	191,000	199,000	209,000	220,000
167,000	186,000	180,000	177,000	176,000	172,000	171,000
2,952,000	2,972,000	2,962,000	2,972,000	2,969,000	2,958,000	2,948,000
3,821,000	3,792,000	3,684,000	3,692,000	3,666,000	3,475,000	3,609,000
1,031,000	1,048,000	1,037,000	1,055,000	1,061,000	1,043,000	1,038,000
443,000	443,000	446,000	447,000	447,000	446,000	427,000
2,295,000	2,163,000	2,153,000	2,085,000	2,091,000	2,131,000	2,214,000
7,590,000	7,446,000	7,320,000	7,279,000	7,265,000	7,095,000	7,288,000
51,961,000	51,504,000	51,720,000	51,629,000	50,456,000	49,037,000	49,402,000
18,534,000	18,960,000	19,039,000	19,212,000	18,932,000	18,791,000	18,746,000
15,635,000	15,071,000	14,872,000	15,365,000	15,409,000	15,570,000	16,158,000
36,098,000	34,722,000	33,763,000	32,565,000	31,150,000	30,620,000	31,382,000
122,228,000	120,257,000	119,394,000	118,771,000	115,947,000	114,018,000	115,688,000
82,219,587	81,733,402	82,812,915	78,553,560	76,541,453	73,679,425	72,748,729
284,380	280,860	283,719	269,081	258,425	250,071	244,484
41,090,000	37,577,000	35,450,000	32,556,203	36,781,069	35,370,355	34,059,540
7,471,131	7,179,788	6,710,817	6,251,953	6,371,720	5,772,303	5,467,347
570,023	573,035	577,223	505,150	477,170	393,391	452,778
3,639,822	3,686,686	3,975,000	3,212,603	5,050,519	5,042,690	3,732,292
3,950,890	3,828,434	3,599,514	3,416,144	3,427,226	3,098,049	2,895,769
287,217	267,020	246,910	186,364	236,787	244,237	274,066
4,238,107	4,095,454	3,846,424	3,602,508	3,664,013	3,342,286	3,169,835
1,190,000	1,203,000	1,199,000	1,193,000	1,179,000	1,166,000	1,155,000
166,000	171,000	172,000	172,000	170,000	168,000	167,000
482,725	479,960	478,900	478,640	478,560	470,060	469,900
1,838,725	1,853,960	1,849,900	1,843,640	1,827,560	1,804,060	1,791,900
456,060	455,495	448,366	448,753	439,298	423,421	406,181
374,078	371,905	369,152	369,987	358,609	360,834	370,861
446,320	453,377	438,578	431,594	413,873	396,386	413,774
33,222	32,542	34,787	37,295	37,834	36,881	38,905
1,309,680	1,313,319	1,290,883	1,287,629	1,249,614	1,217,522	1,229,721
28,233,791	28,117,337	26,961,081	27,245,463	26,806,854	25,021,432	23,913,096
28,875,041	27,857,697	27,474,292	27,996,763	26,684,923	25,157,202	24,953,572
32,004,140	31,730,735	30,330,568	27,995,353	25,693,128	23,762,627	23,716,837
366,124	366,130	307,621	275,421	281,754	309,357	320,682
89,479,096	88,071,899	85,073,562	83,513,000	79,466,659	74,250,618	72,904,187
34,317,281	33,518,898	32,518,263	31,693,184	30,079,898	28,198,994	26,541,183
2,209,853	2,224,430	2,087,936	1,790,006	1,752,745	1,814,893	1,727,528
14,332,312	14,128,785	12,891,846	12,324,428	11,805,317	11,848,060	11,299,399
159,591	324,281	141,077	—	—	—	—
51,019,037	50,196,394	47,639,122	45,807,618	43,637,960	41,861,947	39,568,110
62,551,072	61,636,235	59,479,344	58,938,647	56,886,752	53,220,426	50,454,279
31,084,894	30,082,127	29,562,228	29,786,769	28,437,668	26,972,095	26,681,100
46,336,452	45,859,520	43,222,414	40,319,781	37,498,445	35,610,687	35,016,236
525,715	690,411	448,698	275,421	281,754	309,357	320,682
140,498,133	138,268,293	132,712,684	129,320,618	123,104,619	116,112,565	112,472,297
1,338,415	1,422,160	1,394,509	1,311,191	1,332,091	1,343,855	1,321,035
6,376	5,996	6,878	7,586	7,721	7,140	6,720
825,266	848,161	822,589	746,770	405,214	666,840	663,155
23,606	22,808	20,834	18,729	15,144	15,227	17,490
2,193,663	2,299,125	2,244,810	2,084,276	1,760,170	2,033,062	2,008,400
177,413	154,244	153,733	140,418	126,026	112,524	158,778

(a) International oceanborne general and bulk cargo as recorded in the New York–New Jersey Customs District.

Jogger along the Geothals Bridge shared used path for pedestrians and bicyclists.

V

STATISTICAL SECTION

SELECTED STATISTICAL DEMOGRAPHIC AND ECONOMIC DATA

The New York–New Jersey Metropolitan Region, one of the largest and most diversified in the nation, consists of the five New York boroughs of Manhattan, Brooklyn, Queens, Staten Island, and The Bronx; the four suburban counties of Nassau, Rockland, Suffolk, and Westchester; and the nine northern New Jersey counties of Bergen, Essex, Hudson, Middlesex, Morris, Monmouth, Passaic, Somerset, and Union. The following demographic information is provided for this 18-county region that comprises approximately 4,500 square miles.

Year	Population	Personal Disposable Income	Per-Capita Personal Disposable Income	Employment	Unemployment Rate
		(In thousands)			
2022[1]	**18,757**	**$ 1,332,001**	**$ 71.01**	**9,173**	**4.6%**
2021	18,747	$ 1,343,838	$ 71.68	8,720	7.5%
2020	19,024	$ 1,285,876	$ 67.59	8,486	10.4%
2019	18,977	$ 1,214,136	$ 63.98	9,390	3.6%
2018	18,865	$ 1,163,023	$ 61.65	9,263	3.9%
2017	18,750	$ 1,116,951	$ 59.57	9,134	4.4%
2016	18,634	$ 1,052,793	$ 56.50	8,975	4.7%
2015	18,518	$ 1,005,352	$ 54.29	8,809	5.2%
2014	18,400	$ 968,383	$ 52.63	8,624	6.3%
2013	18,280	$ 926,308	$ 50.67	8,453	7.8%

Leading Employment by Major Industries (% of Total)[2]

	2022[3]	2013
Education & Health Services	**20.0%**	17.0%
Professional & Business Services	**14.8%**	13.7%
Trade Transportation & Utilities	**14.3%**	15.5%
Government	**11.4%**	12.5%
Financial Activities	**8.1%**	8.0%
Retail Trade	**7.9%**	8.1%
Leisure & Hospitality	**7.4%**	8.7%
Information	**3.6%**	3.2%
Other Services	**3.5%**	3.8%
Wholesale Trade	**3.3%**	3.8%
Construction	**3.3%**	3.0%
Manufacturing	**2.4%**	2.9%

Sources: Oxford Economics and BLS

(1) Data is preliminary and subject to revision.
(2) Industry definitions can be found at the U.S. Department of Labor Statistics website at www.bls.gov/bls/naics.htm.
(3) BLS Data is preliminary and subject to revision.

AUTHORIZED POSITIONS BY DEPARTMENT

Department	
Aviation	1,541
PATH	1,270
Tunnels, Bridges & Terminals	876
Operations Services	421
Port	190
World Trade Center	24
Office of the Chief Operating Officer	7
Total Line Departments	**4,329**
Port Authority Police Department	1,852
Security Operations & Programs	100
Security Business Resource Management	64
Preparedness, Intelligence & Inspections	25
Office of the Chief Security Officer	5
Total Security Departments	**2,046**
Engineering	**543**
Comptrollers'	84
Treasury	33
Management & Budget	28
Financial Planning	10
Office of the Chief Financial Officer	12
Total Finance Departments	**167**
Inspector General / Office of Investigations	68
Audit	62
Total Inspector General	**130**
Major Capital Projects / WTC Construction	**109**
Human Capital / Human Resources	93
Labor Relations	11
Total Human Capital / Human Resources	**104**
General Counsel / Law	**97**
Technology Services	**89**
Procurement	**75**
Real Estate	18
Project Management Office	16
Planning & Regional Development	15
Office of Sustainability	14
Office of the Chief Development Officer	7
Office of Continuous Improvement	3
Total Development Departments	**73**
Chief Health & Safety Officer	**52**
Marketing	27
Media Relations	10
Office of the Chief Communications Officer	3
Total Communication Departments	**40**
Diversity & Inclusion Office	**31**
Office of the Secretary	**19**
Priority Programs	**18**
Intergovernmental Affairs	**16**
Gateway	**6**
Ethics & Compliance	**6**
Office of the Executive Director	**5**
TOTAL AUTHORIZED POSITIONS	**7,955**

Source: 2023 Adopted Budget

TOP 20 SALARIED STAFF AS OF DECEMBER 31, 2022

HUNTLEY A. LAWRENCE
Acting Chief Operating Officer
2021 total compensation: $355,579
M.B.A., Dowling College
B.S., Florida Institute of Technology
More than 30 years of aviation leadership experience.

JAMES R. GILL
General Manager, Newark Liberty International Airport
2021 total compensation: $338,350
B.S., Duquesne University
M.B.A., Duquesne University
Over 20 years of senior leadership experience in the aviation industry.

MICHAEL E. FARBIARZ
General Counsel
2021 total compensation: $307,028
J.D., Yale Law School
B.A., Harvard College
Extensive legal experience, including in senior public sector posts.

ELIZABETH M. MCCARTHY
Chief Financial Officer
2021 total compensation: $304,414
B.S., St. Louis University
More than 30 years of financial experience in the public and private sectors.

STEVEN P. PLATE
Chief, Major Capital Projects
2021 total compensation: $338,202
B.S., Manhattan College
More than 30 years of experience in program management in the private and public sectors.

RICHARD COTTON
Executive Director
2021 total compensation: $279,865
J.D., Yale Law School A.B., Harvard College
More than 30 years of private sector, legal, and public sector management experience.

DEREK H. UTTER
Chief Development Officer
2021 total compensation: $285,849
M.B.A., the Wharton School of the University of Pennsylvania
B.A., University of California, Los Angeles
More than 25 years of infrastructure, corporate finance, and government experience.

TERESA A. RIZZUTO[1]
General Manager , John F. Kennedy International Airport
2022 total compensation: $259,428
More than 30 years of aviation management experience.

CHARLES R. EVERETT[2]
Director, Aviation
2022 total compensation: $271,713
B.A. University of Pennsylvania
More than 35 years of experience in transportation and aviation leadership.

JAMES D. HEITMANN
Deputy Director
2021 total compensation: $284,071
B.E., Stevens Institute of Technology
More than 35 years of engineering, project management, and aviation leadership experience.

MARY LEE HANNELL
Chief, Human Capital
2021 total compensation: $294,653
B.A., Drew University
More than 30 years of professional experience in human resources in the private and public sectors.

ROBERT E. GALVIN
Chief Technology Officer
2021 total compensation: $271,891
B.S., Central Michigan University
More than 25 years of information technology experience in the public and private sectors.

JAMES O. STARACE
Chief Engineer
2021 total compensation: $298,311
M.S., Stevens Institute of Technology
B.S., State University of New York, Maritime College
More than 30 years of engineering, project, and construction management experience.

ALAN L. REISS
Director, World Trade Center Construction
2021 total compensation: $342,611
B.S., Northeastern University
More than 30 years of engineering, project management, and executive management experience.

JANET COX
Chief of Staff & Special Counselor to Executive Director
2021 total compensation: $281,557
M.P.A. Baruch College
B.S. Stony Brook University
More than 30 years of experience in the public sector.

DIANNAE C. EHLER
Director, Tunnels, Bridges & Terminals
2021 total compensation: $268,844
M.B.A., Fordham University
M.C.E., Manhattan College
B.C.E., Manhattan College
More than 30 years of transportation leadership experience.

AMY H. FISHER
First Deputy General Counsel
2021 total compensation: $271,145
J.D., Columbia University School of Law
B.A., Wesleyan University
More than 35 years of legal experience, including regulatory affairs and compliance.

CLARELLE D. DEGRAFFE
Director/General Manager, Port Authority Trans-Hudson (PATH)
2021 total compensation: $263,218
B.E., Stevens Institute of Technology
More than 17 years of public and private sector railroad construction and logistics experience.

JOHN GAY
Inspector General
2021 total compensation: $267,801
J.D. American University, Washington College of Law
BA Rutgers University
More than 30 years of legal experience in the public sector.

LILLIAN D. VALENTI
Chief, Procurement & Contracting Officer
2022 total compensation: $276,698
M.A., Columbia University
B.A., Lafayette College
More than 15 years of public sector leadership and management experience.

1 Ms. Rizzuto became General Manager for JFK of the Port Authority on April 25, 2022
2 Mr. Everett became Director of Aviation of the Port Authority on May 16, 2022
Notes: Total compensation includes cash and imputed amounts earned during calendar year 2022. Cash compensation for 2022 includes the last pay period in 2021 that was paid in 2022 at the 2021 annual rate.

Major progress was realized at the World Trade Center campus with the completion and opening of the St. Nicholas Greek Orthodox Church and Shrine and the near completion of the Performing Arts Center.

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AIR LAND RAIL SEA

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